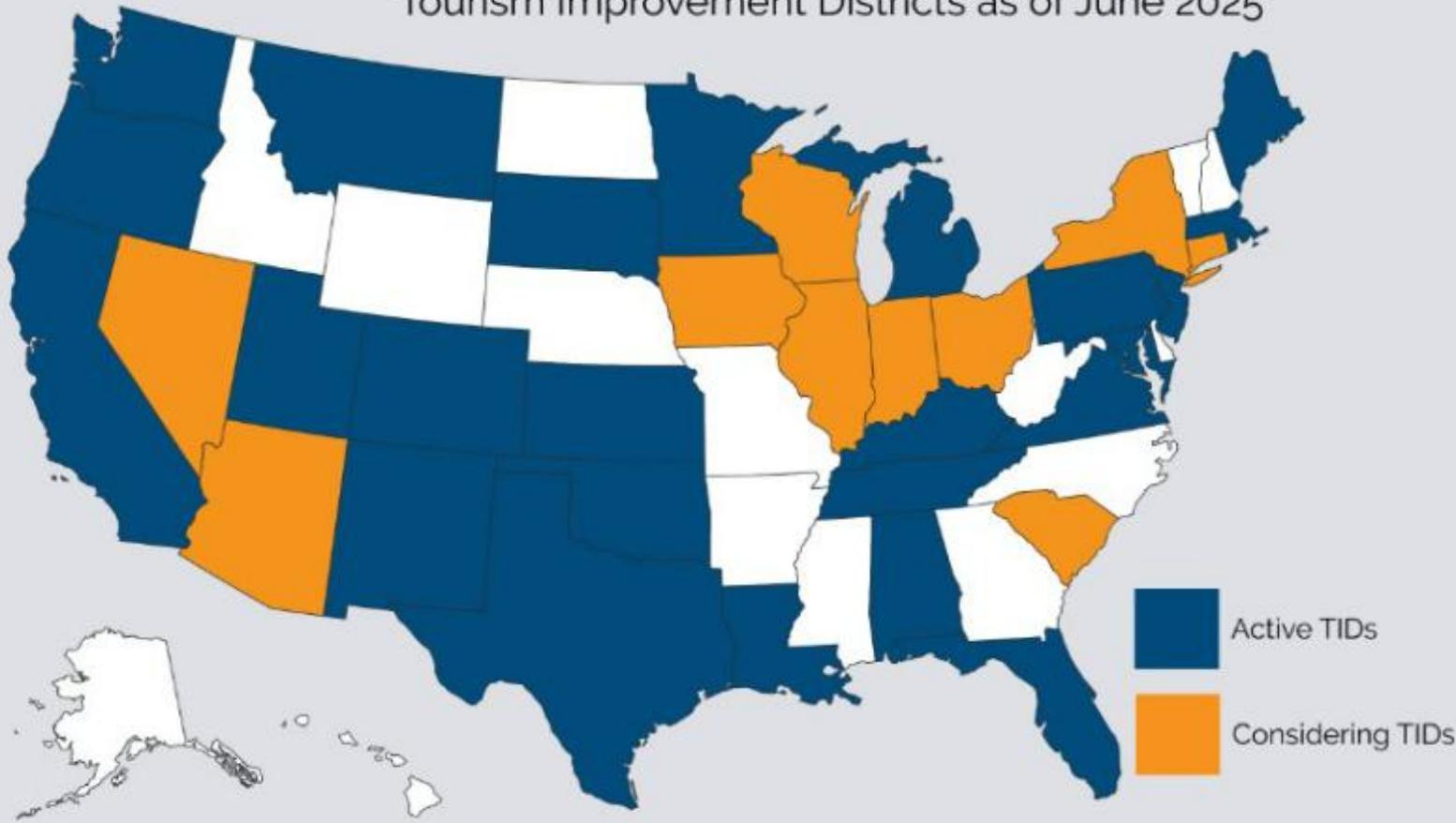


MASSACHUSETTS
TDM DOR
FAQ

Prepared on:
September 2025

Tourism Improvement Districts as of June 2025

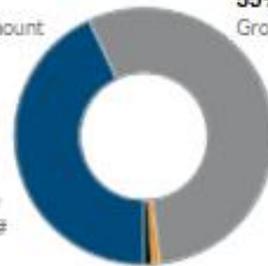


220 TIDs

Most Recent US TID:
 Minneapolis, MN
 (June 2025)

