



February 14, 2025

To: Honorable Mayor and City Councilmembers

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

Subj: Sunnyvale Downtown Association's 2025/2026 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 Council for your continued SDA BID support and attendance at our events last season. The Sunnyvale Downtown Association is requesting the reauthorization of the Sunnyvale Downtown Business Improvement District for fiscal year 2025/2026. We look forward to another great year of exciting events for the community, our downtown businesses, and the City of Sunnyvale.

On February 14, 2025, the Board of Directors approved the 2025/26 BID Budget. Attached is a copy of the SDA's expense & revenue report for July 1, 2024, through June 30, 2025, and actual projections for the 2025/26 fiscal year.

If you have any questions, please do not hesitate to contact me at 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 2025/2026

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 & Treasurer – Amit Rajgarhia of DishDash Restaurants, Vice Chair – Justin Breining of WholeFoods Market, Secretary – Leigh Odum of Leigh's Favorite Books, and Members At Large – Kim Kilpatrick of Lincoln Property Group, Amal Allan of City National Bank, Dr. Gary Gold of Dr. Gary Gold and Associates, and Heather Stuart of YogaSix.

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

2024/25 BID fees collected from the businesses totaled \$35,000 (approximately 11% of our Income), and the City of Sunnyvale's contributions combined with community grants of \$69,375 (approximately 22% of our Income) acts as SDA foundational funding. The rest of SDA revenue comes from a combination of developers, corporate sponsorships, sales/concessions, and event participant fees.

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

On February 14, 2025, the SDA Board of Directors approved the BID 2024/2025 budget.

Below we have included a brief overview of some significant expense areas:

	2024/2025 Actual	2025/2026 Projected
INCOME		
BID Funds	35,000.00	43,500.00
City Contributions	60,000.00	100,000.00
Community Grants	9,375.00	0.00
Developer Support & Funding Income	50,000.00	0.00
Additional Sponsorship and Support	16,110.00	0.00
Events Revenue (Sponsorship and Sales)	150,014.85	219,500.00
TOTAL INCOME	320,499.85	363,000.00
EXPENSES		
Personnel Related Expenses	175,000	187,000
Office/General Admin Expenses	67,935	76,000
Event Expenses	112,614	122,000
TOTAL EXPENSES	355,549	385,000
TOTAL PROFIT/LOSS	-35,049.15	-22,000

Last fiscal year, we delivered 32 events. This fiscal year, the SDA increased the 2024/25 season to 24 events, including partnering events in 2024 and 2025. Three of these seasons' events generated "No sales revenue" but still supported the community, the city, and downtown businesses.

Events for 2024/2025

- 8 Events: Summer Music Series - Every Wednesday - July and August.
- 9 Events: Jazz & Beyond – Every Saturday – July and August.
- 1 Day Event: Tech Expo (in partnership with City of Sunnyvale) – October. **No sales revenue-generated event.**
- 1 Day Event: Rides for Donations (in partnership with the Sunnyvale DPS) - November. **No sales revenue-generated event.**
- 1 Day Event: Holiday Tree Lighting – December 7th. **No sales revenue-generated event.**
- 1 Day Event: Taste of the World Wine Stroll - May 10th
- 2 Events: First Sunday Art Festival – First Sundays of May and June. ***New event for 2024/2025**
- 1 Event: Sunnyvale Art and Wine Festival (in partnership with Sunnyvale Chamber of Commerce) – June.

Some events are not included because some of these events overlap into the next fiscal year or have not yet happened within the timeframe of the State of the Downtown. These events attract new visitors from all over the Bay Area to our vibrant and growing downtown community.

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 2024/25. We thank the City of Sunnyvale, Cityline Sunnyvale, El Camino Health, Google, LinkedIn, Specialty Waste, 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 2024/2025 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, developers, and critical local and corporate sponsorships to help.

