



February 13, 2018

**TO: Mayor and City Council Members**  
City of Sunnyvale  
456 W Olive Ave  
Sunnyvale, CA 94086

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

**RE: Sunnyvale Downtown Association's 2018/2019 BID Renewal Request**

To the Mayor and City Council Members of Sunnyvale,

First, I'd like to thank the City of Sunnyvale, the Mayor and City Council for your matching BID funds, support, and attendance of our events last season. We are looking forward to another great year of exciting events for the community, our downtown businesses, and the City of Sunnyvale.

On January 17, 2018, the Board of Directors approved the 2018/19 BID Budget. Attached is a copy of the SDA's expense & revenue report for July 1, 2017 through June 30, 2018 actuals along with projections for the 2018/19 fiscal year.

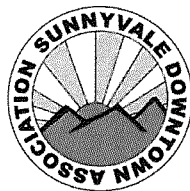
We are requesting the reauthorization of our BID for the 2018/19 fiscal year. The SDA Business Improvement District looks forward to working with the City, The Mayor and City Council, downtown businesses, and our community in the coming year.

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,

*Michael Johnson*

Executive Director of the SDA



## **Sunnyvale Downtown Association's 2018/2019 BID Renewal Request**

### **What is a BID**

A BID (Business Improvement District, authorized by State of California law) is a private sector funding tool that provides funding for the promotion and improvement of a specific area. All business license holders inside the said district are self-assessed 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 a tool 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 first approve the Annual Budget and then adopt a Request of Information (ROI) to reauthorize the BID for another year. Once the ROI is adopted, a public hearing must be held during a Council meeting

Businesses pay into the BID based on the benefit they receive as members of the district. The funds collected can only be used for projects within the BID boundaries. The business community maintains full control of all BID funds collected.

The formula for defining our BID assessment amount is determined by the Board members, and not the City. The Board considers the type, size, and location of the businesses and determines the most equitable formula for each type of business. Assessments are levied on businesses based on relative benefit from the activities to be funded. The City collects the fee on an annual basis. Normally, BID assessments are included as a separate charge on the business license tax bill that every business within the BID boundaries receives. However, because Sunnyvale has a two-year business license tax cycle, a separate billing process is being used. 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 cost is reviewed and adjusted annually as needed.

As of 2017, the current Board, made up of the Sunnyvale Downtown Association representatives include: Chair - Joe Antuzzi, IL Postale, Vice Chair - Gary Gold, Dr. Gary Gold & Associates, Secretary - Leigh Odom, Leigh's Favorite Books, Treasurer - Joe Antuzzi, IL Postale, Members At Large – Amit Rajgarhia, Dish Dash, Irene Murphy, Fibbar MaGees, Victor Reynoso, Aloft and Michael Johnson, SDA/Executive Director.

### **Mission of the SDA**

Sunnyvale Downtown Association (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 the business improvement districts (BID) fees, city grants, sponsorships and revenue producing events.

The Sunnyvale Downtown Association (SDA) serves as the voice of downtown Sunnyvale by:

- Advocating for policies, programs and events that support the economic growth of the downtown core
- 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 Organization's that share in the growth, beautification, and continual vitality of downtown Sunnyvale
- Serving as the primary information portal to all events, attractions and programs stemming from the downtown core

### **Budget**

Total BID fees collected from the businesses located within the BID totaled \$32,447 for our 2017/18 fiscal year. The BID fees act as seed money for the SDA and represents about one fourth of the overall SDA budget. The rest of SDA revenue comes from a combination of support from the City of Sunnyvale, sponsorships, sales/concessions, and event participant fees. By state law, the BID money can only be used to support general business activities, promote public events, decorate public places, and provide entertainment inside the BID area. BID funds are used for a myriad of projects including: advertising, marketing materials, visitor guides, website, e-letters, street/holiday lighting and events.

On January 17, 2018, the Board of Director's approved the renewal of the BID. Attached is a copy of the SDA's expense & revenue report for July 1, 2017 through June 30, 2018 along with projections for the 2018/19 fiscal year. Below we have attached a brief overview of some of the major expenses for fiscal year 2017/2018 and projected forecast for 2018/19. I have also attached the full fiscal 2018/19 budget for your review.

