



February 14, 2024

TO: Mayor and City Councilmembers

From: Michael Johnson & The SDA/BID Board Sunnyvale Downtown Association (SDA)

Subj: Sunnyvale Downtown Association's 2024/2025 BID Renewal Request

To the Mayor and City Councilmembers of Sunnyvale, First, I'd like to thank the City of Sunnyvale, the Mayor, and the City Council for your continued SDA BID support, and attendance of our events last season. The Sunnyvale Downtown Association is requesting the reauthorization of the Sunnyvale Downtown Business Improvement District for fiscal year 2024/2025. We look forward to another great year of exciting events for the community, our downtown businesses, and the City of Sunnyvale.

On February 14, 2024, the Board of Directors approved the 2024/25 BID Budget. Attached is a copy of the SDA's expense & revenue report for July 1, 2023, through June 30, 2024, actuals along with projections for the 2024/25 fiscal year.

If you have any questions, please do not hesitate to contact me at [michael@sunnyvaledowntown.com](mailto:michael@sunnyvaledowntown.com) or (408) 480-5437. Thank you for your continued support.

Sincerely,

*Mike Johnson*

Executive Director of the SDA



## **BID Renewal Request for 2024/2025**

### **What is a BID?**

A BID (Business Improvement District, authorized by State of California law) provides funding for promoting and improving a specific area. All business license holders inside the said district are self-assessed with an annual fee based on anticipated benefits they receive from the BID.

The BID is reauthorized yearly by the City Council at the request of the businesses' Board of Directors. A BID is used by over 200 business areas in California, including Mountain View, Palo Alto, Santa Clara, Morgan Hill, and San Jose. The BID has legal requirements to be reauthorized. Specifically, the City Council must approve the Annual Budget and adopt a Resolution of Intent (ROI) to reauthorize the BID for another year. Once the ROI is adopted, a public hearing must be held during a Council meeting.

Each year after the city has reauthorized the BID, businesses receive an invoice from the city finance department for BID fees. The city collects the fees annually, and businesses are invoiced at the beginning of June for the next fiscal year. Once received, funds can only be used for projects within the BID boundaries. The BID maintains complete control of all BID funds collected.

The formula for defining our BID assessment amount is as follows: the Sunnyvale Downtown Association (SDA) Board considers the businesses' type, size, and location. Then, it selects the most equitable formula for every business. Typically, BID assessments are included as a separate charge from the business license tax and are billed to every business within the BID boundaries.

Assessments are levied on businesses based on relative benefits from annual activities. All assessment funds collected by the City are returned to the BID through annual contract agreements. The city does collect a fee for administrative costs associated with this service. The price is reviewed and adjusted annually as needed.

By state law, we use the BID funds to support community business activities, promote public events, decorate public places, and provide entertainment within the BID. In addition, BID funds include advertising, marketing materials, digital guides, operational expenditures, websites, e-letters, street/holiday lighting, and events.

Our BID fees are a self-imposed tax on the downtown businesses, outside of paying their standard fees, taxes, and license fees associated with owning and operating a business in our downtown district.

### **The Mission of the Sunnyvale Downtown Association (SDA)**

SDA is a non-profit membership-based organization whose mission is to promote, advocate and enhance the vitality of downtown Sunnyvale. The SDA is funded by BID fees, city grants, sponsorships, and revenue-producing events.

The current SDA Board of Directors includes Chair – Dr. Gary Gold of Dr. Gary Gold & Associates, Secretary – Leigh Odum of Leigh's Favorite Books, Treasurer - Amit Rajgarhia of Dish Dash, and Members At Large –Katie Voong of Mayan Kitchen/K'Tea Cafe, Justin Breining of Whole Foods Market, Amal Allan of City National Bank and Salvatore Foresta of Sweet Sicily.

The SDA also serves as the voice of downtown Sunnyvale by:

- Advocating for policies, programs, and events that support the economic growth of the downtown.
- Acting as the downtown marketing arm, voice, and ambassador for the City of Sunnyvale.
- Producing attractive events for the community.
- Promoting downtown as a premier venue for other groups to produce events.
- Working with other community-based organizations that share downtown Sunnyvale's growth and continued vitality.

### **Budget**

2023/24 BID fees collected from the businesses totaled \$35,000 (approximately 9.8% of our Income), and the City of Sunnyvale's contributions combined with community grants of \$67,500 (19% of our Income) acts as SDA foundational funding. The rest of SDA revenue comes from a combination of developer support, corporate sponsorships, sales/concessions, and event participant fees.

As always stated, we cannot guarantee that we will have this same level of developer, community and/or corporate sponsorship support in any given year. So, we rely on all support channels to ensure fiscal accountability.