	2024/2025 Actual	2025/2026 Projected
INCOME		
Holiday Tree Lighting	11,250.00	13,000.00
Jazz and Beyond	50,610.54	55,000.00
Taste of the World	29,277.51	38,000.00
Summer Series	45,876.80	50,500.00
Tech Expo	5,000.00	0.00
First Sunday Art Festival	13,000.00	45,000.00
Halloween Pet Parade	0.00	18,000.00
TOTAL EVENT INCOME	155,014.85	219,500.00

	2024/2025 Actual	2025/2026 Projected
EXPENSES		
Holiday Tree Lighting Fees	7,020.00	7,000.00
Jazz and Beyond Fees	43,549.00	35,000.00
Taste of the World Fees	14,219.00	15,000.00
Summer Series Fees	42,826.00	33,000.00
Tech Expo Fees	5,000.00	0.00
First Sunday Art Festival Fees	0.00	8,000.00
Halloween Pet Parade Fees	0.00	24,000.00
TOTAL EVENT EXPENSES	112,614.00	122,000.00

*** 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 2024/25 year proved successful despite the many challenges the SDA has experienced. The downtown area is continually building towards a better community, with new opportunities to advocate for new businesses and host events.

We delivered the Taste of the World Wine Stroll, eight Summer Music concerts, nine Jazz & Beyond concerts, the Holiday Tree Lighting Celebration, and other partnering events. Crucially, some of these events were amplified by the invaluable charitable contributions that helped create memorable experiences for all attendees. However, we faced significant hurdles, including navigating complex and time-consuming permit processes, which often strained our resources. Additionally, the purchase of a new stage, while a long-time investment, resulted in unexpected monetary deficits. These challenges were compounded by ongoing issues with the previous stage, necessitating costly repairs and creating logistical difficulties.

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. Furthermore, we recognize the vital role of community participation in shaping the downtown's development, ensuring it reflects the needs and desires of its residents.

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. The collaborative spirit of our community, including the active involvement of residents and local organizations, strengthens our resolve to navigate these changes successfully. 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 fostering community pride.

This year the SDA will continue to focus on connecting more current and new businesses to our website to provide additional visibility through promotions, events, and job listings. We have also been proactively reaching out to banking, financial planning, social media experts, and other

service providers based on business-specific requests. Recognizing the diverse needs of our members, we are committed to providing targeted resources and support. In addition, we offer a conference room and training room, providing our members with valuable spaces to meet with clients and vendors and conduct staff training. 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.

To further boost local spending and foster community engagement, we are excited to announce the implementation of a new community gift card program called “Downtown Dollars” powered by Yiftee. This initiative will encourage residents to support downtown businesses while providing a convenient gift option for companies and families alike. Furthermore, we are actively developing new and innovative events designed to bring the community together and drive increased foot traffic to downtown Sunnyvale. We are also actively forging new partnerships with a wider array of community organizations; these partnerships will enhance our ability to deliver impactful programs and initiatives that benefit all Sunnyvale residents.

While we acknowledge the temporary inconveniences associated with ongoing construction in downtown Sunnyvale, we are confident that these developments will ultimately create a more vibrant and accessible destination for residents and visitors alike. The new infrastructure and amenities will enhance the overall experience, attracting more businesses and contributing to the long-term economic vitality of our downtown area.

This vision, however, cannot be realized without the vital support of the City of Sunnyvale, community sponsors, and the Sunnyvale Downtown Association's Business Improvement District. The SDA's BID plays a crucial role in fostering a thriving downtown, providing essential services and initiatives that directly benefit businesses and the community.

Sunnyvale Downtown Association

Sunnyvale Downtown Association
Statement of Activity-Revenues
July 2024 - June 2025

