

INDEPENDENT CONTRACTOR AGREEMENT

SUN VALLEY/KETCHUM CHAMBER AND VISITORS BUREAU

THIS INDEPENDENT CONTRACTOR AGREEMENT (hereinafter the "Agreement") is made and entered this 1st day of October, 2007, by and between the **CITY OF SUN VALLEY, IDAHO**, a municipal corporation (hereinafter referred to as "Sun Valley" or "City") and the **SUN VALLEY/KETCHUM CHAMBER AND VISITORS BUREAU**, an Idaho non-profit corporation (hereinafter referred to as "Chamber") and is hereby entered into in contemplation of the following findings:

FINDINGS

1. Sun Valley is a municipal corporation duly organized and existing under the laws of the State of Idaho.

2. The Chamber is a non-profit corporation duly organized and operating under the laws of the State of Idaho.

3. Sun Valley is a destination resort city as defined by Idaho Code § 50-1044 as it derives a major portion of its economic well-being from businesses catering to the recreational needs and meeting the needs of people traveling to Sun Valley for an extended period of time. Sun Valley as a resort city is eligible to collect a local option non- property tax.

4. Pursuant to Idaho Code §§ 50-301 and 50-302, Sun Valley 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, Sun Valley 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 Ordinance No. 389 provides for the imposition of a non-property tax on the sales price of certain property sold or otherwise transferred in Sun Valley. Pursuant to the language of that Ordinance, which was approved by the voters of Sun Valley, the municipal sales tax revenue derived shall be used for, among other things, public information and education, and economic development activity.

6. The Chamber is highly skilled, has unique public relations abilities and is experienced in providing advertising and marketing services for the advancement of the trade, commerce, and industry of the tourism based economy of Sun Valley.

7. Among the Overall Goals of the Chamber is to create a strong economic climate and enhance quality of life by, among other things, leading the tourism marketing effort for the community, providing the best possible information and service to visitors, improving air and ground transportation access for residents and visitors, and promoting tourist business development, expansion and retention that complements the community character.

8. The Overall Goals of the Chamber are consistent with the purposes and findings included in Ordinance No. 389.

9. It is in the best interests of the public health, welfare and prosperity of the City to provide general information to and encourage tourists to visit Sun Valley by means of promotional advertising and to participate in other activities which promote and enhance the tourist trade, commerce and industry of the City which is determined to be an ordinary and necessary expense for the economic well-being of Sun Valley and its residents and guests.

10. It is the intention of Sun Valley to contract with the Chamber to provide such services for consideration as hereinafter provided.

11. The Chamber desires to enter into an agreement with Sun Valley to provide such services all as hereinafter provided.

NOW, THEREFORE, on the basis of the foregoing findings the parties agree as follows:

1. Services to be Provided by the Chamber. The Chamber hereby agrees to provide leadership in the tourism marketing effort for the City through the attainment of its "Overall Goals" and "Key Focus Areas = 4" by delivering to Sun Valley the specific services highlighted in grey (yellow if printed in color) shading in attached Exhibit A dated 5/07 hereto. Said specific services and progress towards attainment of overall goals will be reviewed quarterly by the City Council and the Chamber.

The Chamber will also work with Sun Valley to identify appropriate long-term Chamber goals consistent with Sun Valley's Comprehensive Plan to focus on marketing plans which convert visitors to full-time residents and create a path to a more vibrant community. In doing so, Sun Valley will encourage the Chamber to develop milestones for performance and continue its path towards reforms of its Board of Directors already underway to attain its Goals.

The Chamber agrees to keep complete records of all written and oral inquiries received by it from tourists and the general public regarding air and ground transportation access, tourism opportunities and tourist facilities in the Sun Valley area and shall submit a comprehensive statistical report to Sun Valley of all such inquiries and the distribution of such informational materials to tourists and the general public. The Chamber shall also exercise due diligence to obtain from local businesses and other entities all printed promotional and informational material that may be reasonably available and cause that information to be distributed at the tourist and information center. The Chamber also agrees to keep a complete record of all promotional activities in which it participates and file a report to Sun Valley outlining the function and purposes of said activities. Such reports shall be made no less frequently than every quarter.

