

****REVISED****



SPECIAL CITY COUNCIL MEETING OF THE CITY OF KETCHUM, IDAHO
Friday, April 10, 2015, beginning at 12:00 p.m. ~~2:00 p.m.~~
The Community Library
415 Spruce Avenue, Ketchum, Idaho

A special meeting between the City of Ketchum and Visit Sun Valley to discuss issues identified below and any other issues associated with the budget and work performed by Visit Sun Valley.

1. Marketing Strategy
 - a. Who determines the marketing strategy
 - b. Who does the creative work to implement the marketing strategy.
 - c. Why is digital better than print or other mediums. What process is in place to evaluate and determine the best method for placement.
 - d. What is the present marketing campaign for this year, has one been developed for next year.
2. Working Relationships
 - a. What services or marketing is provided for local businesses by VSV.
 - b. How does the visitor center operate, how does a business get placement there, and what is the long range strategy for operating the center.
 - c. How does VSV interact with the State Tourism Board. What is VSV doing to compete for State funding generated from Region 7, why is there no Region 7 Travel Organization and what collaboration is taking place among all the Region 7 cities.
 - d. Sun Valley Resort—what is their role in developing the marketing strategy, what funding do they provide, what role do they play with VSV.
3. Budget
 - a. Break down of budget, overall expenditures and itemize how the city funding (450k and 1% LOT funding) is specifically being spent.
4. Events
 - a. What is the event strategy VSV is following, who decides what events get in-kind or direct marketing support.
 - b. What events are being supported with in-kind, direct funding or marketing efforts.
 - c. What is the amount of funding or in-kind support for the events supported by VSV.
5. Public Comment

If you need special accommodations, please contact the City of Ketchum in advance of the meeting.

This agenda is subject to revisions and additions. Revised portions of the agenda are underlined in bold.

Public information on agenda items is available in the Clerk's Office located at 480 East Ave. N. in Ketchum or by calling 726-3841.

Your participation and input is greatly appreciated. We would like to make this as easy as possible and familiarize you with the process. If you plan to speak, please follow the protocol below.

- Please come to the podium to speak.
- Stand approximately 4-6 inches from the microphone for best results in recording your comments.
- Begin by stating your name.
- Please avoid answering questions from audience members. All questions should come from City officials.
- Public comments will be limited by a time determined by the Mayor.
- You may not give your time to another speaker.
- If you plan to show a slide presentation or video, please provide a copy to the City Clerk by 5:00 p.m. on the meeting date.

Please note that all people may speak at public hearings.

Public comment on other agenda items is at the discretion of the Mayor and City Council.

Public comments may also be sent via email to participate@ketchumidaho.org

Visit www.ketchumidaho.org and sign up for notifications on agendas, meeting packets, dates and more.

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Thank you for your participation.

We look forward to hearing from you!



Responses to Ketchum Mayor and Council Questions

1. Who determines what the marketing strategy should be?

The board of directors determines the overall strategic direction for the organization. Based on the approved mission, vision and goals, the President/CMO then develops the marketing strategy. The annual strategic and operational plan is written by the President/CMO and approved by the board of directors. This document is shared with mayor and council members of both cities as part of the annual contract. A copy of last year's plan is included for your reference.

2. Who does the creative work to implement the strategy?

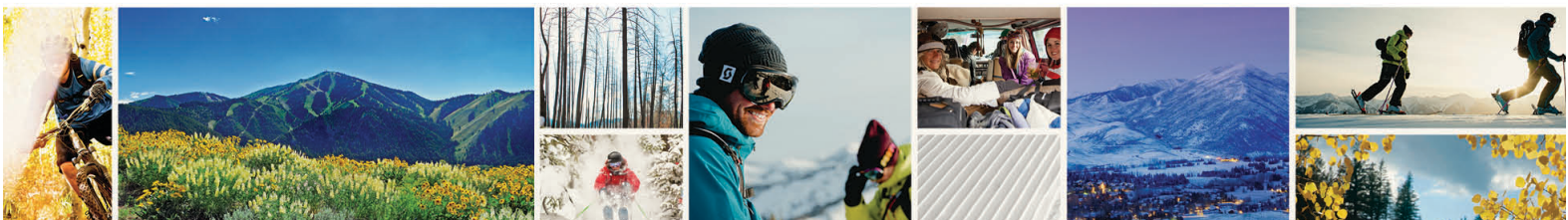
The first step in the creative process is developing a creative brief outlining our objectives, target markets, insights, past results, etc. The President/CMO writes the creative brief for each campaign and that brief is shared with the Sun Valley Resort for any additional input. Our shared creative agency (Cultivator) will come back with some high level creative concepts (the "big idea" for each campaign). We work together with the Sun Valley Resort to select the most appropriate campaign and then look at how this campaign concept would work in various channels (print, digital, out of home, video, etc.).

We receive the initial design files from Cultivator and then manage all of the ad design and submissions locally. We also source photography and video to support the campaign and to use in our ads and create and execute social campaigns and PR hooks around our campaigns.

3. Digital vs. print advertising

While digital advertising makes up the majority of our advertising, we maintain a mix of some traditional advertising as well. Digital advertising allows for a much more targeted approach so that you are able to focus in on potential customers who are most likely to be interested in your product. In addition to the ability to zero in on your target market, digital marketing also provides more flexibility in terms of messaging and adjusting during the season. You can easily see what messaging is performing best and what creative yields the best results. With print advertising, there is no measure of results, and no ability to adjust.

Video ads have been very effective recently as has digital content marketing. Both of these areas warrant greater future investment as they provide a platform for providing much more detailed and inspirational information about Sun Valley to entice potential visitors.





4. Present and Future Marketing Campaigns

Our current marketing campaigns are:

- ***Umbrella events campaign*** – in market from May through September. Focus is on Salt Lake City and Boise, as per feedback from the event producers. Our investment = \$40,000
- ***Mountain biking campaign*** – in market from April through August. Our investment = \$25,000. Vertical market focus (mountain biking specific)
- ***Summer*** – in market from May through September. Our investment = \$500,000. This is the primary campaign for the air service markets and the regional market.

These campaigns will be highlighted at the upcoming City Council meeting on April 20th and at the Community Meeting on April 21st.

Next year's campaigns are currently in development (winter, Nordic, summer, mountain biking, events).

5. What services or marketing is provided for the local business?

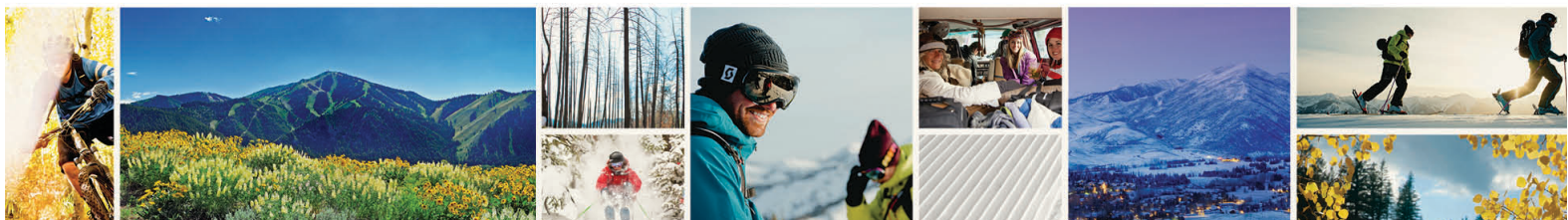
Visit Sun Valley's role is to benefit all local businesses by increasing visitor traffic to Sun Valley. Visit Sun Valley also provides exposure for local businesses on our website and in the visitor center. Please see attached membership letter and dues structure for more information.

6. How does the Visitor Center operate; how does a business get exposure there and what is the long-range strategy for operating the center.

The Visitor Center is staffed by one person at a time, 7 days a week, 365 days per year. In addition to the actual center, visitor services are also provided by phone and by an on-line chat on the website. All member businesses are able to display their brochures at the Center. Visitor Center agents receive clinics on member businesses, events and other notable points of interest so they are fully prepared to represent the local offerings. The Visitor Center agents provide the best information to the visitor based on their needs. Our philosophy is always based on doing what is best for the visitor.

Visit Sun Valley will continue to operate the Visitor Center, unless another viable group came forward wanting to take on this function. We anticipate remaining in the current space as long as it is available to us. No major changes in staffing or budget are anticipated for this function.

