



City of Ketchum

November 4, 2019

Mayor Bradshaw and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

Recommendation To Enter into Contract 20416 For services with Sun Valley Marketing (Visit Sun Valley)

Recommendation and Summary

Staff is recommending the council approve the contract with Sun Valley Marketing (Visit Sun Valley) and adopt the following motion:

I move to authorize the Mayor to sign Contract 20416 with Sun Valley Marketing.

The reasons for the recommendation are as follows:

- The City is contracting with Sun Valley Marketing to provide marketing services to generate additional visitors.
- The funding was approved in the FY 19/20 adopted budget

Introduction and History

As part of the FY 19/20 budget, the Council authorized funding for Visit Sun Valley for marketing and promotional services. The proposed contract provides the scope of work and method for payment of services.

Analysis

The amount of this contract is \$400,000, a reduction of \$40,000 from last year.

Financial Impact

The cost for services is \$400,000. The Fiscal Year 2019-20 Budget includes funding for the proposed services for the Local Option Tax Fund.

Attachments:

Proposed Contract 20416

Summary of 2018/19 Scope of Work

CONTRACT FOR SERVICES 20416

THIS AGREEMENT, made and entered into this ____ day of _____, 2019, by and between the CITY OF KETCHUM, IDAHO, (hereinafter referred to as "the City") and the SUN VALLEY MARKETING ALLIANCE, an Idaho nonprofit corporation with an IRS 501 (c)(6) designation, (hereinafter referred to as "SVMA").

FINDINGS

1. Ketchum is a municipal corporation duly organized and existing under the laws of the State of Idaho § 50-101 et seq.
2. SVMA is an Idaho non-profit corporation with an IRS 501(c)(6) designation engaged in the business of domestically and internationally marketing the Sun Valley, Idaho resort area (including Ketchum) as a destination resort.
3. Ketchum is a destination resort city as defined by Idaho Code § 50-1044 as it derives a major portion of its economic wellbeing from businesses catering to the recreational needs and meeting the needs of people traveling to the Sun Valley area. As a resort city, Ketchum is eligible to and does collect a local option non-property tax.
4. Pursuant to Idaho Code § 50-301 and § 50-302, Ketchum is empowered to enter into contracts and take such steps as are reasonably necessary to maintain the peace, good government and welfare of the City and its trade, commerce and industry. Accordingly, Ketchum has the power as conferred by the State of Idaho, to provide directly for certain promotional activities to enhance the trade, commerce, industry, and economic well-being of the City.
5. City Municipal Code Chapter 3.12 provides for the imposition of a non-property tax on the sales price of certain goods sold or otherwise transferred in Ketchum. Pursuant to the language of the Chapter, which was approved by the voters of Ketchum, the municipal sales tax revenue derived shall be used for the following purposes: municipal transportation; open space acquisition and recreation; capital improvements (roads, water, sewer, parking, Ore Wagon Museum); emergency services (police, fire, ambulance); city promotion, visitor information and special events; property tax relief; and direct costs to collect and enforce the tax.
6. The primary reason for the City to enter this contract is to increase visitors in order to increase Local Option Tax revenues, generated by retail sales, ski tickets, lodging, and liquor by the drink in the City of Ketchum.
7. The Organizational Goals of SVMA are consistent with the purposes and findings of Municipal Code Chapter 3.12.
8. It is the intention of Ketchum to contract with SVMA to provide such services for consideration as hereinafter provided.
9. Ketchum has committed \$400,000 towards this contract for services in their 2019/2020 budget.
10. SVMA desires to enter into an agreement with Ketchum to provide services identified in Attachment A.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, it is agreed by and between the City and the SVMA as follows:

1. **SERVICES RECEIVED.** SVMA agrees to provide those services identified in Attachment A as an independent contractor. SVMA agrees that it shall provide, at its sole expense, all costs of labor, materials, supplies, business overhead and financial expenses, liability insurance, fidelity bonds, and all necessary equipment and facilities required to provide the services as set forth in this Agreement.
2. **TERM.** The term of this Agreement shall commence October 1, 2019 and shall terminate on the 30th day of September 2020.
3. **CONSIDERATION.** In consideration for providing the services described in Attachment A, the City agrees to pay to SVMA the total sum of FOUR HUNDRED THOUSAND DOLLARS (\$400,000) payable in agreed upon installments. SVMA will provide the City an invoice setting forth the amount of the installment due for the installment; the City shall pay SVMA the amount set forth in such invoice no later than thirty (30) days after the date of such invoice.
4. **REPORTING.** SVMA agrees to report to the Ketchum City Council quarterly via email on progress towards the specific scope of work objectives and measurements, and include advertising campaign material (before the next seasons campaign is finalized). SVMA also agrees to provide the City with the information and reports Identified in Attachment A.

SVMA shall provide to the City of Ketchum the operating budget to include revenues and detailed expenditures. And present semi-annual financial reports (YTD budget and current balance sheet) two times per year; and furnish to the City at SVMA's expense externally prepared financial reviews (actual P&L and year-end balance sheet) on an annual basis; make available to the City all SVMA financial information at any time for any reason; and furnish SVMA's bylaws to the City and immediately advise the City in writing of any changes to the bylaws or changes to the organizational structure.

SVMA shall maintain complete records of all written, electronic and oral complaints received by it from tourists regarding air and ground transportation and tourist facilities in the Sun Valley resort area.

5. **TERMINATION.** The City may terminate this Contract with 120 days written notice to SVMA with or without cause. The City recognizes that the SVMA has made significant financial commitments (e.g. vendor contracts, leases, employees, etc.) on behalf of the City and SVMA will need time to adjust its obligations. In the event of such termination, The City shall have no further responsibility to make any payment to SVMA under this Contract at the end of the 120-day period. The City reserves the right to request an independent audit under the provisions herein upon termination, and such audit obligation and cost on the part of SVMA shall survive any termination of this Contract.
6. **EQUAL EMPLOYMENT OPPORTUNITY.** SVMA covenants that it shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin.
7. **INDEPENDENT CONTRACTOR STATUS.** The parties acknowledge and agree that SVMA shall provide its services for the fee specified herein in the status of independent contractor, and not as an employee of the City. SVMA shall create, direct, and control its own means and methods of performing this Agreement. SVMA and its agents, members, employees, and volunteers, shall not accrue leave, retirement, insurance, bonding, or any other benefit afforded to employees of the City. The sole interest

and responsibility of the City under this Agreement is to assure itself that the services covered by this Agreement shall be performed and rendered by SVMA in a competent, efficient and satisfactory manner.

8. HOLD HARMLESS AGREEMENT. Any contractual obligation entered into or assumed by SVMA, or any liability incurred by reason of personal injury and/or property damage in connection with or arising out of SVMA's obligations pursuant to this Agreement shall be the sole responsibility of SVMA, and SVMA covenants and agrees to indemnify and hold the City harmless from any and all claims or causes of action arising out of SVMA's activities and obligations as set forth hereinabove, including, but not limited to, personal injury, property damage, and employee complaints.

9. NON-ASSIGNMENT. This Agreement may not be assigned by or transferred by SVMA, in whole or in part, without the prior written consent of the City.

10. DISPUTES: In the event that a dispute arises between the City and SVMA regarding application or interpretation of any provision of this Agreement, the aggrieved party shall promptly notify the other party to this Agreement of the dispute within ten (10) days after such dispute arises. If the parties shall have failed to resolve the dispute within thirty (30) days after delivery of such notice, the parties agree to first endeavor to settle the dispute in an amicable manner by non-binding mediation before resorting to litigation. Should the parties be unable to resolve the dispute to their mutual satisfaction within thirty (30) days after such completion of mediation, each party shall have the right to pursue any rights or remedies it may have at law or in equity.

11. MISCELLANEOUS PROVISIONS.

- a. Paragraph Headings. The headings in this Agreement are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any of the provisions of the Agreement.
- b. Provisions Severable. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Agreement.
- c. Rights and Remedies are Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude nor waive its rights to use any or all other remedies. Any rights provided to the parties under this Agreement are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.
- d. Successor and Assigns. This Agreement and the terms and provision hereof shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.
- e. Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.
- f. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Idaho.

