

Appendix A – Statutory Agreement

MEMORANDUM OF AGREEMENT
BETWEEN
STATE OF MAINE
DEPARTMENT OF TRANSPORTATION
AND
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

This Memorandum of Agreement is between the State of Maine, Department of Transportation ("MaineDOT") and the State of Maine, Department of Economic and Community Development ("DECD").

WHEREAS, prior to 2017, the Maine Port Authority ("MPA"), in conjunction with funding provided by the MaineDOT, contracted directly for cruise marketing services for the State of Maine; and

WHEREAS, the Maine coast has seen a decade of steady growth in the cruise industry, and rapid growth at some cruise ship ports; and

WHEREAS, in preparing for the release of a new cruise marketing contract in early 2017, pursuant to 5 M.R.S.A. § 12022(1), leadership at MaineDOT, MPA and DECD conducted a review of the cruise ship marketing contract to "ensure that all activities and expenditures of the entity are limited to those necessary to accomplish the entity's mission and to carry out the entity's duties consistent with the entity's authorizing law"; and

WHEREAS, the following facts were used in determining the appropriate entity to manage cruise ship marketing services:

- 1) 23 M.R.S.A. § 4204 provides that MaineDOT shall provide "adequate, safe and efficient transportation facilities and services...essential to the economic growth of the State and the well-being of its people and the planning and development of such facilities shall be coordinated by a state department of transportation with overall responsibility for balanced transportation policy and planning."
- 2) The MPA is established by 5 M.R.S.A. § 12004(F) for the general purpose of "acquiring, constructing and operating any kind of port terminal facility and railroad facility within the State..."
- 3) The mission of the MPA is "to improve the global competitiveness of Maine businesses...[to] stimulate commerce by developing

marine and rail facilities...for the intermodal movement of people and cargo.”

- 4) Pursuant to 5 M.R.S.A. § 13053, the DECD is established to “encourage economic and community planning and development policies and program to the State and to coordinate these programs and policies...[and] to work with municipalities and regional planning and economic development organizations to build strong local and regional economies...”
- 5) Furthermore, 5 M.R.S.A. § 13090-C(1) established the Maine Office of Tourism (“MOT”) within the DECD to “administer a program to support and expand the tourism industry and promote the State as a tourist destination.”

WHEREAS, MaineDOT, MPA, DECD and MOT, created a joint vision for providing state level cruise industry support to include:

- (1) Forging stronger partnerships with member ports to responsibly accommodate for continued growth of the industry;
- (2) Providing ample support for Maine businesses in areas such as expanding landside excursions, exploring opportunities for the promotion of Maine products to cruise ship passengers and on cruise ships visiting Maine;
- (3) Increasing return visitations by cruise passengers not only to coastal destinations, but also to other areas of the State; and
- (4) Supporting the growth of the cruise ship industry with responsibility and strategic transportation infrastructure investment.

WHEREAS, to achieve the goals, MaineDOT and DECD agreed to take an innovative and collaborative approach to promoting and serving the cruise industry and member ports going forward; and

WHEREAS, the MaineDOT and DECD agreed to enter into a Memorandum of Agreement (“MOA”) to outline the responsibilities of each entity in supporting the cruise ship industry and member ports in the State; and

WHEREAS, the MOT released a Request for Proposals (“RFP”) during the summer of 2017 for cruise ship marketing services to be managed by the

MOT, and has awarded a one-year contract for marketing services and the creation of an enhanced CruiseMaine coalition;

NOW THEREFORE, the Parties agree as follows:

1. The MOT is the most appropriate entity to manage cruise ship marketing and create an enhanced coalition of member ports in the State.
 - A. The MOT will manage the cruise ship marketing contract and oversee the establishment of the enhanced CruiseMaine coalition, taking the lead in the development, promotion and cruise development activities in the State.
 - B. The MOT, through its contractor, will engage coastal communities and current CruiseMaine Coalition partners to develop a formal governance structure for the CruiseMaine Coalition, to include recommendations on an official advisory board, development of membership levels and fee rates, and organization and leadership of regularly scheduled CruiseMaine Coalition meetings.
 - C. In addition to the CruiseMaine coalition, MOT will create an internal advisory committee, to include the cruise marketing contractor, MaineDOT/MPA personnel assigned to cruise industry support, and the DECD business account executives, to develop and strategies to maximize the economic impact of cruise ship visitation in Maine. This committee will make recommendations on cruise ship infrastructure investment and landside excursion and other business opportunities (including the promotion of Maine-made products for sale to cruise ships) to the MOT, MaineDOT, MPA and DECD leadership.
 - D. The MOT Director, or his or her designee, will participate as a voting member on the CruiseMaine coalition, as well as the internal, state-agency committee on infrastructure and business development.
 - E. The DECD Commissioner, or his or her designee, will participate as a voting member on the CruiseMaine coalition as well as the internal, state-agency committee on infrastructure and business development.
 - F. The MOT will provide annual and periodic reports and statistics on cruise industry activities and CruiseMaine events in the State to the MaineDOT Commissioner and MPA Executive Director.

2. DECD is the most appropriate entity to promote and assist Maine businesses with expanding landside business opportunities that support the growth of the growth of cruise ship industry in Maine.

- A. DECD business account representatives for coastal regions with cruise member ports will participate in the CruiseMaine coalition, as well as the internal, state-agency committee on infrastructure and business development.
- B. DECD business account representatives will actively work with MOT, and the cruise marketing contractor, as well as other state agencies, as appropriate, to promote opportunities to Maine businesses to support and expand landside business in Maine.

3. MaineDOT and the MPA are the appropriate entity to support all cruise industry stakeholders with the development and financing of marine transportation infrastructure and to support the operational needs of the cruise ship industry and member ports.

- A. The MaineDOT Commissioner, or his or her designee, will participate as a voting member on the CruiseMaine coalition, as well as the internal, state-agency committee on infrastructure and business development.
- B. The MPA Executive Director will participate as a voting member on the CruiseMaine coalition as well as the internal, state-agency committee on infrastructure and business development.
- C. MaineDOT will commit an in-house position to support cruise infrastructure investment and cruise operations issues statewide. This position will be available to the cruise marketing contractor to assist on statewide infrastructure development and operational issues.
- D. MaineDOT will commit \$40,000 as an initial "dues payment" to the CruiseMaine coalition in the first year of the MOT cruise marketing contract. Future years CruiseMaine dues for MaineDOT and MPA membership will be determined based on the rate structures to be established by the MOT and agreed to by amendment to this MOA by the Commissioners of MaineDOT and DECD.

4. DECD/MOT agree that funding transferred pursuant to this Agreement will be used only towards the cruise ship marketing contract and the

establishment and support of an enhanced CruiseMaine coalition. No funding provided by the MaineDOT/MPA will go to other general tourism initiatives.

5. This Agreement shall be interpreted in accordance with the laws of the State of Maine.

6. This Agreement shall be effective upon the date of last signature below.

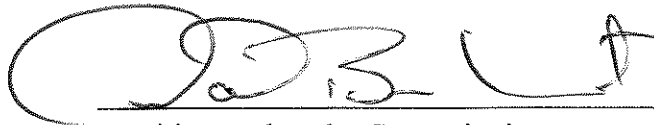
7. This Agreement contains the entire understanding of the Parties with regard to the matters set forth herein and may not be amended without the express written agreement of both Parties.

8. This Agreement shall be binding on, and inure to the benefit of, the Parties and their respective successors and assigns.

WHEREFORE, the Parties, by their duly authorized representatives, executed this Agreement upon the dates set forth below.

Dated: 1/12/18

DEPARTMENT OF TRANSPORTATION



David Bernhardt, Commissioner

Dated: 10/31/17

DEPARTMENT OF ECONOMIC AND
COMMUNITY DEVELOPMENT



George Gervais, Commissioner