Please refer to the attached Strategic Plan Summary for further details on Visitor Services.





7. How does VSV interact with the state tourism board (ITC)? What is VSV doing to compete for state funding generated from Region 7? Why is there no region 7 travel organization and what collaboration is taking place among all of the region 7 cities.

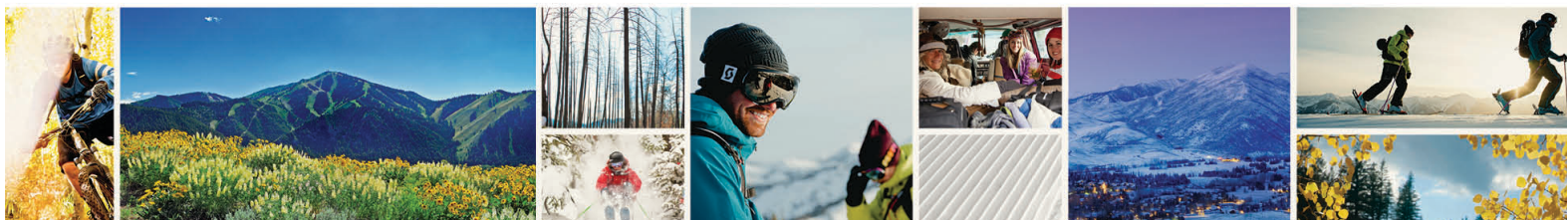
Visit Sun Valley participates in ITC events, including the annual grant summit and the conference on tourism and recreation. In addition, we attend their board meetings when they are in the area. In addition to the annual grant, the ITC also supports some of our media visits and we support them when they bring media through Sun Valley. We submit narrative reports and RFF's (request for funds) on a regular basis. As well, we prepare an annual grant request and present that request every May. In terms of "competing for funds", we provide as many examples of success as we can and ultimately, Sun Valley is the primary generator of room tax from this region for the state. If we are successful, then there will be more funds coming their way and more funds to redistribute.

There is no region 7 organization as it was determined that creating another entity and website portal was not in the best interests of the organizations or the visitor. We provide support to the surrounding areas (i.e. Stanley and Hailey) since both areas are part of the Sun Valley experience for a potential visitor. Stanley and Hailey events and activities are included on our website and the key Hailey events are included in our events campaign. Our approach is always based on what is best for the visitor, and these events and activities are accessible to our guests.

8. Sun Valley Resort. What is their role in developing the marketing strategy? What funding do they provide? What role do they play with Visit Sun Valley?

We have a very cooperative working relationship with the Sun Valley Resort. We share the same creative (with the exception of the call to action) and we share costs wherever possible. Some examples of cost sharing include joint creative development, video, media FAMs and visits, etc. In addition to sharing costs, we also coordinate our media plans to ensure we have the best reach possible, with no duplication for the community.

The Sun Valley Resort pays \$5,000 for their annual membership (compared to \$400 for the next highest paying members). They also invest (at a similar level to ours) in the Summer, Winter and Mountain Biking campaigns.



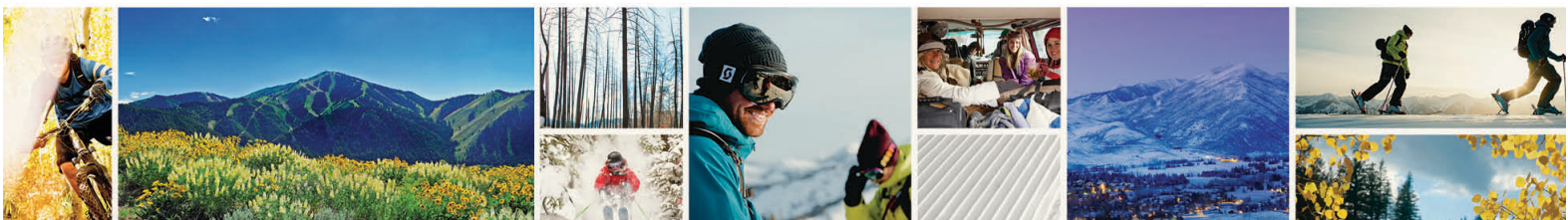


9. Breakdown of budget, overall expenditures and itemize how the City funding 450K and 1% LOT funding is specifically being spent.

Please refer to the itemized budget that was provided with the last financials. The recent IME article also outlined how the budget is spent. We keep separate budgets for the core budget (ITC, City of Ketchum, City of Sun Valley, Idaho Travel Council, Membership) and the additional 1% budget. The fixed costs (salaries, visitor center operations, rent, etc.) are taken from the core budget, since those costs would remain even if the additional 1% went away. In looking at the total budget, 75% is spent on marketing activities; 20% is spent on salaries/benefits/payroll taxes and 5% is spent on other overhead. In comparison, amongst destination marketing organization with a budget of between 1M and 2M, the average spent on salaries is 42% (compared with our 20%); 12% is spent on overhead (compared with our 5%) and 46% is spent on marketing (compared to our 75%). This data comes from Destination Marketing Association International (DMAI).

10. What is the events strategy VSV is following? Who decides what events get in-kind or direct marketing support? What events are being supported with in-kind, direct funding or marketing efforts? What is the amount of funding or in-kind support for the events supported by VSV?

Our event strategy is outlined in the Strategic and Operational Plan Summary (attached). We do not support any events financially; however, we do have an umbrella events campaign that provides exposure to member events. We also provide PR and Social Media support to key events and showcase all events on our website. If an event fits clearly within one of our product target markets, then that event may receive additional exposure through those campaigns if it is in the best interest of the visitor and/or if it provides legitimacy to the destination for that product. For example, the Sun Valley Nordic Festival is showcased as part of our Nordic campaign, since those who travel for Nordic skiing are often motivated by an event. Similarly, Ride Sun Valley receives a mention in our Mountain Biking campaign, since a major event helps provide legitimacy to our claim of being a premiere destination for mountain biking.



Visit Sun Valley

Strategic and Operational Plan Summary 2014/15

September 2, 2014



Visit Sun Valley 2014/2015 Strategic Plan Summary

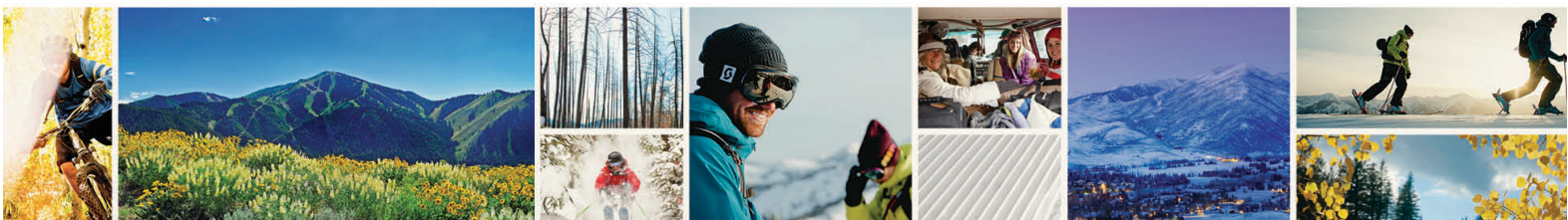
This document provides an overview of Visit Sun Valley's strategic and operational plan for 2014/15.

Introduction:

Since its inception, Visit Sun Valley has been working to position Sun Valley as a top of mind winter and summer destination for potential travellers from key target markets. These efforts have taken place with an extremely limited budget compared to our key competitors but they are starting to yield positive results. For example, this past year Sun Valley was named to thirteen top 10 lists of destinations to visit, including Ski Magazine, Powder Magazine, Smithsonian Magazine, USA Today, Fodor's Travel, Lonely Planet, Outside Magazine, Artplace, Huffington Post, Travel Guidepost, BuzzFeed and more. In addition, Visit Sun Valley has maintained a paid media presence in key target markets during this same time period. This has resulted in more people paying attention to what Sun Valley has to offer as evidenced by significant increases in website visits from all key target markets.

Visit Sun Valley approaches all marketing efforts with a consistent representation of the Sun Valley brand. The combination of brand characteristics that differentiates Sun Valley from its competitors is: active and athletic; pristine and untouched; spirited; unaffected and real; friendly and generous; locally-minded and culture conscious; steeped in history yet future focused.