43%
 Fixed \$ Amount

55%
 Gross Revenue %



1%
 Fixed-rate
 based on #
 of hotel
 rooms

1%
 Fixed-rate per
 occupied room
 per night that
 varies by ADR

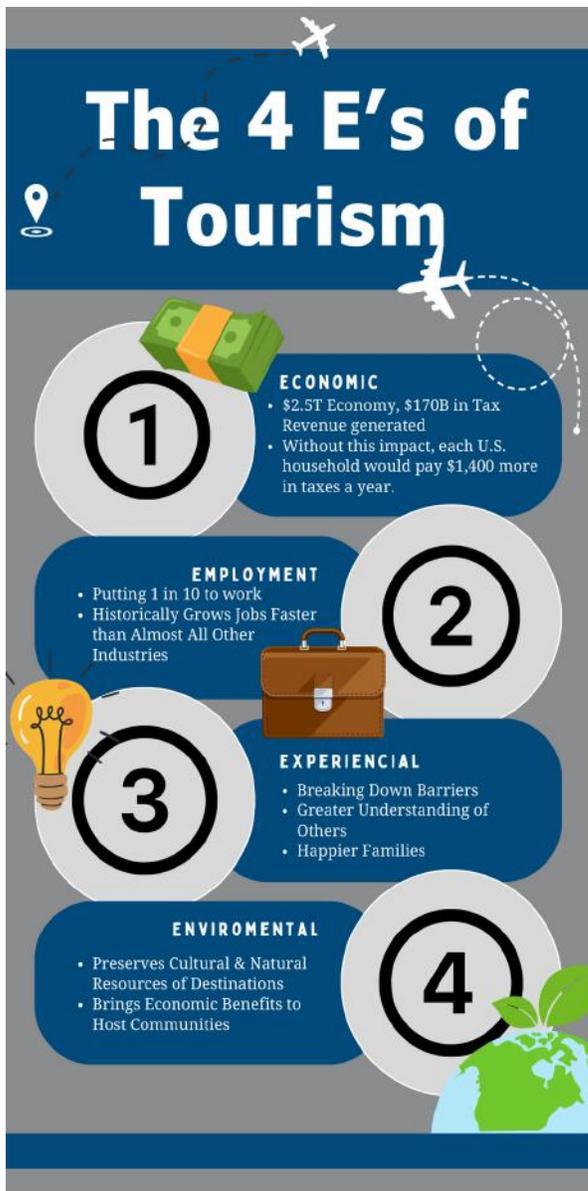
ANNUAL AMOUNT RAISED

| | |
|--------------|----------------------|
| Low | \$10,000 |
| High | \$47,200,000 |
| Total | \$724,800,000 |

25 STATES

Sustainable Growth Needs Sustainable Funding

The Importance of Tourism



The Impact of Fostering a Partnership Between the Government and the Hospitality Sector

1. Aim to balance tourism and economic growth with the well-being of local residents.
2. Develop a comprehensive tourism master plan for the Destinations.
3. Focus on strategic promotion of the Destinations diverse assets.
4. Improve the spatial distribution of tourists to reduce overcrowding.
5. Highlight the Destinations authenticity to benefit visitors, residents, and business growth.

Tourism Improvement Districts (TIDs)

Tourism industries throughout the United States are shifting to a funding approach that is both creative and reliable. This new model moves away from the unpredictability associated with membership-based funding or government-dependent solutions, such as tax revenues.

A Tourism Destination Marketing District (TDMD) commonly called a Tourism Improvement District (TID) is a funding mechanism initiated by local businesses and approved by local government. It involves a charge (different than a tax) that secures consistent financing for sales, marketing, and promotional activities. The primary objective of a TID is to boost hotel room occupancy and rates, thereby increasing overall expenditure by visitors in the local market.

TIDs are funded through a charge of certain lodging stays. The amount of the charge determined by business owners at the formation of the district, within particular legal guidelines. Certain types of stays can be exempt from the charge if they are not procured as a result of district activities. Funds raised through the charge must be spent for the benefit of the businesses paying the assessment.

