

RESOLUTION NO. ____-15**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SUNNYVALE TO LEVY AN ANNUAL ASSESSMENT FOR
THE DOWNTOWN SUNNYVALE BUSINESS
IMPROVEMENT DISTRICT FOR FISCAL YEAR 2015-2016**

WHEREAS, on March 24, 2015, the City Council of the City of Sunnyvale (the "City") adopted Resolution of Intention to Reauthorize the Downtown Sunnyvale Business Improvement District (Resolution No. 689-15) (the "District"), to levy a benefit assessment on all businesses, trades, professions, and vendors within said District, the proceeds of which shall be used for the public purposes herein described in the Parking and Business Improvement Area Law of 1989, (commencing with Section 36500), of the California Streets and Highways Code (the "Act") and Title 3, Chapter 3.60 of the Sunnyvale Municipal Code; and

WHEREAS, the City Council conducted a public hearing on the reauthorization of the assessment, having given due notice thereof as required by law, on April 28, 2015, at 7:00 p.m. at City Hall, 456 West Olive Avenue, Sunnyvale, California, and every interested person was provided an opportunity to object to or protest the report, the proposed improvements and the activities to be funded from levy of the assessments.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE:

1. Report. The City Council hereby approves the Business Improvement District Annual Report for FY 2014-2015 ("Annual Report") attached as Exhibit A.
2. Boundaries. The City Council hereby approves of the boundaries of the Business Improvement District and the benefit zones within the area as set forth in the Annual Report.
3. Assessment. The City Council finds that the amount of the assessments has fairly and properly apportioned the cost of the improvements to each business in the District in proportion to the estimated benefits to be received by each business. The City Council hereby confirms the assessment and levies each individual assessment, as provided for in the Annual Report, for fiscal year 2015-2016.
4. Protest Hearing. The City Council conducted a hearing concerning the reauthorization of the business improvement district. At the conclusion of the public hearing, the City Council considered comments from the affected businesses, considered modifications in the report, and confirmed the report as originally filed or as changed by it, which constitute the levy of the assessment for the fiscal year 2015-2016.

5. Method of Collection. The benefit assessment for Downtown Sunnyvale businesses shall be billed and collected by July 30, 2015. Payments will be considered late if not received on or before the due date listed on the invoice. The business will accrue late fees for every 30 days delinquent after the original due date. A 10% late penalty will be assessed to in addition to the assessment amount for every 30 days payment is late. The penalty fees will be accrued for up to five months after original due date. If payment is not received after five months, the City will forward delinquent accounts to collections agency for further action. Once the business is assigned to the collections agency, additional fees will accrue.

Adopted by the City Council at a regular meeting held on _____, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM:

City Attorney

EXHIBIT A

Attachment 1
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February 3, 2015

TO: Mayor and City Council members
City of Sunnyvale

FROM: Joel Wyrick & The BID Board
Sunnyvale Downtown Association (SDA)

RE: Annual Report - State of the BID/SDA

Dear Sirs and Ma'am,

First of all I'd like to thank you for your matching BID support and attendance to our events. We are looking forward to another great year for the City of Sunnyvale. On January 7, 2014 the Board of Director's approved the renewal of the BID. Attached (Exhibit A) is a copy of the SDA's expense & revenue report for July 1, 2014 through June 30, 2015 along with projections and proposed activities and improvements for the 2015/16 fiscal year.

Past

Our start-up funding comes from the BID, which amounted to approximately \$31,042. For our 2014/15 fiscal year the SDA staff and Board decided to use the monies to produce: Summer Series Music + Market, The Jazz & Beyond Series, Game Day! and the Holiday Tree Lighting. The production of last year's events grossed 97k from the sales, sponsorships and grants.

Present/For the Year

The Board approved the Executive Director's annual budget and his recommendations for the upcoming 2015 year.