In addition to ensuring that marketing efforts reflect the brand characteristics listed above, each seasonal or product campaign also clearly highlights the key selling points of Sun Valley over its competitors for that season or product. These selling points include: no lift lines or crowds on the mountain; 200+ miles of impeccably groomed Nordic trails; 400+ miles of flowy, crowd-free single track mountain biking; a unique combination of world class recreation paired with world class arts and culture. These product strengths are highlighted in an inspirational manner to create an emotional connection with the target audience that will ideally lead to consideration and trial. Once a visitor is inspired to include Sun Valley in their vacation plans, there is a good chance that they will become a repeat visitor. Sun Valley is very successful in securing repeat visitation and sits a full 10 points ahead of its competitors in this regard. The biggest challenge is therefore new business development and in particular, creating new demand in markets where the community is supporting air service contracts.



Situation:

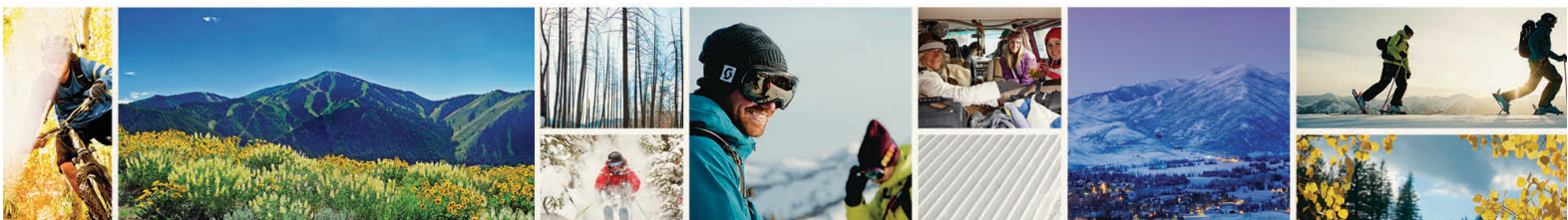
The most recent year has been one of both challenges and opportunities. The winter season was challenging due to a lack of snow, and in particular, the all-important early season snow that provides potential visitors with confidence in early booking.

There were also budgetary challenges over the past year that required some tough decisions. Boise had to be dropped as a winter market so that marketing could be directed to San Francisco in support of the new nonstop flight. Summer had to be dropped in favor of winter so that funds would not be diluted to the point of ineffectiveness. However, once the 1% tax passed and a contract was secured with the Air Service Board, funds became available for summer marketing in air service markets. In addition, the Visit Sun Valley board authorized the use of reserve funds to develop a regional summer/fall marketing campaign showcasing the area's feature events.

The marketing specific portion of the funds that are generated by the new 1% tax will be put entirely into external marketing activities. The current infrastructure and staffing level is sufficient that the organization is able to cover the increased workload without incurring additional overhead costs.

The core funding remains essential to overall operations and marketing. It also allows for a focus on the regional, drive market. A decrease in core funding will take away from the intent of the new tax – to grow the investment in marketing. As such, the efforts by the cities of Sun Valley and Ketchum to keep their investment whole is paramount to the overall success of the organization in driving increased visitation.

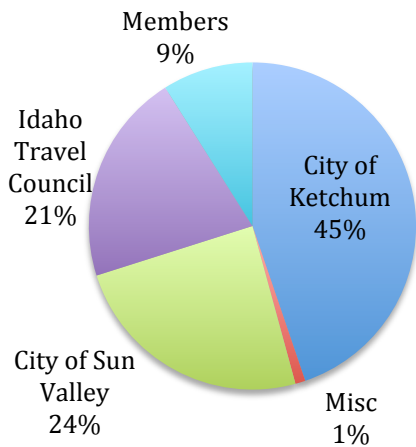
While these opportunities bode very well for the future, it is important to remember that it takes time to develop a new market and results may take 1-3 years to materialize. For example, this past winter, the marketing efforts in San Francisco resulted in a 1,000% increase in visits to the website from that market (and moved San Francisco into the number one spot for website visitors). However, not all of these website visitors booked their trips in the winter that they visited the website. Snow conditions factor very heavily into the decisions of winter travellers and we may not see some of these bookings until next winter.



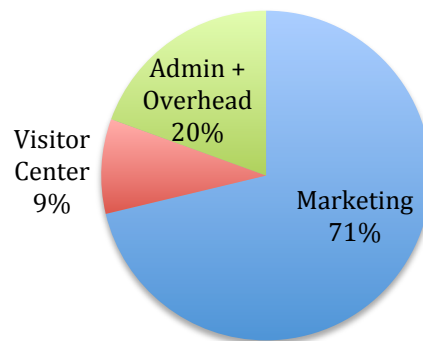
Budget and Financial Outlook:

The core budget for 2014/15 is confirmed at just over 1 million dollars (\$1,005,135). The sources of revenue are: \$450,00 from the City of Ketchum, \$244,625 (25% of LOT) from the City of Sun Valley, \$225,000 from the Idaho Travel Council, \$90,000 from membership dues and \$10,000 from miscellaneous revenue.

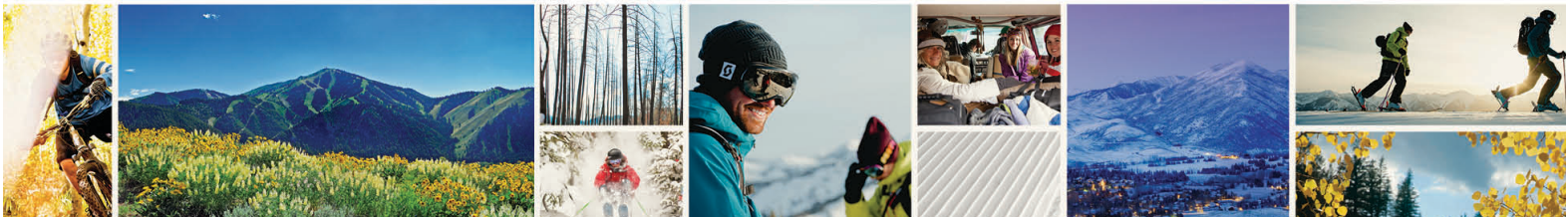
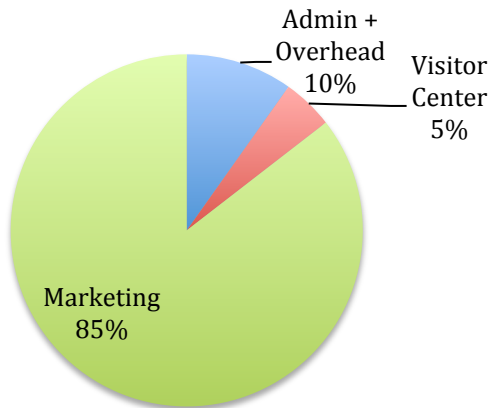
Sources of Revenue 2014/15



Budgeted Expenses 2014/15



Once the dedicated 1% funds are added, the marketing to administration ratio improves dramatically. The chart below assumes \$900,000 in additional funding from the new tax in 2014/15.





Target Markets:

Visit Sun Valley focuses on target markets based on geography, demographics and psychographics.

Geographic Target:

The determination of geographic markets is based on two key factors: budget and access. A relatively small budget determines the number of geographic markets that can be targeted, while access (air or drive) determines those markets most likely to visit and provide the greatest potential ROI.

As referenced earlier, the funds from the new 1% tax must be dedicated to air service markets. For winter 2014/15 and summer 2015 (pending confirmation of air service routes and frequency), those markets will be:

- Los Angeles, Seattle, San Francisco, Denver and New York

In addition to the air service markets, the core budget will also allow for coverage in the regional (drive markets) of Boise, Idaho Falls, Twin Falls and Salt Lake City.