On February 14, 2024, the SDA Board of Directors approved the BID 2023/2024 budget.



**Event Sponsorships & City Contribution**

We are grateful for continued support from the city and sponsors who help keep our SDA events growing and serving the community in 2023/24. We thank the City of Sunnyvale, Cityline Sunnyvale, Minkoff Group, El Camino Health, Google, LinkedIn, Specialty Waste, PNC Bank, Murphy Square, Silicon Valley Clean Energy and StarOne Credit Union for continuing their support.

As we’ve always stated, more than ever, the SDA and our downtown businesses need city and other sponsorship support for these events. Due to the current economic uncertainty ahead, supply cost increases, ongoing fixed costs, and annual wage increases, these events allow business owners to weather these challenges during this unprecedented period.

Each year in January, the SDA evaluates what sponsorship support we have coming in. We always plan months in advance to ensure that we can deliver the events the SDA puts on annually. However, it is always hard to predict what our budget will look like six months before the coming fiscal year.

**Event-Related Financial Breakdown**

Our focus in 2023/2024 has continued to address our SDA businesses’ needs amidst the economic challenges that have impacted our downtown district. We continued working through the many financial challenges despite corporate sponsorship reductions and were unable to host events throughout the downtown due to construction. Over the last couple of years, we were fortunate to have received support from community grants, annual City support, developer support, and critical local and corporate sponsorships to help.

	2023/2024	2024/2025
<b>INCOME</b>	<b>Actual</b>	<b>Projected</b>
Holiday Tree Lighting	13,000.00	13,000.00
Jazz & Beyond	39,679.33	47,000.00
Taste of World and Wine Stroll	28,500.00	38,000.00
Music on Murphy	7,500.00	13,000.00
Summer Series	44,652.00	50,500.00
Tech Expo Sales	0	5,000.00
<b>TOTAL EVENT INCOME</b>	<b>133,331.33</b>	<b>166,500.00</b>

<b>EXPENSES</b>		
Holiday Christmas Tree Lighting Fees	9,500.00	7,000.00
Jazz & Beyond Fees	36,252.85	35,000.00
Taste of the World Fees	18,920.67	15,000.00
Music on Murphy Expenses	3,766.87	5,000.00
Stronger Together Fees	0	0
Summer Series Fees	28,467.44	27,500.00
Technology Expo Fees	0	5,000.00
<b>TOTAL EVENT EXPENSES</b>	<b>96,907.83</b>	<b>94,500.00</b>

*\*\* The event expenses only reflect general marketing and promotional material, day of staffing, wine, beer, performers, and some equipment. It does not include pre-event preparation costs for staff labor to follow up with vendors, host location coordination, design time for marketing products, booking bands, volunteer coordination, poster/flyer design, social media outreach & website, ticket sales, beverage sales, and various other tasks required to deliver the SDA events annually.*

## **Overview**

The 2023/24 year proved successful despite the many challenges the SDA has experienced. We invested in better financial strategies, management tools, and marketing solutions early in the year. The downtown is continually building towards a better community, with new opportunities to advocate for new businesses and host events.

We delivered sixteen Dining and Dancing on Murphy events, the Taste of the World Wine Stroll, seven Summer Music concerts, seven Jazz & Beyond concerts, the Annual Holiday Tree Lighting Celebration, and other partnering events. This year, our Dining and Dancing events have enhanced the dining experience, while new partnerships with other community events have expanded our downtown footprint.

The SDA continues to work with Cityline Sunnyvale and other developers, property managers, and the City of Sunnyvale to promote cohesion between the existing businesses in Sunnyvale and the expansion of downtown Sunnyvale.

We also want to thank all the downtown Sunnyvale businesses that make this possible with their continued participation and support. We appreciate the sacrifices our BID members have endured with the changes in our downtown's new developments. We are excited and optimistic about the future and its possibilities. Downtown Sunnyvale continues to expand with many new commercial and retail businesses, and entertainment destinations.

## **Future**

Keeping the BID fee assessment in conjunction with the city's contribution provides the foundational funding for our organization. The SDA's goal is to continue producing quality events and promoting downtown Sunnyvale as a great place to shop, dine, work, and live. In addition, these events attract new visitors to our vibrant and growing downtown with community pride.

This year the SDA will continue to focus on connecting more current and new businesses to our website to provide additional visibility with promotions, events, and job listings. We have also been reaching out to banking, financial planning, IT Services, social media experts, and other services based on business-specific requests. In addition, we offer a conference room and training room so our members can have an area to meet with clients and vendors and train their staff. The new construction is ongoing for the next few years; many new businesses are looking for direction and support in their new community; the SDA is here to assist them in navigating our city and downtown.

