

Economic Development Strategic Plan



Sunnyvale

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Introduction

Originally home to the Ohlone people and later developed into bountiful fruit orchards in the late 1880s, Sunnyvale's economy evolved to be known in the 1960s through the 1980s for its defense and aerospace companies. Sunnyvale also served as the technology hub to the newly emerging video game industry serving as the original location of Atari headquarters. Now in 2024, Sunnyvale is the "heart of Silicon Valley"™ – the premiere location of world class cutting-edge technology companies, research and development (R&D), and manufacturing.

Sunnyvale has many attractive aspects: charming restaurants and shops along historic Murphy Avenue; tree-lined residential streets housing long-time residents; a lively and diverse population with many new immigrants from all over the world; robust auto dealerships and a broad mix of retailers along El Camino Real; high-tech and office complexes housing Apple, Fortinet, Google, LinkedIn and Juniper Networks; aerospace titans Lockheed Martin Space Systems, Northrop Grumman and Space Expedition (SpaceX); bioscience companies advancing medical technology and services including Intuitive Surgical, Cepheid and Ihealth Labs.

To accommodate its progress, Sunnyvale has seen many of its older commercial districts transform with major new development projects, including the mixed-use "Cityline" project in the downtown area, new Class A office space in Moffett Park, Peery Park and downtown, and new residential and commercial infill projects throughout the City. Hotels such as Tetra, AC Marriott and Hilton Garden Inn established new locations in the City to accommodate work travelers and visitors. The future Applied Materials EPIC facility will serve as the largest chip research and development center in the world in Sunnyvale's Central Arques area.

According to a survey conducted by SmartAsset, Sunnyvale was voted the #1 Happiest City in the Nation in 2023 based on several quality-of-life factors. The City consistently ranks in the top ten safest cities in the U.S. with public safety officers cross trained to serve as police, fire, and emergency medical technicians. The highly attended Sunnyvale Arts and Wine Festival, Downtown Summer Music Series, Jazz and Beyond Series elevate the sense of community pride and connectivity in Sunnyvale. The City's new City Hall provides a friendly and inclusive space for all to experience in the only net zero city hall in the nation. These developments, initiatives and community activities will continue to positively shape and influence Sunnyvale's economy.

While Sunnyvale has many successes, it does have some challenges that need to be addressed in order to maintain long-term prosperity and fiscal sustainability. These challenges include ensuring that small and medium-sized businesses have a place to grow and thrive, nurturing a healthy retail sector, supporting the City's auto dealerships, ensuring adequate and affordable housing, promoting and expanding transportation and mobility options, and supporting continued technology innovation and workforce development.

COVID Impacts and Recovery

The City is continuing to move through the economic recovery phase of the COVID-19 pandemic. During the pandemic, Economic Development staff developed several tools for the business community. One tool developed was the Small Business Assistance Grant program (SV Cares). The SV Cares program was funded by the City and several large businesses that provided grants, ranging from \$5,000 to \$15,000 to 194 small businesses and 15 non-profits organizations based on a lottery system.

The City also developed an outdoor dining and services program. This program was developed as a pilot to meet COVID-19 regulations and provide restaurants and small service businesses the ability to use private and public space to continue providing services. Businesses were permitted to use parking spaces and the public street on the 100 block of south Murphy Avenue.

The City closed the 100 block of South Murphy Avenue to vehicles so businesses could expand their services to the street. This program has been effective and was very popular with residents and businesses. The City surveyed the community and downtown businesses with over 90% of respondents requesting that the street remain permanently closed. In 2023, the City Council approved the development of a pedestrian mall on this historic block in downtown. This new project will keep the street permanently closed to vehicles and allow restaurants to continue to use the street for outdoor dining. These efforts continue as the City moves through the pandemic recovery phase.

The shift to remote work greatly impacted the City's small businesses due to the loss of employees coming to work in Sunnyvale. Corporations have started to encourage and require employees to return to the office on a hybrid schedule with some working up to a five-day in office work week. This will support small businesses.

Silicon Valley, as a region, has struggled to return to its pre-pandemic economic strength. This has caused office and research & development (R&D) tenants and landlords to pause and reassess space needs moving forward. Although a few major companies in the City conducted sizable layoffs, there has been an increase in lease renewals which is expected to continue with the return to the in-person office format.



Why an Economic Development Strategic Plan?

Economic Development Division staff is responsible for executing and managing the City's economic development programs and serving as liaison between City and the business community. Major service areas include:

- Providing business retention and expansion assistance
- Marketing sunnyvale as a great place to do business
- Conducting business data analysis
- Nurturing strategic partnerships—businesses & business associations
- Leading key economic development initiatives

The Sunnyvale's Economic Development Strategic Plan (EDSP) will guide these efforts and serve as a blueprint for the City's investments to ensure economic vitality, open new economic opportunities to residents, generate new wealth in the community, and contribute to the City's high quality of life. While the EDSP works in furtherance of the City's General Plan, it also identifies areas where Sunnyvale's Specific Plans, Area Plans, and zoning codes can focus on supporting the City's businesses. The EDSP pursues four primary goals:

1. Identifies strategies and actions designed to **support existing businesses**
2. Sets forth strategic actions to help **market Sunnyvale** as an attractive place to shop and do business.
3. Engages in **place-making and enhances quality of life** to retain and attract new business and talented employees in today's competitive economy.
4. Acknowledges the importance of **fiscal sustainability** and includes strategies to expand the City's revenue base to fund community services and future investments.

The EDSP defines the strategies needed to carry out the economic development goals of the City. An annual economic development workplan will be created to guide the continuance of economic development projects and programs as well as new initiatives based on needs assessments, market conditions and trends.

EDSP Process

Staff developed and built strong working relationships within the business community. Through these partnerships, staff adapted services for businesses during changing economic times. Also, staff created and modified policies based on changing business structures and needs. Staff prepared this EDSP based upon extensive data analysis and stakeholder and public engagement including:

- **Best Practices:** The practices and strategies of other cities like Sunnyvale were surveyed to identify best economic development practices to incorporate into the EDSP.
- **Policy Research:** Staff researched and reviewed local and national economic development policies to identify initiatives for consideration to enhance business support services as well as maintain sustainable growth in Sunnyvale.
- **Stakeholder Outreach:** Several meetings were held in 2019 to discuss issues, opportunities, and challenges related to economic development. These discussions provided strategic direction for the EDSP. The City also completed email surveys to ensure that businesses unavailable to attend meetings could provide their input.

Due the pandemic, the priorities shifted as staff pivoted to provide emergency services to keep businesses in operation and paused the work on the EDSP. As the market and business community began to stabilize, focus was placed back on completing the EDSP. Another round of meetings with key stakeholder groups including brokers, general contractors, Downtown retail and restaurant tenants, underrepresented small businesses, hotels, major employers and auto dealers was conducted between April and August 2023. This re-engagement effort solicited input on carrying out the top strategic priorities of the EDSP based on new learning since the pandemic. Additional outreach was made to business organizations including Sunnyvale Downtown Association, Sunnyvale Chamber of Commerce and Moffett Park Business Group as well as to businesses one-on-one to provide feedback.

- **Community Outreach:** Two online surveys were administered to provide an opportunity for the community to share feedback and identify priorities for the City to address as well as gain their perspectives on development and the City's retail sector.

Key Findings

Sunnyvale is home to over 7,000 corporations, small and medium-sized businesses, retailers, and service providers with physical locations. An additional 4,500 businesses and entrepreneurs conduct business in the City increasing the total number of business licenses to about 11,500. Sunnyvale’s top 25 companies employ between 250 to over 13,600 employees. There are over 6,800 active businesses in Sunnyvale that employ 50 employees or less; small businesses account for approximately 98% of businesses located in the City.

