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**RECORD OF PROCEEDINGS  
SPECIAL MEETING AGENDA OF THE  
TOWN COUNCIL OF THE TOWN OF FRISCO  
JUNE 12, 2020  
3:00PM**

STARTING TIMES INDICATED FOR AGENDA ITEMS ARE ESTIMATES ONLY AND MAY CHANGE

**CALL TO ORDER:**

Hunter Mortensen, Mayor

**ROLL CALL:**

Hunter Mortensen, Andrew Aerenon, Jessica Burley, Daniel Fallon, Andy Held, Rick Ihnken, and Melissa Sherburne

**PUBLIC COMMENTS:**

Citizens making comments during Public Comments or Public Hearings should state their names and addresses for the record, be topic-specific, and limit comments to no longer than three minutes.

NO COUNCIL ACTION IS TAKEN ON PUBLIC COMMENTS. COUNCIL WILL TAKE ALL COMMENTS UNDER ADVISEMENT AND IF A COUNCIL RESPONSE IS APPROPRIATE THE INDIVIDUAL MAKING THE COMMENT WILL RECEIVE A FORMAL RESPONSE FROM THE TOWN AT A LATER DATE.

**MAYOR AND COUNCIL COMMENTS:**

**STAFF UPDATES:**

**NEW BUSINESS:**

Agenda Item #1: Yiftee Agreement - Shop Local Campaign: Love Frisco, Stay Frisco Lodging Amendment STAFF: NANCY KERRY 1) MAYOR OPENS PUBLIC HEARING 2) STAFF REPORT 3) PUBLIC COMMENTS 4) MAYOR CLOSES PUBLIC HEARING 5) COUNCIL DISCUSSION 6) MOTION MADE 7) MOTION SECONDED 8) DISCUSSION ON MOTION 9) QUESTION CALLED

**ADJOURN:**



MEMORANDUM

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P.O. Box 4100 ♦ FRISCO, COLORADO 80443

**TO: MAYOR AND TOWN COUNCIL**  
**FROM: TASHA WILSON, VISITOR INFORMATION CENTER MANAGER**  
**NANCY KERRY, TOWN MANAGER**  
**RE: LOVE FRISCO, STAY FRISCO E-GIFT CARD PROGRAM**  
**DATE: JUNE 12, 2020**

**Summary and Background:** At a special meeting held on Monday, June 1, 2020, the Town Council approved a shop local campaign, an idea generated through multiple business meetings with large representation from the community, primarily business owners. As the idea gained interest, staff members evaluated a variety of programs searching for an internet-based system that would be fairly simple to operate from both the consumer and business perspective. Staff sought a program that was (a) “internet based,” (b) accessible on mobile phone devices, (c) low-cost, and (d) customizable. The recommended company is Yiftee (yiftee.com). The company has a community “gift card” program that meets all of the stated goals. The “community gift card” program is internet based, accessible on mobile devices, moderately low-cost, customizable in terms of gift card size and allows the Town to absorb all of the costs.

The feedback from the community has been very positive. The goal of the program is to promote shopping at local Frisco merchants and stimulate spending in the community through financial support from the Town. Town Council opted to not include lodging businesses in the initial Love Frisco, Shop Frisco program.

During the Town Council Meeting on Tuesday, June 9, 2020, Town Council directed staff to return to the Council with information and ideas from local lodging businesses on how the Town of Frisco could support lodging businesses in a similar fashion. Staff invited local lodging businesses to a virtual meeting on Wednesday, June 10, 2020. These businesses recommended implementing a program similar to the Love Frisco, Shop Frisco e-gift cards and utilizing that same provider, Yiftee.

**Discussion & Analyses:** A Love Frisco, Stay Frisco e-gift card program would allow funds to be focused on supporting lodging properties. Due to staff’s current working relationship and existing Love Frisco, Shop Frisco program in place with Yiftee Inc., an additional e-gift card program can be implemented quickly.

**Recommended Program Parameters:**

It is recommended the Love Frisco, Stay Frisco program mirror the Love Frisco, Shop Frisco program as much as possible, in order to minimize consumer confusion. Further, the lodging properties spoken to also suggested smaller amounts likely benefit the consumer and thus, the business, more than larger amounts.