WHAT ARE THE ADVANTAGES OF A TID?

Implementing Tourism Improvement Districts (TIDs) offers a compelling opportunity for government support in enhancing the tourism industry without financial burden. This initiative ensures community growth by utilizing visitor income to augment existing tax revenues, all while not impacting local residents. Through a strategic public-private partnership, TIDs establish a stable, long-term supplemental revenue source, fostering a symbiotic relationship between tourism development and governmental support.

WHAT IS THE ROLE OF THE MUNICIPALITY?

A TID provides a solution at no cost to municipal or state taxpayers. TIDs are funded through a charge on businesses, paid for by the customers. Assessed businesses pass the charge (not a tax) onto customers. The fee will show up as a line item on their final bill.

WOULD A TID COMPETE WITH A LOCAL OPTION TAX?

Having a dedicated tourism promotion fund would help to increase hotel occupancy and the average daily rate, therefore increasing the value of optional lodging tax revenues to the municipal budget, while also driving increased revenues at other hospitality businesses generating higher tax revenues.

SECURING SUSTAINABLE FUNDING: TIDS

The Tourism Improvement District (TID) model is revolutionizing the tourism industry. As an industry-led, industry-managed stable funding mechanism, destinations with TIDs, large and small, have elevated themselves above the competition.

A TID is a stable source of funding for marketing efforts designed to increase occupancy and room rates for lodging businesses. Funds raised through a small charge on lodging stays are used to provide services desired by and directly benefitting the businesses in the district. TIDs can have many functions, all of which are aimed at increasing tourism. TID activities can include print and internet advertising, visitor center operations, sales lead generation and many other marketing efforts.

TIDs are funded through a charge on certain transactions. The amount of the charge is determined by business owners at the formation of the district, within particular legal guidelines. Certain types of stays can be exempt from the charge if they are not procured as a result of district activities. Funds raised through the charge must be spent for the benefit of the businesses paying the assessment. Funds raised through a TID cannot be diverted to government programs.

What are the advantages of a TID?

- They provide a stable funding source for tourism promotion
- They are designed and created by those who pay the charge
- They are governed by those who pay the assessment
- Funds cannot be diverted for government programs
- Opportunity for the local government to support the Tourism Industry through a no-expense policy decision.
- charge does not affect the residents of the jurisdiction
- Provides for community growth using visitor income to bolster existing tax revenues.
- Public-private partnership for a long term stable supplemental revenue source

HISTORY

TIDs are an evolution of the traditional Business Improvement District. The first TID was formed in West Hollywood, California, in 1990. Since then, over 210 U.S. destinations have followed suit, including destinations in Colorado, Florida, Kansas, Louisiana, Montana, New Jersey, Pennsylvania, Rhode Island, South Dakota, Texas, Oklahoma, and Washington. TIDs are primarily formed pursuant to existing state statutes.

However, some destinations such as Portland, Oregon, Memphis, Tennessee, and Tampa, Florida, have utilized their home rule powers to create TIDs without a specific state statute.

Now, in 2024 there are over 210 districts worldwide in 23 states across the United States. Most recently, Florence and Montgomery, AL. Together, they raise almost 5 million for destination marketing a year. International districts have been formed in the UK and are being explored in other countries as well. From hotel revenue that fuels job creation to tax revenue, to the amounts visitors spend at attractions, restaurants and traveling – the impacts are endless.

Bed Tax vs. TIDs

Tourism Taxes (and membership models)

- No defined term
- The primary source of funding requiring an annual effort and resources to retain funding.
- The inability for long-term planning.
- Resources are not proportionate to the economic impact expected and produced.
- Creates competitive inequality (Membership Model)
- Allows for non-participating businesses to free-ride (Membership Model)

TID

- Managed and approved by those paying the charge.
- Eliminates the free-rider problem.
- Specific term and plan.
- Approved by those paying the charge through a petition process.
- Legal accountability to the district plan.
- Based on benefit to tourism businesses.
- TID funds cannot be diverted.
- Baseline funding protection.
- Legal protection and political protection.
- Procedure to dissolve the District mid-term.