Following are key data points that reflect the demographics of Sunnyvale:

Population

Sunnyvale has experienced modest population growth since 2010. Between 2010 and 2020, the City added approximately 15,700 new residents, growth of roughly 1.2 percent per year. For comparison, population growth averaged 0.8 percent per year in the Bay Area during the same period.



Source: 2020 U.S. Census Bureau

Educational Attainment

Sunnyvale is a highly educated and affluent community. Close to 67% percent of Sunnyvale residents age 25 or older have earned at least a bachelor’s degree, compared to 54.4% percent in Santa Clara County.

Bachelor’s Degree or Higher (2017-2021)

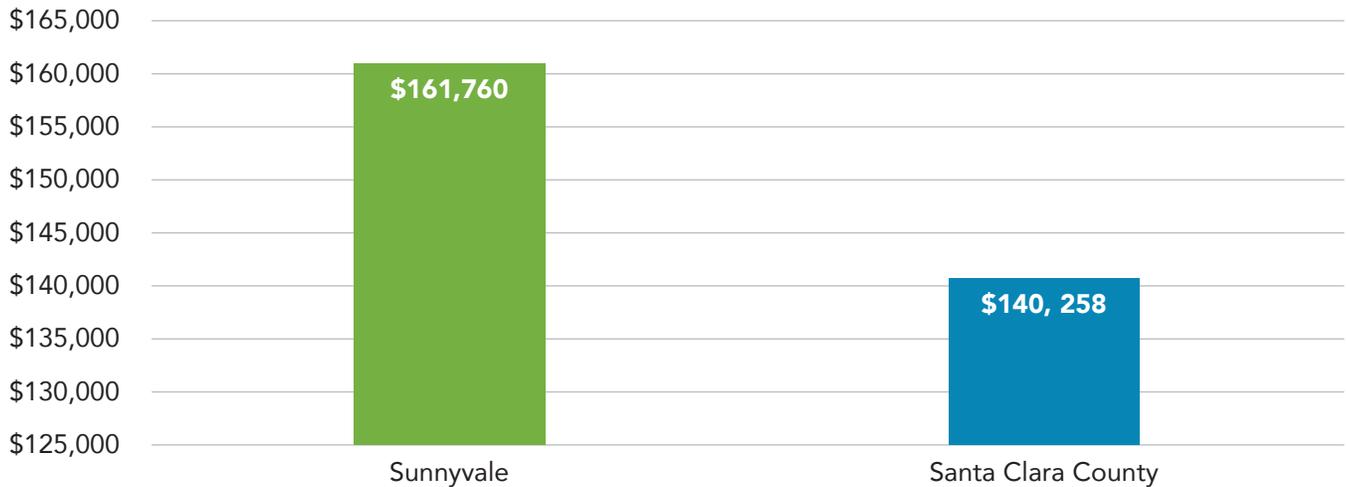


Source: 2020 U.S. Census Bureau

Median Household Income

Reflecting high education levels and a high degree of professional occupations, Sunnyvale households earn a significantly higher median household income (\$161,760) than households in the Bay Area (\$140,258).

Median Household Income



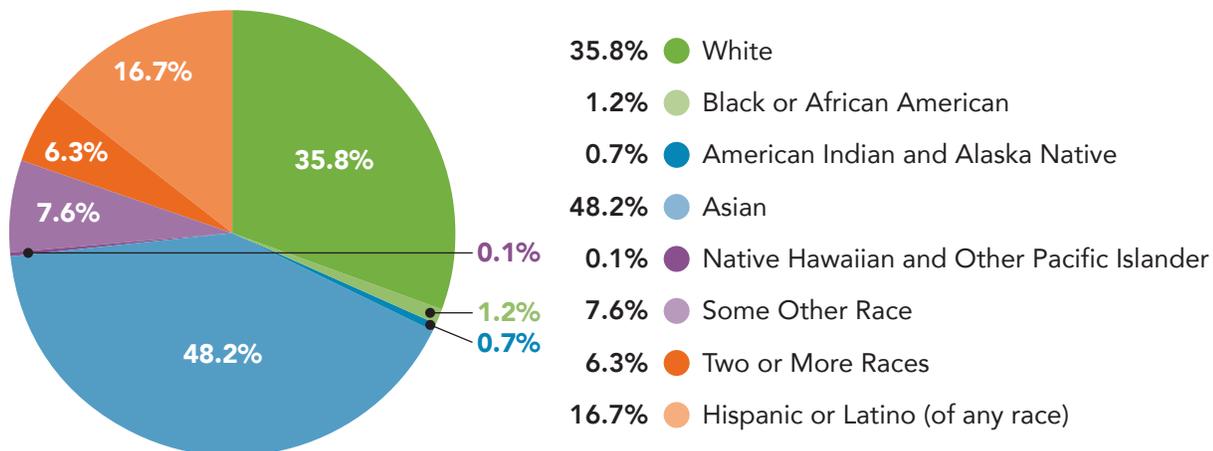
Source: 2021 U.S. Census Bureau

Race and Ethnicity

As of 2020, nearly one-half of the population in Sunnyvale was of Asian descent. Sunnyvale’s rich racial and ethnic diversity, with a high proportion of Asian residents, supports specialty food retail, including ethnic markets, and East-Asian and South-Asian eating and drinking establishments. This data informs ideas on how to expand the City’s public event programming focused on supporting local businesses to promote different cultures and patronage of local Asian establishments.

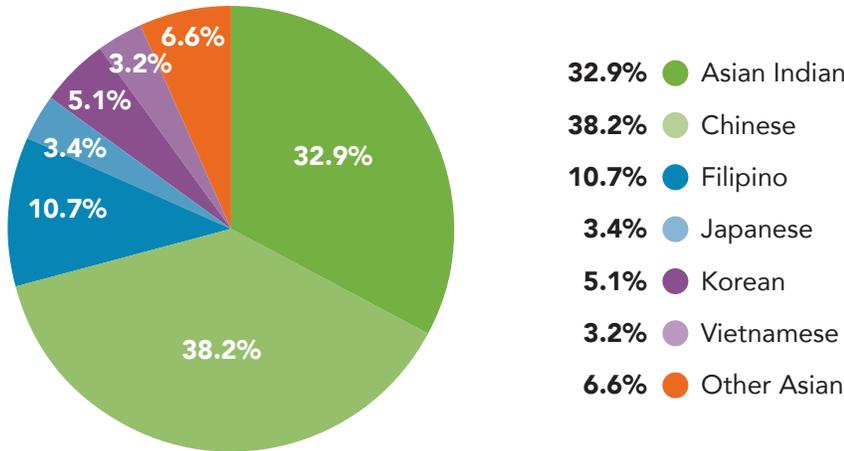
Data collected through business license surveys showed that over 800 businesses out of 1,727 respondents identified as Asian-owned businesses totaling 46.55%.

