



City of Ketchum

December 7, 2020

Mayor Bradshaw and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

Recommendation To Enter into Contract 20570 For Marketing Services With Sun Valley Marketing Alliance

Recommendation and Summary

Staff is recommending the council approve the annual contract with the Sun Valley Marketing Alliance and adopt the following motion:

I move to authorize the Mayor to sign Contract 20570 with the Sun Valley Marketing Alliance.

The reasons for the recommendation are as follows:

- Ketchum has historically contracted with the Sun Valley Marketing Alliance for these services
- The necessary funding was approved in the FY21 adopted budget

Introduction and History

The City has historically contracted with the Sun Valley Marketing Alliance for marketing services to facilitate the tourism to the valley and associated positive impact to the collection of the Local Option Tax. Attached is the proposed scope of work associated with this contract.

Sustainability

No impact.

Financial Impact

The cost for services is \$110,000 and the Fiscal Year 2021 approved budget has necessary funding for the proposed services.

Attachments:

1. Proposed Contract 20570
2. Proposed Scope of Work

CONTRACT FOR SERVICES 20570

THIS AGREEMENT, made and entered into this ____ day of _____, 2020, 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 \$110,000 towards this contract for services in the FY21 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, 2020 and shall terminate on the 30th day of September 2021.
3. **CONSIDERATION.** In consideration for providing the services described in Attachment A, the City agrees to pay to SVMA the total sum of ONE HUNDRED AND TEN THOUSAND DOLLARS (\$110,000) 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 _____
 Katrin Sharp, Deputy City Clerk

Attachment A

Sun Valley Marketing Alliance Scope of Work FY 2020/2021

Goal: As a Destination Marketing Organization (DMO), Visit Sun Valley seeks to create awareness of the Sun Valley brand, develop loyalty, and build retention with our visitors. We do this through the promotion of our community as an attractive travel destination and enhancing its public image as a dynamic place to live, work and visit with a net positive effect on our community and quality of life.

Scope of Work Objectives:

- Establish effective working relationship with local businesses & stakeholders
- Implement a strategic plan for cultivating new generation of visitors
- Promote Ketchum as a basecamp for the area's bountiful nearby experiences
- Track visitor trends
- Present to our strategic marketing plan to the City Council for the year
- Marketing and Promotions: delivering the destination's strategic & cohesive messages
- Guest research: short term lodging analytics, as well as domestic travel research trends and patterns
- Public Relations: create media coverage opportunities, reputation management and influencer programs
- Visitor Services: information distribution via website, online search marketing & promotion Visitor Center operations and fulfillment of guest information via digital platforms
- Community Relations: collaboration with businesses, community stakeholders, and residence distributed via newsletter, calendar of events, and various website content
- Cultivating the Next Generation Visitor: introducing the destination to visitors and cultivating experiences that develops more loyalty and retention

Measurements:

- Monitoring a variety of touchpoints and metrics to paint a broad picture of tourism impacts.
 - Lodging: Room Nights occupied (raw) and sold
 - Trends in customer journey and flow
 - Traffic flow, Enplanements (raw)
 - Visitor Interest and intent -Website and Internet search analytics
 - Reputation - consumer, stakeholder
 - Life Time Value (LTV) of the: Visitor, Part time resident, Full time resident. (Dependent/Independent of the local financial contribution to local economy)
- We will email our progress on specific scope of work objectives. This will include:
 - Annually measure success by reviewing and present information to council.
 - Bi-annually provide information on visitor trends and upcoming campaigns