



City of Gloucester

Five Year Tourism Marketing Plan

Part I: Organizational Structure

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I. Introduction

Gloucester is a city rich in maritime history, offering a wide range of activities and attractions for visitors. For nearly four hundred years, Gloucester has attracted fishermen and artists alike who live and work in a community that has become a draw for tourism. Located just 35 miles north of Boston, the City of Gloucester is perfectly positioned to target both domestic and international visitors to the region. By leveraging existing products, the area can increase market share of visitors to Massachusetts.

Unlike so many communities, Gloucester is an authentic and real place that is true to its maritime and artistic roots. Visitors are drawn to experiencing the working waterfront, including the HarborWalk. They visit Gloucester for the opportunity to enjoy the beaches, whale watching, charter fishing, schooner and dinner boat excursions. They also travel to Gloucester for its rich arts and cultural offerings. From museums to historic homes and exploring the two cultural districts to enjoying the fiestas and festivals there is so much for visitors to experience. In addition, there are incredible natural resources for active outdoor recreation such as hiking, biking, and surfing. An eclectic assortment of shopping and dining options can be found, as well, which makes for a well rounded experience for visitors to Gloucester.

The visitor-based economy is one of the three elements that comprise Gloucester's economic development vision for the waterfront. The other two areas are: continuing to support the port's traditional fishing and seafood processing uses while also supporting emerging 21st century marine science and technology uses.

As documented in Gloucester's 2014 Harbor Plan, approximately 2,900 of Gloucester 10,000 jobs are in the maritime sector. Of those, 890 are within the tourism cluster—more than the education/science/membership, seafood, or fleet clusters. However, the cumulative wages realized by tourism jobs are the lowest of the four clusters. Tourism generates important revenues to the City through taxes and parking fees. In fact, in FY2013, visitors to Gloucester (defined as those who traveled more than 50 miles one way or stayed overnight) generated \$91 million in revenue for the City. In addition, many businesses that are valued by the year-round community would not have sufficient revenue to stay open all year were it not for the visitor base. Although tourism is an

important part of the Gloucester's economic makeup, it is not the sole focus of the City's economic development efforts.

That being said, the City, along with its tourism, cultural and business partners, sees this as an important juncture to support the visitor-based economy in order to make economic development progress. Key stakeholders in the both the public and private sectors recognize the importance of the visitor industry to the community. There is an understanding that local businesses can't survive on locals alone and that tourism also helps to build community and foster neighborhood vitality.

With limited public sector support, there have been a variety of organizations that have run various portions of visitor marketing and promotions on a volunteer basis for Gloucester. This was done in an effort to try to stay competitive with other communities who have invested heavily in tourism promotion efforts over the past several years. While this has been helpful, Gloucester has been unable to keep pace with the rest of the state. According to the Massachusetts Department of Revenue Monthly Report of Collections and Refunds, the following shows growth in the collections of hotels tax for the Commonwealth of Massachusetts and Gloucester during the same time period.

	FY2014	FY2013	FY2012
% of Growth MA	7.8%	5.9%	9.8%
% of Growth Gloucester	1.6%	13.7%	-3.5

Rooms occupancy tax revenues grew on average 7.8% per year over a three-year period for Massachusetts, while over the same time period, Gloucester collections grew by only 3.8%.

However, there is every indication that the community is ready and eager for an official, professionally run entity to market and promote Gloucester and all of its wonderful offerings to visitors. It is imperative for the City to develop new revenue streams in order to maintain the current level of city services. Without new growth dollars, the city will not be able to keep up with rising costs, let alone fund new initiatives. As a result, the City of Gloucester has restored a small, but significant segment of funding for citywide tourism promotion and marketing, a key economic engine for Gloucester, representing \$91 million in revenue.

The City of Gloucester has embarked on the development of a Five-Year Marketing Plan, the first part of which includes developing an organizational structure for the tourism effort. The second part of the plan will include marketing strategies and tactics.

This first part of the Five-Year Marketing Plan includes:

- Providing models from other communities to explore the creation of a new organization or office that might better facilitate the work of the visitor industry and cultural assets.
- Advising on how to work more efficiently and assist in outlining specific action steps.
- Exploring and removing impediments that prevent the successful integration between the City, visitor industry and cultural assets.
- Providing a draft set of by-laws for operation of a new management model, along with recommendations on sustainable funding sources.

The end result is the recommendation of an organizational structure under which Gloucester will be marketed as a premiere visitor destination, thus creating a more robust year round industry that will yield more jobs and revenues throughout the different sectors of the local economy, which in turn will strengthen the core community.

With a wide variety of diverse offerings, a coordinated approach involving both the private and public sectors is the model recommended to market Gloucester successfully. Many of the challenges that have held Gloucester back from flourishing as a visitor destination, challenges that have resulted from having multiple organizations marketing the destination, with limited financial resources, run by volunteers, will disappear with the creation of one private/public organization to which funds should be reinvested as visitor numbers increase.

The City of Gloucester is perfectly positioned to target both domestic and international visitors to the region. The City's maritime offerings should be highlighted, along with its robust arts and cultural community. By leveraging existing resources, and developing new ones, the area can increase visitor market share to Gloucester from the local, regional, national and international markets.

II. Destination Marketing

According to the US Travel Association, Travel & Tourism is one of the largest industries in the United States. In 2013, the industry generated \$2.1 trillion in economic impact with \$887.9 billion spent directly by domestic and international travelers that spurred an additional \$1.2 trillion in other industries. In the aftermath of the recession brought about by 9-11, the travel industry has stepped forward as one of the key drivers of the American economy, as a leading employer in communities across the United States, and as a highly efficient, proven revenue generator for state and local governments. The US Travel Association says that states and cities that treat travel promotion budgets like strategic investments will be rewarded with more visitors, more jobs and high tax revenues. They continue to state that those that fail to invest will quickly lose market share to competitors, and lost market share can take years to recover.

The travel and tourism industry has become more competitive than it has ever been. Communities are realizing that every dollar spent marketing and promoting a destination is typically returned to the local economy. As visitors bring in outside dollars, spend them in shops, restaurants and attractions and stay in hotels and inns, communities experience at least a 2:1 return on investment, and often times more depending on the program. This increased revenue helps support other city functions and enhances the community as well. The US Travel Association reported that in 2012, travel generated \$129 billion in tax revenue to governments at all levels and \$58.4 billion to state and local governments – enough to pay the wages of every firefighter and police officer in the country. Put another way, without the tax dollars generated from the travel & tourism industry, to make up the deficit, each household would be relied on for paying \$1,093 more dollars in taxes per year.

In 2013, travelers to Massachusetts directly spent \$18.5 billion, which translated to \$1.2 billion in state and local taxes, 129,400 jobs supported and \$3.96 billion in wages paid. Of this, \$865 million was spent in Essex County, supporting 6,845 jobs and \$64 million in state & local taxes. It is projected that in FY2014 revenues for the City of Gloucester derived from hotel and meals tax, as well as parking will exceed \$3.3 million.