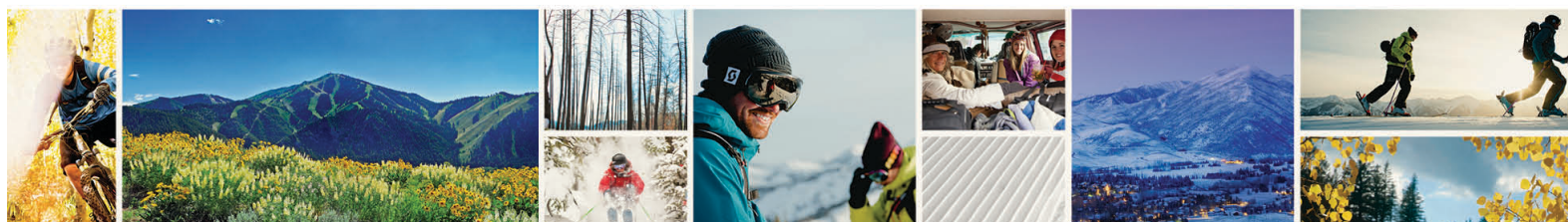
Demographic (age) Target:

The demographic target is primarily focused on the 25 to 55 age group; however, the passions and interests of a potential visitor supersede any age criteria, as identified in the subsequent section.

Psychographic Target:

Psychographics refer to personality, values, attitudes, interests and lifestyles. For example, anyone who defines themselves as a skier/snowboarder/Nordic skier would be part of the target market, regardless of age. The following areas reflect Visit Sun Valley's primary focus. In general, the target market for summer is much broader than that of winter. People who travel to mountain resort destinations in the winter tend to be snowsports enthusiasts.

- Alpine skiers/snowboarders
- Mountain Bikers
- Nordic Skiers
- Summer/Shoulder - recreation and culture seekers; event goers





Mission, Vision, Goals and Objectives:

I. The mission of Visit Sun Valley is:

- To raise awareness of Sun Valley and increase visitor traffic from our target markets

II. The vision of Visit Sun Valley is:

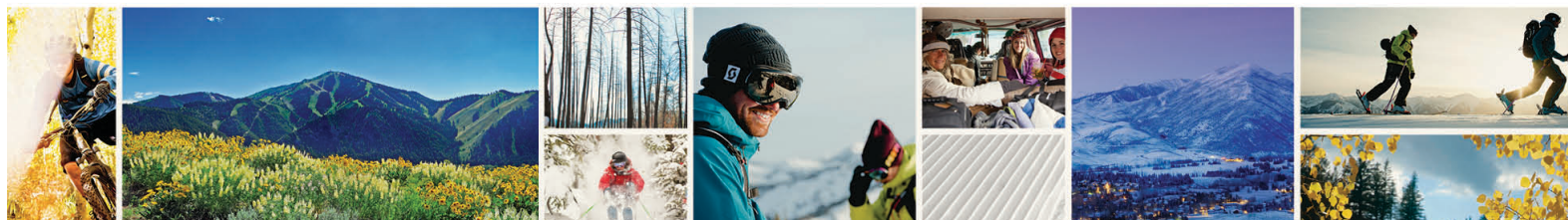
- Sun Valley will be recognized as a leader in mountain resort living and recreation

Overall Goals:

- To increase brand awareness and engagement
- To attract a younger demographic (25-55)
- To increase visitation (sales), particularly in the winter

Overall Objectives:

- To increase top-of-mind awareness amongst destination skiers in California from 1% to 3% and amongst Washington state skiers from 9% to 12%. This benchmark was set after the 2011/12 ski season and will be measured again after the 2014/15 ski season.
- To increase room nights sold by 3%
- To increase local option tax collected by 3%



Operational Plan Summaries

External Marketing:

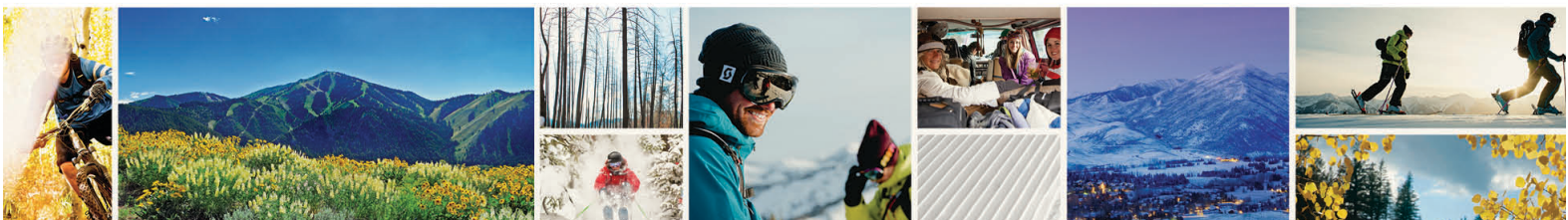
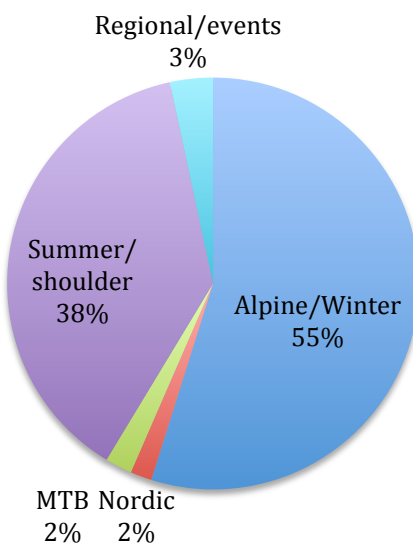
Visit Sun Valley’s marketing budget must be split in several different ways. First, the budget is divided by product sector and corresponding season. It must further be divided by brand awareness efforts (long-term) and short-term transactional efforts in each of these categories. Finally, within these breakdowns of product, season, brand/tactical, the budget must also be split to address priority geographic target markets. This section considers both the core budget and the anticipated budget from the new 1% tax.

Advertising Budget by Product Sector

The majority of funds will be allocated to winter/alpine. Currently, winter visitation is 10 points below that of summer. Given the investment in winter infrastructure and the potential for more local spending by winter guests, there is significant opportunity to improve these winter results, particularly in light of the new nonstop seasonal flights.

Summer (recreation and culture) represents the next largest category; again, due to the support for the new seasonal flights. The niche campaigns (Nordic, Mountain Biking and Events) are significantly smaller due to a more limited focus (vertical sector focus for mountain biking and Nordic and regional focus for events). Still, all three niche campaigns reflect a small increase in budget over the previous year.

Advertising Budget by Product Sector

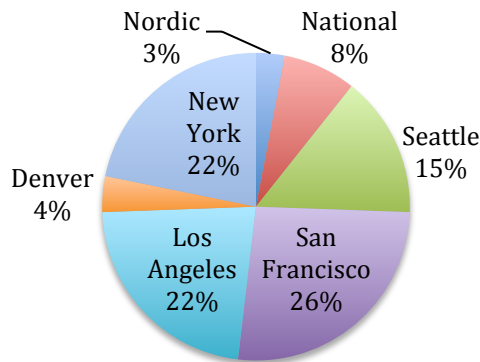


Advertising Budget by Geographic Market

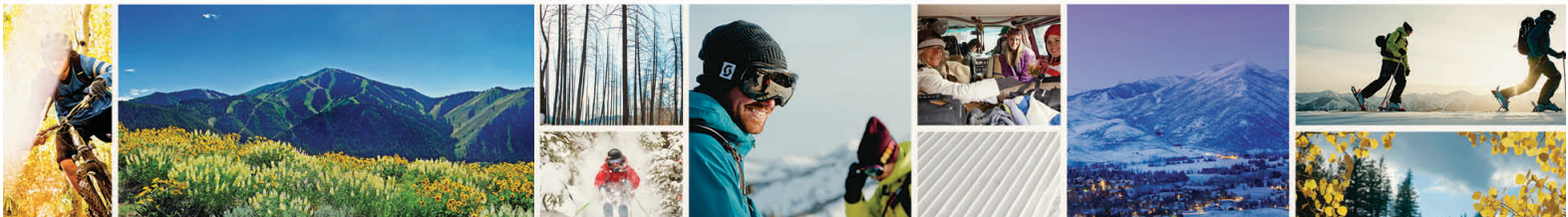
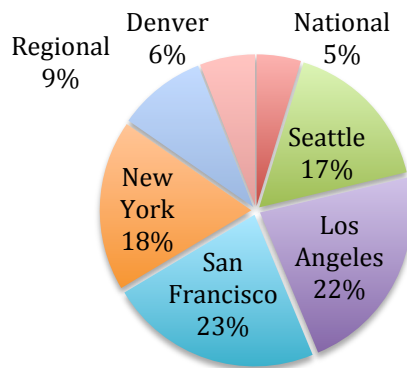
The geographic breakdown of Visit Sun Valley’s advertising is a mix of location specific and niche specific markets. For example, when advertising in a ski/snowboard publication or website, those properties typically have a national reach. The following chart therefore includes “national” to reflect the vertical publications and websites, as well as pay per click advertising (PPC) and retargeting. The majority of the budget will be geo-targeted to focus on the air service markets.