We appreciate the continued support of the SDA's BID, and we do not take the support for granted. The SDA continues to be good stewards of all funds, grants, and sponsorships we receive and considers this partnership with the common goals for a vibrant downtown.

*Michael Johnson*

Executive Director  
Sunnyvale Downtown Association

**Sunnyvale Downtown Association**  
**Statement of Activity**  
July 2023 - June 2024

<b>Revenue</b>	<b>2023/2024</b>	<b>2024/2025</b>	
	<b>Actual</b>	<b>Projected</b>	
BID Funds	35,000.00	43,500.00	
City Contributions	60,000.00	60,000.00	
Community Grants	7,500.00	10,000.00	
<b>Total City Contributions</b>	<b>102,500.00</b>	<b>113,500.00</b>	
<b>Developer Support &amp; Funding Income</b>	<b>120,000.00</b>	<b>55,000.00</b>	
Holiday Tree Lighting			
Sponsorships	13,000.00	13,000.00	
<b>Total Holiday Tree Lighting</b>	<b>13,000.00</b>	<b>13,000.00</b>	
Jazz & Beyond			
Sales	17,679.33	21,000.00	*Price increase for beverages
Sponsorships	22,000.00	26,000.00	
<b>Total Jazz &amp; Beyond</b>	<b>39,679.33</b>	<b>47,000.00</b>	
Taste of The World and Wine Stroll			
Sales	18,000.00	23,000.00	*Price increase for tickets
Sponsorships	10,500.00	15,000.00	
<b>Total Taste of World and Wine Stroll</b>	<b>28,500.00</b>	<b>38,000.00</b>	
Music on Murphy			
Sponsorships	7,500.00	13,000.00	*changed event name
<b>Total Music on Murphy</b>	<b>7,500.00</b>	<b>13,000.00</b>	
Summer Series			
Sales	17,652.00	21,500.00	*Price increase for beverages
Sponsorships	25,000.00	26,000.00	
Vendors	2,000.00	3,000.00	
<b>Total Summer Series</b>	<b>44,652.00</b>	<b>50,500.00</b>	
Tech Expo			
Sponsorships	0.00	5,000.00	
<b>Total Tech Expo Sales</b>	<b>0.00</b>	<b>5,000.00</b>	
<b>Total Revenue</b>	<b>355,831.33</b>	<b>335,000.00</b>	



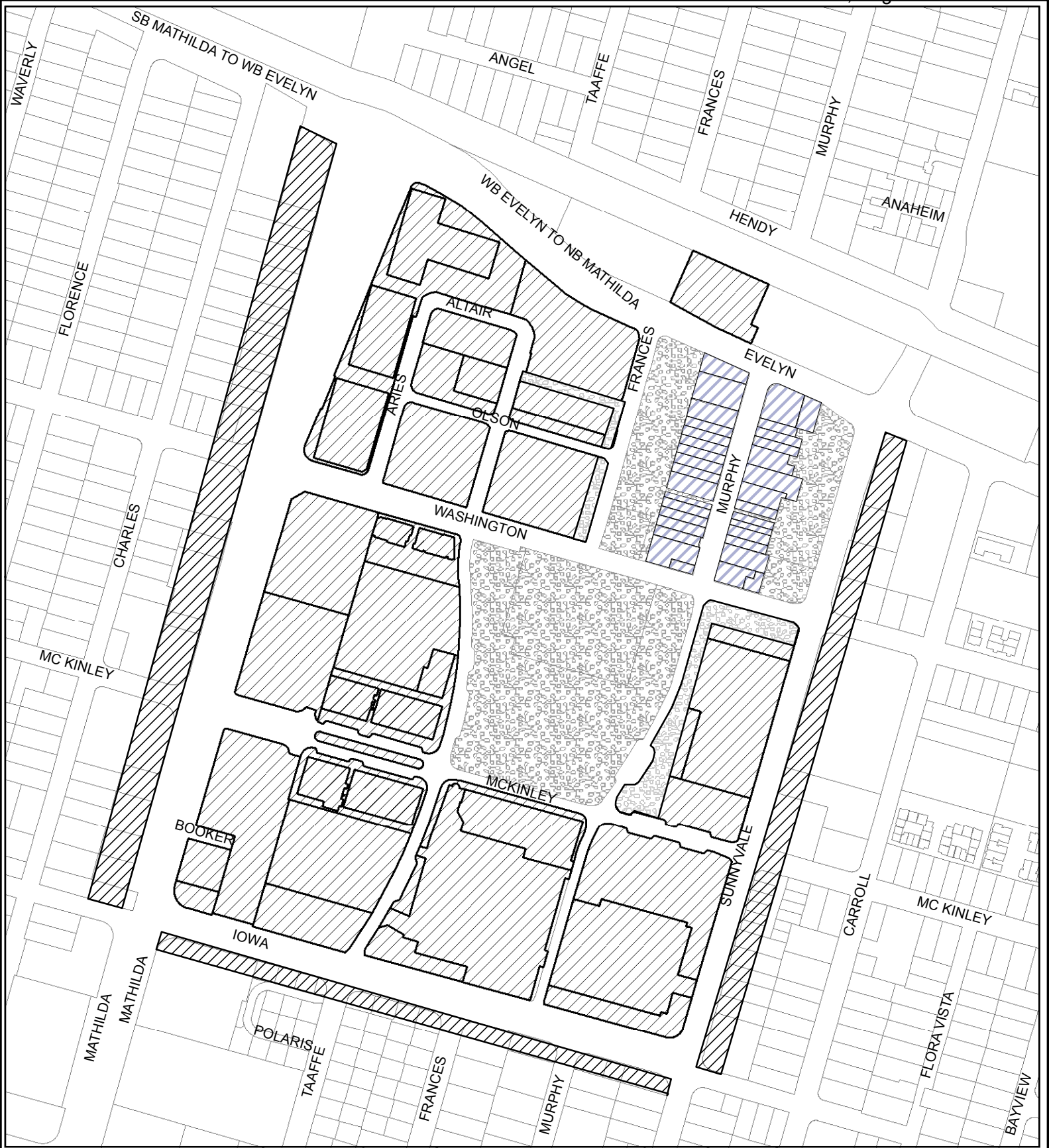
**Sunnyvale Downtown Association**  
**Statement of Activity**  
July 2023 - June 2024