While we were fortunate this year to have received a larger level of sponsorship and grant support, which helped us in not only reaching but also exceeding our projected budget for this year, and for that we are grateful. We can't always guarantee that we will always have this level of sponsorship support, so we continue to rely on all of our support channels to ensure fiscal accountability.

<b>Account</b>	<b>Projected 2018/19</b>	<b>Actual 2017/18 (as of February 2018)</b>
<b>INCOME</b>		
<i>BID Fees</i>	32,000	32,447
<i>City Matching Funds</i>	30,000	30,000
<i>City Grants</i>	10,350	10,350
<i>Events Revenue</i>	114,006	106,409
<b>TOTAL INCOME</b>	<b>186,356</b>	<b>179,206</b>
<b>EXPENSES</b>		
<i>Personnel Related Expenses</i>	66,000	53,655
<i>Office/General Admin Exp</i>	23,942	22,996
<i>Visitor Guide</i>	2,700	2,637
<i>City Fees</i>	400	400
<i>Event Expenses</i>	91,613	88,893
<b>TOTAL EXPENSES</b>	<b>184,655</b>	<b>168,581</b>
<b>TOTAL PROFIT/LOSS</b>	<b>1,701</b>	<b>10,625</b>

**Events**

This year the SDA has produced The Magic of Sunnyvale Wine Stroll, 11 Summer Series Music + Market, 8 Jazz & Beyond Series, 2 VUDU's Movie Night on Plaza del Sol, and our Annual Holiday Tree Lighting. The SDA also partnered with the City's Economic Development staff to support the Technology Business Expo. Our last year's events grossed \$111k from the sales, sponsorships, and grants.

**Event Revenue & Overview**

All events stayed within budget. As in years past, 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. Summer Series Music + Market is a constant while the Jazz & Beyond series has increased attendance.

<b>Account</b>	<b>Projected 2018/19</b>	<b>Actual 2017/18 (as of February 2018)</b>
<b>INCOME</b>		
<i>Summer Series</i>	52,763	51,220
<i>Jazz &amp; Beyond</i>	22,566	21,372
<i>Wine Stroll</i>	26,126	21,705
<i>Tree Lighting</i>	4,500	3,500
<i>Movie Night</i>	6,000	5,500
<i>Beer Walk</i>	-	1,000
<i>Misc/Stage Rental</i>	2,050	2,110
<b>TOTAL EVENT INCOME</b>	<b>114,006</b>	<b>106,409</b>
<b>Event Expenses</b>		
<i>Summer Series</i>	49,196	46,500
<i>Wine Stroll</i>	8,050	9,666
<i>Jazz &amp; Beyond</i>	23,367	23,608
<i>Movie Night</i>	4,700	3,252
<i>Tree Lighting</i>	6,300	5,868
<b>TOTAL EXPENSES</b>	<b>91,613</b>	<b>88,893</b>

**Event Sponsorships**

We are very grateful for the continued support from the many Sponsors who have helped keep our SDA's events growing and continuing to serve the community in 2017/2018. We like to give a special thanks to The City of Sunnyvale, Sares Regis, Hunter Storm, VUDU, Google, Specialty Waste, WalmartLabs, Meriwest Credit Union and New Seasons Market.

**Future**

We believe that keeping the BID Fee assessment, in conjunction with the matching city funds, in place helps in providing the foundation funding for our organization. The BID Fees serves as the SDA's seed money and without

the BID Fees, we couldn't provide the services and events to our community. The BID's goal is to continue producing quality events and promoting downtown Sunnyvale as a great place to live, visit shop and do business. These events are especially important to continue to attract new patrons and visitors to our 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 downtown community.

We ask that the City Council consider continuing to match the contribution made by the businesses. Understanding that your matching funds are a crucial part of our overall funding for annual events. We appreciate that you have continued to support the BID and want you to know, we don't take your support for granted. As always, we continued to be good stewards of all funds, grants, and sponsorships that we receive.