- The following amounts are suggested:
  - “Spend \$75 Get \$25”
  - “Spend \$120 Get \$40”
  - “Spend \$180 Get \$60”
- Also, limiting the value of ‘gift cards’ allowed per individual similar to the Shop Frisco campaign is recommended (At any amount Council directs).
- Staff recommends the matching card program to also expire on September 15, 2020 along with the Shop Frisco campaign.

**Implementation:**

Should the Town Council approve the attached Appendix C to the Yiftee Community Card Agreement, the program can be operational in less than two weeks and allows consumers to purchase the Love Frisco, Stay Frisco e-gift cards by August 31st and to be used by September 15, 2020.

In order to participate, lodging properties will receive an email with information by June 15, 2020 and all they need to do is enter a credit card number provided to them into a credit card terminal or point of sale system that accepts credit cards.

**Financial Impact:** The direct financial impact to the Town of Frisco is the amount of funds the Town Council elects to fund the program initially. The Town Council funded the “Love Frisco, Shop Frisco” program at \$100,000 for hundreds of qualified businesses who may choose to participate. The table below reflects a \$100,000 investment for comparison purposes although the Town Council has the authority to not fund the program or select any range of investment so desired.

<b><u>"LOVE FRISCO, STAY FRISCO" (E-GIFT CARD PROGRAM)</u></b>			
Lodging properties program			
Consumer Pays	\$ 75.00	\$ 120.00	\$ 180.00
Town Match	\$ 25.00	\$ 40.00	\$ 60.00
Shopping Value	\$ 100.00	\$ 160.00	\$ 240.00
Fees (5% of Match), +2.00	\$ 5.75	\$ 8.00	\$ 11.00
Town Cost per \$100 card (Fees+Match)	\$ 30.75	\$ 48.00	\$ 71.00
# of Cards per \$100k TOF	3,252	2,083	1,408
Consumer Spending/ \$100k TOF (incl TOF dollars)	\$ 325,203	\$ 333,333	\$ 338,028
Lodging Tax generated @ 2.35%	\$ 7,642	\$ 7,833	\$ 7,944
Sales Tax generated (ROI) 8.375%	\$ 27,236	\$ 27,917	\$ 28,310
Net Cost to Town (investment - sales tax generated)	\$ 65,122	\$ 64,250	\$ 63,746

*Future Budget Amendment:*

Staff has been directed to return to the Council with a budget amendment to address the changes to the 2020 budget caused by expenditures and loss of revenue as a result of the COVID-19 pandemic. Should the Town Council approve the attached agreement, staff will include the amount of funds authorized by the Council in the forthcoming budget amendment.

**Staff Recommendations:** Based on the Town Council's direction during the June 9, 2020 to investigate and proceed with a stay-local program, we did so and found amending the Yiffee program to be the most expedient and efficient for the Town as well as the lodging properties who participated in the Town's virtual business meeting.

Therefore, staff recommends the following:

- 1) Approve the attached Amended Agreement including the amended Appendix C to the Agreement between Yiffee and the Town, establishing a "Love Frisco, Stay Frisco" campaign *along with* a motion to fund the program

*Property Type inclusion/exclusion:*

Should the Town Council wish to specifically exclude any lodging types categories, such exclusions could be achieved in the Council's motion to approve the agreement. For example, should the Council decide the public's funds should be limited to:

- include hotels, motels, and inns located within the Town of Frisco jurisdiction
- include or exclude individually owned STRs
- include or exclude STR property management companies within the Town of Frisco, if included, provide restrictions they can only utilize funds to rent properties located within the Town of Frisco

**Approvals:** This report was written jointly by the Town Manager and Tasha Wilson.

**Attachments:** First Amendment to Agreement between Yiffee and the Town of Frisco

## First Amendment to Community Card Customer Agreement

This First Amendment to Community Card Customer Agreement (this “First Amendment”) is made effective as of June 12, 2020 (the “Effective Date”) by and between Yiftee Inc., a Delaware corporation, with an address at 325 Sharon Park Drive #215, Menlo Park, CA 94025 (“Yiftee”) and Town of Frisco, a Colorado municipal corporation with an address at 1 Main Street, P.O. Box 4100, Frisco, CO 80443 (“Customer” or “Town of Frisco”).