<b>Expenditures</b>	<b>2023/2024</b>	<b>2024/2025</b>	
	<b>Actual</b>	<b>Projected</b>	
Administrative			
Advertising/Promotional	10,000.00	10,000.00	
Banking Fee	27.30	300.00	
Insurance	2,684.00	3,000.00	
Legal & Accounting	4,015.00	4,050.00	
Operational Expenses	814.05	900.00	
Rent	30,000.00	30,000.00	
Taxes & Licenses	2,649.00	3,000.00	
Utilities	1,800.00	2,000.00	
Telephone/Internet/Website	10,000.00	13,000.00	
<b>Total Administrative</b>	<b>61,989.35</b>	<b>66,250.00</b>	
Staffing			
Payroll Expenses	175,000.00	182,000.00	
Payroll Taxes	13,500.00	15,500.00	
Consulting	3,589.00	2,000.00	
<b>Total Staff &amp; ED Compensations/Commission</b>	<b>192,089.00</b>	<b>199,500.00</b>	
Event Expenses			
Holiday Christmas Tree Lighting Fees	9,500.00	7,000.00	
Jazz & Beyond Fees	36,252.85	35,000.00	
Taste of the World Fees	18,920.67	15,000.00	
Music on Murphy Expenses	3,766.87	5,000.00	*changed event name
Stronger Together Fees	0.00	0.00	*ended promo
Summer Series Fees	28,467.44	27,500.00	
Technology Expo Fees	0.00	5,000.00	
<b>Total Event Expenses</b>	<b>96,907.83</b>	<b>94,500.00</b>	
<b>Total Expense</b>	<b>350,986.18</b>	<b>360,250.00</b>	
<b>Net Income</b>	<b>4,845.15</b>	<b>(25,250.00)</b>	

**Downtown Sunnyvale Business Improvement District  
Proposed Improvements and Activities for Fiscal Year 2024/2025**




<b>Income</b>		
Zone A	35 Businesses paying an average annual benefit fee of \$488.	\$17,100
Zone B	46 Businesses paying an average of \$165.	\$7,600
Zone C	149 Businesses paying an average of \$114.	\$17,050
Total potential BID assessment collections		\$41,750
Projected assessment collections		\$43,500
Revenues from SDA special events and fund-raisers		\$168,500
Grants, event sponsorships and other misc. revenue		\$123,000
Total BID Program annual budget		\$335,000

<b>Expenditures</b>		
Program	Amount	Percent
1) Commercial Marketing Program a) Advertising and promotion (Ads, social media, etc.) b) Theme development c) Special events and activities d) Visitor attraction	\$137,350	41%
2) Civic Beautification and Signage Program a) Streetscape beautification, lighting	\$3,350	1%
3) Programs Administration and BID Management	\$194,300	58%
Totals	\$335,000	100%



# DOWNTOWN BUSINESS IMPROVEMENT DISTRICT ZONES

## Legend

-  ZONE A
-  ZONE B
-  ZONE C