Description	2014 (Est.)	2013	2012	2011	2010	2009
Hotel/Motel Exc. Rev	\$473,882	\$468,343	\$411,738	\$426,069	\$256,530	\$277,052
Local Meals Tax	\$526,013	\$513,229	\$499,068	\$379,769		
Parking Meters	\$400,748	\$355,898	\$330,912	\$380,202	\$362,433	\$346,716
Parking – Season	\$302,592	\$216,906	\$214,991	\$191,680	\$205,544	\$184,920
Parking - Daily	\$1,628,957	\$1,730,755	\$1,611,473	\$1,509,844	\$1,465,401	\$1,099,799
Total Revenues	\$3,332,193	\$3,285,130	\$3,068,182	\$2,887,564	\$2,289,907	\$1,908,487

Source: City of Gloucester. Note: 2014 figures are projected. Parking meters are both on and off street; parking fees – season is for all beach stickers issued, both resident and non-resident; and parking fees-daily is for the daily fee charged to park in the beach lots.

What’s important to remember is that travelers don’t just affect direct spending, they produce secondary impacts over and above that of their original expenditures. For example, travel industry business operators, such as restaurateurs, purchase goods like food and beverage, and services, such as building maintenance from local suppliers, providing a secondary impact to tourism expenditure. Also, impacting the tourism industry, employees of the businesses and their suppliers spend a portion of their earnings in the community. By increasing revenue to the local businesses, businesses evidently will pay more in employment tax, as well as more in local, state and federal taxes generating increased overall revenue to the city. In addition to helping states and cities build a strong tax base, a vibrant travel and tourism industry improves the quality of life for local residents and makes a community more attractive to potential employees, residents and businesses.

Given the economic potential the visitor industry presents to communities, destination competition is fierce. Strong destinations continue to increase the quality of their product, declining destinations seek improvements, and new destinations continue to appear. Destinations must creatively and effectively apply a strategic marketing approach to compete for and attract visitors in today’s rapidly changing environment.

Although every destination differs structurally, according to their weaknesses and strengths, each usually incorporates at least one of or a combination of the following entities: a Chamber of Commerce, a Convention & Visitors Bureau, and/or a Destination Marketing Organization.

Generally speaking, a Chamber of Commerce is a local association of businesses that have joined together to promote the well being of their community, especially its commercial interests. Each chamber of commerce has an elected board of directors and work is delegated to appropriate committees. Responsibilities that are typically handled by a chamber of commerce include industrial surveys and efforts to bring new businesses to the area, supplying information and advice to the government on certain topics such as labor needs, taxes, organizing local events, and at times, the promotion of tourism.

A Convention & Visitors Bureau (CVB) is typically a non-profit organization that represents a specific destination and helps the future development of communities through a travel and tourism strategy. They are primarily funded by their local governments, typically through a portion of hotel occupancy taxes. As the tourism marketing arm of the destination, a CVB is responsible for creating public awareness about their destination and, ultimately, booking the meeting and event business that feeds the economic engine of the region. It is usually a membership organization that brings together businesses that depend upon tourism and events for revenue. They serve as an unbiased resource to convention and event planners, tour operators and visitors, as they take on the role of a broker or an official contact source. CVB's also help planners with the preparation of events and promote local historic, cultural and recreational sites to business travelers and visitors alike.

A Destination Marketing Organization (DMO) is a company or other entity involved in the business of increasing tourism volume to a destination or improving its overall public image. They are charged with helping the long-term development of communities through a travel and tourism strategy. Essentially, the terms CVB and DMO are interchangeable. Referred to as CVBs for many decades, Destination Marketing Organizations began identifying themselves as DMOs in an effort to convey a less bureaucratic connotation to the traveling public.

Regardless of the type of entity that is charged with tourism promotion, it has been found that successful destinations incorporate various stakeholders from both the private and public sector in order to increase market share and tax revenue from visitors. As part of the development of Part I of the Five-Year Tourism Marketing Plan, several models of

other applicable communities were evaluated in order to better understand structures that might better facilitate the work for the visitor community in Gloucester.

While many cities and towns along the east coast were explored for their organizational structure and marketing efforts, only a few are deemed comparable in terms of size, seasonality and budget for a more detailed comparison.

Cambridge, Massachusetts

Cambridge, Massachusetts is promoted by the Cambridge Office for Tourism. The COT is a non-profit organization created as a result of the hotels wanting their tax revenue to be reinvested by the City of Cambridge to promote tourism and increase business to the city. The COT is responsible for promoting Cambridge to both domestic and international markets, targeting the leisure and business markets, as well as niche markets such as culinary, culture and incentive meetings.

Although the COT is a private, non-profit organization, they request their funding on an annual basis from the City Council. The majority of their approximately \$600,000 budget is from the City, although additional revenue is derived from outside grants through State agencies, private sector partnerships, advertising revenues, publication sales and sales commissions. COT has quarterly board meetings and a member of the City Council is represented on the Board. Additional Board Members include representatives from the lodging, dining, arts, transportation and retail areas, as well as a representatives form the Greater Boston Convention & Visitors Bureau and the Cambridge Chamber of Commerce.

New Bedford, Massachusetts

New Bedford has several entities that market and promote tourism including the City of New Bedford, the New Bedford Chamber of Commerce and the Southeastern Massachusetts Convention & Visitors Bureau (SMCVB). The SMCVB promotes the Greater New Bedford area along with Greater Fall River, Greater Attleboro, Tri-Town and Greater Taunton. They are the official regional tourist council of that region, which received funding last year from the Massachusetts Office of Travel & Tourism after several years where they were not funded by the state. The Chamber of Commerce led the effort, along with member businesses, to reestablish the region's tourism office.

Since early 2013, the City of New Bedford has had an aggressive tourism effort, led by their tourism manager. Their budget has been used primarily for payroll and benefits. Their programs have been those that have minimal cash expense, but rather depend heavily on staff time for implementation and success. They have focused on engaging and educating the community about the importance of tourism and have business community buy in that allows for the City to take the lead in marketing and promoting the region to visitors. However, they work closely with the Chamber, CVB, the City's Economic Development Council and the Port of New Bedford. They are currently seeking funding to develop a strategic plan that outlines the future of their tourism marketing effort.

Newburyport, Massachusetts

Newburyport is promoted by the Greater Newburyport Chamber of Commerce. The Chamber has several committees, including Marketing, Retail, Special Events and Wedding Events; however, they do not have a specific tourism committee. Marketing is responsible for the overall branding, messaging and communications of the Chamber and presides over Newsletters, Website and Visitors Guide Committees. All of the committees play a small part in tourism promotion.

Portsmouth, New Hampshire

The Greater Portsmouth Chamber of Commerce is organized for the purpose of advancing the economic, industrial, professional, cultural and civic welfare of the Greater Portsmouth area. The Chamber does this by encouraging growth of existing businesses and providing assistance to new businesses seeking to locate in the Greater Portsmouth region; supporting the preservation of free enterprise and all activities believed to be beneficial to the seacoast area and opposing those that may be detrimental. The Chamber also promotes programs of a civic, social and cultural nature designed to increase the functional and aesthetical values of the community.

The Chamber is responsible for all destination marketing. A subgroup of the Chamber is the Tourism Committee. The Tourism Committee focuses on promoting, developing and coordinating year round tourism/visitation to the seacoast area. The committee works to create awareness and understanding of tourism's effect on, and enhancement of, the

local economy and residents quality of life. The Greater Portsmouth Chamber of Commerce works in partnership with the City of Portsmouth Economic Development Commission and the New Hampshire Division of Travel & Tourism Development to promote year-round visitation to Portsmouth and the Seacoast.