TIDS OF NEW ENGLAND

Cape Cod, MA

Established: In Progress
 Assessment: 1.5%
Estimated Annual TDMD Budget: \$3,967,331
DMO Budget with no assessment: \$2,239,331
 Examples of Use of Funds:

- Public relations
- Workforce development
- Researching new markets
- Sustainability



Providence, RI

Established: 2022
 Assessment: 2.0%
Estimated Annual TDMD Budget: 1,650,000
DMO Budget with no assessment: \$2,004,000
 Examples of Use of Funds:

- Increased marketing efforts
- Direct sales activities to secure business
- International marketing & PR initiatives
- Contingency funds



Newport, RI

Established: 2017
 Planned Assessment: \$1.50
Estimated Annual TDMD Budget: \$494,950
DMO Budget with no assessment: \$5,000,000
 Examples of Use of Funds:

- Increased marketing and brand development
- Sales efforts and incentive funds
- Destination development
- Contingency Funds



Portland, ME

Established: 2023
 Assessment: 2%
Estimated Annual TDMD Budget: \$2,171,331
DMO Budget with no assessment: \$800,000
 Examples of Use of Funds:

- Market research
- Strategic funding opportunities
- Capital Improvements
- Public relations

New England State Tourism Budgets

| Destination | State Tourism Budget |
|----------------|----------------------|
| Connecticut | \$13,794,000 |
| Maine | \$19,143,530 |
| Massachusetts* | \$10,701,644 |
| New Hampshire | \$9,600,000 |
| Rhode Island | \$9,250,000 |
| Vermont | \$15,189,028 |

*\$4 Million State Tourism Office, + Matching grants from 16 regional tourism councils equaling \$6 Million

Monday, September 8, 2025

Cambridge City Council
City Hall
795 Massachusetts Avenue
Cambridge, MA 02139

BOARD OF
DIRECTORS

David Maher

President

Cambridge Chamber of Commerce

Jennifer Pendola

Vice President

Boston Marriott Cambridge

Joe Capalbo

Kimpton Marlowe Hotel

Kate Davis

Meet Boston

Sarah Gallup

MIT

Michael Gulesarian

Sheraton Commander Hotel

Holly Heslop

Cambridge Common Restaurant

Jay Kiely

Retiree/BioMed Realty

Paul Lee

Hong Kong Restaurant

Tom Lucey

Harvard University

Matt Nelson

City Manager's Office

Katherine Rafferty

Mount Auburn Hospital

Matthew Stephens

Mount Auburn Cemetery

Carolyn Turk

Resident/Mayors Office

TDMD COMMITTEE

Curtis Butcher

Porter Square Hotel

Yvonne Canela

907 Main

Joe Capalbo

Kimpton Marlowe Hotel

Michael Gulesarian

Sheraton Commander Hotel

Mohamed Hashesh

Courtyard by Marriott

Boston Cambridge

Mark Jeffery

Royal Sonesta Boston

Charlotte Kennedy

Harvard Square Hotel

Jennifer Pendola

Boston Marriott Cambridge

Adam Sperling

The Charles Hotel

CAMBRIDGE
OFFICE FOR TOURISM
EMPLOYEES

Candice Beaulieu

Pat McAvoy

Kaleigh Wright

Dear Mayor Simmons, Vice Mayor McGovern, and Members of the City Council,

As representatives of the Board of Directors for the Cambridge Office for Tourism (COT) and the Tourism Destination Marketing District (TDMD) Committee, we submit this response to Policy Order #117, which contains significant factual inaccuracies and presents structural funding changes that would fundamentally disrupt a successful, long-standing model.

This order was introduced at a time of vulnerability for the Office, which does not appear to be a coincidence. COT is in the middle of a leadership transition while simultaneously navigating the formal TDMD renewal process — a multi-step effort that determines resources for the next five years. These are periods that call for stability and partnership — not hastily introduced proposals that seek to defund and dismantle an essential city function without adequate research, consultation, or understanding of the consequences as it was brought forward without any discussion or notification to the Cambridge Office for Tourism, its Board or its TDMD Committee. We find this order disappointing and concerning, especially in a city that prides itself on transparency, collaboration, and equitable governance.

Policy Order #117 is rooted in mischaracterizations and has been introduced without research, conversation, or analysis of the real-world impact it would have. We offer the following facts to provide clarity and accountability.