Race and Ethnicity



Source: 2020 U.S. Census Bureau

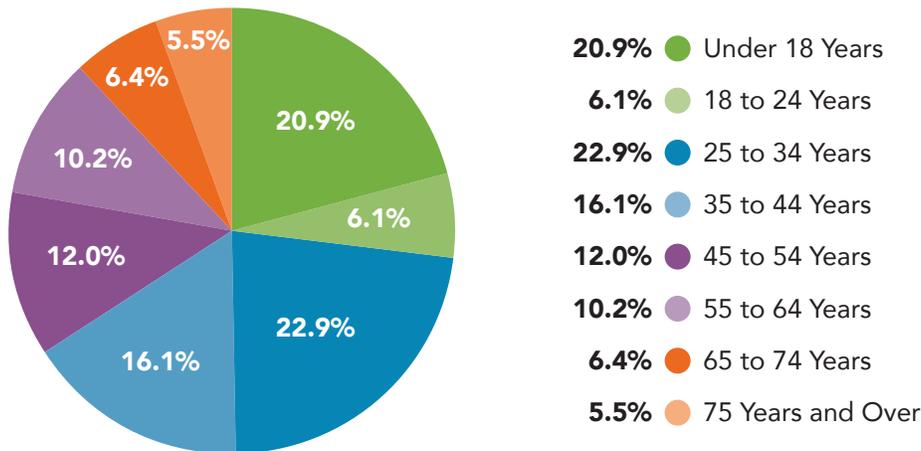
Asian Population in Sunnyvale



Source: 2020 U.S. Census Bureau

Median Age

The top three median age groups in Sunnyvale are 25-34 years (22.9%), under 18 years (20.9%) and 35-44 (16.1%) accounting for nearly 60% of the population. Median age information informs the types of retailers and service providers to attract to Sunnyvale to increase sales tax revenue and provide goods and services the residents want.

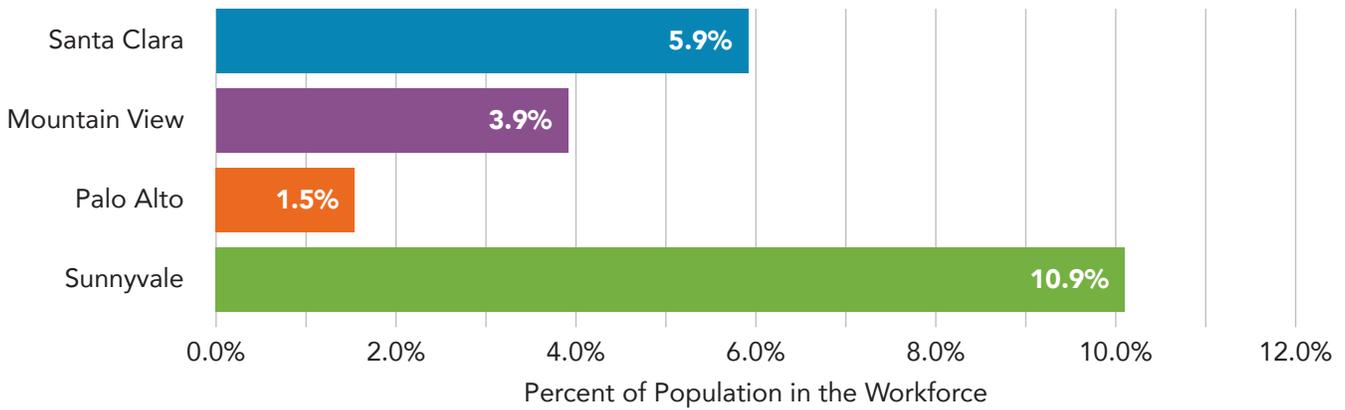


Source: 2020 U.S. Census Bureau

Workforce Live/Work Migration

Sunnyvale has a higher percentage (10.9%) of its workforce living and working in the City compared to neighboring cities similar in size of employee counts in Silicon Valley’s South Bay region. In 2020, over 61,000 employees were living in Sunnyvale and employed outside of the City, over 76,000 employees working in Sunnyvale and living outside of the City and 9,344 living and working in Sunnyvale. A higher number of employees working in Sunnyvale and living outside of the City is expected to rise due to the increase in remote work, an implication of the pandemic, as well as the lack of affordable housing options.

Live/Work Migration



Sunnyvale In and Out Migration



Source: JobsEQ, 4th Quarter of 2022

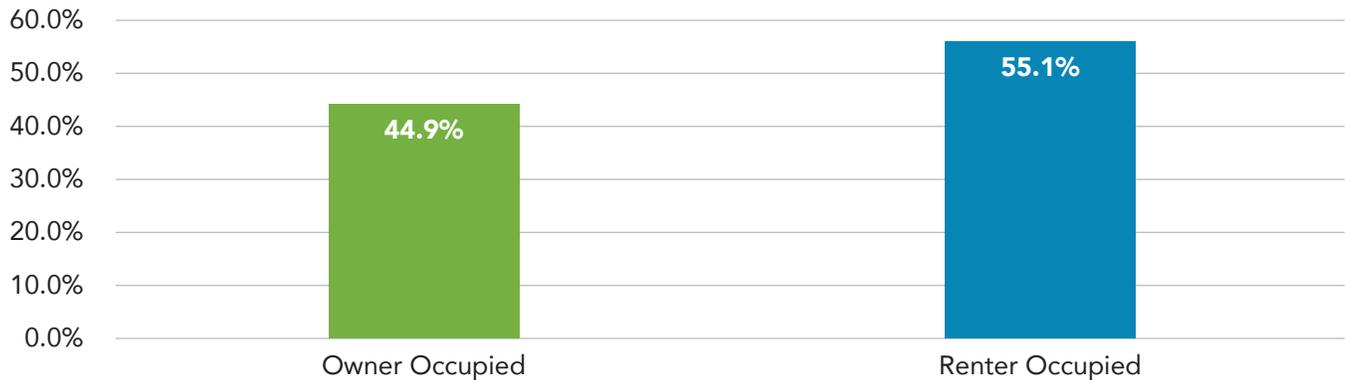
Retail Leakage/Injections

Per capita retail spending is low in Sunnyvale compared to the County, suggesting that Sunnyvale residents are likely shopping outside of the City to purchase goods and services. Retail sectors showing significant sales leakages include home furnishings and appliance stores, fine dining, family apparel and accessory stores, and department stores. This data provides guidance on retail segments to focus on for retention and attraction efforts.

Renters and Owners

Most households in Sunnyvale are renters (55.1%) compared to owner occupied (44.9%). The high percentage of renters relative to homeowners generally implies less support for certain retail categories such as building materials and supplies establishments and nurseries. Furniture retailers are one home-oriented sector that would appeal to both renters and homeowners.

Housing Profile



Source: 2020 U.S. Census Bureau

Economic Conditions

In the five years between 2019-2023, Sunnyvale’s top industries experienced very different trends, primarily due to varying pandemic impacts. The professional, scientific and technical services industry added 28,508 jobs at an annual growth rate of 2.2% and the information industry added 21,141 jobs at an annual growth rate of 9.9%. The health care and social assistance industry experienced an uptick in employment with 7,403 new jobs at a 2.1% growth rate, which can be associated to an increased need in medical services since the onset of the pandemic in 2020.

The manufacturing industry experienced a slowdown adding only 93 jobs to its 18,984 job base at a 0.1% annual growth rate. The accommodations and food services industry were vastly affected by the pandemic, losing 589 jobs with a negative 2.0% annual growth rate. Signs of recovery within this industry are beginning to pick up with employees returning to the office. Except for the manufacturing industry, these top industries are projected to grow 1.3% – 1.7% in 2024.

Industry	Employees	5-Year History 2019-2023		2024 Forecast	
		Employee Change	Annual %	Employee Growth	Annual % Growth
Professional, Scientific, and Technical Services	28,508	2,946	2.2%	379	1.3%
Information	21,741	8,150	9.9%	414	1.9%
Manufacturing	18,984	93	0.1%	2	0.0%
Health Care and Social Assistance	7,403	746	2.1%	125	1.7%
Accommodation and Food Services	5,615	-589	-2.0%	74	1.3%

Source: JobsEQ - 4th Quarter 2022

Although large corporations account for a large share of citywide employment with the top ten companies accounting for over 55,610 employees, an overwhelming number of businesses (over 6,680) are small business establishments with 50 or fewer employees making up a considerable portion of the workforce of over 23,000 employees cumulatively. With about 7,036 active businesses in Sunnyvale, small businesses account for 98% of the City's business make up.