The Chamber operates a year-round visitor information center, and a seasonal info kiosk (May-October). They have a staff of 20+ volunteers, Visitor Assistants and Tour Guides who greet visitors, refer businesses, and lead Portsmouth Harbor Trail guided tours.

The Chamber is privately funded through membership and grants. In addition, it is noted, the City of Portsmouth contributes financially to the destination marketing effort. The Tourism Committee handles visitor services and creating collateral for fulfillment, but they do not handle special events as these are produced by various attractions in the region.

Provincetown, Massachusetts

The Town of Provincetown has its own Tourism Office. They are funded in part, by Massachusetts Office of Travel & Tourism, the Cape Cod Chamber of Commerce and the Provincetown Tourism Fund, which allocates 35% of their local options tax to the marketing effort. This figure started as 45% of local options tax (which was 4%) in 1997. In 2010, they increased the room tax option to 6% and decreased the percentage given to tourism marketing to 35%. They believe strongly that investment in tourism will yield sizeable returns and the trend in room tax continues to support this theory. An annual three-year average of room tax for Provincetown has increased every year for the past fourteen years, with the exception of 2006 when it decreased less than one percent. This is not true for other municipalities on Cape Cod, who have been off as much as 30% in recent years according to the Cape Cod Chamber. They believe this is largely the result of Provincetown's investment in its primary economic engine, tourism.

The City has a Visitor Services Board that recommends programs for implementation to the Board of Selectmen. Recommendations include the ongoing financial support for tourism promotion; development of initiatives that keep businesses in town and attract new businesses; identify incentives for business to stay open longer during the year; and enhancements to visitor services such as signage, restrooms, bike racks and benches.

The Tourism Office works in collaboration with the Provincetown Chamber of Commerce, the Provincetown Business Guild and tourism, arts and business partners throughout the community. As in other communities, their major focus is to promote Provincetown outside of their immediate community, while the Chamber and Business Guild create business opportunities for members and for promotion by the tourism office.

Salem, Massachusetts

Destination Salem is the official marketing organization for the City of Salem. It markets Salem as one of Massachusetts' best destinations for families, couples, domestic and international travelers seeking an authentic New England experience. The organization is a non-profit, public-private partnership funded by both the City of Salem and the businesses that invest in promotions and publications offered through this office. Destination Salem has a budget of approximately \$500,000, almost half of which is provided by the City of Salem for marketing and promotions. In 2007, the City allocated 25% of the local options tax, \$65,000, towards a public/private marketing effort. Over time, as the investment proved to generate a return for the city, the allocation was increased to 50% and in FY2015, that 50% translates to \$213,000.

Salem also has a Chamber of Commerce, whose core mission is to make Salem a better place to live, work and do business. The Chamber serves as the voice for member businesses representing, advocating and working to enhance the business and civic environment. They produce events that help drive visitors to their member businesses, such as the Annual Salem's So Sweet Chocolate & Ice Sculpture Festival; the Film Festival and Restaurant Weeks to name a few. But they leave the promotion of these events to Destination Salem who is responsible for marketing and promoting Salem outside of the City.

Salem Main Streets, a volunteer commercial revitalization program developed by the National Trust for Historic Preservation, works to revitalize downtown Salem as a vibrant year-round retail, dining and cultural destination through business recruitment, retention and the promotion of downtown Salem. Destination Salem works with Salem Main Streets to promote programs that would be of interest to the visitor, as well as to educate the businesses on the importance of the visitor industry.

It is easy to see from the examples of other destinations listed above, that there is no one solution for a successful destination marketing effort. However, what remains consistent among all of these organizations and is critical to their success is the mix of personalities implementing the program; consistency in efforts and funding; a commitment from leadership; and a willingness to get along. In addition, the destination marketing organizations that operate as public/private co-operatives or non-profit, private partnerships that receive public funding, have the ability to bring together all key stakeholders and ensure that programs have the maximum buy in and support from the partners and achieve the greatest return on investment available. They are not subject to the changes that would take place if they were public sector entities.

In fact, in a study released by DMAI earlier this year on the structures of DMO's, they found that three quarters of DMO's globally are independent, not-for-profit organizations, while 19% are government agencies and 5% have tourism run by a chamber of commerce. Of the DMO's that are independent, not-for-profit organizations, 79% receive public funding in the form of hotel taxes, indicating some level of partnership with their local city or state.

According to Walter Leu, former Director General of the Swiss National Tourist Office, and former Executive Director of the European Travel Commission, permanent interaction between the public and private sector is needed in order to enforce competitiveness and efficiency. A destination is much better positioned and the creation of a brand image is far easier if the private and public stakeholders are creating a kind of "tourism incorporated."

III. Key Findings

In addition to looking at tourism organizations in other communities to better understand structures that might assist in facilitating the work of the tourism industry in Gloucester, one-on-one interviews were held with over 30 key stakeholders. These interviews were conducted in an effort to identify ways to work better together and assist in developing specific action steps and to explore and remove impediments that prevent the successful integration between the cultural assets, the tourism industry and the city.

With the goal of ultimately stimulating year round tourism in Gloucester, interviewees were asked what they thought was working, not working, what they'd like to see changed, and how they might change things.

Throughout the course of the conversations, several local marketing organizations were identified: Cape Ann Chamber of Commerce; Discover Gloucester; PR for Gloucester; City of Gloucester Tourism Office; North of Boston Convention & Visitors Bureau; and Downtown Development Commission, as well as the Downtown Merchants Association. The interviewees identified the roles of each organization as described below:

Cape Ann Chamber of Commerce: Interviewees identified the current role of the Chamber of Commerce as serving both the community and the visitors coming to town. However, many felt that the Chamber is a broader business organization that needs to represent a wide variety of businesses, not just tourism. In addition, they felt that as a membership organization it is not representative of all of the Gloucester businesses that contribute to the visitor industry. It was also noted in every conversation, that the Chamber is responsible for the promotion of all of Cape Ann, and while Gloucester is the largest region, they cannot solely promote it. That being said, it was noted that the Tourism Council, the volunteer group made up of Chamber members representing all four communities, has done a good job in producing a magazine to promote all of Cape Ann, a Visitor Map and other materials, including websites and tourism e-newsletters. They also operate a Visitors Center and sponsor a variety of festivals and events throughout the year.

Discover Gloucester: Discover Gloucester was identified by interviewees as being the volunteer organization responsible for promoting Gloucester through a finite number of

tactics, including participating in tradeshow and assisting with familiarization trips and large groups. They also produce a visitors guide and coordinate co-op advertising opportunities where possible. It is viewed as successful, especially as it has filled a need when other organizations were unable to undertake these marketing efforts. In its 8th year of operation, it does not have paid staff, and is a volunteer organization. Interviewees expressed support for Discover Gloucester but feel strongly that in its current structure, it is not sustainable.

PR for Gloucester: PR for Gloucester is a volunteer private sector effort, supported by a few businesses in Gloucester with a grant from the City. Similar to Discover Gloucester, PR for Gloucester was created to fill a void when no other entity was promoting the City to overnight visitors. There was a general consensus among key players that this PR effort belongs within the official Gloucester Tourism Office, in whatever form that takes.