Event Revenue & Overview

All events stayed within budget and virtually "status quo" as with the attendance. The Holiday Tree Lighting has no sales associated with the event but turns a profit due to very little City service fees attached to the event and good sponsorship support. Due to great weather for the Holiday Tree lighting attendance was the best in recent years at approximately 500 people. Game Day! was a first time event. Game Day! was our celebration of the opening of Levi Stadium. Attendance was about 600 people which we thought was good for this first time event. Those who attended raved it. The cost for this event is rather costly due to the outdoor big screen and duration of the event at about 10 hours. Depending on our budget, if we were to make any cuts it would more than likely be this event. The SDA is also considering an event called "Carnigras". This would be a winter event (Feb. or Mar.) used as a filler for our calendar year.

Event Sponsorships

Staff was able to secure strong sponsorships and partnerships for last year's events. Continual support has come from Broadcom, BRE, Carmel Properties, and Palo Alto Medical Foundation.

Future

The BID Board strongly recommends that we continue the BID assessment. The BID serves as the SDA's seed money. Without the BID, we couldn't provide the services and events to our community. The BID will continue producing quality events and promoting downtown Sunnyvale as a good place to visit, shop and do business. These events are especially important to continue to attract patrons to downtown.

The BID is a self-imposed tax of the downtown businesses. Outside of paying their standard fees, taxes and licenses associated with owning and operating a business these businesses have been and continue to reach into their pockets and come up with additional monies to: promote market and create events for the City of Sunnyvale and our community.

Commercial marketing and promotion will continue. Resources for marketing will include local and regional publications. Maintenance of the SunnyvaleDowntown.com and Facebook sites will continue in order to maintain an internet presence.

Overview

2014 was a better year for us. The bay area economy picked up and with that came an uptick in business for the retailers. The former Town & Country site completed all of their phases. The two developers, BRE and Carmel Partners are now at 97% occupancy bringing over 300 hundred new residences to our downtown core. The ground floor of these two projects brought us new retail space. By July 2015 we hope to have 100% retail occupancy as well. New tenants include but not limited to: Nom Burger, Philz Coffee, The Sandwich Spot and Flywheel Sports. We will continue to uphold our mission to promote, advocate and enhance the vitality of downtown Sunnyvale, seek out ways to create an even more attractive downtown for the community, its visitors and give many others a reason to live in our downtown and surrounding neighborhoods.

Thank you for your support and once again please support our request to continue the BID assessments.

If you have any questions please do not hesitate to call the SDA at 408-516-7217.

Board of Directors

Joe Antuzzi, Board Chair
Leigh Odum, Secretary
Donna Lang, Member-At-Large

Dr. Gary Gold, Vice Chair
Kathy Johnson, Member-At-Large
John Sevey, Member- At-Large

SDA ORGANIZATION EXPENSE & REVENUE REPORT	2014-15	2015-16	Notes & Comments
	actual	projected	Projected
EXPENSES			
Advertising, Promotion & Marketing	\$ 170.00	\$ -	print and/or 49er mktg exposure
City Fees	\$ 761.76	\$ 800.00	BID
Commissions & Fees (memberships, etc.)	\$ 3,930.00	\$ 4,000.00	
Conferences, meetings & seminars (attended)	\$ -	\$ -	
Contract Labor	\$ 39,600.00	\$ 39,600.00	
Dues/Subscriptions/Contributions	\$ -	\$ -	
Employee Health Benefits	\$ -	\$ -	
Events (costs directly associated with the event)			
Summer Series Music + Market	\$ 47,892.00	\$ 48,000.00	incl stage
Jazz & Beyond	\$ 20,122.00	\$ 22,000.00	
Holiday Christmas Tree Lighting	\$ 4,027.00	\$ 4,500.00	
Magic of Sunnyvale Wine & Food Stroll	\$ -	\$ 11,000.00	pending for FY 14/15-will happen for May 2015
Game Day	\$ 11,064.00	\$ -	based the expenses from a single event/ wine stroll
St Patty's			
Carnival	\$ -	\$ 8,500.00	
Sub Total Events	\$ 83,105.00	\$ 94,000.00	
Finance Services Charges		\$ -	
Insurance			
General	\$ 5,302.00	\$ 5,400.00	
Directors & Officers	\$ -	\$ -	
Workman's Compensation	\$ -	\$ -	
Janitorial & Cleaning	\$ -	\$ -	
Legal & Accounting	\$ 462.00	\$ 496.00	
Audit	\$ -	\$ -	
Legal	\$ -	\$ -	
Maintenance, Beautification & Repair (incl murphy lights)	\$ -		
Office Supplies	\$ 100.00	\$ 100.00	
Payroll Taxes	\$ -	\$ -	
Postage	\$ -	\$ -	billed to individual projects
Printing & Reproduction	\$ -	\$ -	billed to individual projects
Purchases	\$ -	\$ -	
Rent	\$ 2,393.00	\$ 2,400.00	(no office 2012 - PO box & Pod)
Staff Salaries		\$ -	none we subcontract everything
Supplies (non office)	\$ 227.00	\$ 250.00	
Taxes, Licenses & permits)	\$ 781.00	\$ 800.00	
Telephone/ Internet/Website	\$ 840.00	\$ 1,260.00	
Travel & Entertainment	\$ -	\$ -	research
Utilities	\$ -	\$ -	
Visitor's Guide	\$ -	\$ 5,000.00	pending for FY 14/15-scheduled for May 2015
Contingency 5%	\$ -	\$ 12,405.30	
TOTAL EXPENSES	\$ 137,671.76	\$ 149,106.00	