- **The establishment of our office in 1995, a direct result of the “Cambridge as a Destination” Commission, was explicit in its design to operate differently than the existing business associations, which included City funding as a foundational “base budget.”** The Mayor’s Commission clearly states in founding documents that “one of the greatest assets that would come to this new office is its ability to raise additional funding from many sources.” The current order overlooks this intentional structure — one that envisioned a public-private funding model from the outset and recognized the City’s role in creating and funding this office.
- **Cambridge’s hotel/motel excise tax revenue has surged in recent years — from just \$1.3M FY21 to \$18.8M in FY25 — with FY23 alone seeing a 110% year-over-year increase.** It is not a coincidence that this growth directly aligns with the time period in which COT began utilizing TDMD funding for large-scale advertising campaigns aimed at reintroducing Cambridge to key travel markets.

- **Cambridge's meals tax revenue fell to \$2.1M in FY21 (a 51% drop), rebounded with 35% growth in FY23, then saw slowing year-over-year growth in FY24.** In response, COT utilized TDMD funds to bring **Michelin to Cambridge in FY26** — a strategic investment to support Cambridge restaurants, elevate the city's culinary standing on an international stage, and reinforce the meal tax as a key revenue stream for the city. This initiative complemented our broader advertising campaigns, also funded entirely through TDMD.
- **By comparison, our recent city appropriation of \$532,000 represents less than 2.2% of the \$24.2M in FY25 revenue from the combined hotel/motel and meals taxes,** reinforcing that COT's funding is extremely modest relative to the broader economic engine we help generate and sustain for the City of Cambridge.
- **The City's funding to COT has remained flat at \$532,000** annually — with no increase in over 4 years, and only 8 increases in 30 years.
- Policy Order #117 **inaccurately states that COT receives over \$1.5M annually from TDMD funds. In reality, our TDMD allocations have ranged from \$368,000 to a maximum of \$1.2M annually.** TDMD funds are **extremely volatile**, fluctuating quarter to quarter based on hotel occupancy and broader tourism trends — which makes them inherently unstable, especially in unpredictable political and economic environments.
- **TDMD funds are legislatively defined as supplemental, not replacement funding.** They are intended to support new projects and initiatives that have not previously been funded by municipalities or other funding sources — not to displace existing appropriations. TDMD districts across the United States operate under this same structure because the legislation requires it (see attached TDMD FAQ from CIVITAS). **A closer review of General Massachusetts Law Chapter 40X, or direct consultation with our office, would have made this important distinction clear.**

The policy order also compares COT to other 501(c)(6) organizations in Cambridge, but it's critical to clarify that our purpose, structure, and reach are fundamentally different. While we deeply value the important work of all the business associations — who play a critical role in strengthening their districts — we do not presume to fully understand the details of how those organizations are funded. That said, we would generally agree that they are likely underfunded and deserving of additional support. **We believe in working in collaboration versus competition, and that Cambridge deserves strong business associations and strong destination marketing; it should not be an either-or decision.**

- Cambridge's business associations focus on critical district-level work within their specific commercial corridor, and their role is essential in maintaining the daily functionality and vibrancy of their neighborhoods. In contrast, COT's work is **outward-facing and citywide**, promoting the hard work of these business associations through strategic marketing and advertising that is designed to attract leisure travelers, event producers, meeting planners, and group tours from regional, national, and international markets — driving hotel occupancy, visitor spending, and long-term economic impact.



- COT is a **non-membership organization**, meaning all of our promotional support — from blog features to social media, calendar listings, print guides, promotion at tradeshow and more — is **free to Cambridge businesses or organizations regardless of geographic location**.

COT operates with a deliberate, data-driven approach to tourism marketing. Since the new brand and campaign launch a year ago, they have created a **strategic and comprehensive advertising plan** with TDMD funds that targets key visitor markets and aligns with seasonal travel behaviors. This effort has been supported by the opening of the new Visitor Center in Harvard Square, which provides direct engagement with thousands of visitors annually, and the launch of the newly redesigned website, which serves as a central hub for visitor planning and business promotion. Every campaign and initiative that is undertaken is informed by metrics and insights, and discussed with the TDMD Committee and reviewed by the Board, to ensure the delivery of measurable results.