The following preliminary charts are inclusive of both the core budget and the additional 1% funds.

Winter 2014/15 Advertising Budget by Geographic Market



Summer 2015 Advertising Budget by Geographic Market



As identified in the overarching goals, Visit Sun Valley must serve the dual purpose of inspiring and informing potential visitors of everything Sun Valley has to offer while at the same time trying to encourage immediate travel to the area. Given that Visit Sun Valley does not control a product or pricing, the transactional success depends in large part on the offerings of local businesses. Further, Visit Sun Valley can only promote an offer that is relevant to more than one member business. Typically, the role of a destination marketing organization is new business development or furthering the brand recognition of the destination. As such, the goal for the future should be to continue to increase brand awareness efforts relative to tactical advertising. This is particularly important in a destination such as Sun Valley where there is very little brand awareness advertising in the marketplace.

The bulk of Visit Sun Valley's advertising (80%) will be focused on digital media in order to maximize both the budget and measurement of results and to allow for flexibility in messaging (i.e. to reflect changes in snow conditions and prices). However, the goal is to utilize a mix of traditional and non-traditional media to best achieve the stated marketing goals within the allocated budget. Visit Sun Valley will also look to partnerships with industry partners and like-minded companies to extend the external reach of marketing programs (for example, the Idaho Travel Council, The Sun Valley Resort, local businesses, airlines, etc.).

Marketing Goals:

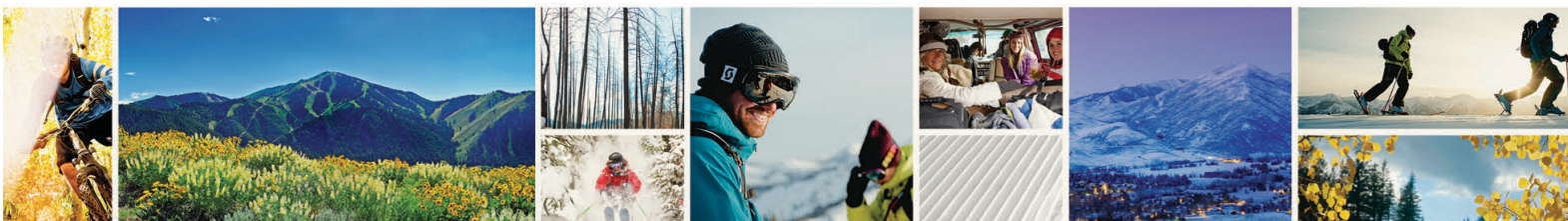
- To increase awareness of the breadth of Sun Valley product offerings
- To stand out from other mountain resorts through clear competitive differentiation
- To provide emotional and rational inspiration that leads to increased visitation

Marketing Objectives:

- To increase visits to www.visitsunvalley.com by a minimum of 10%
- To achieve click-through rates on digital campaigns of at least 2X the industry average
- To develop a minimum of 5 annual campaigns showcasing Sun Valley's unique offerings (alpine, Nordic, mountain biking, events and summer recreation/culture)

Public Relations

PR is a critical component of the marketing outreach for Visit Sun Valley. In order to leverage a relatively small budget, Visit Sun Valley needs to garner earned media to gain significant exposure. This can be done in a number of ways, including the following:



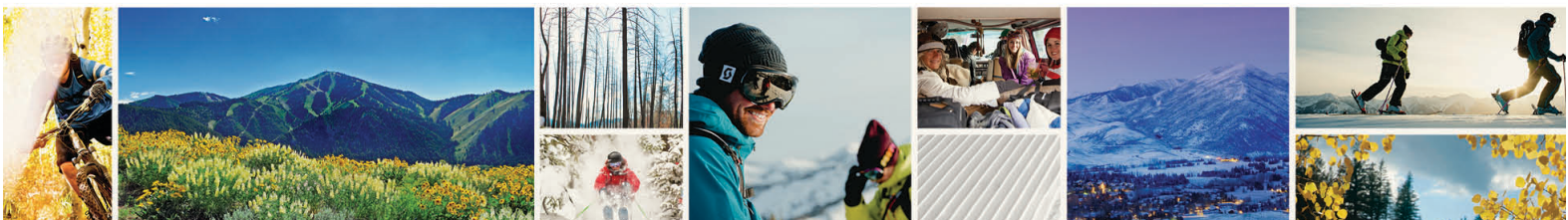
- A unique PR hook/campaign that draws attention to the destination in an unusual and compelling way. For example, the “Skip Town” promotion that was launched in the summer of 2012 focused on something that was both topical (connection of the virtual environment to the actual physical environment) and unique (nothing like this had been done before). This promotion resulted in an unprecedented 2.7 million dollars of PR coverage for Sun Valley along with exposure to a new and relevant audience (the tech crowd). To put this in perspective, the ad equivalency of this 5-day promotion nearly doubled the annual coverage for the area.
- Engaging in contests that select top towns/resorts for a specific activity (i.e. skiing). In 2013 Sun Valley waged a solid campaign for the Powder Magazine Ski Town Throwdown and the USA Today 10best contests. The results not only generated PR at the time but also led to other consideration from writers covering similar topics.
- Hosting editors and writers so that they experience the destination first hand. Again, a significant hook is required to compel both the visit and any resulting coverage.
- Ongoing outreach, including the development of personal relationships, dissemination of press releases, etc.

With limited resources available for PR, Visit Sun Valley must be extremely targeted with outreach and must engage community partners to ensure success for the area. This past winter, Visit Sun Valley was very successful with obtaining media coverage after hosting both individual writers and groups of writers. There was significant community and Idaho Travel Council support for the signature winter media familiarization (“fam”) trip. As a result, there was enough budget remaining to host a similar familiarization trip in the summer.

In the coming year, Visit Sun Valley will once again host both individual writers as well as groups of writers for seasonal fam trips. Partnerships with the community, the Sun Valley Resort and the Idaho Travel Council remain key to the success of these trips.

Public Relations Goals:

- To increase the visibility of Sun Valley in the media
- To increase earned media coverage of Sun Valley
- To increase relationships with a diverse range of media as related to Sun Valley’s broad product offering
- To influence perceptions of Sun Valley



Public Relations Objectives:

- To secure one major piece of coverage in each nonstop fly market – Seattle, Los Angeles, San Francisco and Denver
- To secure two major pieces of coverage in winter-oriented outlets
- To secure two major pieces of coverage in bike/outdoor outlets
- To secure one major piece of coverage in a mainstream media outlet
- To increase arts and culture media contacts by 10%
- To secure one major piece of coverage featuring a signature Sun Valley event

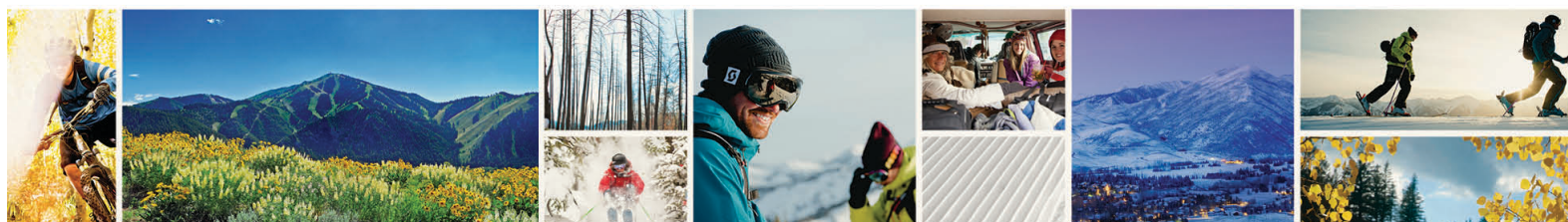
Social Media

Social media provides an excellent platform for visitors to share their experiences and pass along positive word of mouth to potential visitors. Sun Valley's followers tend to be highly engaged and are great ambassadors for the area. Visit Sun Valley's social media program consists of Facebook, Twitter, Pinterest, Instagram, Google+ and the Searching for Sun Valley blog.

