



City of Ketchum

CITY COUNCIL MEETING AGENDA MEMO

Meeting Date: Staff Member:

Agenda Item:

Recommended Motion:

"I move to approve the contract for services #23123 with Placemate"

Reasons for Recommendation:

- The program has proven to efficiently house people who live and work in the area, with 30 people housed to date.
- The program provides a stop-gap while more permanent solutions are developed.

Policy Analysis and Background (non-consent items only):

Placemate (formerly Landing Locals) went into contract with the City of Ketchum in August 2022, to administer the Lease to Locals program. The goal of the program was to provide housing for employees in the Wood River Valley by giving property owners a cash incentive for converting their underutilized housing units into new long-term rentals. Placemate went into contract two months before launch to help write and finalize the program policies, build internal operations, and build and execute a marketing plan.

The program launched on October 1, 2022 and the goal was to convert 30 units (100 people) in the first year. This goal was predicated on having participation from the neighboring jurisdictions of Hailey and Sun Valley. Unfortunately, due to miscommunication and misalignment, neither Hailey nor Sun Valley agreed to participate in the program. The original geographic scope included ~9,000 potential housing units that could be converted between Ketchum, Sun Valley, and Hailey. When that was reduced to the 3,500 housing units in Ketchum it meant our target of converting 30 units would be harder to reach.

Placemate has done extensive marketing to reach property owners in Ketchum, including featuring the program on regional and national media outlets, creating direct marketing to second-home owners, and creating marketing for local businesses to display.

To date, nine months since launch, the Lease to Locals program has converted 14 properties in Ketchum city limits and provided property owners \$84,500 in incentives. Placemate has reached over 120 property owners through their marketing efforts, but over half of these properties were disqualified due to being existing long-term rentals or located outside of the Ketchum City Limits.

Because property owners make decisions on their second-homes and short-term rentals months in advance, Placemate expected to have a slow start of the program in Fall 2022. However, with the limited geographic

scope of the program it is not expected the program targets will be met in the first year of the program. Placemate believes there is momentum to be gained in running the program for another year but may hit a saturation point in Year 2 if the program stays as is. Recognizing this, if the City of Ketchum decides to extend the program for another year, Placemate will reduce their monthly administrative fee by 20%. If leads substantially increase or a longer option becomes available, such as a five year incentive, then that fee can be adjusted or a new contract added.

Why can't businesses contribute?

Placemate feels that a pay-to-play business participation creates bad behavior and benefits only the large employers or employers with good brand recognition. Furthermore, it is challenging because this is not housing inventory that the City of Ketchum owns, so it can't be guaranteed that a property owner will select a particular tenant from a participating business.

Why can't Placemate be paid per property?

Placemate determined that the best structure for administering a program of this nature is to have a flat monthly fee for services rendered. The fee structure chosen is based on experience in administering this program for the last three years over six markets in three states. Much of the work provided happens regardless of the number of properties converted. This includes the marketing/outreach to second-home owners and customer service that comes with managing the program, both for tenants and owners of properties.

Placemate prides itself in having strong relationships with our government partners and they see us as an extension of their housing departments and offer much needed capacity and expertise in administration of housing programs.

Sustainability Impact:

Lease to Locals houses members of the community locally, ensuring that residents are closer to their places of work, recreation, and other needs. This proximity helps to decrease transportation time and reduce vehicle-related emissions associated with commuting to and from work from outside of the community.

Additionally, the proposed program converts existing housing units into locals' housing, utilizing existing housing stock, land, and resources.

Financial Impact:

None OR Adequate funds exist in account:	
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Attachments:

- | |
|-------------------------------------|
| 1. Year 2 contract, Lease to Locals |
| 2. Purchase Order #23123 |
| 3. |

**CITY OF KETCHUM
INDEPENDENT CONTRACTOR AGREEMENT #23123
FOR Placemate, INC. SERVICES**

This Independent Contractor Agreement is made and entered effective to the 1st day of August, 1 2023, by and between the City of Ketchum, a municipal corporation of the State of Idaho ("City"), and Placemate, Inc., a California corporation ("Contractor").

- A. The City is a municipal corporation duly organized and existing under the laws of the State of Idaho.
- B. The City is empowered to contract and be contracted with for the provision of public services. Idaho Code § 50-301 *et seq.*
- C. Contractor independently provides certain professional services which may be beneficial and of use for the general welfare of the City.
- D. The City finds that it is economical and efficient and that is in the best interests of the City to contract with Contractor for certain services as set forth herein ("Services").