To guide strategy and assess impact, COT relies on a range of performance and market data sources:

- COT tracks **impressions, engagement, and click-through rates monthly** on all marketing campaigns to monitor performance and adjust targeting in real time. A few advertising highlights include:
 - Since 2023 Expedia advertising has resulted in **33,536 additional room nights** and a total of **\$11.2M in gross bookings for Cambridge hotels, directly impacting hotel/motel tax revenue**
 - **Boston Logan Airport advertising** was posted during Summer 2024 and Spring 2025 in baggage claim areas of both Terminal C and B
 - Uber advertising tailored to be delivered to **anyone leaving Boston Logan Airport in an uber who does not have a Massachusetts home address** listed in the app; which drove over **12K sessions to our website** with a 94.1% engagement rate, and **reached over 270K unique Uber riders**
 - **+10 eTarget emails** have been sent to email database lists that contain over **500,000 active meeting planners** with a **10% average CTR**, easily surpassing eTargets benchmark CTR of 3%
 - **+6500 event planner leads** fed directly to Cambridge Hotels from tradeshow attendance, with many event planners booking conferences as far out as 2030 and beyond
 - Double-digit growth since FY23 across social media platforms, including an **83% increase in followers on Instagram**, 33% increase on Facebook, 31% increase on Pinterest and **64% increase on LinkedIn**
- **Monthly reports from Boston Logan Airport, Pinnacle, and others** are analyzed which provide insight into regional travel patterns, hotel occupancy, and economic trends that impact Cambridge.

- **Placer.ai** is utilized to evaluate **real-time visitor foot traffic and movement** throughout Cambridge neighborhoods — allowing a better understanding of who is coming, where they go, and how long they stay. **These reports are also shared out with the business associations and other partner organizations each month.**
- COT works very closely in partnership with **Meet Boston**, the **Massachusetts Office of Travel and Tourism**, the **Massachusetts Lodging Association** and other statewide agencies — giving Cambridge visibility on a regional and national level.
- Examples of **regular reporting of impact and results to key stakeholders** include well-attended “All Hotel” annual meetings, receiving strong feedback from Cambridge hoteliers. There is also an annual presentation to our Board of Directors to review year-over-year performance, and delivery of detailed presentations to the Meet Boston TDMD Committee, demonstrating how TDMD funds are used and the success and learnings of campaigns.
- **Since FY23, TDMD-funded community sponsorships have grown by 83%, expanding support to include all four business associations** and doubled the share of the overall TDMD budget dedicated to community events — reinforcing COT’s commitment to equitable, citywide impact.

The Board and TDMD Committee believe that it is unacceptable that a proposal of this scale — affecting millions in city revenue and a decades-old public-private partnership — was drafted without any consultation with COT leadership, Board members, or the TDMD Committee.

To move forward in a constructive and transparent manner, we respectfully propose the following action steps:

- **COT, its Board and TDMD Committee members must have a seat at the table for any and all future discussions** — including meetings, working groups, committees, or policy conversations that seek to alter the structure, funding, or function of our office. Decisions of this magnitude must include participation from the organization most directly affected.
- **We propose an informational session to be held prior to the FY27 budget hearing.** At this meeting, the Cambridge Office for Tourism will present a detailed overview of the office’s impact, funding structure, and strategic goals. We will also invite a representative from CIVITAS — the national leader in TDMD legislation and the organization that assisted with the creation of the BCTDMD — to answer any questions related to fund restrictions, legislative intent, or national best practices. Both Meet Boston and the Massachusetts Office of Travel and Tourism will be invited as well.

We remain hopeful that the path forward will reflect the transparency, equity, and collaboration that have long defined Cambridge — and that any future actions will be guided by a respect for both the organizations doing the work and the people behind them. We look forward to continuing this conversation in a way that restores trust, respects process, and reinforces the values that make this city the vibrant, inclusive, and forward-thinking place it has always aspired to be.