Facebook continues to be the primary focus for Visit Sun Valley's efforts. The strategy of working together with the Sun Valley Resort has been very effective as it provides one point of contact for visitors interested in Sun Valley and avoids duplication of efforts. Numbers continue to grow at a steady, albeit slower, pace. Recent changes to Facebook for businesses have introduced new challenges in ensuring our audience is exposed to our content. As a result, more funds will need to be dedicated to promoted posts in the coming year.

The Searching for Sun Valley blog will continue to showcase stories and imagery that reveal the unique and interesting character of Sun Valley. Certain local writers and photographers have proven to be a great fit for the blog and we will continue to use their services. As with Facebook, the Searching for Sun Valley blog is shared with the Sun Valley Resort. The Sun Valley Resort also has their own blog that focuses more on resort products and services.

The other properties remain Visit Sun Valley properties. Over the past year, more emphasis was placed on Twitter, with a corresponding increase in the number of followers. Twitter as well as Pinterest, Instagram, Google+ and the blog will all receive increased focus in 2014/15. The challenge will be to continue to populate these properties with engaging, interesting content to keep the momentum going. The new social media aggregator on the website will continue to provide a platform for showcasing social media content on the website, and for driving traffic from social media back to the website.





Social Media Goals:

- To increase the quality, regularity and volume of fresh and engaging content for social media platforms
- To utilize social media to increase visitation to www.visitsunvalley.com
- To maintain high engagement levels of Visit Sun Valley's social media followers

Social Media Objectives:

- To grow Facebook Fans by 10% in 2014/15
- To grow Twitter followers by 10% in 2014/15
- To grow Instagram followers by 10% in 2014/15
- To grow Pinterest followers by 10% in 2014/15
- To grow Google+ followers by 10% in 2014/15
- To increase visits from social media to the website by 20%

Event Tourism:

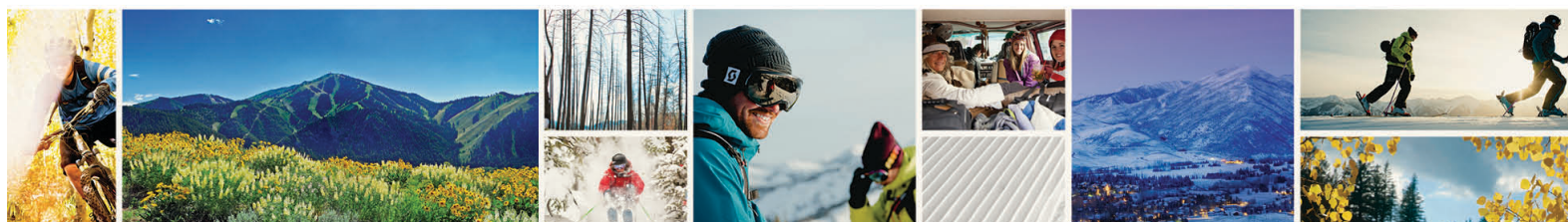
Events provide exposure for first-time visitors who may not have experienced Sun Valley otherwise. This is particularly true for established events that come with their own following – such as the US National XC Mountain Biking Championships.

Events also animate the destination and project a fun and vibrant image to visitors. While the event may not have been the reason for a visitor's trip, the contribution of the event to the overall experience can be a reason to return and/or may lead to positive word of mouth.

Sun Valley is home to many events of all sizes and genres. Most are on a local or regional scale and occur primarily during the summer. The majority of the larger events are focused on the arts and culture or sporting events which attract a somewhat older visitor. These excellent events, while vital to the local economy, may not attract a younger visitor.

So, while Sun Valley has a plethora of events in the summer and early fall, there is an opportunity to attract events in the winter and early/late shoulder seasons to help build visitation in those softer periods and to expose new visitors to Sun Valley. Strategically, these events should speak to a younger demographic and highlight the outdoor recreation of the area.

Visit Sun Valley's role in events is to both provide support to signature events via existing marketing vehicles and to connect with 3rd party event producers (proactively and reactively) to identify potential events for Sun Valley that will help fill periods of need. It must be noted that



this needs to be a community-wide effort, ideally including the Sun Valley Resort, the City of Sun Valley and the City of Ketchum.

For the first time in 2014, a regional events co-op campaign was created to showcase the featured events as a reason to visit Sun Valley in the summer and fall. The budget for this first time campaign was quite small, but the intent is to grow this effort to showcase more events, by genre, and to increase coverage in the regional/drive market (and the fly market, when appropriate).

Event Tourism Goals:

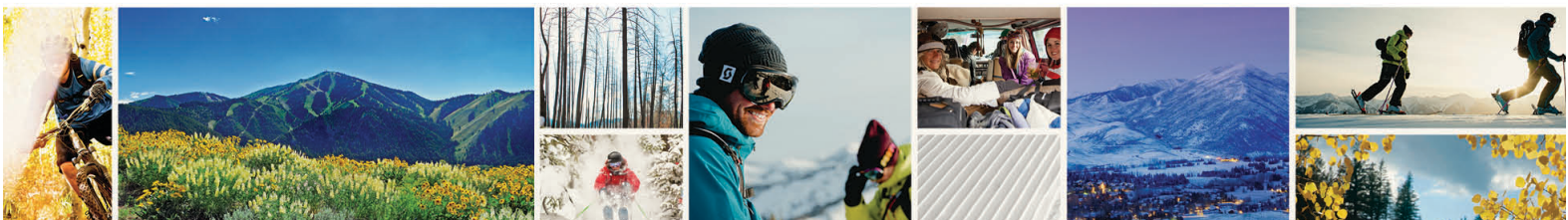
- Use events as a hook to increase interest in Sun Valley – both direct to consumer and via the media
- Act as the first point of contact for large events that express an interest in Sun Valley (reactive)
- Increase outreach efforts to potential event producers to fill in event timing and genre gaps (proactive)

Event Tourism Objectives:

- Identify 5 potential events that are consistent with the Sun Valley brand and connect with these event producers to position Sun Valley as an ideal location for their events
- Work with a minimum of 10 local event producers (based on the events with either the greatest attendance or the strongest PR hook) to promote their signature events externally to grow visitation

Visitor Services:

Visit Sun Valley currently operates the Visitor Center using both new technology and personal assistance to visitors via paid staff. As the use of technology continues to increase as a means of obtaining destination information both prior to arrival and in the destination via smart phones, the use of visitor centers everywhere has been declining. In 2013/14, an analysis was done to evaluate the ROI on the current visitor center as related to the number of visitors that are currently served. This analysis showed that the dedicated space of 1,000 square feet was far more than what was required to serve the 10,000 annual visitors that we receive. The cost of serving a visitor under this model was \$9.00 per visitor, as compared to the US average of \$2.68 per visitor.





As a result of the analysis and the rising common area maintenance costs, Visit Sun Valley reached an agreement with the Ketchum Urban Renewal agency (KURA) to reduce the amount of space that is leased in the building from 1,000 square feet to 200 square feet, dependent on the KURA securing a tenant for the remaining space.

In addition to the physical Visitor Center, there are other mechanisms in place to serve potential visitors. These include a “Contact Us” form on the website, the 1-800 number and a “Live Chat” function that allows visitors to ask questions real-time with a Visitor Center Agent. Visit Sun Valley also has a mobile version of it’s website intended to provide easy to access information about the destination for those here on the ground.

Visitor Services Goals:

- To continue to identify new and innovative ways of meeting visitor needs both prior to arrival and in Sun Valley
- To provide exceptional customer service to all visitors and potential visitors
- To showcase member businesses and services to meet visitor needs (as well as non-member businesses, where/when applicable)

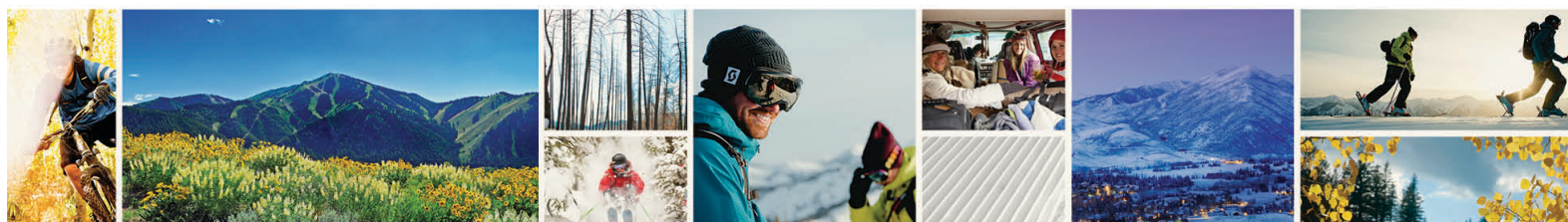
Visitor Services Objectives:

- To operate the Visitor Center year-round; 365 days per year
- To respond to “Contact Us” visitor emails within 24 hours of receipt on Monday through Friday and within 48 hours of receipt for emails received on Saturday and Sunday
- To operate the “Live Chat” for a minimum of 8 hours per day on Monday through Friday

Member Services:

Membership for Visit Sun Valley has been growing steadily over the past few years – from 242 to 2011/12 to 302 in 2012/13 to 325 in 2014/15. However, in an effort to further increase the participation of the local business community, the membership dues structure has been revised for 2014/15. For all categories, rates will be lowered. As well, new categories will be added for those who receive fewer benefits. The hope is that any loss in revenue from the new rate structure will be offset by additional memberships.