- g. Preparation of Agreement. No presumption shall exist in favor of or against any party to this Agreement as a result of the drafting and preparation of the document.
- h. No Waiver. No waiver of any breach by either party of the terms of this Agreement shall be deemed a waiver of any subsequent breach of the agreement.
- i. Amendment. No amendment of this Agreement shall be effective unless the amendment is in writing, signed by each of the parties.
- j. Notices. Notices hereunder shall be by personal delivery or US Mail Certified/Return Receipt and shall be deemed effective upon such personal delivery or two (2) business days after mailing, whichever is later. Notices shall be provided as follows:

a. City: City Administrator
 City of Ketchum
 P.O. Box 2315
 Ketchum, ID 83340

b. Consultant: Sun Valley Marketing Alliance, Inc.
 PO Box 4934
 Ketchum, ID 83340

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

CITY OF KETCHUM, IDAHO

SUN VALLEY MARKETING ALLIANCE

By: _____
 Neil Bradshaw
 Mayor

By: _____
 Scott Fortner
 Executive Director

ATTEST _____
 Robin Crotty, City Clerk

Attachment A

Sun Valley Marketing Association Scope of Work FY 2019/20

Goal: As a Destination Marketing Organization (DMO), Build Awareness of the Sun Valley Brand to those outside of the Area

Scope of Work Objectives:

- Establish effective working relationship with local businesses
- Implement a strategic plan for cultivating younger visitors with specific identified demographics
- Provide marketing support for events that attract over 999 outside visitors
- Promote Ketchum's event story
- Promote Ketchum's art story
- Promote Ketchum's retail (dining & shopping) experience
- Promote Ketchum as a hub to wonderful nearby experiences
- Develop a report to compare Sun Valley visitor statistics with other similar destinations.
- Track visitor demographics—age of visitor, where visitor lives, how many visitors are repeat visitors, where are visitors staying, hotels or vacation rentals, and present the information to the city council for consideration.
- Before going into the market and before finalization, present to city council the proposed marketing campaign for the next season.

Measurements:

- Report to council quarterly via email on progress on specific scope of work objectives, to include campaign material (before the next seasons campaign is finalized)
- Annually measure success by reviewing comparable statistics to similar resort areas and present information to council.
- Increase hotel LOT revenue in Ketchum above FY 2018/19 revenue
- Bi-annually provide information on visitor demographics.

From: [Scott Fortner](#)
To: [Suzanne Frick](#)
Subject: VSV/COK scope of work.
Date: Wednesday, October 30, 2019 5:57:02 PM

Suzanne, As per your request, I put together the information and examples of worked performed by Sun Valley Marketing Alliance per the scope of work for 2018-19'. All to enhance our public image, showcase our assets, and to promote visitation to our community while being in line with our Place Branding.

- [Snapshot](#): includes Story Placements, samples of our messaging, [storylines](#) and, creative executions that we have been supporting through various forms Earned, Owned and Paid media channels: including but not limited to, social, media partnerships, contesting, and promotions.
- Continual content building and distribution of Visit [Sun Valley Facebook page & Instagram](#) as well as leveraging for our retargeting strategies.
- [Summer Visitor survey](#) is being compiled as we speak, but I have attached a combined version for 2017' & 18.'
- [Competitive Research](#); Destination comparative on Tourism business levels, funding, and tax revenue collections.
- Metrics: Our Tourism indicators showed continue YOY growth with some variations due to changes in metric data points. [TI 18' Sum/Fall](#), [TI 18'-19' winter](#), [TI 19' Sum/Fall](#)

We are still working on the final results of our Summer visitor survey as well as our Fall marketing initiatives results and visitation performance.

I have also provided all the PDF files in this link:

<https://www.dropbox.com/sh/19ve4egb74ijkd6/AACGObfekPemyJ5Rctx6cUlpa?dl=0> which you may find easier for council packets.

Please let me know if you have any questions.

Thank you.

Scott Fortner | **VISIT SUN VALLEY**
Executive Director | Scott@VisitSunValley.com
[@visitsunvalley](#) | [#seeksunvalley](#)