Our commercial marketing and promotion will continue. These resources for marketing include local and regional newspapers and publications. Expanding the reach of our messaging via our SunnyvaleDowntown.com website and all our social media sites like Facebook, Twitter, and Google+. We continue to maintain a strong local community internet presence with event calendars and sites like Eventbrite to promote Sunnyvale Downtown.

We are planning to expand our VUDU's Movie Night on Plaza del Sol after a successful first year with approximately 500+ attending our first two events last year. This event was free to all attendees in addition to providing all the snacks and drinks free as well. We continue exploring new events and sponsors in the coming year.

### **Overview**

The 2017/18 year proved to be very successful for the Sunnyvale Downtown Association. Early in the year, the SDA experienced a change in its executive director leadership. Since then, the SDA produced 2 new event series, The Technology Business Expo and the VUDU's Movie Night on Plaza del Sol, in conjunction with its annual reoccurring events. The community truly enjoyed these new additions to our events lineup.

Moving forward in the 2018/19, the SDA continues to host The Magic of Sunnyvale & Wine Stroll, 11 Summer Series Concerts, 8 Jazz & Beyond events, and Holiday Tree Lighting. We are also planning to expand the Movie Night Series from 2 showings to 4 nights and we look forward to collaborating again with the city on the Technology Business Expo.

We are continually exploring new events and sponsorship opportunities to draw more attention to our growing downtown community, its visitors, and its residents. The SDA has and will continue to work with the multiple developers and the City of Sunnyvale to promote cohesion between the existing businesses in Sunnyvale and the expansion of the Downtown.

The SDA continues to partner with the city to help in the distribution of city, construction, downtown news and any other projects that might affect the downtown business community. Thank you for your past support and once again, we ask that you continue to support our request for the BID assessments and matching funds.

If you have any questions, please do not hesitate to call me at 408-480-5437.

### BID Zones & Fee Breakdown

	ZONE A	ZONE B	ZONE C
Retailers, Restaurants, Bars	\$500	\$300	\$150
Service Businesses	\$300	\$200	\$100
Lodging	\$10/rm.	\$10/rm.	\$10/rm
Professional Services Businesses	\$100	\$100	\$100
Financial Institutions	\$500	\$500	\$500

**Business type definitions:**

Retail and Restaurant: Businesses that buy and resell goods, examples are clothing stores, shoe stores, office supplies as well as businesses that sell prepared foods and drinks.

Service Businesses: Businesses that sell services. Examples are beauty and barber shops, repair shops, most automotive-oriented businesses, entertainment businesses such as theaters, etc.

Lodging: Includes renting rooms by the day or week to community visitors.

Professional Services Businesses: Includes Architects, Engineers, Attorneys, Dentists, Doctors, Accountants, Optometrists, Realtors, Insurance Offices, Mortgage Brokers and most other businesses that require advanced and/or specialized licenses and/or advanced academic degrees.

Financial Institutions: Includes banking and savings and loan institutions as well as credit unions, etc.

**Downtown Sunnyvale Business Improvement District  
Proposed Improvements and Activities for Fiscal Year 2018/2019**

<b>Income</b>		
Zone A	41 Businesses paying an average annual benefit fee of \$451.	\$18,500
Zone B	49 Businesses paying an average of \$179.	\$8,800
Zone C	125 Businesses paying an average of \$122.	\$15,300
Total potential BID assessment collections		\$42,600
Projected assessment collections (annual paid average at about 76%)		\$32,000
Revenues from SDA special events and fund-raisers		\$69,456
Grants, event sponsorships and other misc. revenue		\$89,900
Total BID Program annual budget		\$191,356

<b>Expenditures</b>		
Program	Amount	Percent
1) Commercial Marketing Program	\$123,442	65%
a) Advertising and promotion (Ads, social media, etc.)		
b) Theme development		
c) Special events and activities		
d) Visitor attraction		
2) Civic Beautification and Signage Program	\$1,914	1%
a) Streetscape beautification, lighting		
b) Public arts programs		
c) Public-private directional signage		
3) Programs Administration and BID Management	\$66,000	34.5%
Totals*	\$191,356	100%

\*Figures rounded.