City of Gloucester Tourism Office/Tourism Commission: Interviewees identified the City of Gloucester Tourism Office as one that is finally taking a more active role on behalf of tourism in the city, and needs to become more involved in coordinating all of the tourism marketing efforts that are being undertaken throughout the city. They identified this office as being responsible for making sure that the City makes the infrastructure improvements that will help not only the visitor experience, but elicit pride in residents as well – from signage and way finding, to improved public restroom facilities and parking facilities. They identified the new Tourism Commission as much stronger than in the past and taking a much more active roll, however, they seek more communication from them.

North of Boston Convention & Visitors Bureau: The role of the North of Boston Convention & Visitors Bureau is to market the entire region and it is perceived that Gloucester needs to play a more prominent role in their marketing and promotions. Interviewees felt that having the NBCVB serve as an umbrella organization for the regions' efforts, could provide opportunities for Gloucester to leverage available marketing dollars that would not have been possible otherwise.

Downtown Development Commission, Downtown Merchants Association: While the Downtown Development Commission and Downtown Merchants Association, as well as the two cultural districts of Harbortown and Rocky Neck were mentioned on a few

occasions, the above organizations were the ones primarily identified with having a major role in marketing Gloucester to visitors, although interviewees acknowledged the events and promotions produced for local audiences by these organizations.

Organization & Responsibilities:

Interviewees expressed the need for one organization to be responsible for marketing and promoting Gloucester as a visitor destination. They feel that:

- The organization needs to be open and inclusive and act as the voice of the industry and provide equality among all.
- The organization needs to be representative of the entire industry, both large and small business, including hotels, attractions, restaurants and shops, the arts and cultural community, as well as the city.
- The entire community needs to work cooperatively and promote year round tourism, delivering information and working with this organization to get the correct marketing and promotion strategies and information to outside visitors.

The interviewees feel that responsibilities of this organization should be to:

- Market the destination outside of Gloucester to regional, national and international visitors.
- Target overnight visitors in order increase hotel tax for the City. As numbers increase, they hoped that the City would make a strong commitment to the tourism marketing efforts in the future.
- Create a central forum for communication among the industry in Gloucester.

Marketing responsibilities identified for this organization include, among other things:

- The development and distribution of an official Visitors Guide to Gloucester.
- Handling calls for information requests, directions, press inquiries, etc.
- Continuing aggressive public relations efforts.
- Organize and implement co-op ads (print & online).
- Organize and implement familiarization trips for press and tour operators.
- Coordinating participation at tradeshow and events.
- Upkeep of website and tie-together with other websites.
- Production of a calendar of events.

- Promoting high number of local events to outside audiences.
- Working with Cruiseport on groups coming into the City.
- Coordinating a communications program to inform businesses and residents in Gloucester about tourism efforts.
- Developing an ambassador program to encourage businesses and residents to take pride in the community and welcome visitors.

It was felt that elements of the program could be contracted out, but that all sales, marketing and public relations efforts need to fall under the umbrella of this organization. And while it is ideal to have everything at once, it is most important to build a core infrastructure with community communication that is supported by a marketing and sustainable financial model. Maintaining current efforts of hosting familiarization trips, public relations, attending tradeshow were identified as being important, and other activities could fall into year two through five as funds and staff resources increase.

In addition, the majority of the interviewees felt that the organization should be involved in what happens with the major events in the city, as they would be responsible for promoting them outside the area. However, they should not be responsible for the fundraising or production of the events, as this would result in the organization turning into an event management organization rather than focusing on the marketing and promotion of the city.

All felt that it was imperative to have regular communication with the industry, guaranteeing buy-in of programs and feedback on programs to improve them moving forward. Interviewees felt that it was important to build credibility for tourism and this would be done through regular and consistent communication with the community, as well as with the City and key stakeholders.

In terms of structure, there is a general consensus that the organization needs to be independent. Independence allows the organization operate regardless of the leadership in the City. The entity needs to be institutionalized so that it cannot be manipulated or adversely impacted by changes in municipal governance structure or personnel. A Private/Public Partnership that addresses the issues of education, visitor services, events, marketing, and city services was requested by the majority of the

interviewees. Without question, all felt that it must be strongly supported by the City and be a public/private organization with dedicated public funding so that the private sector will continue to support it.

The biggest obstacle moving forward is seen as obtaining sufficient and stable funding. Many felt that a membership organization would be difficult to implement as the City is contributing funding; however all agreed that there needs to be financial support from the private sector, in addition to public funding received, to succeed.

Just as the private sector alone could not financially support this venture, the public sector alone would not receive the support of the private sector to make the marketing partnership work most efficiently and effectively. The ultimate success of marketing efforts of the private sector stems from increased revenue and dollars spent which leads to success for the city in the form of increased tax revenue. This, in turn, allows more money to be spent on marketing, driving more business to the private sector, etc, increasing the quality of life and better economic development for Gloucester.

While many interviewees noted that they didn't want to pay dues to multiple organizations or have to buy into multiple publications, they all agreed the marketing of Gloucester as a visitor destination should not be placed within the Chamber of Commerce. This is due to the fact that the Chamber represents all of Cape Ann, and not Gloucester as an independent city. In addition, the Chamber is a membership organization representing all businesses in the region, not just tourism. As such, the needs of the visitor industry may conflict with the needs of the greater business community, making it difficult for the Chamber to advocate for tourism.

Interviewees felt that similar to Salem, the Chamber should continue to produce programs and events that benefit their members and the local community. While the chamber would produce programs such as restaurant week or holiday strolls, and promote them locally, this new entity would help to build awareness for these programs outside of Gloucester, driving outside dollars into the city. In this manner, the Chamber can focus on program development, creating membership opportunities and ultimately building membership. The Chamber would have a seat on the board of this new

organization and both organizations would work collaboratively to improve the resident and visitors experience in Gloucester.

The issue of multiple visitor centers was raised and it was felt that the new organization does not need to be running a visitor center. The City of Gloucester will need to determine if they continue to run the visitor center or cede it to the Chamber to run, as there are economies of scale when running multiple centers.

The issue of positioning came up repeatedly in conversations. Gloucester has been known for hundreds of years for its waterfront, beaches and maritime history. Interviewees feel that Gloucester should try to expand upon the brand, tell former and future visitors that Gloucester is about water, but also about so much more – performing and visual arts, artist colonies, museums, great restaurants, outdoor activities, shopping, and more!

The interviewees felt that target market segments need to be defined and focused to include not only older, more affluent people but also younger couples, and that the target audience was located regionally, nationally and internationally. They feel that the promotion of Gloucester also needs to extend beyond summer months and into shoulder seasons of spring and fall. During the off-season, Gloucester is a great destination for cultural, heritage and history, providing an opportunity to promote to all market segments. Visitors have become more sophisticated with what they want for a vacation. There is a need for an integrated marketing plan that promotes all there is to see and do in the area, including arts/culture, maritime, shopping, dining, outdoor activities and more. Much of this will be addressed in Part II of the Five Year Tourism Marketing Plan.

IV. Recommendation:

Destinations compete for economic reasons, with the goal of attracting more visitor expenditure. A destination with abundant and diversified resources may not be as competitive as another destination, which has relatively limited resources, but has the ability to effectively utilize and market these resources.