The Chamber agrees that it shall provide, at its sole expense, all costs of labor, materials, supplies, business overhead and financial expenses, 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 on the 1st day of October, 2007, and shall terminate on the 30th day of September, 2008.

3. Consideration.

(a) In consideration for providing the services as herein described, Sun Valley agrees to pay to the Chamber the total sum of Three hundred forty eight Thousand Dollars (\$338,000) payable in two equal semi-annual installments on October 1, 2007, and April 1, 2008.

(b) Notwithstanding the requirements to subparagraph 3(a) above, the parties recognize and agree that payment source for the services called for herein is local option sales tax revenue. Sun Valley, as part of its budgeting process, has projected historical sales tax revenue data to determine it can retain the Chamber for the consideration called for herein. In the event Sun Valley shall be unable to collect such local option tax revenue during the term of this Agreement for any reason, Sun Valley may, at its sole option, terminate this Agreement upon written notice to the Chamber. In the event of such termination, Sun Valley shall have no further responsibility to make payment to the Chamber under this Agreement.

4. Equal Employment Opportunity. The Chamber covenants that it shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin.

5. Default. In the event either party fails to perform its responsibilities, as set forth in this Agreement during the contract term, this Agreement may, at the option of the non-defaulting party, be terminated. Upon termination under this paragraph, the Chamber, in the event it intentionally breached its responsibilities, shall not be entitled to receive any unpaid installments of the consideration called for in paragraph 3 of the Agreement.

6. Independent Contractor Status. The parties acknowledge and agree that the Chamber shall provide its services for the fee specified herein in the status of independent contractor, and not as an employee of Sun Valley. The Chamber and its agents, 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 Sun Valley under this Agreement is to assure itself that the services covered by this Agreement shall be performed and rendered by Chamber in a competent, efficient and satisfactory manner.

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

8. Non-Assignment. This Agreement may not be assigned by or transferred by Chamber, in whole or in part, without the prior written consent of Sun Valley.

9. 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) Provision 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) Attorney's Fees. In the event of any action or proceeding brought by either party against the other under this Agreement, the prevailing party shall be entitled to recover its fees of its attorneys in such action or proceeding, including costs of appeal, if any, in such amount as the court may adjudge reasonable as attorneys fees. In addition, should it be necessary for either party to employ legal counsel to enforce any of the provisions of this Agreement, then the other party agrees to pay all attorney's fees and the court costs reasonably incurred.

(e) 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.

(f) 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.

(g) Governing Law. This Agreement shall be construed in accordance with the laws of the State of Idaho.

(h) 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.

(i) 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.

(j) Amendment. No amendment of this Agreement shall be effective unless the amendment is in writing, signed by each of the parties.

IN WITNESS WHEREOF, the parties have signed this Agreement the day and year first above written.

CITY OF SUN VALLEY

By: _____ /s/
Jon C. Thorson, Mayor

ATTEST:

_____/s/_____
Kelly Ek, City Clerk

SUN VALLEY/KETCHUM
CHAMBER AND VISITORS
BUREAU

By: _____ /s/
Carol Waller
Its: Executive Director

SUN VALLEY/KETCHUM
CHAMBER AND VISITORS
BUREAU

By: _____ /s/
Bruce Jensen
Its: Board President



2007/08 STRATEGIC PLAN *PROPOSED*

5/07

MISSION STATEMENT

The Sun Valley/Ketchum Chamber & Visitors Bureau is an association of businesses, individuals and organizations dedicated to creating a climate for community success. The CVB board, staff, and members are committed to sustaining a strong economic climate through tourism promotion and economic development, while protecting and preserving the area's unique quality of life.