In addition to restructuring the membership dues, other efforts to maintain and increase membership will also be continued. Member communication and outreach will be essential and will include greater involvement by the advisory committee.

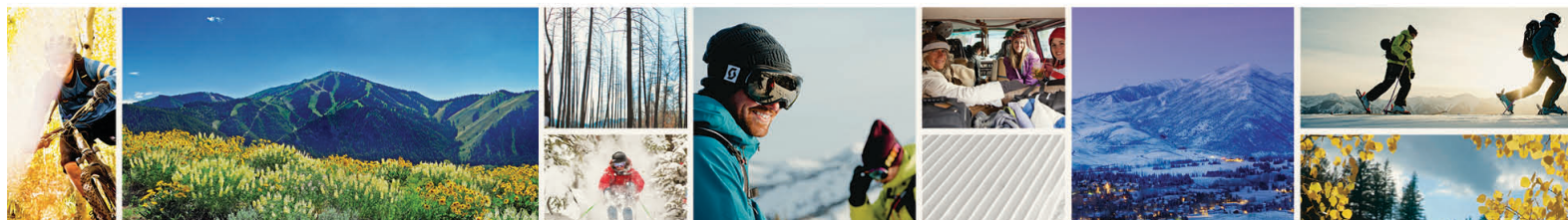


Member Services Goals:

- To retain existing members and attract new members
- To increase member engagement

Member Services Objectives:

- To increase the number of members by 8% by the end of September 2015 (from 325 to 350)
- To retain 90% of the existing 325 members
- To increase member open rate of weekly newsletter from 33% to 38%
- To increase attendance at member meetings by 10%
- To increase member feedback and participation at the quarterly community meetings and annual listening sessions





Dear Members and Potential Members,

Visit Sun Valley would like to invite you to join our organization or renew your membership and benefit from our efforts to raise awareness of Sun Valley and increase visitation to the area. This year, in an effort to encourage even more memberships, we have lowered membership dues in all categories. See attached dues sheet for the new rates.

Our Mission

To raise awareness of Sun Valley and increase visitor traffic from our target markets

Our Vision

Sun Valley will be recognized as a leader in mountain resort living and recreation

Our Successes

Together with our partners, we have achieved the following results so far this year:

- Increased winter enplanements by 16%
- Increased website visits to www.visitsunvalley.com by nearly 50% representing a best ever result
- Increased accommodation sales via our website by 66%
- Increased winter visitation by 6.4%
- Received recognition on 13 “top destination” lists via the mainstream media

Our Focus for 2014/15

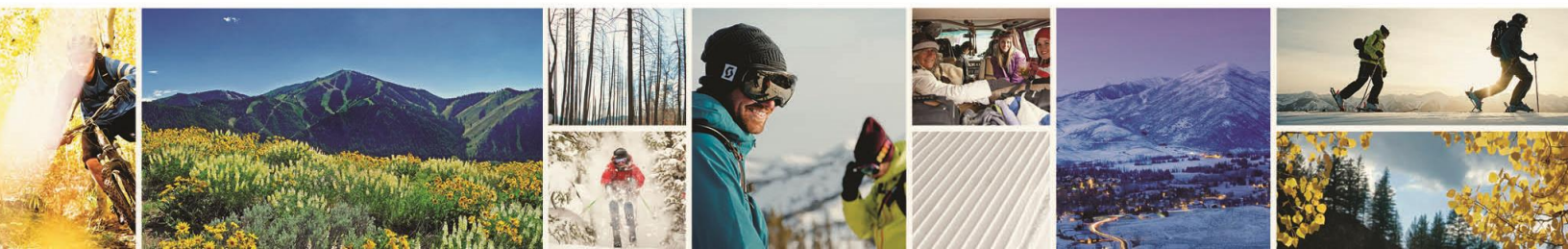
In the coming year, summer and winter marketing efforts will increase significantly with new funds now available for marketing through the recently passed 1% LOT. These dollars will be used specifically for air service markets, including San Francisco, Los Angeles, Seattle, Denver and New York (as a connecting market via Denver or Salt Lake City). In addition, we will continue our efforts to engage a younger audience (25-55). Marketing efforts will focus most heavily on winter, since winter is the greatest period of need and currently sits 10 points behind summer in terms of visitation. The winter/summer split will be approximately 60/40. In addition to the winter campaign, there will also be a niche Nordic campaign, a mountain biking campaign, a summer recreation/arts and culture campaign and a regional events campaign.

Our Board:

Marty Albertson (chair)-	City of Ketchum
Stephen Cannon-	City of Sun Valley
Kristin Poole-	Membership
Tim Silva-	Sun Valley Resort
Olin Glenne-	At large

Advisory Committee:

Gail Severn-	Arts/Culture sector
Rob Cronin-	Business/Non-profit
Tom Nickel-	Restaurant/Bar
Jack Bariteau-	Lodging
Bob Rosso-	Retail/Recreation





Membership Benefits:

Website presence on www.visitsunvalley.com

- Individual listings allowing for business descriptions, contact information, multiple images, website links, videos, menus, etc.
- Inclusion in the most complete and up-to-date event calendar and business directory for the area
- Representation/sales via central reservations (for lodging members)
- Participation in Weekly Specials showcased on the website

Visitor Center

- Referral to your business by knowledgeable and friendly Visitor Center staff
- Opportunity to provide product knowledge sessions to Visitor Center staff
- Stocking of your brochures, publications and other collateral
- Digital display of event posters and videos

Member Communication

- Access to member documents section of the website to view the latest operational highlights, press releases, advertising materials, research findings and fellow member contact information
- Opportunity to communicate your press releases, promos, alerts, etc., with other members via weekly business to business newsletter
- Access to weekly Occupancy Report- hotel/condo performance and comparisons to previous years

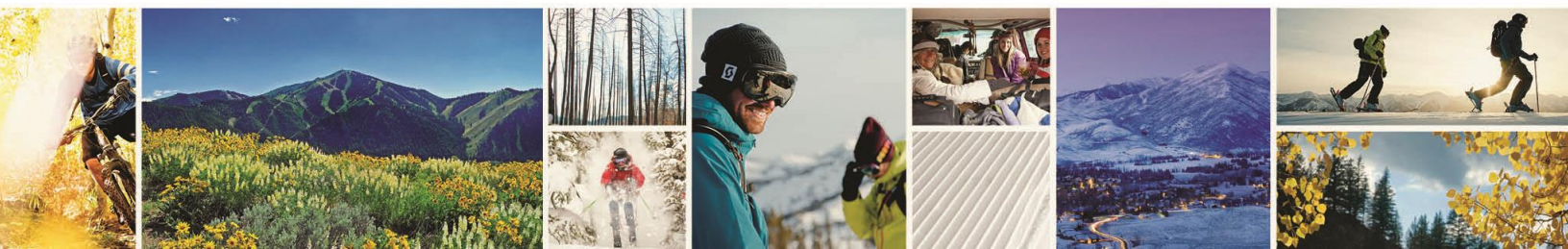
Other

- **Sun Valley Resort Discounted Lift Ticket Programs for Lodging Partners**
 - Participation in "Kids Ski Free" promotion for lodging guests whereby kids 15 and under ski free
 - Participation in discounted lift ticket programs for lodging guest packages
- **Visit Sun Valley Gift Certificates**
 - Participation in our gift certificate program- 100% reimbursement
- **Fellow Member Offers (for new, not returning, members)**
 - YMCA- 5 free day passes
 - The Sawtooth Club- Gift card to enjoy 2 dinner entrees for the price of one
 - The Elephant's Perch- One free seasonal rental package (bike or ski)
 - Nourishing Roots Community Acupuncture- One free acupuncture treatment
 - Sturtevant's- Gift certificate for one free bike or ski tune