	2024/2025 Actual	2025/2026 Projected	
Revenue			
BID Funds	35,000.00	43,500.00	
City Contributions	60,000.00	100,000.00	*pending
Community Grants	9,375.00	0.00	*SDA no longer eligible
Total City Contributions	104,375.00	143,500.00	
Developer Support & Funding Income	50,000.00	0.00	*July 2024 was last of SR/HS payments
Charitable Contributions	10,000.00	0.00	
CA Taxes and Fees Reimbursement	1,110.00	0.00	
Holiday Tree Lighting			
Sponsorships	11,250.00	13,000.00	
Total Holiday Tree Lighting	11,250.00	13,000.00	
Jazz & Beyond			
Sales	25,610.54	25,000.00	*Price increase for beverages
Sponsorships	25,000.00	30,000.00	
Total Jazz & Beyond	50,610.54	55,000.00	
Taste of The World and Wine Stroll			
Sales	20,277.51	23,000.00	*Price increase for tickets
Sponsorships	9,000.00	15,000.00	
Total Taste of World and Wine Stroll	29,277.51	38,000.00	
Summer Series			
Sales	21,541.80	21,500.00	*Price increase for beverages
Sponsorships	21,000.00	26,000.00	
Vendors	3,335.00	3,000.00	
Total Summer Series	45,876.80	50,500.00	
Tech Expo			
Sponsorships	5,000.00	0.00	*funding unknown
Total Tech Expo Sales	5,000.00	0.00	
First Sunday Art Festival			
Sales	0.00	0.00	
Sponsorships	3,000.00	5,000.00	
Vendors	10,000.00	40,000.00	
Total First Sunday Art Festival Sales	13,000.00	45,000.00	
Halloween Pet Parade			
Sales	0.00	0.00	
Sponsorships	0.00	13,000.00	
Vendors	0.00	5,000.00	
Total Halloween Pet Parade Sales	0.00	18,000.00	
Total Revenue	320,499.85	363,000.00	

Sunnyvale Downtown Association
Statement of Activity-Expenditures
July 2024 - June 2025

Expenditures			
Administrative			
	Advertising/Promotional	3,000.00	3,000.00
	Banking Fee	1,000.00	3,000.00
	Insurance	11,284.00	13,000.00
	Legal & Accounting	2,500.00	3,000.00
	Operational Expenses	4,200.00	5,000.00
	Rent	30,000.00	30,000.00
	Taxes & Licenses	3,751.00	3,000.00
	Utilities	2,400.00	3,000.00
	Telephone/Internet/Website	9,800.00	13,000.00
Total Administrative		67,935.00	76,000.00
Staffing			
	Payroll Expenses	160,000.00	170,000.00
	Payroll Taxes	15,000.00	17,000.00
	Consulting	0.00	0.00
Total Staff & ED Compensations/Commission		175,000.00	187,000.00
Event Expenses			
	Holiday Christmas Tree Lighting Fees	7,020.00	7,000.00
	Jazz & Beyond Fees	43,549.00	35,000.00
	Taste of the World Fees	14,219.00	15,000.00
	Summer Series Fees	42,826.00	33,000.00
	Technology Expo Fees	5,000.00	0.00
	First Sunday Art Festival	0.00	8,000.00
	Halloween Pet Parade	0.00	24,000.00
Total Event Expenses		112,614.00	122,000.00
Total Expense		355,549.00	385,000.00
Net Income		(35,049.15)	(22,000.00)