## SDA General P&L

Account	Projected 2018/19	Actual 2017/18 (as of Feb. 2018)	Notes
<b>INCOME</b>			
Bid Fees	\$32,000	\$32,447	
City Community Grants	\$10,350	\$10,350	
Matching BID Funds	\$30,000	\$30,000	
<b>Summer Series</b>			
Vendors	\$2,800	\$2,300	
Sponsors	\$19,000	\$19,431	
Sales	\$30,963	\$29,489	
<b>Jazz &amp; Beyond</b>			
Sponsors	\$8,000	\$7,500	
Sales	\$14,566	\$13,873	
<b>Wine Stroll</b>			
Sponsors	\$5,000	\$2,500	
Sales	\$21,126	\$19,206	
<b>Tree Lighting</b>			
Sponsors	\$4,500	\$3,500	
<b>Tech Expo</b>			
Sponsors	\$5,000	\$5,000	City event, sponsored by SDA
<b>Movie Night</b>			
Sponsors	\$6,000	\$5,500	
<b>Beer Walk</b>			
Sponsors		\$1,000	
Misc/Stage Rental	\$2,050	\$2,110	
<b>TOTAL INCOME</b>	<b>\$191,356</b>	<b>\$184,206</b>	
<b>EXPENSES</b>			
			<b>Actual as of February 2018</b>
<b>Personnel Related Expenses</b>			
Wages	\$50,000	\$30,000	Salary for Executive Director
Contract Labor	\$16,000	\$14,885	Payments made for event coordination and admin support
Commissions	\$0	\$8,770	
<b>Office/General Administration Expenses</b>			
Advertising	\$9,000	\$9,360	Social Media & marketing, Email subscription, web hosting
POD rental	\$2,350	\$2,339	
Bank Fees	\$300	\$287	
Office Expenses	\$2,000	\$2,578	Includes postage, business cards, ink, ...
Cell Phone	\$2,292	\$2,514	
Insurance	\$6,500	\$4,716	
Accounting	\$1,500	\$1,202	Tax filings & Quickbook set-up
Taxes			
Visitor Guide	\$2,700	\$2,637	
City Fees	\$400	\$400	
<b>Event Expenses</b>			
Summer Series	\$49,196	\$46,500	*see attached for event break down
Wine Stroll	\$8,050	\$9,666	*see attached for event break down
Jazz & Beyond	\$23,367	\$23,608	*see attached for event break down
Movie Night	\$4,700	\$3,252	*see attached for event break down
Tech Expo	\$4,920	\$4,944	City event, sponsored by SDA
Tree Lighting	\$6,300	\$5,868	*see attached for event break down
<b>TOTAL EXPENSES</b>	<b>\$189,575</b>	<b>\$173,525</b>	
<b>Profit/Loss</b>	<b>\$1,781</b>	<b>\$10,681</b>	



**Summer Series P&L**

<b>Account</b>	<b>Projected 2018/19</b>	<b>Actual 2017/18 (as of Feb. 2018)</b>	<b>Notes</b>
<b>INCOME</b>			
Sales	\$30,963	\$29,489	
Sponsors	\$19,000	\$19,431	
Vendors	\$2,800	\$2,300	
<b>TOTAL INCOME</b>	<b>\$52,763</b>	<b>\$51,220</b>	
<b>EXPENSES</b>			
Beverages	\$10,200	\$10,212	<i>Beer &amp; wine</i>
Garbage	\$1,000	\$1,604	
Labor Fees	\$8,500	\$8,250	<i>stage set-up &amp; security</i>
Musicians	\$7,700	\$7,700	<i>Bands pay</i>
Permit Fees	\$2,400	\$2,474	<i>Event permits, ABC permits</i>
Promo Fees	\$1,900	\$1,928	<i>Banner &amp; posters</i>
Public Safety Fees	\$9,300	\$9,385	
Rentals	\$3,100	\$3,200	<i>chair rentals</i>
Supplies	\$2,000	\$2,020	
Tax	\$3,096		
<b>TOTAL EXPENSES</b>	<b>\$49,196</b>	<b>\$46,772</b>	
<b>Profit/Loss</b>	<b>\$3,567</b>	<b>\$4,449</b>	