OVERALL GOALS

Create a Strong Economic Climate and Enhance Quality of Life

- Lead the tourism marketing effort for the community
- Support efforts to improve community infrastructure as needed: affordable housing; pedestrian-friendly downtown core; tourism; education, cultural and recreation facilities, etc.
- Improve air and ground transportation access for residents and visitors
- Promote business retention, expansion and development which compliments the community character
- Encourage communication and cooperation between local government agencies and stakeholder groups throughout the Wood River Valley

Support and Promote our Strategic Partners

- Continue to increase the "return on investment" for members and partners
- Provide communication channel between all stakeholder groups (businesses, governments, associations, etc)
- Provide opportunities for business/organization networking, promotion, education and training
- Serve as a united voice for members on relevant community issues

KEY FOCUS AREAS = 4

(MARKETING/VISITOR SERVICES, DOWNTOWN IMPROVEMENTS/ECONOMIC VITALITY, BUSINESS SUPPORT & DEVELOPMENT, AIR TRANSPORTATION)

KFA #1: MARKETING/VISITOR SERVICES:

Goal: Increase visitation to the area, especially during winter and shoulder seasons

Measured by: 3% increase in Local Option Tax (lodging, liquor, retail)
3% increase in Lodging Occupancies

Strategies:

1. Create & Implement Effective Advertising & Promotions

- **NEW:** Create new guerilla WOM winter campaign to expand awareness to younger skier markets – utilize MySpace.com, YouTube.com, other new technology venues
- **NEW:** Expand use of online/internet to increase awareness and drive bookings create and post pod and video casts, RSS (Real Simple Syndication) and widgets
- Create regional promotions (First Tracks, Winter White, Last Tracks, Spring Fling, Fall Fling)
- **NEW:** Promote “Theme” campaigns & packages: Savor Sun Valley, Mountain Wellness, Cultural Connections, Epic Adventures, Camp Fideaux, etc.

2. Create & Implement Effective Public Relations Program

- **NEW:** Tie in with Frontier service in target markets – news releases , pitches, press visits, fairs
- **NEW:** Tie in with WOM marketing campaign
- Tie in with all promotional campaigns and packages
- Tie in with all special events
- Expand online photo library

3. Provide Visitor & Resident Information Services

- Provide excellent & prompt service and resources to visitor and resident information requests
- Assist walk-in visitors at main Visitor Center – helped approximately 21,000 people in 2006
- Assist visitors in Interim Town Plaza VIC Gazebo during summer season July 4th – September. Served an estimated 1200 Visitors in 2006 summer season.
- Provide information to over 12,800 callers and 687,000 web visitors annually
- Sent 2200 information packets to requests made from email, web, phone calls and mail annually
- Create/update over 60 fact sheets on the area with information ranging from hot springs to children’s activities
- Maintain Community Calendars including website; printed seasonal, monthly and weekly events.
- Create and update Snow Conditions report (winter) Trail report (summer)
- Compile weekly lodging availability reports in summer to assist walk-in visitors with last minute reservations
- Maintain local “menu book” on display at Visitor Center with restaurants represented by category

4. Produce Effective Destination Guides/Sales Tools

- **NEW: Vacation Planner (142,000)** – incorporate Hailey & Bellevue Chamber businesses for a valley-wide piece, distribute locally, regional chambers and state visitor centers and target market sport and ski shops, etc.
- **Website** – incorporate new elements and functions to increase value and usability for users

- **NEW: Mapping features;** identify all key points of interest and member businesses by location, #D GIS map through Benchmark Engineering to show geographic features and natural resources such as trails, rivers, etc.
- **NEW: My Sun Valley:** interactive forum/blog space for locals and visitors to share information and experiences on places to see, things to do, favorites, trip reports, etc.

5. Create/support/promote special events to attract visitors & enhance community spirit

- **Create/produce:** Sun Valley Food & Wine Festival, Ernest Hemingway Festival, Ketch'em Alive, Jazz in the Park, Town Plaza events, 4th on 4th, Community Awards, etc.
- **Sponsor:** The Honda Ski Tour, Sawtooth Relay, US Half Marathon, SV Visual Arts Forum, SV Wellness Festival, Trailing of the Sheep Festival, Swing-n-Dixie Jazz Jamboree
- **Promote:** all area events via website calendar, website events section, advertising, pr, emails