NOW THEREFORE, the Parties enter into this Independent Contractor Agreement according to the following terms and conditions:

- 1. Services. In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform the general services for the City as set forth and outlined in the Scope of Work, attached as Exhibit A, and incorporated herein by reference
- 2. Task Orders. Services may be additionally provided on a task order basis. In such situation, Contractor will provide City with either a project cost bid or an hourly cost scope on a project-by-project basis dependent upon the level of definition in the task request. Task orders will be reviewed and approved on per project basis by the Mayor or designee. Task orders must be agreed upon and approved prior to commencing any project.
- 3. Payment for Services. City's total fiscal obligation under this Agreement shall not exceed ninety-four thousand dollars and zero cents (\$ 94,000.00).

City shall make payment to Contractor based on the rates and terms in Exhibit B. City reserves the right to withhold full or partial payment if City determines the quantity or quality of the work performed is unacceptable or may be in dispute. In the event City makes advance payments to Contractor, Contractor agrees to refund any amounts in excess of the amount owed by City at the time of termination or expiration of this Agreement. Contractor is not entitled to payment for work not performed as required by this Agreement.

- 4. Performance and Warranty. Contractor will provide its own tools and equipment as needed to perform the Services. Contractor warrants that all equipment used to perform this Agreement will function safely, properly, and efficiently. Contractor warrants that all services will be timely performed in a safe, professional, and workmanlike manner.
- 5. Term and Termination. This Agreement shall be in effect for an initial term from August 1, 2023 through September 31, 2024, at which time it shall terminate unless further extended in writing. Either party may terminate this Agreement for any reason upon thirty days written notice to the other

party. Contractor will invoice for any work that has been actually performed as of the date of notice of termination.

6. Independent Contractor. Contractor performs the Services hereunder solely and exclusively as an independent contractor. Contractor is not an employee, servant, agent, partner, or joint venture of the City. The City will determine the projects to be done by Contractor, but Contractor will determine the legal means by which it accomplishes the work specified by the City. This Agreement shall not be construed to create or establish any employee-employee relationship between the City and Contractor or make Contractor eligible for any City employment benefits. Contractor is solely responsible for all withholding and payment of all applicable federal, state, and local income or payroll taxes of any kind.
7. Indemnification. Contractor releases, holds harmless, and agrees to indemnify City from and against all claims, suits, damages (including, without limitation, damages to persons and property including deaths, and all tax responsibilities), costs, losses, and expenses, in any manner related to or arising from the acts or omissions of Contractor, its managers, members, directors, officers, shareholders, agents, and employees.
8. Licensing. Contractor represents that Contractor possesses the requisite skill, knowledge, and experience necessary to perform the Services. Contractor represents it has or agrees to obtain and maintain all necessary registrations, licenses, and insurance as required by the State of Idaho for the performance of the Services under this Agreement.
9. Insurance. Contractor is not covered by the City's liability insurance policy. Contractor shall carry and maintain liability insurance in the following minimum amounts:

General liability	\$1,000,000.00 per occurrence; \$2,000,000.00 aggregate.
Commercial Auto	\$1,000,000.00
Professional Liability	\$1,000,000.00
Worker's Compensation	As required by the State of Idaho, and not less than \$1,000,000.00

Proof of said insurance shall be provided to City. Each policy of insurance required shall provide for no less than thirty-day advance notice to City prior to cancellation. In addition, the City shall be named a "Additional Insured" by all contractors and subcontractors.

10. Notice. All notices under this Agreement shall be in writing and addressed as follows:

CITY:	CONTRACTOR
City of Ketchum	Placemate , Inc.
Attn: City Administrator	10098 Jibboom St
	Unit 4
P.O. Box 2315	Truckee, CA 96161
191 5 th St., West	
Ketchum, ID 83340	

11. Compliance with Laws/Public Records. Contractor, its managers, members, directors, officers, shareholders, agents, and employees shall comply with all federal, state and local laws, rules, and ordinances. This Agreement does not relieve Contractor of any obligation or responsibility imposed upon Contractor by law. Without limitation, Contractor hereby acknowledges that all writings and documents, including without limitation email, containing information relating to the conduct or administration of

the public's business prepared by Contractor for City regardless of physical form or characteristics may be public records pursuant to the Idaho Public Records Act. Contractor further acknowledges that, subject to certain limitations, the public may examine and take a copy of all such public writings and records. Accordingly, Contractor shall maintain such writings and records in such a manner that they may readily identified, retrieved and made available for such inspection and copying. Should Contractor wish to claim an exemption to disclosure on any record, Contractor shall identify such in advance and assume all costs of defense on any associated legal action to defend such claimed exemption from disclosure.