The top three sales tax generating industries in the first quarter of 2023 shared by a market consultant included Business and Industry, Autos and Transportation, and Restaurants and Hotels which experienced growth of 12.2% combined compared to the first quarter of 2022. On a nominal basis, Sunnyvale's total taxable sales have been flat over recent years.

Office Real Estate Market Trends

Silicon Valley has struggled to return to its pre-pandemic economic strength. This has caused office tenants and landlords to pause and reassess space needs moving forward. The shift to remote work greatly impacted the City's small businesses due to the loss of sales. Corporations have started to encourage and require employees to return to the office on a hybrid schedule with some working up to a five-day in office work week which will help provide support to small businesses. Although a few major companies in the City conducted mass layoffs, there has been an increase in lease renewals which is expected to continue with the return to the in-person office format.

Prior to the start of the pandemic in 2020, brokers reported substantial demand for office space of all classes in Sunnyvale. Although the market has responded with more speculative construction to meet the needs of large office-users, the inventory of smaller multi-tenant buildings is shrinking and several small- and mid-sized companies have moved and are continuing to move their operations elsewhere (e.g., 23andMe, Infinera, John Deere and NetApp). The expanding presence of large-scale office users and displacement of small- and mid-size office users has significant implications for both business diversity and business-to-business sales tax revenues. The EDSP identifies action that the City can take to preserve existing spaces and support new construction of multi-tenant buildings to retain these businesses.

Sunnyvale bases its land use decisions in large part on a strong foundation of long-range planning. This has helped the city's office market weather the peaks and valleys of the tumultuous Silicon Valley real estate market. Sunnyvale has one of the lowest commercial vacancy rates in Silicon Valley at 11.7% for over 37M square feet of office/R&D space (source: Cushman & Wakefield 2023 2nd Quarter Market Synopsis). Neighboring cities are seeing higher vacancy rates with Santa Clara at 22% for 32M square feet and Mountain View at 14.7% for 22M square feet. With Sunnyvale's relatively low vacancy rate, the City continues to see value in reserving these spaces for office uses. This provides opportunities for new and existing companies to expand or keep operations in Sunnyvale.

Retail Market Trends

With new planned and proposed mixed-use developments, there are increasing opportunities to provide a diverse mix of retail offerings, nightlife and entertainment options in the City. The EDSP looks at ways that the City can broadly communicate its strong demographics which support a diversity of new retail and services. Examples include utilizing social media and keeping the brokerage community and property owners informed of new developments and actively initiatives to continue supporting efforts to attract new retailers and service-oriented business.

Strengths

- Growing and diverse consumer population
- Robust auto sales
- Strong Downtown
- Attraction and retention of major corporations

Vulnerabilities

- Significant retail leakage
- Lack of retail amenities in business districts such as Moffett Park
- Affordable housing, especially for the service industry employees

Opportunities

- Re-purposing outmoded, underutilized shopping centers
- Targeted retail recruitment to serve growing ethnic populations
- Need to evaluate planning initiatives to support new retail and services

Challenges

- High cost of living
- Continuation of remote work
- Limited space options to meet tenant needs including size and location
- Continuing disruption from e-commerce

The Westfield Valley Fair Centre in Santa Clara has expanded and gained specialty retailers negatively impacting other retail centers. However, the decline in big box retail in shopping centers do not have an adverse effect on Sunnyvale in comparison to the national scale. Population growth will generate new retail spending power that can potentially be captured in Sunnyvale and support new specialty retail as well as neighborhood-serving retailers. The EDSP will help guide how the City could partner with local business stakeholders and key property owners to promote shopping in Sunnyvale through enhanced social media efforts and events to support the City's businesses

Of all types of commercial space, retail is by far the most location sensitive. As such, it is critically important to refine how and where to build new retail. The EDSP addresses how the City can promote new retail in the most desirable locations through its current and future planning initiatives. The City should also review and evaluate the zoning code and development standards as new retail trends and major shifts in the market arise.

According to retail brokers representing opportunity sites in Sunnyvale, the City's trajectory is on a positive trend. With future phases of retail space coming online in areas such as downtown and Moffett Park, Sunnyvale will have new, right-sized spaces available to line up successful co-tenancies to continue creating a vibrant retail areas.

Research and Development (R&D) Market Trends

Sunnyvale continues to attract major corporations to establish and expand their R&D operations such as the future Applied Materials EPIC R&D facility in the Central Arques area and is expected to continue. The current R&D building base is approximately 24.4M square feet (SF). In Q2 2023, there was a total of 2,190,778 SF of direct and sublease R&D space. The vacancy rate continues to stay relatively low, decreasing to 9.0% in Q2 2023 compared to 10.7% in Q2 2022. However, Sunnyvale is still 50% higher than the pre-pandemic vacancy rate. Due to challenges in determining market projections post pandemic, it is unknown whether these trend will continue. The average asking rate is \$3.91/SF which is higher than the average lease rate in the greater Silicon Valley region (\$3.22/SF).

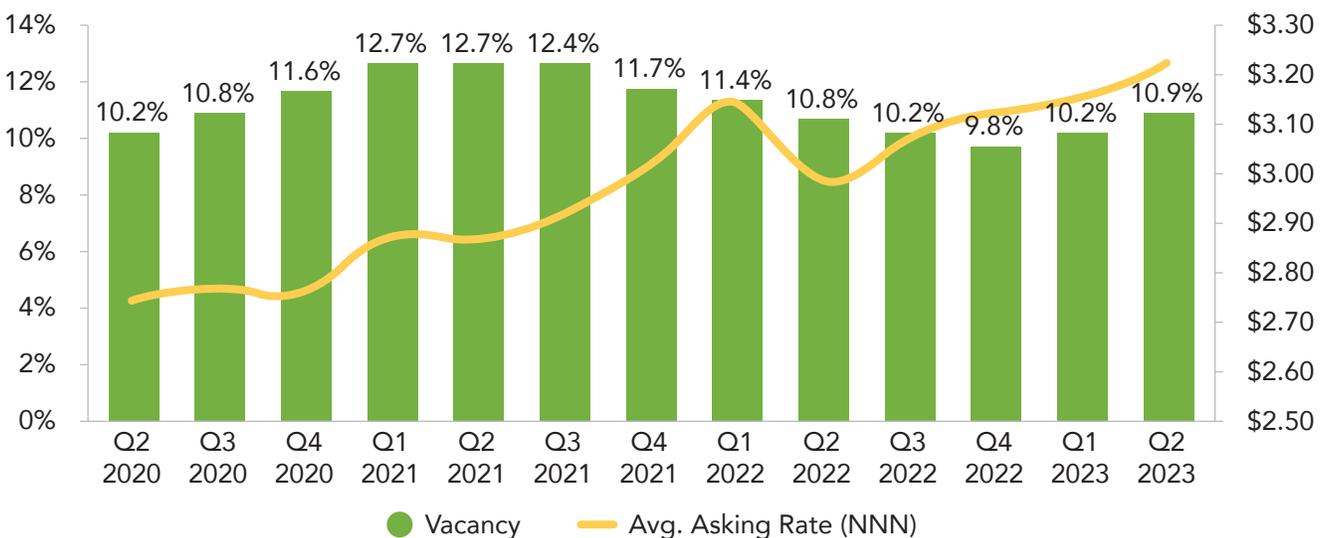
Sunnyvale

Vacancy and Average Asking Rate Trend



Silicon Valley Region

Vacancy and Average Asking Rate Trend



Source: Cushman & Wakefield 2023 2nd Quarter Market Synopsis

Flex and Industrial Market Trends

Despite intense competition for move-in ready flex and industrial space in most submarkets in Santa Clara County, there is a limited pipeline of new product in Sunnyvale and neighboring cities with inventories shrinking as older properties are redeveloped into new Class A office projects.