6. Promote Air Service Access in Key Markets (Summer and winter)

- **NEW:** Promote new Frontier service in key markets (Dallas, Denver, Detroit, New York, Washington DC):
 - Consumer ski shows
 - Media visits in key markets, invite press to SV/Ketchum
 - Print, online, radio advertising
 - Frontier in-flight advertising/pr – email blasts to Rewards members, travel agents, meeting planners, etc.
 - Email and online marketing to targeted lists with partners (local businesses, Frontier, American Express, Warren Miller, media, WOM, etc.)
 - Special promotions/contests, etc.
- **NEW:** Promote *Fly Sun Valley* campaign to build awareness of all air service options to the area

7. Perform Key Market & Visitor Research Studies/Analysis

- Complete ROI report on each special promotion/advertising campaign
- Perform visitor survey research with 2006/07 past guests via local property reservation lists
- **NEW:** Perform "awareness/purchase" study of national skiers – and regional drive market
- Compiled Monthly lodging occupancy and ADR reports, w/comparisons to key competitors

8. Provide Central Reservations Service for Visitors

9. Keep Community Informed of CVB Role and Efforts

- Submit weekly press releases on CVB programs, activities, results
- Make regular presentations to cities of Ketchum, Sun Valley and other community groups
- Create/distribute printed Annual Report for members and community

KFA #2: DOWNTOWN IMPROVEMENTS/ECONOMIC VITALITY

Goal: Assist/support development/implementation of Ketchum Downtown Master Plan

Strategies:

1. Assist & support development and activities in Town Plaza/4th Street area

- Participate in design/planning efforts with CDC Town Design Team
- Research needs/plans design for long-term future Visitor Center space/CVB administrative offices
- Create/promote weekly events and activities in the area

2. Assist & support development of Wayfinding and Information Signage

- Expand light pole banners that promote major annual valley events in the downtown core
- Support creation/installation of Wayfinding signage throughout core by fall 2007

3. Support/promote Ketchum Wireless program

- Assist in promotion/pr of program and Wireless Town Workshop conference

4. Advocate/support development of hotels/meeting facilities in downtown Ketchum

- Provide local economic data and marketing information to hotel developers/operators as needed
- Provide members with notices of P&Z and city meetings regarding hotels
- Facilitate member/public meetings and forums on hotels as needed

5. Assist/support creation of BID for coordinated sidewalk snow removal in commercial core

- Work with city staff on research various BID models and developed preferred model for Ketchum
- Have stakeholder meetings with key businesses, property owners, snow removal companies
- Prepare resolution and plan to present to Ketchum City Council for review & implementation by fall 2007

KFA #3: BUSINESS SUPPORT/DEVELOPMENT

Goal: Maintain membership of 550 members, Maintain 85% retention rate

- ✓ Membership as of 05-01-07 = 522
- ✓ Membership retention rate: 86% (national Average = 84.5%)

Strategies:

1. Provide Opportunities for Business Promotion:

National Promotion:

- SVKCVB Website & links to other local, regional, national, international websites
- SVKCVB Vacation Planner (120,000) – NEW for 2007/08; integration of Hailey & Bellevue
- Public Relations – national, regional media coverage
- Special Events – national/regional sponsorship and partner opportunities
- Advertising – features on email newsletters, online, print, radio coop opportunities, etc.
- Inquiry List access for direct, targeted follow up

Local Promotion:

- Shop Local Campaigns w/ Ketchum & SV Merchants Alliance;
NEW: Shop Mom&Pop, Share the Spirit, Alive After Five
- Chamber Choice Gift Certificate Program – inclusive of all valley Chamber businesses
- Local Business Showcase, Business After Hours, Ribbon Cuttings, CVB monthly Member Enews
- Special Events – local sponsorship and partner opportunities
- Visitor Center brochure display and business referrals