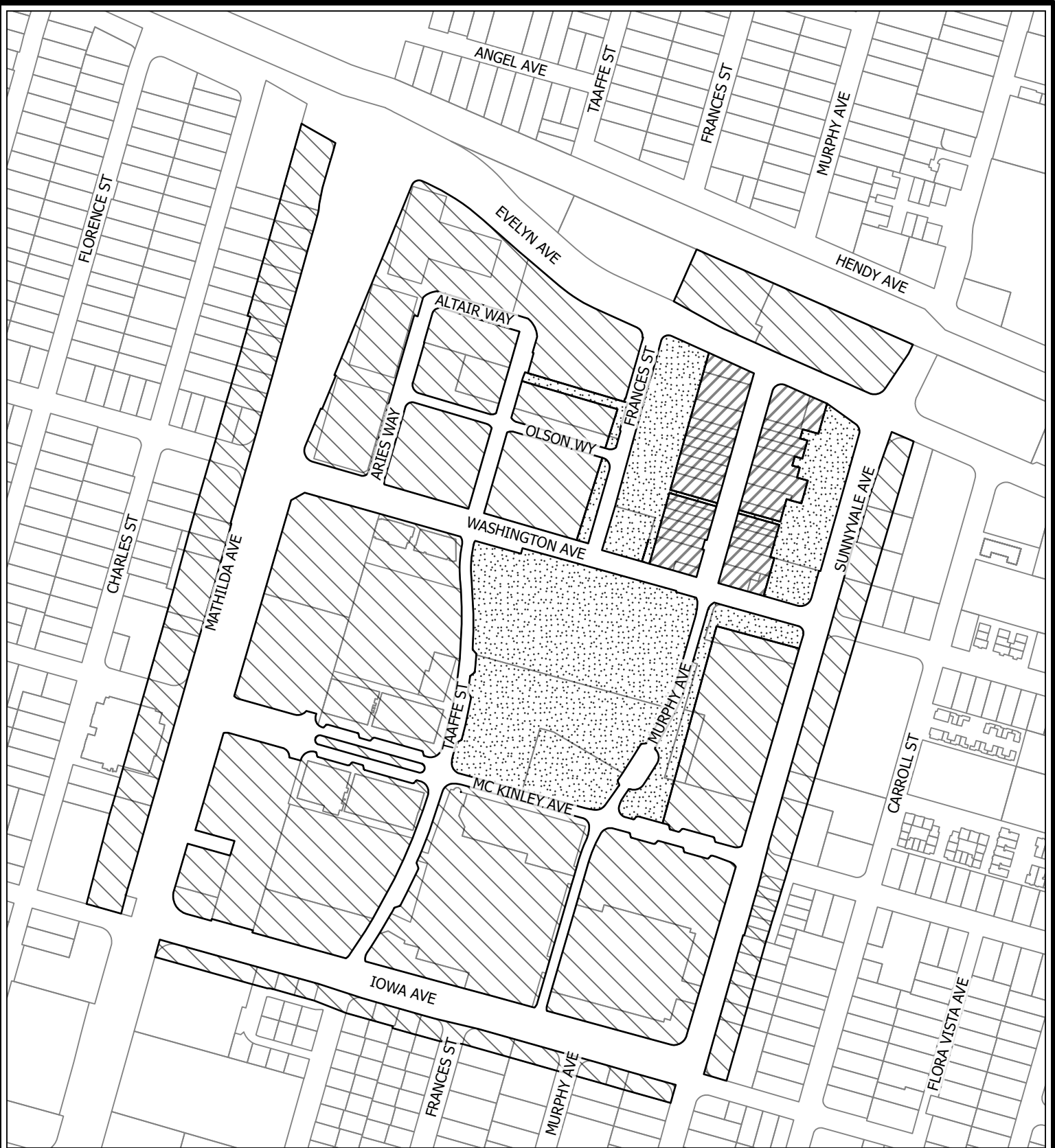
This season, the SDA had to replace our previous stage due to new ADA city-permitting guidelines, which cost us approximately \$12,000.00. Moved 4 of the 8 events back onto Washington Ave. and added 3 more events last season, our labor increased by \$17,483 YOY. Our Cityline development support also ended in July, and the revenue loss was \$70,000.00.

Regarding the 2025/26 projections we are still waiting on three, possibly more sponsors over the next 30 - 45 days.

**Downtown Sunnyvale Business Improvement District
Proposed Improvements and Activities for Fiscal Year 2025/2026**




Income		
Zone A	32 Businesses paying an average annual benefit fee of \$459.	\$14,700
Zone B	81 Businesses paying an average of \$133.	\$10,750
Zone C	144 Businesses paying an average of \$123.	\$17,700
Pending business licenses \$1,500		\$1,500
Total potential BID assessment collections		\$44,650
Projected assessment collections		\$43,500
Revenues from SDA special events and fund-raisers		\$219,500
Grants, event sponsorships and other misc. revenue		\$100,000
Total BID Program annual budget		\$363,000

Expenditures		
Program	Amount	Percent
1) Commercial Marketing Program	\$123,200	32%
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	\$3,850	1%
a) Streetscape beautification, lighting		
3) Programs Administration and BID Management	\$257,950	67%
Totals	\$385,000	100%



DOWNTOWN BUSINESS IMPROVEMENT DISTRICT ZONES

0 125 250 500 Feet

-  Zone A
-  Zone B
-  Zone C



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	\$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 the week.

Professional Services: 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.