Flex and industrial space accommodate a wide range of firms and sectors. They can be important sources of inventory for start-ups and small and medium sized businesses. The EDSP addresses whether remaining districts with high concentrations of flex and industrial space, such as the Woods and Oakmead districts should be preserved as flex and industrial districts to accommodate these smaller businesses. Further, some flex and industrial areas, such as a corridor along West Evelyn between South Mary Avenue and Sunset Avenue, provide space to auto repair shops and other service commercial tenants. These types of uses provide much needed services to both local businesses and residents.

Residential Real Estate Market Trends

While high home values and rents speak to the City's overall desirability as a place to live, a lack of housing appropriate and affordable for local workers can lead to long commutes, congested highways, and a lower quality of life. Lack of affordable housing also poses difficulties for job recruitment if potential workers can find similar jobs in other areas with a broader range of housing choices. Sunnyvale business stakeholder groups cited the lack of affordable housing as a major barrier to retaining and recruiting employees. The EDSP acknowledges the importance of prioritizing regional issues and linking housing plans and policies to ensure that future housing growth supports the City's economic development goals.





SYNOPSIS
EMPLOYEE
ENTRANCE
LOBBY ←

Strategies and Implementation Actions

Based on stakeholder input and extensive analysis of the most current economic indicators available, the following four strategic priorities for action are recommended. These address the most significant opportunities and challenges identified through the public engagement process:

1

**Prioritize Key Regional Issues
that Drive and Support Economic
Development**

2

**Strengthen and Expand
Program Capacity and Assist with
Development Review Process**

3

**Support Small- and Medium-Sized
Non-Retail Businesses**

4

**Enhance and Maintain
the Vibrancy of Retail**

Staff refined the major strategic actions based on the following factors:

- New input from stakeholder groups on lessons learned through the pandemic;
- Changes in economic growth projections beyond the typical market cycle due to the effects of the pandemic;
- Current market conditions such as remote work, migration of workforce (e.g., working in Sunnyvale and living outside city), affordable housing and lack of transportation connectivity to office work hubs;
- Flexibility in prioritizing areas based on market conditions and policies that support; and
- The role of Economic Development on City cross-collaboration projects and developments to help ensure economic success.

The proceeding pages of the EDSP outline the four strategic priorities and corresponding action item. These goals including timeframes and City department responsibilities. Accomplishments to date for each strategic priority are also highlighted to reflect early wins in achieving these goals.

Strategy 1

Prioritize Key Regional Issues that Drive and Support Economic Development

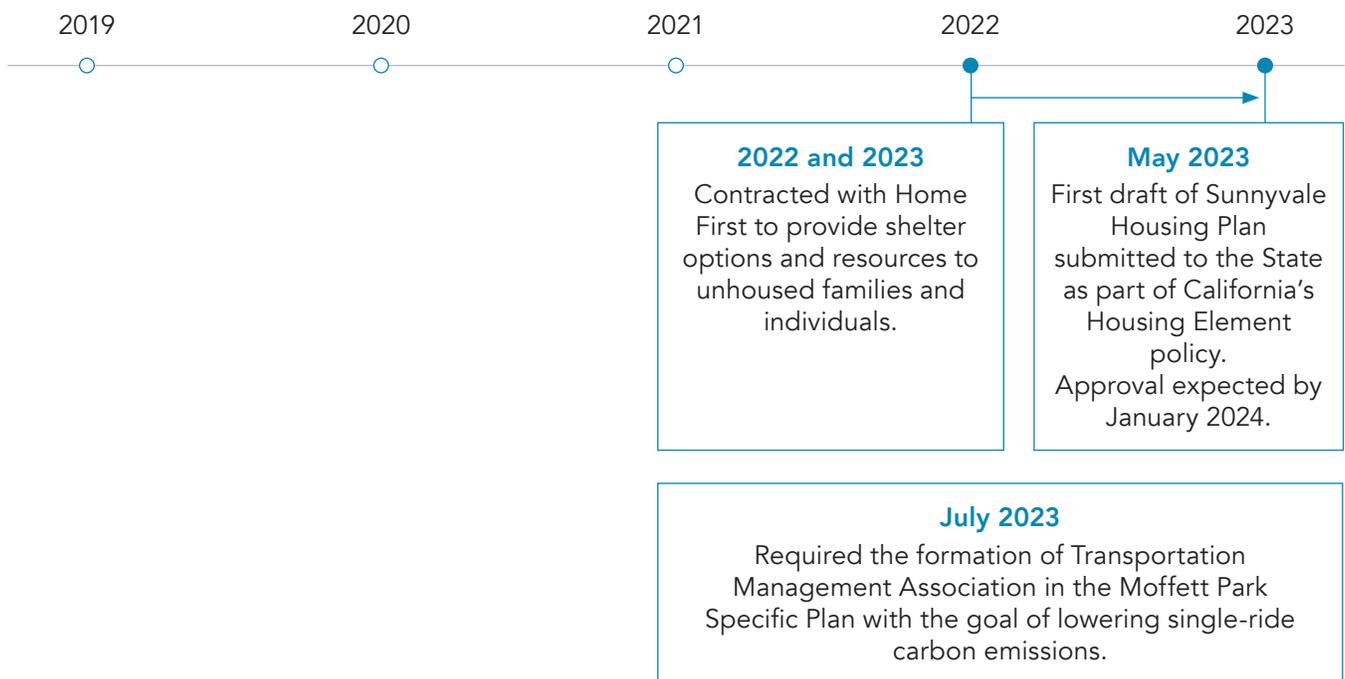


Strategy 1

Prioritize Key Regional Issues that Drive and Support Economic Development

Regional issues and initiatives as well as new State laws have a direct effect on the local market which can help bolster or pose a hindrance to the economic growth and viability of the City. The City should continuously evaluate and prioritize issues that impact the ability for businesses to operate and thrive in Sunnyvale to support our local economy.

Accomplishments



Strategy 1.1

Support Initiatives to Improve Housing Affordability and Expand Housing Options

The high cost of housing in Sunnyvale was identified as a major barrier to retaining and recruiting employees by several business stakeholder groups. This is the case across cities throughout the Bay Area. Sunnyvale is working towards closing this gap through its Housing Plan 2023 - 2031 which plans for 11,966 new housing units including very low to above moderate housing units to provide a mix of housing at options for every income level. Strategic locations for new housing were adopted into the Moffett Park, Sunnyvale Downtown, El Camino Real and Lawrence Station Specific Plans as well as the Village Centers Master Plan.

Strategic Actions

1.1.a

Engage with housing developers to market available sites and opportunities.

Timeline Ongoing

Resources Economic Development, Community Development

1.1.b

Work with Housing Trust Silicon Valley to fund projects in Sunnyvale that local tech firms can support.

Timeline Ongoing

Resources Community Development



Strategy 1.2

Support Efforts to Develop and Deploy New Transportation Solutions

Long-commutes and traffic were top concerns of stakeholders, including both small and large employers in every sector represented. Traffic congestion is a major deterrent to retaining and recruiting employees. City-initiated and supported transportation improvements and strategies to reduce congestion would be extremely attractive to current and prospective employers.