2. Provide Business with Networking/Education Opportunities &

Information

- Compile Blaine County Community Profile statistics/economic data
- Compile/analyze/track economic/tourism stat comparisons to other destinations as needed
- Maintain local Ketchum and Sun Valley local business license database and utilize for economic analysis, member recruitment and communication.
- Present Business/Community Forums – Economic Outlook Forum, State of the Cities/County, other speakers
 - *(Also support and promote business education/training programs offered by other members and local, state, regional, national partner groups such as CSI, Idaho Rural Partnership, ID Commerce, ID Tourism, etc.)*
- Maintain Online Small Business Resource Guide on CVB website
- Provide personal staff assistance as needed to existing or potential new businesses
- Present/Promote monthly Business After Hours
- **NEW:** Present ongoing HOT TOPICS membership forums on current economic/business issues – workforce housing, transportation, hotel development, economic data/trends, tourism marketing, etc.
- **NEW:** Organize ongoing member roundtable meetings with Ketchum & SV city leaders
- Maintain regular communication with local partner/stakeholder groups (Local governments, Retailers Alliance, Wood River Arts Alliance, Wood River Lodging Association, Building & Contractors Assn, Sawtooth Board of Realtors, WREP, CDC, Hailey/Bellevue Chambers, Citizens for Smart Growth, ARCH, BCHA, KART/Peak, FMAA, CSI, etc.)
- Maintain regular communication with local business members including ongoing personal retention visits by CVB staff, board and Ambassadors.
- Maintain regular communication with regional/state stakeholder groups (ID Dept. of Commerce, ID Travel Council, Idaho Chamber Alliance, Western Assc. Of CVBs, etc.)
- Distribute monthly CVB Member Enews highlighting CVB activities, business-related events, news, meetings, issues to members and other stakeholders
- Distribute weekly (or as needed) "News You Need" Emails on business-related events, news, meetings, issues
- Distribute weekly emailed Projected Hotel/Motel Occupancy Reports to those interested
- Distribute Monthly Upcoming Group/Meeting Report (from SVC) in CVB Member ENews
- Compile Monthly Tourism Stats Report in CVB Member Enews (LOT revenues, inquiries, webvisits, enplanements, lodging occupancies, etc.)
- Monitor and report on local, state, national, regional economic business trends and legislation; support as appropriate (ie, expanded liquor licenses for area, LOT for transportation, real estate transfer tax, etc.)
- **NEW:** Provide members with ongoing CVB website utilization training
- **NEW:** Provide members with online registration for events, payments of dues, sponsorships, etc.
- **NEW:** Organize ongoing New Member Orientation sessions with board/staff
- **NEW:** Create Member2Member discount program
- **NEW:** Negotiate/promote local media advertising discounts for new members
- **NEW:** Support updated Blaine County Economic Study

3. Provide Business with Opportunities for Employee Recruitment &

Retention

- Provide/promote free member job postings on CVB website Employment section
- Promote "come stay and play this summer" to regional college students in spring, drive traffic to website Employment section.
- Provide CVB Member Employee Ski Pass discount program (thru SVC)
- Provide Regence Chamber Select Health Insurance Program
- Provide Weekly Community Orientation Sessions for member employees
- **NEW:** Negotiate/promote discounted PEAK Bus passés for member employees

- **NEW:** Promote Wood River Rideshare Commuter Choice Tax Benefit Program
- **NEW:** Explore opportunities with ARCH, BCHA, CDC for business-ownership of workforce housing units; promote ARCH Employer Assisted Housing programs to local businesses.

6. Support efforts to improve traffic circulation, parking, and more efficient public transit

7. Advocate for creation of community housing

- Ensure policies address service worker needs
- Encourage exploration of business co-op for some workforce housing

8. Support/assist efforts by WREP, CDC, local governments and private sector to actively recruit new businesses and educational institutions (eg. culinary institute)

KFA #4: AIR TRANSPORTATION

Goals: Lead efforts of Fly Sun Valley Alliance to secure valley-wide community MRG and promotional support for non-stop service from Denver for 2007/08. Provide input on economic portion of EIS of new airport

Strategies:

1. Raise \$200,000 in Air Service Support funds through new Fly Sun Valley Investment Program

- Create new program that offers local businesses and organizations opportunity for benefits at various funding levels.

2. Provide input on Scope of Work economic elements for EIS as opportunity permits