**Wine Stroll P&L**

<b>Account</b>	<b>Projected 2018/19</b>	<b>Actual 2017/18 (as of Feb. 2018)</b>	<b>Notes</b>
<b>INCOME</b>			
Sales	\$21,126	\$19,206	
Sponsors	\$5,000	\$2,500	
<b>TOTAL INCOME</b>	<b>\$26,126</b>	<b>\$21,706</b>	
<b>EXPENSES</b>			
Beverages	\$5,250	\$5,499	
Entertainment	\$1,200	\$1,200	<i>Magicians pay</i>
Payouts	\$0	\$2,130	<i>Reimbursements to location hosts for unsold tickets</i>
Permits	\$400	\$400	<i>City fees</i>
Promo	\$1,100	\$1,242	<i>Posters &amp; postcards</i>
Supplies	\$100	\$93	
<b>TOTAL EXPENSES</b>	<b>\$8,050</b>	<b>\$10,564</b>	
<b>Profit/Loss</b>	<b>\$18,076</b>	<b>\$11,142</b>	

**Movie Night Series P&L**

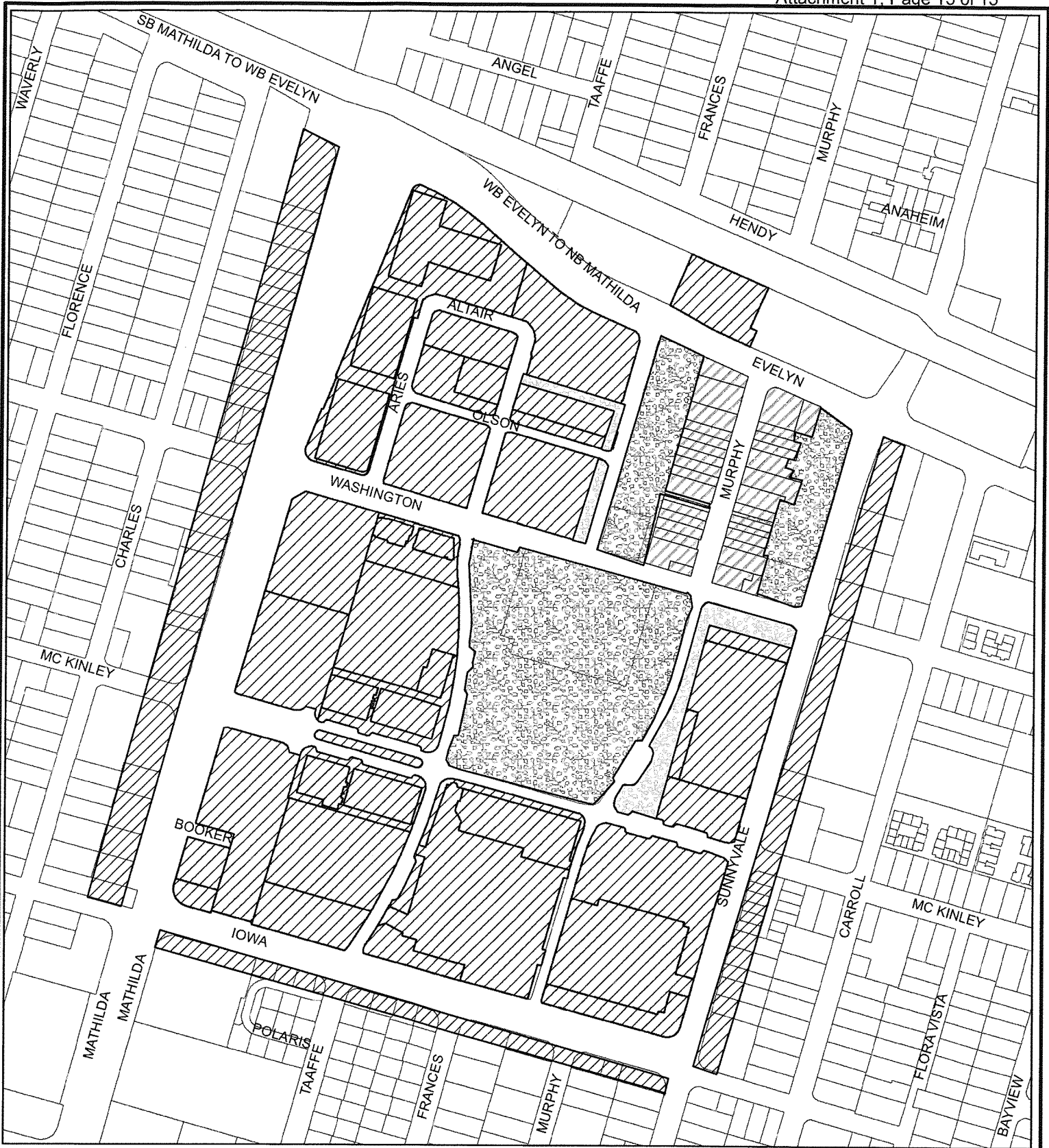
<b>Account</b>	<b>Projected 2018/19</b>	<b>Actual 2017/18 (as of Feb. 2018)</b>	<b>Notes</b>
<b>INCOME</b>			
Sponsors	\$6,000	\$5,500	
<b>TOTAL INCOME</b>	<b>\$6,000</b>	<b>\$5,500</b>	
<b>EXPENSES</b>			
Security	\$600	\$300	
Supplies	\$500	\$500	
City Fees	\$1,500	\$1,031	<i>Event Permits &amp; Plaza rental</i>
Promo	\$600	\$475	<i>Poster</i>
Rentals	\$1,500	\$946	<i>Port-a-potties</i>
<b>TOTAL EXPENSES</b>	<b>\$4,700</b>	<b>\$3,252</b>	
<b>Profit/Loss</b>	<b>\$1,300</b>	<b>\$2,248</b>	*Movie Night will increase to 4 events