According to the World Tourism Organization, an effective visitor marketing organization is the one that is responsible for the creation of an overall strategy for tourism planning, development and marketing. The strategy should be designed for long-term perspective and be constructed to allow for an ongoing dynamic social and economic process.

The organization should be responsible for providing the framework for discussions with public and private industry on the role of tourism and its economic and social contribution; provide guidance for all tourism stakeholders; and create the conditions within which tourism can succeed.

The organization should also be responsible for promotion and marketing; identification of the strategic markets; image management; positioning; branding; etc. In the broader context of responsibilities, the visitor marketing organization is responsible for quality management; visitor management; crisis management; and information and research management.

A successful marketing organization should undertake all the activities and processes to bring buyers and sellers together. It should focus on responding to consumer demands and competitive positioning. There should be a continuous coordinated set of activities associated with efficient distribution of products to high potential markets. And it involves making decisions about the project, branding, market segmentation, promotion and distribution. There needs to be a synergy between all the stakeholders in creating the destination vision, with public-private partnership in the key areas of management and marketing.

For visitors, these marketing associations are viewed as the keys to the city. They serve as a broker or an official point of contact for travelers, as an unbiased resource. They

offer neutral information about a destination's services and facilities, saving visitors time and energy, as they are a one-stop shop for local tourism interests providing the full range of information about a destination.

Organizational Structure:

There is no single correct way to set up a Public/Private Visitor Marketing Organization for the City of Gloucester. In looking at outside destinations, they are all set up in their own unique way that focus on their strengths. However, they all have consistent funding, are set up as organizations that actively involve the public and private sectors and have a commitment from leadership, as well as the industry.

Gloucester has an active industry that is interested in finding a model for success. Based upon the research undertaken for this study, there are three reasonable options that could be considered moving forward:

1. Place the tourism marketing effort within the City of Gloucester;
2. Place the tourism marketing effort within the existing volunteer marketing organization; or
3. Create a new public/private visitor marketing organization.

There is a general consensus among those interviewed that the first two options would not be enough to catapult Gloucester to where everyone feels the city needs to go in order to generate increased tourism business during need periods.

The community is enthusiastic, but needs a high-quality, stable structure (non-volunteer, paid/experienced executive director) to get everyone to work together and be proactive in a positive way. There is tremendous value in working together, especially considering the community's limited resources available for marketing and promotion.

There is an opportunity, and a need, to ensure that all interests, such as retail, dining, arts, education, historic, lodging, business, etc. participate and feel a part of this organization. This complete inclusion of the community ensures programming and financial support, as well as sustainable efficiency. With an increase in municipal funding, the city would have a certain level of oversight of the organization. However, with a board comprised of all key stakeholders, both public and private, there will be

participation and input from all members of the community to ensure that all sectors are represented. It is also recommended that a board, with term limits, be implemented to ensure consistency, which also allows for fresh ideas and perspectives to be represented.

While the tourism marketing and public relations efforts undertaken by volunteers helped to fill a void and have played an important role in maintaining awareness for Gloucester as a visitor destination, it is clear that there needs to be a financially sustainable model put in place if Gloucester hopes to not only maintain but grow market share.

It is our recommendation that the best model moving forward is the creation of a new public/private visitor marketing organization. This organization would be professionally staffed and have sustainable funding mechanisms in place, while continuing to work with the industry throughout the community. In order to make this work, however, the volunteer structures of Discover Gloucester and PR for Gloucester as they currently exist would be dissolved and a new organizational structure and bylaws would be created to reflect the desires of the community. The important work that had been developed and implemented under the direction of the volunteer organizations would continue and grow under this new organization, which would be recognized by the City of Gloucester and the private sector as the official destination marketing organization for Gloucester.

Staff & Responsibilities:

The staff of this new organization should consist of a strong executive director and a part-time to full time tourism coordinator.

- The director would oversee the implementation of the strategies and tactics, as well as be the public face of tourism to both key stakeholders, potential financial supporters, and of course visitors to the City.
- A tourism coordinator would assist with the day-to-day implementation of the tactics, as well as oversee items such as increasing awareness through social media, maintaining visitor and media databases and other tasks required for running a successful tourism effort.

Additional resources and programs could be outsourced as needed (public relations, tradeshow representation, visitor guide production, etc.) and as funds allow.

The organization cannot share space with any cultural or other tourism related business, as others may perceive it as showing favoritism in the community. However, in order to reduce costs, the organization could possibly be housed at a city facility.

This organization would be responsible, as the World Tourism Organization has outlined, for:

- Overseeing all marketing, services, branding and direction of these efforts.
- Undertaking marketing to the regional, national and international leisure visitor and meeting professional.
- Working with the Chamber and the City to educate the local community on the value of the travel & tourism industry.
- Coordinating public/private efforts for all tradeshow, sales calls, familiarization trips, collateral and fulfillment.
- Ensuring that all efforts to build up the destination are coordinated.

Other activities would include:

- Participating in Tradeshow & Marketplaces. In order to leverage marketing dollars, rather than participate individually in tradeshow and marketplaces, the new organization would partner, when possible, with organizations such as the North of Boston Convention & Visitors Bureau, Massachusetts Office of Travel & Tourism or Discover New England. These partnerships will allow the new organization to leverage marketing dollars and reduce expenses.
- Familiarization Trips: In order to be fair and equitable in terms of familiarization trip coordination, e-mails outlining the press or tour operator opportunity could be distributed to everyone and participation could be on a first come, first served opportunity to host the writers or tour operators. The new organization would work with the various tourism offices to ensure that Gloucester is included in their familiarization trips by being proactive and offering support of their programs on a consistent basis.
- Websites: The organization would work to streamline the existing websites in order to give visitors the best possible online experience. It should also strive to implement innovative social media strategies as this is a cost effective way to reach potential visitors.

- **Development of Suggested Itineraries:** Suggested itineraries should be developed to promote to tour operators, press, etc. and included on the website. In this way, the diversity of the city and the variety of things to see and do will be promoted to visitors of all types.
- **Coordination and promotion of special packages.** Special packages can be developed and promoted for need periods. A restaurant week could be developed with the Chamber and promoted by this new organization; specialty months can be promoted, such as maritime month, architecture month, arts & antiquity month, etc. In this way, awareness for the destination's offerings can be expanded to appeal to visitors of all types.
- **Research & Measurement:** Most importantly, research should be undertaken on a regular basis to measure the success of individual programs, not only from the perspective of the visitor, but also from the perspective of the private sector. In this way, programs can be modified on a regular basis and tailored to meet the immediate, as well as long term needs, of the destination.

A full outline of marketing strategies and tactics for this new organization will be presented in the Five Year Tourism Marketing Plan, Part II.

In the short term:

It will take time to create this new marketing organization and secure sustainable funding. It is recommended that that new organization should be in place by January 1, 2016. In the interim, there are ongoing efforts to promote Gloucester that cannot, and should not, cease to exist. To do so would be to almost guarantee a loss in market share and revenues. Therefore, it is recommended that a transitional program be put into place.

As the City of Gloucester already has a paid person on staff, with tourism marketing experience, it makes sense that the City's tourism office coordinates and oversees the transition.

Over the coming year, existing marketing and public relations programs currently undertaken by the volunteer marketing and PR organizations will be absorbed. The programs will not change dramatically, they will just be integrated and overseen by

professional staff, as the key stakeholders requested. In addition, communications among key stakeholders and the community will be improved, stable funding will be solicited and the new structure will be legally created. Eventually, new marketing components will be added into the promotional efforts, once the programs and organization are stable.