SDA ORGANIZATION EXPENSE & REVENUE REPORT	2014-15	2015-16	Notes & Comments
	actual	projected	
REVENUE			
CONTRIBUTED & SPONSORSHIP INCOME			
Grants			
City/Government			
Community Events Grant	\$ -	\$ -	based on last year amounts
Matching BID or Sponsorship	\$ 15,000.00	\$ -	
Corporate/Foundations			
Mitigation	\$ -	\$ -	
Other			
SUBTOTAL - GRANTS	\$ 15,000.00	\$ -	
Projects & Events Sales (incl. vendors)			
Summer Series Music + Market	\$ 61,204.00	\$ 62,000.00	sponsorships included in revenue
Jazz & Beyond	\$ 25,326.00	\$ 25,080.00	sponsorships included in revenue
Holiday Tree Lighting Celebration	\$ 7,300.00	\$ 7,500.00	all sponsorships there is no revenue
Magic of Sunnyvale Wine Stroll	\$ -	\$ 5,000.00	pending for FY 14/15 - scheduled for May 2015
Game Day	\$ 4,569.00	\$ -	based the revenue from one summer series sales
Carni Gras			pending potential sponsorships
SUBTOTAL - PROJECTS & EVENTS	\$ 98,399.00	\$ 99,580.00	revenue includes corp. sponsorships
SDA Memberships			
BID Fees	\$ 31,042.00	\$ 32,000.00	
Misc	\$ 1,625.00	\$ -	stage rental to outside agencies
SUBTOTAL - SDA MEMBERSHIPS	\$ 32,667.00	\$ 32,000.00	
TOTAL REVENUE	\$ 146,066.00	\$ 131,580.00	
NET PROFIT/LOSS	\$ 8,394.24	\$ (17,526.00)	

Proposed Improvements and Activities for Fiscal Year 2015/2016

1) Income

Zone A: 38 businesses paying an average annual benefit fee of \$426.	\$16,200
Zone B: 22 businesses paying an average of \$209.	\$ 4,600
Zone C: 110 businesses paying an average of \$102.	\$11,200
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Total potential BID annual collections	\$32,000
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Revenues from SDA special events/grants/sponsorships	\$99,580
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Total BID Program annual budget	\$131,580

2) Expenditures

<u>Program</u>	<u>Amount</u>	<u>Percent</u>
1) Commercial Marketing Program	\$105,264	80%
a) Advertising and promotion		
b) Theme development		
c) Special events and activities		
d) Visitor attraction		
2) Programs Administration and BID Management	\$26,316	20%
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Totals	\$131,580	100%

(Figures rounded to nearest whole number)