**Tech Expo P&L**

<b>Account</b>	<b>Projected 2018/19</b>	<b>Actual 2017/18 (as of Feb. 2018)</b>	<b>Notes</b>
<b>INCOME</b>			
Sponsors	\$5,000	\$5,000	<i>Google Sponsor</i>
<b>TOTAL INCOME</b>	<b>\$5,000</b>	<b>\$5,000</b>	
<b>EXPENSES</b>			
Rentals	\$4,500	\$4,528	
Supplies	\$70	\$69	
Banners	\$350	\$347	
<b>TOTAL EXPENSES</b>	<b>\$4,920</b>	<b>\$4,944</b>	
<b>Profit/Loss</b>	<b>\$80</b>	<b>\$56</b>	

**Holiday Tree Lighting P&L**

<b>Account</b>	<b>Projected 2018/19</b>	<b>Actual 2017/18 (as of Feb. 2018)</b>	<b>Notes</b>
<b>INCOME</b>			
Sponsors	\$4,500	\$3,500	
<b>TOTAL INCOME</b>	<b>\$4,500</b>	<b>\$3,500</b>	
<b>EXPENSES</b>			
Permit Fees	\$300	\$256	<i>Permit Fees</i>
Promo	\$1,700	\$3,425	<i>Posters, Banner, banner fee</i>
Supplies	\$1,000	\$1,071	<i>stage fee, no parking signs</i>
Tree	\$3,300	\$3,293	
<b>TOTAL EXPENSES</b>	<b>\$6,300</b>	<b>\$8,045</b>	
<b>Profit/Loss</b>	<b>-\$1,800</b>	<b>-\$4,545</b>	



### DOWNTOWN BUSINESS IMPROVEMENT DISTRICT ZONES

0 130 260 520 Feet

#### Legend

- ZONE A
- ZONE B
- ZONE C