Additionally, some employers are concerned that they will not be able to meet the trip reduction goals that developers agree to as part of their project approval process with the City, and the employers as tenants must pay monetary penalties to the City for non-compliance.

At Amazon Lab 126, shuttle service between transportation hubs and the office is being reinstated as employees return to the office during the work week. The City should continue encouraging companies to enhance transportation connections to and from the City’s major office nodes and public transportation for employees to ease traveling to the office and help lower emissions.

Strategic Actions

1.2.a

Support the use of innovative first- and last-mile transportation solutions, such as Bird scooters, Zip Cars, and shuttles.

Timeline	Ongoing	Resources	Transportation, Economic Development, Community Development
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1.2.b

Seek out opportunities to promote Sunnyvale in collaboration with transportation agencies including SamTrans’ “Destination Caltrains” initiative to market community events and accommodations in Sunnyvale.

Timeline	Ongoing	Resources	Economic Development
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1.2.c

Provide advocacy for transportation projects that benefit the business and development community.

Timeline	Ongoing	Resources	Economic Development
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1.2.d

Monitor and support the formation of the Transportation Management Association in Moffett Park.

Timeline	TBD (based on development activity)	Resources	Transportation, Economic Development, Community Development
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Strategy 2

Strengthen and Expand Economic Development Program Capacity



Strategy 2

Strengthen and Expand Economic Development Program Capacity

Enhancing the City’s existing economic development program capacity is a necessary first step to implementing the EDSP. Recommendations to increase staff resources to effectively carry out economic development activities were made in 2023 and a new Economic Development Manager was hired to lead the economic development work of the City. Staffing and resources should continually be evaluated to provide adequate levels of service as the need for business support services evolve due to changing business conditions and economic development initiatives.

Accomplishments



Strategy 2.1

Continue to Provide and Enhance Business and Development Support Service

Strategic Actions

2.1.a

Enhance the City’s economic development website and online social media presence.

Timeline	Ongoing	Resources	Economic Development, Communications
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2.1.b

Continue business outreach engagement efforts including business visits. Improve methods of informing and engaging the business community on the City’s activities.

Timeline	Ongoing	Resources	Economic Development
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2.1.c

Continue providing site selection assistance, support through the permitting process and grand opening coordination to stakeholders.

Timeline Ongoing

Resources Economic Development

2.1.d

Hold regular meetings with stakeholders and industry leaders to create opportunities for the business community to collaborate on shared issues and interests.

Timeline 2024

Resources Economic Development

2.1.e

Develop an annual work plan that allocates sufficient staffing and resources to support the City’s EDSP.

Timeline 2024

Resources Economic Development

2.1.f

Increase involvement with regional business and industry organizations.

Timeline 2025

Resources Economic Development

Strategy 2.2

Assist with the Development Review Process

Interpreting applicable development standards and building codes can be challenging, and consistent guidance is critical to avoiding project delays and cost escalation. To maintain its competitiveness, the City should identify and evaluate process improvements to provide a permit-friendly experience to stay competitive in the region.

Accomplishments



Strategic Actions

2.2.a

Continue engaging with commercial development stakeholders to assist projects through the permitting and entitlement process.

Timeline Ongoing Resources Economic Development

2.2.b

Provide preliminary information regarding zoning, entitlements and applications.

Timeline Ongoing Resources Economic Development, One-Stop Center

2.2.c

Enhance method of surveying businesses that engage in the development review process.

Timeline 2025 Resources Economic Development, Communications, One-Stop Center





Strategy 3

Support Small- and Medium-Sized
Non-Retail Businesses



Strategy 3

Support Small- and Medium-Sized Non-Retail Businesses

Given the technology orientation of the City’s economy, the City should explore ways it can showcase and/or promote innovative technologies and products that are being developed in Sunnyvale. To do this, the City could formalize a City program for innovative and emerging technologies, which could serve as the main point of contact for companies looking to test and showcase new products and services in Sunnyvale. City governments across the U.S. have created partnerships to successfully deploy technologies to help solve specific problems, engage the community, crowd-source ideas, and improve City services. Sunnyvale should seek partnerships with local companies that have a shared interest in developing solutions to promote equity and access, advance sustainability, and enhance mobility.

Accomplishments



Strategy 3.1

Promote Sunnyvale as a “Test Bed” for Innovative and Emerging Technologies

Strategic Actions

3.1.a

Collaborate with tech organizations including Plug and Play Tech Center to promote tech start-up pitch opportunities and share resources to emerging entrepreneurs and small companies.

Timeline	Ongoing	Resources	Economic Development
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3.1.b

Continue to organize Sunnyvale’s Tech Expo to promote tech start-ups in the City.

Timeline	2024	Resources	Economic Development
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3.1.c

Formalize a City program for innovative and emerging technologies to serve as the main point of contact for companies looking to test and showcase new products and services.

Timeline	2026	Resources	Economic Development
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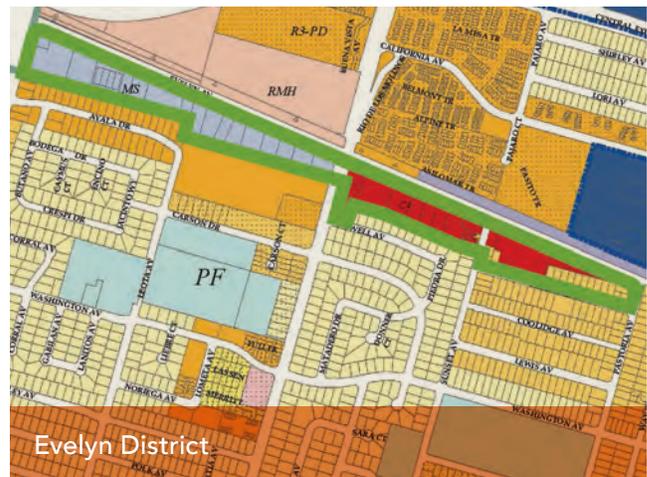
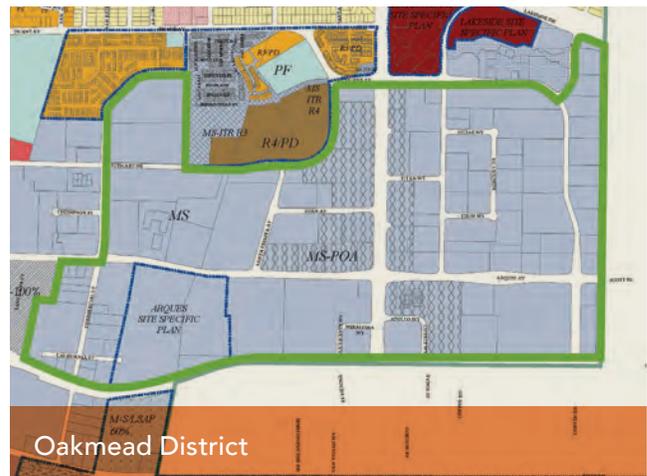


Strategy 3.2

Provide an Adequate Supply of Suitable Commercial Space for Small- and Medium-Sized Non-Retail Businesses

The City’s existing flex and industrial inventory accommodates a wide range of firms and sectors and is an important source of space for start-ups and small- and medium-sized businesses. To protect its small- and medium-sized businesses, the City can preserve its remaining districts with high concentrations of flex, industrial, and service commercial uses. The City can also work with interested parties to facilitate the development of new small-scale commercial space to serve existing and future small businesses.

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Strategic Actions

3.2.a

Preserve land uses in the Woods District and Oakmead District to retain existing lower-cost flex and industrial spaces.