12. Non-Assignment. Contractor hereby acknowledges that City has agreed to enter this Agreement based in part on Contractor's unique skills and reputation for professional work. Accordingly, Contractor may not assign, subcontract, or transfer in any manner this Agreement or any of Contractor's right, title or interest in or to this Agreement without the prior written consent of City.
13. Amendments. This Agreement may only be changed, modified, or amended in writing executed by all parties.
14. Non-Waiver. The failure of either party to exercise any of its rights under this Agreement at any time does not constitute a breach of this Agreement and shall not be deemed to be a waiver of such rights or a waiver of any subsequent breach.
15. Headings. The headings in the 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 provision hereof.
16. Attorney Fees and Costs. In the event that either party hereto is required to retain the services of an attorney to enforce any of its rights hereunder, the non-prevailing party shall pay to the prevailing party all reasonable costs and attorney fees incurred in such enforcement, whether or not litigation is commenced and including reasonable costs and attorney fees on appeal.
17. Information Technology Security Requirements. Exhibit C, "Information Technology Security Addendum" is attached and incorporated by this reference. Contractor's failure to comply with the requirements in Exhibit C is a material breach of this Agreement.
18. Governing Law. This Agreement shall be governed by the laws of the State of Idaho. Venue shall be in the Fifth Judicial District, Blaine County, Idaho.
19. Entire Agreement. This Agreement contains the entire Agreement between the parties respecting the matters herein set forth and supersedes any and all prior Agreements between the parties hereto respecting such matter.
20. Severability. If any part of this Agreement is held to be invalid or unenforceable, such part shall be considered as stricken and the rest of this Agreement shall continue in full force and effect and so as to preserve the agreement and intent to the fullest possible extent.
21. Execution and Signatures. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Exhibit A Scope of Work

1. Project Description

Placemate, Inc. (the “Contractor”) will administer “Lease to Locals”, a longer-term rental incentive program (the “Program”) in the City of Ketchum. Through this program, the City will provide up to \$ 200,000 in grant funding to property owners that rent their homes to local workers. To administer the Program, Contractor will provide the Scope of Services listed below.

The Program started as a one-year pilot program, launched August 1, 2022 and will continue through September 2024.

2. Personnel

Contractor’s project manager for this program will be _____. Contractor will adequately staff the project to ensure all tasks included in this scope of work are completed.

3. Marketing

	Deliverable	Deadline or Frequency
A	Build Program website with information for property owners to understand the Program requirements and learn how to apply for grant funding.	The website must be built and live by August ____, 2022 Contractor is responsible for keeping website up-to-date.
B	Build a PR and advertising plan to continue to build awareness of the Program.	The PR an advertising plan is due to the City August ____,2022. Contractor’s implementation of the approved plan will be ongoing.
C	Design and execute print and web advertisements for the Program.	Design must be completed and provided to the City by August ____, 2022. Contractor will post print and web advertisements three times during the term of this Agreement, as directed by the City. Payment for all advertisements will be funded from Marketing Costs, as described in Exhibit B.
D	Design and print postcards to be mailed to second home owners at their home addresses.	Design must be completed by August ____, 2022. Contractor will mail postcards three times over a year, as directed by the City.
E	Send email to all current and past STR owners to encourage them to participate in the Program.	Contract will email at least two time per year.

4. Customer Service and Education

Contractor will:

- A. Respond to all inbound inquiries via web and email. Compile feedback on the Program to use for modifications of the Program.
- B. Conduct outreach to the City of Ketchum-based Property Managers to educate them on the program and explore the possibility of converting some of their underperforming properties.
- C. Work with Property Managers and Property Owners to review leases, qualify tenants, and ensure property owners receive incentive payment(s) in accordance with Program guidelines adopted by the City.
- D. Engage with the business community in the City of Ketchum with the goal of educating them and their employees about the Lease to Locals program.

5. Property Listing and Tenant Matching

Contractor will:

- A. Allow property owners and property managers to self-list their properties for free on Placemate's website, which includes a unique URL with photos, property attributes, property description, and a way for interested and qualified local tenants to contact the property owner.
- B. Act as the Lease to Locals "clearing house" for properties and prospective tenants, and allow property owners and managers to connect with and secure qualified tenants through Placemate.
- C. Allow local tenants to complete and update a renter profile that includes attributes such as gross income, employer name and location, and desired rental type(s).

6. Administration

Contractor will:

- A. Build Property Owner and Tenant Applications for the Program.
- B. Coordinate with the City housing team for City payment to homeowners to efficiently process, approve and pay incentives, as described in Section 6.
- C. Scope out and develop a portal for Property Owners to upload Program documents and track the status of their applications.