Best Regards,

Arlene Schieven | President + CMO
Visit Sun Valley
P.O. Box 4934 Ketchum, ID 83340
T > 208.725.2110 | F > 208.726.4533
www.visitsunvalley.com | facebook.com/sunvalley

Aly Swindley | Coordinator, Member + Visitor Services
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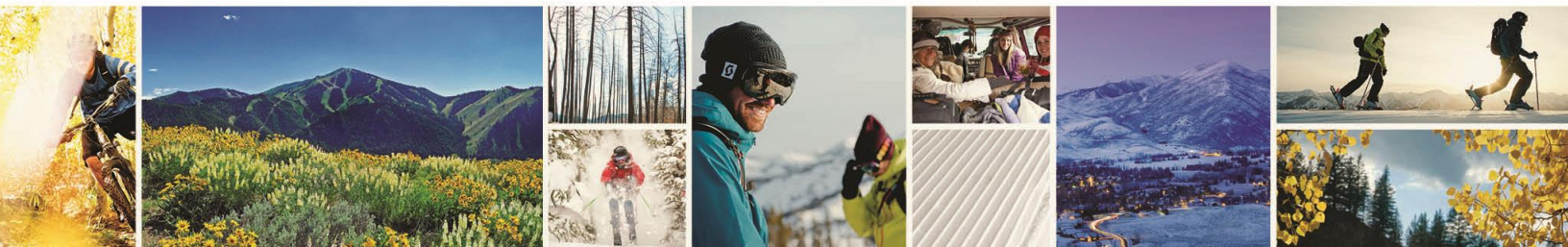


Visit SunValley

Membership Dues Rate Sheet for 2014.2015
Fiscal year runs October 1-September 30.

Business Type:	Annual Dues:
Lodging, To-Do, Dining, Shopping, Events	
Local Business: Sole proprietor	\$150
Local Business: 2-5 employees*	\$250
Local Business: 6-10 employees	\$300
Local Business: 11-20 employees	\$350
Local Business: Over 20 employees	\$400
Resorts	\$5,000
Services	
Banks, Real Estate, Builders, etc...	\$200
Local Business: Sole proprietor	\$150
Individual Real Estate Broker (under parent firm)	\$125
Non-Profits	
Local Business: 1-5 employees* *5+ employees pay according to above tiers	\$150
Individual (non-business)	\$100
Out-of-Area Business	\$600

*Denotes full-time employees- seasonal and part-time employees can be combined.
Members with multiple businesses receive 25% off each additional business.



SUN VALLEY MARKETING ALLIANCE, INC.

ACCRUAL BASIS	Actuals @ 9/30/14	SVMA Budget 2014.15	Actuals @ 12/31/14	Forecasted @ 9/30/15
SUMMARY OF REVENUE				
City of Ketchum	\$ 456,000	\$ 450,000	\$ 112,500	\$ 450,000
City of Sun Valley	\$ 209,000	\$ 244,625	\$ 60,000	\$ 244,625
Sun Valley Company	\$ -	\$ -		
Idaho Travel Council Grant	\$ 225,400	\$ 210,510		\$ 210,510
Membership revenue	\$ 90,356	\$ 80,000	\$ 76,821	\$ 80,000
Miscellaneous revenue	\$ 14,613	\$ 10,000	\$ 308	\$ 10,000
TOTAL REVENUE*	\$ 995,369	\$ 995,135	\$ 249,629	\$ 995,135
SUMMARY OF EXPENSES				
MARKETING/PR & SOCIAL MEDIA				
Website				
Visitsunvalley.com site enhancements & hosting	\$ 29,664	\$ 40,000	\$ 8,121	\$ 45,000
SEO (Search Engine Optimization)	\$ 6,900	\$ 6,900	\$ 1,150	\$ 6,900
Mobile Site Development/Annual Hosting	\$ 550	\$ 600	\$ 1,150	\$ 350
Public Relations & Social Media				
Contract Services - PR distribution and tracking	\$ 5,000	\$ 5,000		\$ 5,000
Media FAM events and hosting**	\$ 16,364	\$ 18,000		\$ 25,000
Social Media	\$ 13,521	\$ 18,000	\$ 6,523	\$ 22,000
Marketing:				
Media Buy, Creative & Production				
- Winter	\$ 305,378	\$ 143,610	\$ 55,724	\$ 200,000
- Summer / Shoulder	\$ 581	\$ 63,225	\$ 407	\$ 150,000
- Nordic	\$ 17,115	\$ 18,000	\$ 14,547	\$ 18,000
- Mountain Biking	\$ 12,718	\$ 22,000	\$ 5,000	\$ 25,000
- Regional Events Campaign	\$ 25,251	\$ 35,000	\$ 2,954	\$ 40,000
- Other	\$ 973	\$ -	\$ 2,200	\$ 2,200
Collateral - Posters	\$ -	\$ -		
Video / Photography	\$ 3,830	\$ 20,000	\$ 40	\$ 20,000
Travel	\$ 5,794	\$ 8,000	\$ 685	\$ 8,000
Research	\$ 18,800	\$ 13,000	\$ 1,200	\$ 20,000
Visitor Events	\$ 1,810			
TOTAL MARKETING OPERATIONS	\$ 464,247	\$ 411,335	\$ 99,700	\$ 587,450
ADMINISTRATION & OVERHEAD:				
Training	\$ -	\$ 2,000		\$ 2,000
Grant Administration (Idaho Travel Council Grant)	\$ 6,300	\$ 3,300		\$ 3,300
ITC Grant Review (required by ITC)				
Administration Salaries and Benefits	\$ 426,886	\$ 461,500	\$ 100,843	\$ 380,000
Total Salaries and Benefits				

SUN VALLEY MARKETING ALLIANCE, INC.

	Actuals @ 9/30/14	SVMA Budget 2014.15	Actuals @ 12/31/14	Forecasted @ 9/30/15
ACCRUAL BASIS				
Overhead				
Member Meetings/Communications	\$ 1,052	\$ 3,000	\$ 1,049	\$ 2,000
Professional fees: Legal/Accounting - Tax Return - and Annual Re	\$ 14,424	\$ 12,000	\$ 460	\$ 25,000
Office Supplies	\$ 2,357	\$ 3,000	\$ 1,304	\$ 2,500
Printing & Reproduction	\$ 50	\$ 1,500		\$ 100
Postage	\$ 1,761	\$ 3,000	\$ 437	\$ 1,800
Phone	\$ 8,334	\$ 9,500	\$ 2,470	\$ 8,500
Equip/Maintenance/Tech Support	\$ 9,504	\$ 15,300	\$ 3,471	\$ 9,500
Facilities Maintenance/improvements	\$ 7,100	\$ 13,500	\$ 2,019	\$ 7,500
Meetings / Staff Events	\$ 1,372	\$ 1,200	\$ 855	\$ 1,400
Dues/Subscriptions	\$ 1,909	\$ 3,500	\$ 240	\$ 2,000
Insurance / General Liability / D & O	\$ 4,263	\$ 4,000	\$ 2,288	\$ 4,300
Misc Expense / Contingency	\$ -	\$ 2,000	\$ -	\$ -
Bank Service Charges	\$ 1,544	\$ 2,500	\$ 892	\$ 1,600
Office Rent Expense	\$ 40,193	\$ 41,000	\$ 9,421	\$ 27,000
Moving Expense	\$ -	\$ -		\$ -
Capital Expenses - Loss from Disposal of Assets	\$ 883	\$ 2,000		\$ 1,000
Total Overhead - Office & Operations	\$ 94,747	\$ 117,000	\$ 24,905	\$ 94,200
TOTAL ADMINISTRATION & OVERHEAD	\$ 527,933	\$ 583,800	\$ 125,748	\$ 479,500
TOTAL EXPENSES	\$ 992,180	\$ 995,135	\$ 225,448	\$ 1,066,950
NET BALANCE*	\$ 3,189	\$ -	\$ 24,181	\$ (71,815)