**WHEREAS**, the Town of Frisco and Yiftee entered into that certain Community Card Customer Agreement dated to be effective as on or about June 1, 2020 (the “Agreement”); and

**WHEREAS**, the Town of Frisco and Yiftee desire to amend the terms of the Agreement in order to conduct an additional community gift card program to be known as “Love Frisco, Stay Frisco.”

**NOW THEREFORE**, in consideration of the foregoing, and of the following mutual covenants and conditions, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Town of Frisco and Yiftee agree that this First Amendment shall amend the Agreement as follows:

**1.** Section 1.7 of the Agreement is amended to read as follows:

1.7 “Program” or “Programs” means one, the other, or both of the special bonus programs offered by Customer as described in Appendix B or Appendix C. “Bonus gift” is a gift paid for by Customer that has its own requirements and terms as set forth in Appendix B or Appendix C.

**2.** Subsection 2.1(e) of the Agreement is amended to read as follows:

(e) Yiftee and the Town of Frisco shall conduct the Programs in accordance with the terms and conditions set forth in Appendix B and Appendix C, respectively, and each party shall comply with good, ethical and moral business practices and all applicable laws and regulations in engaging in any activities here under.

**3.** Appendix C, concerning the “Love Frisco, Stay Frisco” Program, is attached hereto, and by this reference is incorporated herein, and within and to be a part of, the Agreement.

**4.** All capitalized terms used in this First Amendment shall have the same meaning as provided in the Agreement.

**5.** Except as expressly amended by this First Amendment, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF the Town of Frisco, Colorado has caused this First Amendment to be signed and executed on its behalf by its Mayor, and duly attested by its Town Clerk, and Yiftee has signed and executed this First Amendment, effective as of the date and year first above written.

Town of Frisco, Colorado:

YIFTEE, INC.

\_\_\_\_\_  
Hunter Mortensen, Mayor

By: \_\_\_\_\_  
Name, Title: Donna Novitsky, Yiftee CEO

ATTEST:

\_\_\_\_\_  
Deborah Wohlmuth, CMC, Town Clerk

## Community Card Customer Agreement

### APPENDIX C

#### Yiftee Community Card BOGO Program Description: Love Frisco, Stay Frisco

**Community:** Town of Frisco

**Contact Name:** Tasha Wilson

**eMail:** tashaw@townoffrisco.com

**Phone:** 970-668-5547

**Start date:** June 15 or ASAP

**Stop date:** August 31, 2020 (or while supplies last)

**Bonus Gift Terms and Description:** Only 3 levels of cards can be purchased: \$75, \$120 and \$180 options – nothing else. They will get specific \$25, \$40 and \$60 bonus gifts, respectively. Buyers can get a maximum of \$125 in bonus gifts, in any configuration. Bonus gifts are not shown in the shopping cart on purchase but are sent to the card buyer within 24 hours by email. Card buyer can forward the bonus gift or use it him/herself. The terms including gift levels, expiration and bonus value should be clearly stated on Town of Frisco’s web site to avoid customer misunderstanding.

**Offer description/banner copy:** Buy a \$75 gift, get a \$25 bonus gift; buy a \$120 gift, get a \$40 bonus gift; buy a \$180 gift, get \$60 bonus gift. Up to a maximum of \$125 in bonus gifts per gift buyer. Offer expires 8/31/2020, or while supplies last. Bonus gifts do not appear in shopping cart on purchase but will be delivered within 24 hrs to gift purchaser’s email. Purchaser can keep or forward bonus gifts as desired.

**Funding:** \$100,000 allocated to program. Yiftee recommends \$82,000 be deposited in advance by check or ACH into Love Frisco, Stay Frisco (LFSF) account and \$18,000 retained for eD fees on the gifts purchased by consumers. Actual eD fees will be billed monthly as incurred to a credit card on file (preferred) or can be invoiced, and adjustments can be made as we see the mix of gift values. Credit cards are preferred for eDelivery fees, but not accepted for bonus gift value deposit. Must have funds deposited pre-launch to pay for bonus gifts.

**Maximum # of bonus gifts to give:** up to budget of \$100,000 including bonus gift and bonus eDelivery fee, plus eDelivery fees for giftor’s purchase. Customer may add funds to the program under same terms if desired.