Throughout the transitional year, the City's Tourism Office will work to find ways to engage the private sector and have the industry continue to participate and volunteer.

The Tourism Commission will continue to function in order to offer consistency. They will continue to advise on tourism priorities and ensure they are being implemented. As everyone transitions into this new entity, the Tourism Commission as well will transition into the board of the newly formed organization, which will take effect January 1, 2016.

With the majority of funding currently coming from the City of Gloucester, the Tourism Commission and the Mayor will determine staffing for this new organization, with consideration of input from the private sector ensuring appropriate staffing is in place for January 1, 2016.

V. Suggested Funding Sources

Currently, all revenue generated by tourism is going to support all city services (including tourism). In order to support this organization, sustainable funding needs to be addressed. A five year program needs to be developed whereby sufficient funds are available to market and promote Gloucester as a destination for visitors interested in shopping, arts and culture, entertainment and events, and as visitor numbers increase, funding will increase. Currently, it is estimated that approximately \$280,000 is spent by the City, Discover Gloucester and PR for Gloucester on tourism marketing efforts in cash, and volunteer support is worth at least half of that amount, as well.

A successful funding model would allocate a portion of the growth in visitor-oriented revenue streams to support visitor-oriented tourism efforts. DMAI says there are a variety of ways to fund a DMO, with a portion of hotel tax being the major way. With a program targeted towards overnight visitors, hotel taxes would increase, therefore, if there were a dedicated stream allocated for marketing, this would increase as well. Unfortunately, since April, 2010, Gloucester has been at 6% local options rooms' tax and 0.75% meals tax. These are the maximums and the rate can't be increased. The only way to get a portion of these funds for tourism would be to have a reallocation of these resources as other cities have done. For example, when Salem, MA restarted their destination marketing efforts in 2007, 25% (or \$65,000) of the hotel tax was allocated to the efforts. Over time, with the return on investment shown, that allocation has increased to 50% of the local option tax and now represents \$213,000. In the Town of Provincetown, MA, 35% of the hotel tax is allocated to tourism marketing efforts. In FY2006 when the program was started, tax revenue was \$963,563 and increased to \$1.5 million by FY2011. Provincetown noted that although city service expenses increased with the rise in the number of visitors, over time, they found that the revenue generated from increased tourism offset the expenses.

Increased funding could be derived from taxes generated by increased occupancy. Part II of the Marketing Plan will address ways to increase occupancy. Increased funding could also be derived from increasing the number of hotel rooms available in Gloucester. While there is a need for increased rooms, this is a long-term solution that needs to be supported by the City.

In the interim, without a dedicated revenue stream from the hotel tax, Gloucester will have to be creative with developing sustainable funding sources. Expenses would include:

- Salary & Benefits for full time Executive Director & Tourism Coordinator;
- Office space/overhead; and
- Marketing & Public Relations programs.

In FY2015, the City of Gloucester has allocated \$50,000 in cash and \$80,000 in-kind (office space, salary/benefits) making a total contribution of \$130,000 to tourism. This does not include the City's additional in-kind support of maintaining the building and services to Stage Fort Park Welcome Center. While a membership structure would be fastest way to generate private sector income to match the contribution made by the City, based upon the conversations with the businesses, there is not an appetite for another dues organization.

Therefore, additional funds will have to be derived from alternative sources, and may include:

- Production of a visitor's guide. Determining the revenue that could be generated from the guide is difficult. If it is produced in house, there are more funds available, but if it were outsourced, staff would have more time to sell other programs. Either way, it is estimated that at least \$20,000 profit, if not significantly more, should be able to be generated from this guide.
- Organization of co-op advertising. A series of co-op ads can be placed in local and regional publications and the new organization could facilitate the placement of these ads. Full page, spread and multiple spread pages could be purchased at a discounted rate and then sold to businesses in the area as fractional ads at a gross rate. The cost of the ad would be less than if the business were to purchase the same small ad themselves. Depending upon the number of ads in place, the difference between gross and net paid (15 – 18%) could generate \$7,500 the first year.
- Offering enhanced listings on the website for businesses. As the city is contributing to the program, all businesses could be included in online listings on the website. The new organization can look at a model of offering an enhanced

online listing for a range of fees, depending on what is included, i.e. a listing, photo, link to website, banner ad, etc. With 20 businesses investing an average of \$250, this could generate at least \$5,000 the first year .

- Development of a matching fund program. The public/private organization would put money in a matching funds account for specific programs – tradeshow attendance, non co-op advertising, promotional partnership programs – and the private sector could match that funding. In return, it would be the financial contributors whose brochures are included for distribution at tradeshows, or whose logos are promoted in print pieces.
- Visitor Information Support Program. Once the organization starts to fulfill visitor requests for brochures and information, businesses can have their brochures inserted into the mailings for a fee. Assuming 25,000 visitor packages were sent out in a year, at \$0.15 a brochure, \$3,750 would be generated from one business alone.
- Pursuing grants from North of Boston Convention & Visitors Bureau, Massachusetts Office of Travel & Tourism, Massachusetts Cultural Council and other organizations both in Massachusetts and out of state.
- Soliciting Corporate Partnerships. The organization and the businesses should outline suppliers who benefit when tourism increases in the city (electric company, banks, companies who provided food/beverage to hotels & restaurants, credit card companies, etc). These suppliers would be contracted to contribute to the overall tourism effort. The argument to them would be if tourism increases, their profits increase, therefore, they should help with the effort. In return, they could get promoted in fulfillment pieces, at tradeshows in press kits, on the web site, etc. If implemented correctly, this program could generate at least \$10,000 - 30,000.
- Tourism Support Program: As an alternative, or in addition to the programs mentioned above to generate additional funding from the private sector, a Tourism Support program should be considered for implementation. In this program, all businesses interested in seeing the tourism efforts of Gloucester succeed, agree to support the effort in the first two years with a flat fee. There could be a number of support levels that offer different benefits, but by offering this type of fee structure to get the program off the ground, the organization will know what budget they have available to work with. Support levels might include

basic, intermediate (including enhanced listing on website with photo, brochure included in mailing, etc), and advanced (enhanced listings, brochure included in mailings, first priority for PR pitches, etc). The benefits would be outlined once Phase II of the Marketing Plan is completed.

- *Note:* It is important to note that the time needed to raise financial support through the above listed programs may affect the amount of time available to implement the programs.

One of the most important things that needs to happen in the marketing of Gloucester is the cross promotion among businesses. Those coming for maritime need to know about the arts, those visiting shops and restaurants need to know about the beaches and parks. For example, if the downtown businesses and attractions were promoted at the point of sale (when people pay their parking fee), many beachgoers may actually choose to visit the shops and restaurants downtown after a few hours in the sun. With the large volume of visitors in the summer experiencing the beaches in Gloucester, a suggested revenue stream to help get the program up to speed quickly would be to apply a portion of the beach parking fees to the tourism marketing program. If the beach parking fee were increased by \$1.00 and \$0.50 of every parking fee of that increase were applied to the tourism promotion effort, a significant amount of revenue would be available for a dedicated revenue stream to support the marketing and promotion efforts of Gloucester.