7. Compliance/Auditing

- A. At initial lease, Contractor will submit requests for payments (with required agreements, documentation, and payment information) to the City within 45 days of the lease start for payment to be made by the City directly to the Property Owner.
- B. Midway through the Lease, Contractor will audit the properties to ensure tenants meet employment requirements by following up directly with the tenant and landlord with midterm check.
- C. For Seasonal Leases Contractor will conduct 1:1 outreach to Property Owners with the goal of converting them into long-term leases.
- D. At the end of Lease, Contractor will audit the properties to ensure the full lease term is executed and tenants meet employment requirements by following up directly with the tenant and landlord with an incentive payment. Within 45 days of the final compliance check submit requests for payment to the City.

8. Reporting

Contractor will:

- A. Organize monthly meetings with the City staff and report out to stakeholders (six-month check-in at the City of Ketchum Council meeting).
- B. Provide bi-weekly written update to County staff on results vs. targets and feedback we are hearing from renters, homeowners, property managers, and the public.
- C. Report back on the landlord's intentions after the initial lease to see what units remain long-term rentals and which ones go back to their original use.

Exhibit B Payment Terms

1. Administrative Costs

Contractor may seek payment of up to \$84,000 in administrative costs.

Contractor will be paid \$6,000 (six thousand dollars) per month, dependent upon Contractor's satisfactory completion of tasks outlined in Exhibit A. Contractor's invoice must be accompanied by description of work performed.

2. Marketing Costs

Contractor may seek payment of up to \$10,000 (ten thousand dollars) in marketing costs. Eligible marketing costs include:

- Cost to design print or web advertisements.
- Cost of purchasing advertisement space in printed or web materials.
- Cost to mail marketing materials.

3. Invoicing & Payment

Email all invoices to: finance@ketchumidaho.org, cc cconnelly@ketchumidaho.org_____

Invoices must be submitted within 30 days of the completion of work and must include sufficient detail for the City staff to understand what activities Contractor is seeking payment for. The City will issue payment to Contractor within thirty (30) days after an invoice is received and approved by the City.

Exhibit C

Information Technology Security Addendum

1. Notification of Data Security Incident

For purposes of this section, "Data Security Incident" is defined as unauthorized access to the Contractor's business and/or business systems by a third party, which access could potentially expose City data or systems to unauthorized access, disclosure, or misuse. In the event of a Data Security Incident, Contractor must notify City in writing within 48 hours. Notice should be made to _____ and to all parties referenced in the "Notices" section of the Agreement. Notice must reference this contract number. Notice under this section must include the date of incident and Contractor's systems and/or locations which were affected. The duty to notify under this section is broad, requiring disclosure whether or not any impact to City data is known at the time, to enable City to take immediate protective actions of its data and cloud environments.

Failure to notify under this section is a material breach, and City may immediately terminate the Agreement for failure to comply.

2. Data Location

2.1 Contractor shall not store or transfer non-public City of Ketchum data outside the United States. This prohibition includes backup data and Disaster Recovery locations. The Contractor will permit its personnel and contractors to access City of Ketchum data remotely only as required to provide technical support. Remote access to data from outside the continental United States is prohibited unless expressly approved in advance and in writing by the City.

2.2 The Contractor must notify the City **in writing within 48 hours** of any location changes to Contractor's data center(s) that will process or store City data. Notice should be made to _____ and must reference this contract number.

3. Data Encryption

3.1 The Contractor shall encrypt all non-public City **data in transit** regardless of the transit mechanism.

3.2 The Contractor shall encrypt all non-public City **data at rest**.

3.3 The Contractor's encryption shall be consistent with validated cryptography standards as specified in National Institute of Standards and Technology Security Requirements.

4. Subcontractor Disclosure

To the extent subcontracting or assignment is permitted under this Agreement, the Contractor is responsible for the actions of their subcontractors, vendors, and suppliers. Contractor shall take necessary steps to ensure that the provisions of this contract are enforceable on all subcontractors, vendors, and suppliers acting on behalf of or through Contractor.



CITY OF KETCHUM
 PO BOX 2315 * 191 5TH ST. * KETCHUM, ID 83340
 Administration 208-726-3841 (fax) 208-726-8234

PURCHASE ORDER
 BUDGETED ITEM? ___ Yes ___ No

PURCHASE ORDER - NUMBER: 23123

To: 5852 PLACEMATE, INC 10098 JIBBOOM ST#104 TRUCKEE CA 96161	Ship to: CITY OF KETCHUM PO BOX 2315 KETCHUM ID 83340
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P. O. Date	Created By	Requested By	Department	Req Number	Terms
07/13/2023	KCHOMA	KCHOMA		0	

Quantity	Description	Unit Price	Total
1.00	YEAR 2 LEASE TO LOCALS PROGRAM 54-4410-4215	94,000.00	94,000.00
	SHIPPING & HANDLING		0.00
	TOTAL PO AMOUNT		94,000.00

 Authorized Signature