Sincerely,

Cambridge Office for Tourism Board of Directors
Cambridge Office for Tourism TDMD Committee
Cambridge Office for Tourism

CC:

- Cambridge Office for Tourism Board
- Cambridge Office for Tourism TDMD Committee
- Yi-An Huang, City Manager
- Acting Cambridge City Clerk, Paula Cranes
- Martha Sheridan, Meet Boston

From: [Candice Beaulieu](#)
To: [McGovern, Marc](#); [Nolan, Patricia](#); [Siddiqui, Sumbul](#); [Sobrinho-Wheeler, Jivan](#); [Toner, Paul](#); [Zusy, Catherine](#); [Azeem, Burhan](#); [Wilson, Ayesha](#); [Simmons, Denise](#)
Cc: [City Clerk](#); [Huang, Yi-An](#); [Nelson, Matthew](#); dmaher@cambridgechamber.org; [Jennifer Pendola](#); [Crane, Paula](#)
Subject: Timely Response to Policy Order #117
Date: Monday, September 8, 2025 3:04:27 PM
Attachments: [CIVITAS- TDMD FAQ Sept 2025.pdf](#)
[COT Board + TDMD Committee Policy 117 Letter - 9.8.25.pdf](#)
[MB COT Support Letter 9.8.25.pdf](#)

Dear Mayor Simmons, Vice Mayor McGovern, and City Councilors,

I am writing on behalf of the Cambridge Office for Tourism’s Board of Directors and the TDMD Committee to share our disappointment and concern that we were neither notified nor consulted regarding Policy Order #117.

To support a more informed process, we are sharing our response letter, a letter of support from Meet Boston alongside a factual TDMD Massachusetts one sheet prepared by CIVITAS — the national leader in TDMD legislation and the group that helped establish the BCTDMD. These materials will help clarify key facts and provide a foundation for a constructive, transparent discussion.

We look forward to continuing this dialogue in a way that restores trust and ensures decisions are grounded in facts, shared priorities and collaboration.

Please do not hesitate to reach out to our office with any questions.

Best,

Candice Beaulieu

Interim Executive Director

[Cambridge Office for Tourism](#)

17 Dunster St., Suite 203

Cambridge, MA, 02138

E: CBeaulieu@CambridgeUSA.org



September 8, 2025

Cambridge City Council
795 Massachusetts Avenue
Cambridge, MA 02139
RE: Support for the Cambridge Office for Tourism

Dear Members of the City Council,

On behalf of Meet Boston and the regional visitor industry, I'm writing to express our strong support for the Cambridge Office for Tourism (COT) as well as our deep concerns regarding the proposal outlined in Policy Order #117.

COT is a vital contributor to the Greater Boston visitor economy. Their citywide, outward-facing consumer marketing and partnership approach complement the hyperlocal roles of business associations. Through collaborative destination marketing, event attraction, group sales, and TDMD implementation, COT brings national and international visibility to Cambridge — generating measurable economic impact, driving visitor spending throughout Cambridge, and strengthening the city's brand on a global scale. Through transparent communication, strategic presentations, and consistent reporting, it has been inspiring to watch how COT has grown in reach and impact in the past three years. Undermining that momentum now would be a significant loss for the City of Cambridge.

At the same time, we acknowledge the essential role that Cambridge's business associations play in supporting their districts. Cambridge deserves — and benefits from — both strong neighborhood associations and a well-resourced tourism office. Rather than seeing them in opposition, we should understand that supporting one can actually complement the success of the other. The health of both is imperative and mutually beneficial; to undermine one to support the other risks fracturing a system that works best when aligned in strategy and purpose. Tourism and small business development are reinforcing goals. In fact, visitor dollars are inherently more impactful for small businesses because those dollars represent new spending that comes from outside the local economy. Moreover, visitor spending creates new revenues for public coffers, resources that can be reinvested in local communities and small businesses in Cambridge without taxing those very residents and business owners.





We urge the Council to pause this proposal and commit to a transparent process that includes the Cambridge Office for Tourism. Introducing a major funding shift without consultation threatens a decades-long partnership that has delivered clear economic benefit. Disrupting that progress risks unraveling a successful model that has elevated Cambridge's visibility, supported local businesses, and strengthened the city's economy. It is important to note that the advent of TDMD funding should not and cannot be the impetus for any shifts in funding; the enabling legislation is very clear that TDMD funds are intended to supplement current funding models, not supplant them. The best path forward is one that protects what's working, invites open collaboration, and reflects the thoughtful, inclusive governance Cambridge is known for.

Sincerely,

A handwritten signature in cursive script that reads 'Martha J. Sheridan'.

Martha Sheridan
President and CEO
Meet Boston