The industry will still be relied upon heavily for in-kind assistance, such as hosting familiarization trips, donating rooms and meals, and offering to help “sell” the destination to writers; representing Gloucester when they’re at tradeshow or other events for their businesses; or offering direction and support, assistance finding sponsors, etc. What is most important is that the leadership of this organization must think creatively and gradually increase cash and in-kind revenues. It is important for this leader to manage their time to be able to think long term and creatively about the funding and programs that will increase visitors to Gloucester.

APPENDIX I

DRAFT BYLAWS

The mission of the Public/Private organization should be to create vibrant growth for the local economy by promoting, developing and expanding a united industry. In support of this, the organization is committed to:

- Targeting and attracting, through sales, marketing, and public relations, transient and group leisure business, as well as meetings and events that maximize the destination's return on investment to the visitor industry.
- Projecting a consistent, positive image for Gloucester that emphasizes its unique qualities;
- Providing comprehensive visitor information and services that promote awareness of the destination's offerings and memorable visitor experiences;
- Leading the community and tourism industry stakeholders in the realizing of a unified vision and goals for Gloucester's visitor industry;
- Promoting community pride in Gloucester's destination product offerings and the destination's future;
- Encouraging community awareness of the importance of the visitor industry to the local economy.

After reviewing a variety of bylaws from various destination marketing organizations, a suggested draft is attached. These bylaws would need to be reviewed by legal council and agreed to be adopted by the key stakeholders. However, they serve as a suggested guideline for moving forward.

It is suggested that the organization have no members, have three year board limits and is representative of the entire visitor industry. For the purpose of this document, the new organization is referred to as Public/Private Partnership Organization.

In order for the first board to be appointed, either a Nominations Committee will need to be put together, or the first group of directors will need to be named within the bylaws and the Nomination Committee can take over in subsequent years. However, in order to proceed beyond this recommendation, legal council will need to be retained to handle the transition and the drafting of the bylaws and board appointments will fall within their scope to review.

**DRAFT BYLAWS
OF
PUBLIC/PRIVATE PARTNERSHIP ORGANIZATION**

Section 1. MEMBERS

The corporation shall have no members. Any action or vote required or permitted by law to be taken by members of the corporation shall be taken by action of vote of the same percentage of the directors of the corporation.

Section 2. BOARD OF DIRECTORS

2.1 Powers

The affairs of the corporation shall be managed by the directors, who shall have and may exercise all the powers of the corporation except as otherwise provided by law, by the articles of Organization or by these Bylaws.

2.2 Number and Composition

The board of directors shall consist of nine to fifteen directors. The board of directors shall include a representative from each of the following organizations: The City of Gloucester, the Cape Ann Chamber of Commerce, a local hotel, a local attraction, a local shop, a local restaurant and two Gloucester residents whose interests include promoting cultural awareness and tourism in Gloucester, a City Council Member and up to six at-large members.

2.3 Selection of Directors

Selection of directors shall be by the board. The board shall appoint a nominating committee, which will present a slate to the board. Prior to presentation of the slate to the board, the nominating committee shall submit the names of two Gloucester residents to the Office of Mayor for its approval.

2.4 Term of Office

Each director shall serve a term of two years and until his or her successor is duly appointed unless he or she sooner dies, resigns, is removed or becomes disqualified. Directors shall serve no more than two consecutive terms. However, directors may be eligible of reelecting as directors once a period of one year after the expiration of their second term has elapsed. The board of directors, by affirmative vote of three-fourths of the entire board, may waive the two term limit and elect a director to additional terms if, after a diligent search by the board, no other director is found to represent a particular constituent organization.

2.5 Committees

The directors may elect or appoint from their number an Executive Committee and one or more other committees and may delegate to such committee or committees any or all of their powers, provided that any committee to which the powers of the directors are delegated shall consist solely of directors. Unless the directors otherwise determine, committees shall conduct their affairs in the same manner as is provided in these bylaws for the directors. The members of any committee shall remain in office at the pleasure of the directors.

2.6 Regular Meetings

The directors shall meet at least six times a year. Unless the directors provide otherwise, the annual meeting shall be held in mid-April in order to allow for a complete review of the prior fiscal year financials and to approve the next fiscal year budget proposal for the Public/Private Partnership Organization. Other regular meetings of the board of directors may be held at such places and at such times as the board of directors may determine.

2.7 Notice of Meetings

Forty-eight hours notice by mail, fax, telephone, email or word of mouth shall be given for an annual or special meeting unless shorter notice is adequate under the circumstances. No notice need be given for a regular meeting. Whenever notice of a meeting is required, such notice need not be given to any director if a written waiver of notice, executed before or after the meeting, is filed with the records of the meeting, or to any director who attends the meeting without protesting prior thereto or at its commencement the lack of notice to such director. Neither such notice nor waiver of notice need specify the purposes of the meeting, unless otherwise required by law, the articles of organization or the bylaws.

2.8 Quorum

At any meeting of the directors a majority of the voting directors then in office shall constitute a quorum. Any meeting may be adjourned by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

2.9 Action by Vote

When a quorum is present at any meeting, a majority of directors present and voting shall decide any question, including election of officers, unless otherwise provided by law, the articles of organization or the bylaws. In the case of tie votes, the president shall solicit votes via telephone or in person from directors not present or represented by proxy at the meeting. It is the intent of the board that all board members or a member's designated proxy be present for the election of officers. The Executive Director shall be considered a voting member of the board.

2.10 Vote by Proxy

Directors may designate a proxy for a specific meeting, provided that such designation is in writing and specifies the name of the proxy and the date of the meeting. Such proxy shall have all the rights and powers of the director that such director would have at said meeting.

2.11 Presence Through Communications Equipment

Unless otherwise provided by law or the Articles of Organization, directors may participate in a meeting of the board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

Section 3. OFFICERS AND AGENTS

3.1 Number and Qualification

The officers of the corporation shall be a president, vice president, clerk and such other officers, if any, as the directors may determine. The Tourism Coordinator shall execute the office of clerk for Tourism. The corporation may also have such agents, if any, as the directors may appoint. The clerk shall be a resident of Massachusetts unless the corporation has a resident agent duly appointed for the purpose of service and process. A person may hold more than one office at the same time.

3.2 Election

The president and vice president shall be elected annually by the directors at the annual meeting. Other officers, if any, may be elected by the directors at any time.

3.3 Tenure

The president and vice president shall each hold office until the next annual meeting of the directors and until a successor is elected and qualified and other officers shall serve at the pleasure of the directors.

3.4 President of the Board of Directors

The president shall preside at all meetings of the board of directors. The president or other proper officer or agent of the corporation authorized by the board of directors, may sign any deeds, mortgages, bonds, contracts, or other instruments, which the board of directors has authorized to be executed. The president shall perform all duties incident of the office of president and such other duties as may be prescribed by the board of directors from time to time.

3.5 Treasurer

The office of Treasurer of the Tourism Board shall be eliminated. The Executive Director, or other proper officer or agent of the corporation authorized by the board of directors, shall have charge and custody of and be responsible for, all funds and securities of the corporation; receive and give receipt for monies in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the board of directors; and in general perform all of the duties incident to the office of treasurer and such others as may from time to time be assignment by the board of directors.