Timeline Ongoing

Resources Economic Development, Community Development

3.2.b

Preserve existing service commercial uses along W. Evelyn to retain space for services.

Timeline Ongoing

Resources Economic Development, Community Development

3.2.c

Attend industry events to promote warehouse and industrial site opportunities and learn about industry trends.

Timeline Ongoing

Resources Economic Development



Strategy 3.3

Support Existing Small and Medium-Sized Businesses and Encourage New Small Business Development

Small and medium-sized businesses with less than 50 employees are the backbone of Sunnyvale’s economy, accounting for 98% of businesses located in the City. The next Apple, Google, LinkedIn, or Juniper Systems may well emerge from among the City’s many small technology companies. With a highly skilled and highly education labor force, Sunnyvale can foster entrepreneurship and innovation by supporting a robust small business ecosystem. To do that, the City can offer to serve as a resource to link its small and medium businesses with other public and private resources. The City can also review its own rules for live-work space and home-based businesses to ensure that there are maximum opportunities for residents to start and grow a business.

Strategic Actions

3.3.a

Continue to provide support to local businesses in accessing local, state and Federal technical and financial assistance programs. Promote available resources to businesses through marketing and events in collaboration with business service providers and organizations.

Timeline Ongoing

Resources Economic Development

3.3.b

Connect start-up businesses to major companies for growth support and business mentorship through meet up events.

Timeline 2024

Resources Economic Development

3.3.c

Review and evaluate existing home-based permitting requirements and outreach strategies to encourage new start-ups and small businesses and lower barriers to entry.

Timeline 2026

Resources Economic Development, Community Development

3.3.d

Explore ways to expand the inventory of affordable commercial space in Sunnyvale ground floor space in mixed-use developments.

Timeline TBD

Resources Economic Development, Community Development

Strategy 4

Enhance and Maintain the Vibrancy of Retail



Strategy 4

Enhance and Maintain the Vibrancy of Retail

The City should continue engaging in efforts to strengthen its downtown and active commercial corridors like El Camino Real, and support a wider variety of retail in underserved areas such as Moffett Park. Sunnyvale's retail properties are fragmented and have multiple owners, making it difficult to communicate a consistent marketing message. The City can provide support by coordinating with the Sunnyvale Downtown Association and the Sunnyvale Chamber of Commerce to market and expand both regular and special events programming.

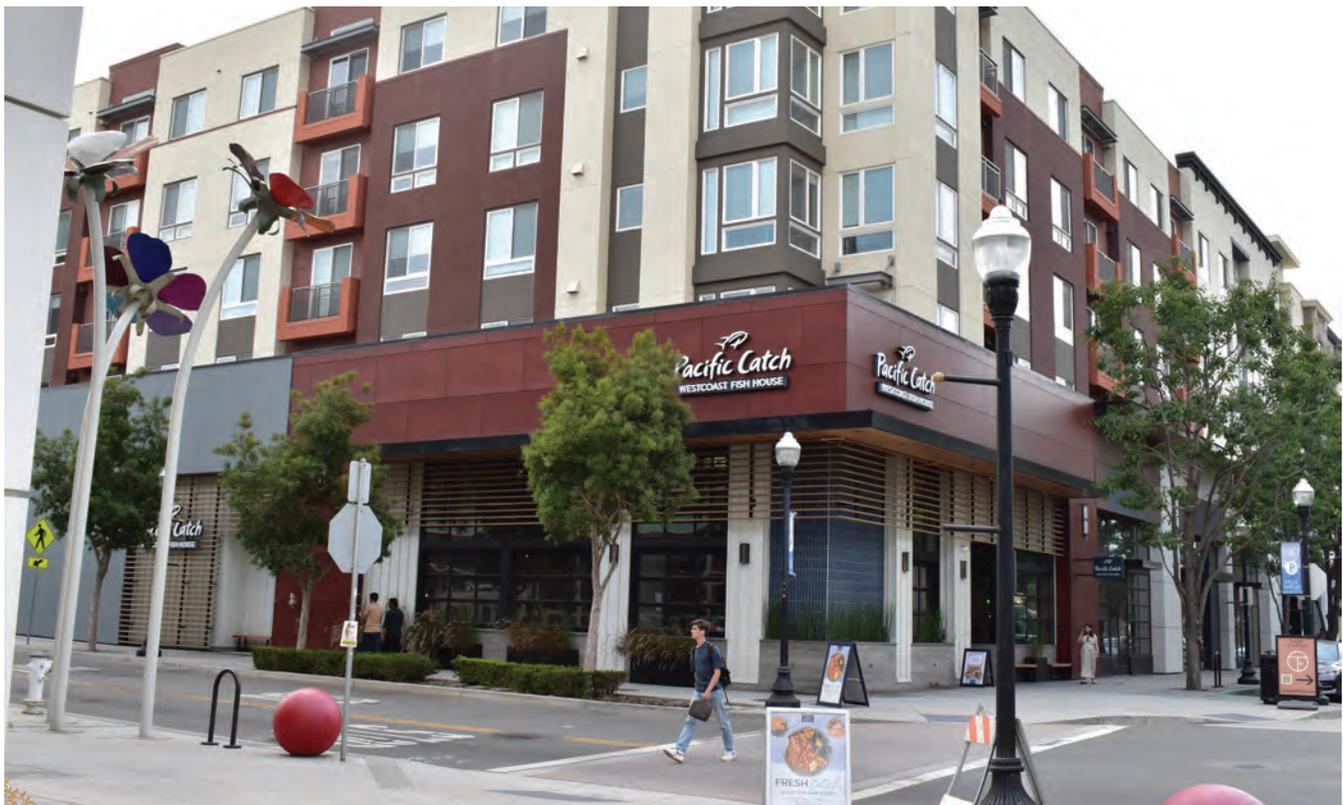
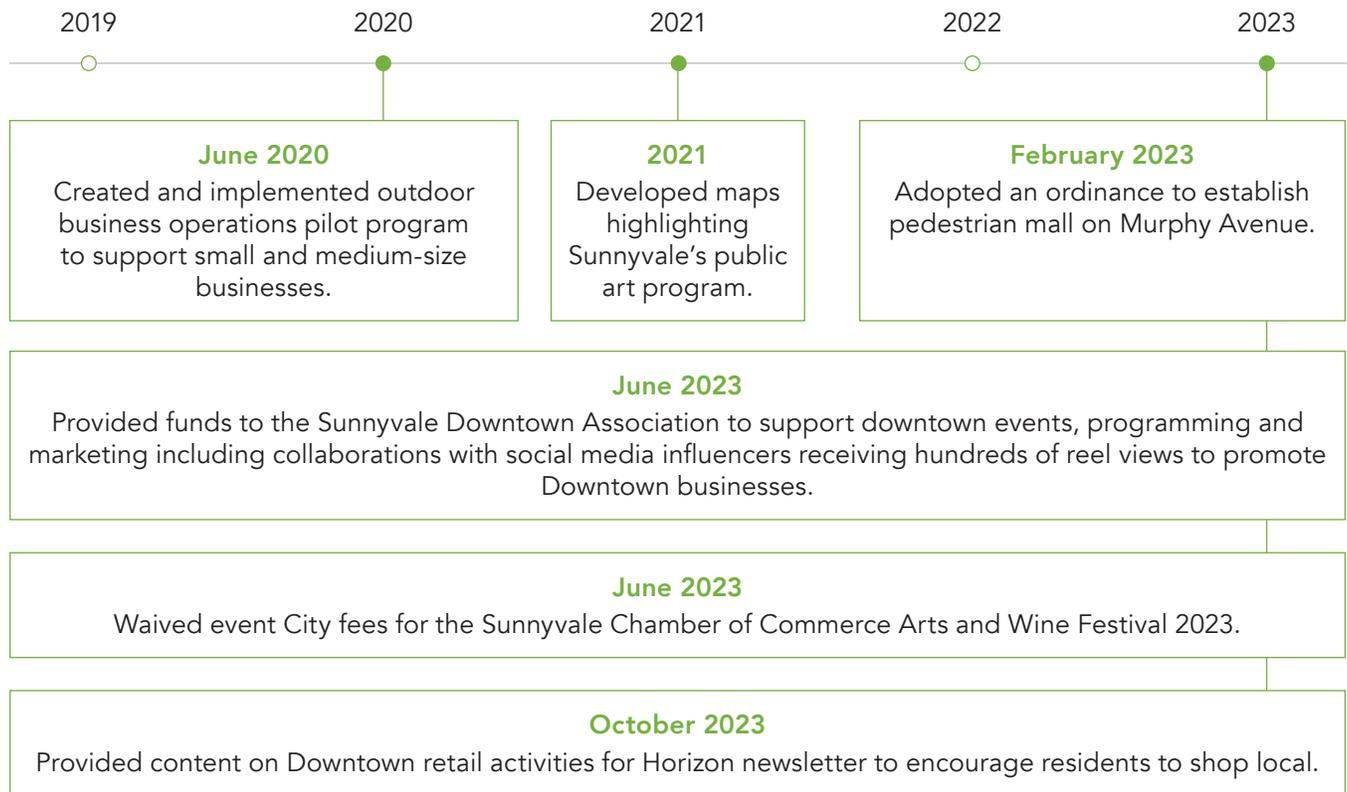
Despite the challenges the market presented since the start of the pandemic, over 1,500 new businesses opened between January 2020 to January 2024 including REI Outdoor and Recreation, AMC Movie Theaters, Whole Foods, ULTA, Pacific Catch, Road Runner Sports, Mayan Kitchen, Nature's Organic Ice Cream, Urban Plates, Bober Tea, Rumble Boxing, Tippy Putt, Yoga Six, Butter Social Chicken and Stoneville along with many other retail and community serving businesses.