**Bonus Card dates and returned funds flow. Start validity:** when sent **End validity:** Sept 15, 2020. Gifts will be marked as expiring on Sept 15 but may be redeemed as late as Sept 30 due to some merchant processing equipment not accepting specific dates other than monthly. For gifts sent, Yiftee retains eDelivery fee and a restocking fee of 10% of original purchase price, and refunds any remaining unspent balance to LFSF account within the first 10 days of the following month (October). 100% of unspent balance remains in LFSF account. Customer may request that all or partial funds in LFSF account be returned by



ACH or check, or they can remain in the LFSF account for future gifting and programs. Town of Frisco has visibility of account balance at all times.

**# of reminders to be delivered to customers for bonus gift:** once every two weeks

**Bonus gift signature** (who it is from): Town of Frisco

**Bonus gift message** (255 char limit): Thank you for purchasing the Love Frisco, Stay Frisco Card! Enjoy this bonus gift - designed to support our local lodging partners. In order to spur the economy quickly, this bonus gift will expire Sept 15, 2020

**Pricing:** Program Fee: waived (normally \$100/location)

Bonus gift cost as described above.

eDelivery fee for bonus gift cards: \$1/bonus gift sent, deposited in advance of campaign start along with gift funds.

Town of Frisco will pay eDelivery fee for consumer gift purchases of \$4.75, \$7 or \$10 per eGift for \$75, \$120 and \$180 respectively, plus \$1 for the bonus gift = \$5.75, \$8 or \$11 per eGift+bonus gift combined.

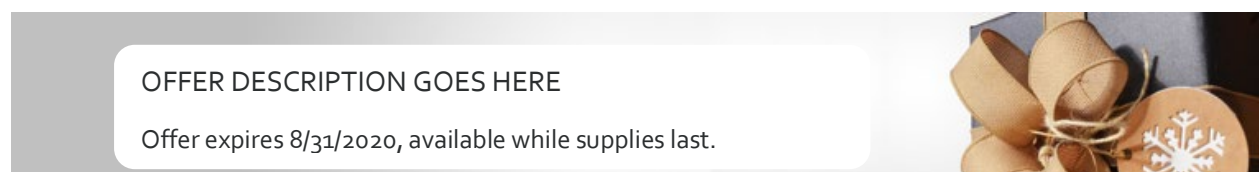
Town of Frisco will deposit \$82,000 (recommended) by check or ACH with Yiftee and retain \$18,000 for eDelivery fees to be paid monthly for actual incurred, as above. Yiftee will credit Love Frisco, Stay Frisco Card account with \$82,000 upon receipt. Town of Frisco has visibility of account balance at all times and can make adjustments and additions as needed.

## Sample Images and Messages

(edit as you wish)

USE OUR CREATIVE with the Give Some Get Some graphic below or provide your own

Banner is 760 x 100 pixels minimum (include promo copy on banner, as below):



Gift card 300 x 200 pixels minimum:

We can use your regular card image or you can provide something custom.

## Community Card Customer Agreement

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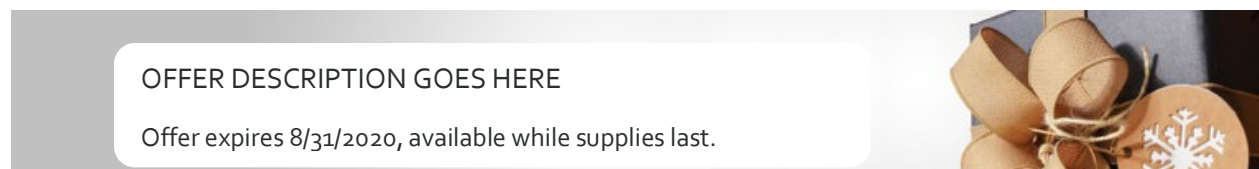
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Banner is 760 x 100 pixels minimum (include promo copy on banner, as below):



Gift card 300 x 200 pixels minimum:

We can use your regular card image or you can provide something custom.

IN WITNESS WHEREOF, the parties have executed this Appendix C to **Community Card Customer Agreement** as of \_\_\_\_\_.

Town of Frisco, Colorado:

YIFTEE, INC.

\_\_\_\_\_  
Hunter Mortensen, Mayor

By: \_\_\_\_\_  
Name, Title: Donna Novitsky, Yiftee CEO

ATTEST:

\_\_\_\_\_  
Deborah Wohlmuth, CMC, Town Clerk