3.6 Clerk

The Tourism Coordinator or other proper office or agent of the corporation authorized by the board of directors, shall execute the office of Clerk. The clerk shall keep the minutes of the meetings of the board of directors in one or more books provided for that purpose; ensure that all notices are given in accordance with the provision so these bylaws; be custodian of the corporate records; and in general, perform all such duties as may from time to time be assigned by the board of directors.

3.7 Other Officers

Other officers shall have such duties and powers as may be designated from time to time by the directors.

3.8 Executive Director

The Executive Director of the corporation shall be selected by the board of directors. The Executive Director shall be the chief executive officer of the corporation and shall manage the daily activities of the corporation. The Executive Director shall perform all such duties as may from time to time be assigned by the board of directors.

Section 4. RESIGNATION, REMOVAL AND VACANCIES

4.1 Resignation

Any director or officer may resign at any time by delivering his or her resignation in writing to the chair of the board or the clerk or to the corporation at its principal office. Such resignation shall be effective upon receipt unless specified to be effective at some other time.

4.2 Removal

A director may be removed with cause at any time. Any officer may be removed with or without cause at any time by a vote of the majority of the directors then in office.

4.3 Vacancies

Board vacancies shall be filled by the nominating committee; however, the Office of the Mayor shall have the right to approve the filling of any vacancies from the city resident representatives.

Section 5. COMPENSATION, PERSONAL LIABILITY, INDEMNIFICATION, AND TRANSACTIONS WITH DIRECTORS AND OFFICERS

5.1 Compensation

No director shall receive any compensation for his or her services as a member of the board of directors as such; provided, however, that any director may be reimbursed for necessary expenses incurred by him or her in the performance of his or her duties as a director.

5.2 No Personal Liability

The directors and officers of the corporation shall not be personally liable for any debt, liability or obligation of the corporation. All persons, corporations or other entities extending credit to, contracting with, or having any claim against, the corporation, may look only to the funds and property of the corporation for the payment of any such contract or claim, or for the payment of any debt, damages, judgment or decree, or of any money that may otherwise become due or payable to them from the corporation.

5.3 Indemnification

To the maximum extent permitted by Chapter 180 of the Massachusetts General Laws, as the same exists or may hereafter be amended, no director or officer of the corporation shall be personally liable to the corporation for monetary damages for breach of fiduciary duty as director or officer of the corporation. No amendment to or repeal of the provisions of this paragraph shall apply to or have any effect on the liability or alleged liability of any director of the corporation for or with respect to any act or failure to act of such director occurring prior to such amendment or repeal.

- 5.3.1 The corporation shall, to the extent legally permissible, indemnify each person who serves as one of its directors, officers, employees, or volunteers, or who serves at its request as a director or officer of another organization or in a capacity with respect to any employee benefit plan, (each such person being herein called a "Person") against all liabilities and expenses, including amounts paid in satisfaction of judgments, in compromise or as fines and penalties and counsel fees, reasonably incurred by such Person in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which such Person may be involved or with which such Person may be threatened, while in office or thereafter, by reason of being or having been such a Person, except with respect to any matter as to which such Person

- shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interest of the corporation. Any Person who at the request of the corporation serves an employee benefit plan in one or more of the above indicated capacities and who shall have acted in good faith in the reasonable belief that his or her action was in the best interest of the participants or beneficiaries of such employee benefit plan shall be deemed to have acted in such manner with respect to the corporation.
- 5.3.2 Notwithstanding the foregoing, as to any matter disposed of by a compromise payment by any Person, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless such compromise shall be approved as in the best interests of the corporation, after notice that it involves such indemnification (a) by a disinterested majority of the officers then in office; or (b) by a majority of the disinterested directors then in office, provided that there has been obtained an opinion in writing of independent legal counsel to the effect that such Person appears to have acted in good faith in the reasonable belief that his or her action was in the best interest of the corporation.
- 5.3.3 Expenses, including counsel fees, reasonably incurred by any Person in connection with the defense or disposition of any such action, suit or other proceeding may be paid from time to time by the corporation in advance of the final disposition thereof upon receipt of an undertaking by such Person to repay the amounts so paid if such Person ultimately shall be adjudicated to be not entitled to indemnification under this Section 5.3. Such an undertaking may be accepted without reference to the financial ability of such Person to make repayment.
- 5.3.4 The right of indemnification hereby provided shall not be exclusive. Nothing contained in this Section shall affect any other rights to indemnification to which any Person or other corporate personnel may be entitled by contract or otherwise under law.
- 5.3.5 As used in this Section the term “Person” includes such Person’s respective heirs, executors and administrators, and an “interested” director or officer is one against whom in such capacity the proceeding in question, or another proceeding on the same or similar grounds, is then pending.
- 5.4 Transactions with Directors and Officers
- 5.4.1 No person shall be disqualified from holding any office by reason of any interest. In the absence of fraud, any director or other officer of this corporation, or any concern in which any such director or officer has any interest, or any individual having any interest in any such concern, may be a party to, or may be pecuniary or otherwise interested in, any contract,

transaction or other act (collectively called a “transaction”) of this corporation, and

- (1) such transaction shall not be in any way invalidated or otherwise affected by that fact; and
- (2) no such director or officer or individual shall be liable to account to this corporation for any profit or benefit realized through any such transaction; provided, however, that such transaction either was fair at the time it was entered into or is authorized or ratified by a majority of the directors who are not so interested and to whom the nature of such interest has been disclosed and who have had any findings required by law. Except to the extent otherwise provided by law, any interested director of this corporation may be counted in determining the existence of a quorum at any meeting at which such transaction shall be authorized and may vote to authorize such transaction.

5.4.2 For the purposes of this Section, the term “interest” shall include personal interest and also interest as a director, officer, stockholder, shareholder, trustee, member or beneficiary of any concern; and the term “concern” shall mean any corporation, association, trust, partnership, firm, person or other entity other than this corporation.

5.4.3 No transaction shall be avoided by reason of any provision of this Section , which would be valid, but for such provision.

Section 6. DISSOLUTION

The corporation may be liquidated or dissolved by a vote of a majority of its board of directors. Upon liquidation or dissolution of the corporation, all of the assets of the corporation shall be disposed of as provided in the corporation’s Articles of Organization.

Section 7. AMENDMENTS.

These Bylaws may be altered, amended or repealed by vote of two-thirds of the directors then in office. After two unsuccessful attempts to reach a two-thirds majority then these Bylaws may be altered, amended or repealed by a majority vote.

Section 8. ARTICLES OF ORGANIZATION, LOCATION, SEAL and FISCAL YEAR

8.1 Articles of Organization

The name and purposes of the corporation shall be as set forth in its Articles of Organization. These Bylaws, the powers of the corporation and of its directors and officers, and all matters concerning the conduct and regulation of the affairs of the corporation shall be subject to such provisions in regard thereto, if any, as are set forth in the Articles of Organization as from time to time in effect. In the event of any

inconsistency between the Articles of Organization and these Bylaws, the Articles of Organization shall be controlling.

8.2 Location

The principal office of the corporation shall initially be located at the place set forth in the Articles of Organization of the corporation. The directors may change the location of the principal office effective upon filing a certificate with the Secretary of the Commonwealth.

8.3 Seal

The directors may adopt and alter the seal of the corporation.

8.4 Fiscal Year

The fiscal year of the corporation shall end on June 30 of each year.