To continue attracting visitors to the City's commercial areas such as downtown and Moffett Park, the City should build upon its art walking tour efforts to celebrate public art installations, increase pedestrian traffic and encourage business sales. A focused effort on creating an iconic public art installation that reflects the City's trademarked "Heart of Silicon Valley" slogan and acknowledges the history of the City could attract social media attention as well as tourists searching for a place in the region that shows that they have arrived in "Silicon Valley."

Staff should continue placing focus on promoting site opportunities and presenting development activities and economic development initiatives to the brokerage community, property representatives and property owners to attract new businesses. Staff also should continue actively marketing Sunnyvale as a desirable place to expand at industry events including Innovating Commerce Serving Communities (ICSC), Urban Land Institute (ULI) and Commercial Real Estate Women (CREW). In addition, retention efforts should continue to be carried out to keep existing businesses viable and in Sunnyvale.



Accomplishments



Strategy 4.1

Continue to Retain, Support, and Attract a Variety of Retail

Strategic Actions

4.1.a

Continue to promote retail opportunities and provide economic data such as demographic characteristics, site selection assistance, support through the permitting process, and business resources to assist and attract prospective national, regional and local retail tenants including grocery stores, pharmacies and other neighborhood serving businesses.

Timeline Ongoing

Resources Economic Development

4.1.b

Support and promote the use of public art including the City’s public art walking tour guides and engaging public improvements in the downtown to encourage social media interactions (e.g., “selfies” and reels). Explore new interactive engagement activities acknowledging Sunnyvale’s history to increase social media presence.

Timeline Ongoing

Resources Economic Development

4.1.c

Provide economic development input on new retail space and repositioning as part of the City’s Village Centers planning initiative.

Timeline Ongoing

Resources Economic Development

4.1.d

Support long range planning for small, affordable spaces for start-ups and retail in areas including Moffett Park.

Timeline Ongoing

Resources Economic Development

4.1.e

Implement the Historic Murphy Avenue pedestrian mall.

Timeline 2025

Resources Economic Development, Community Development

4.1.f

Coordinate an annual economic development event to provide updates on new developments, accomplishments, site opportunities and market forecast in collaboration with top companies.

Timeline 2025

Resources Economic Development

4.1.g

Review and evaluate commercial zoning standards when major trends and shifts in the market arise to remain competitive.

Timeline 2026

Resources Economic Development, Community Development

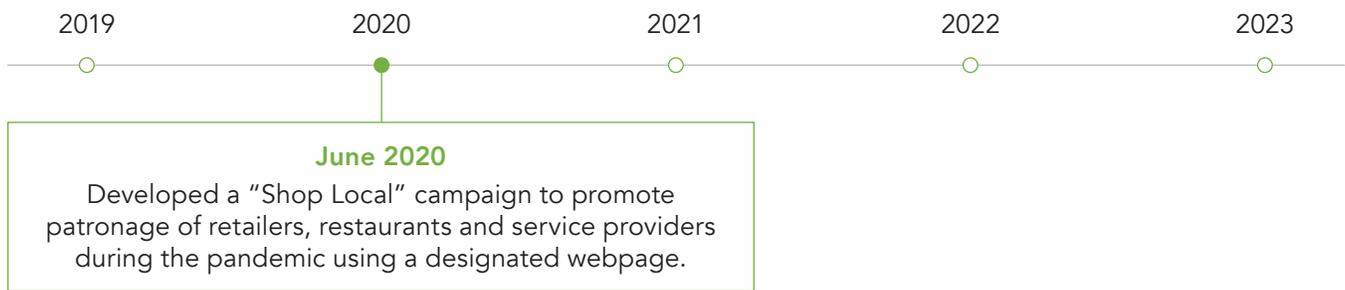
Strategy 4.2

Coordinate Efforts with Other Groups and Stakeholders

There are several stakeholders and groups actively engaged in marketing and promoting retail in Sunnyvale, including the Sunnyvale Chamber of Commerce, Sunnyvale Downtown Association, shopping center owners, auto dealerships and commercial real estate brokerages. The City needs to maintain partnerships with these affinity groups to expand its capacity to support retail growth.

Regular communication and information exchanges are key to successfully addressing ongoing issues and identifying new concerns and challenges. The retail sector is rapidly evolving, making it imperative that the City keep abreast of changes by continuing to actively engage with its business stakeholders. In an increasingly digitized communication world, it is also important to recognize and connect with bloggers and social media influencers as well with local businesses that have large social media followings. These communication channels offer opportunities to promote Sunnyvale to consumers that may not be reached through traditional marketing campaigns.

Accomplishments



Strategic Actions

4.2.a

Regularly meet with shopping center owners, real estate brokers, and retailers to monitor trends and identify issues and needs.

Timeline Ongoing

Resources Economic Development

4.2.a

Maintain relationships with retail brokers and retailers to exchange information and coordinate marketing and communication materials; participate in regional real estate events.

Timeline Ongoing

Resources Economic Development

4.2.a

Continue to create "Did you Know" ads for the City publications and social media platforms such as the Horizon and Library newsletters to show the value of the revenue generated to residents.

Timeline Ongoing

Resources Economic Development, Communications

4.2.a

Regularly engage with auto dealerships to identify issues and infrastructure needs. To the extent possible, support their transition to electric vehicles to adhere to state's requirement for no gas cars sold in CA in 2035.

Timeline Ongoing

Resources Economic Development



SUNNYVALE CITY HALL



Sunnyvale