



February 12, 2020

TO: Mayor and City Councilmembers

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 2020/2021 BID Renewal Request

To the Mayor and City Councilmembers of Sunnyvale,

I would like to thank the City of Sunnyvale, the Mayor and City Council for your BID contribution support, attendance and support 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.

The SDA is requesting that the City reauthorize the BID for Fiscal Year 2020/21. On February 4, 2020, the Board of Directors approved the 2019/20 BID Budget. Attached is a copy of the SDA's expense & revenue report for July 1, 2019 through June 30, 2020 actuals along with projections for the 2020/21 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,

Michael Johnson

Executive Director of the SDA



Sunnyvale Downtown Association's 2020/2021 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 and 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 Sunnyvale Downtown Association (SDA) 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.

The current Sunnyvale Downtown Association Board of Directors are: Chair - Gary Gold, Dr. Gary Gold & Associates, Secretary – Leigh Odum, Leigh's Favorite Books, Treasurer – Katie Voong of KTea, Members At Large – Amit Rajgarhia, Dish Dash, Irene Murphy, Fibbar MaGees, Rahul Nair, from The Oxford Kitchen & Gastropub 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 Business Improvement District (BID) fees, City grants, sponsorships and revenue producing events.

The Sunnyvale Downtown Association 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 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

2019/20 BID fees collected from the businesses totaled \$35,000 (14% of Income), and the City of Sunnyvale contribution \$40,000 (15%), acts as SDA foundational funding. The rest of SDA revenue comes from a combination of support from 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.

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

On January 8, 2020, the Board of Director's approved the renewal of the BID. Below we have included a brief overview of some of the major expense areas.

Event Related Financial Breakdown

Our focus in 2019/20 has continued to be operations management, improving the quality of our events and continuing to ensure the safety and inclusion of our community and bands. This year we had a few financial challenges which included meeting the City and State regulations for our event stage to ensure ADA compliance. This required us to purchase a new portable wheelchair lift and equipment to move it. We also were required to add security to other events that in the past had not been required.

The good news was we were able to attract new sponsors and gained additional support from our existing sponsors. This helped offset the financial deficit to allow us to keep in line with our financial goals and budget. We have continued to increase interest in the Jazz & Beyond Series as well as grow our Magic of Sunnyvale and Wine Stroll audience.

The Wine Stroll is one of the last events in the fiscal year and the Summer Series spans both fiscal years. We are confident we will achieve final sponsorship commitments but are always dependent on City support and City grants as well. We also plan on continuing the fee structure plan for hosted guest events in our downtown, when requested as an event supporting member.

Account	2019/2020 Actual Forecast	2020/21 Projected
INCOME		
BID Fees	35,000	36,000
City Contributions	40,000	40,000
Community Grants	16,200	13,000
CityLine Marketing Support	1,200	1,800
Events Revenue (Sponsorship & Sales)		
<i>Summer Series</i>	59,000	62,500
<i>Jazz & Beyond</i>	35,300	41,200
<i>Wine Stroll</i>	37,500	40,000
<i>Tree Lighting</i>	17,200	18,000
<i>Tech Expo</i>	5,000	5,000
<i>Movie Night</i>	8,000	16,000
<i>Car Show</i>	3,000	3,200
TOTAL INCOME	257,400	276,700
EXPENSES		
Personnel Related Expenses	101,000	117,000
Office/General Admin Expenses	39,300	39,600
Sales Tax	11,600	9,500
City/Permit Fees	2,800	2,800
Equipment	4,700	500
**Event Expenses		
<i>Summer Series</i>	38,000	42,800
<i>Wine Stroll</i>	20,000	20,000
<i>Jazz & Beyond</i>	22,800	22,000
<i>Movie Night</i>	4,200	5,000
<i>Tech Expo</i>	5,000	5,000
<i>Tree Lighting</i>	5,000	5,000
<i>Car Show</i>	2,100	2,100
TOTAL EXPENSES	256,500	271,300

** The event expenses reflect general marketing and promotional material, the day of staffing, Wine, Beer, Performers and some equipment. It does not include pre-event preparation cost for Visitors Guide layout & design, Staff labor for follow up with wineries, host locations coordination, design time for Passport, booking bands, volunteer coordination, Posters design, Flyer design, Social Media outreach & Website, ticket sales and various other task required to deliver the 25 specific SDA events on annually.

Events

This year the SDA has produced 11 Summer Series Music + Market, 8 Jazz & Beyond, 4 VUDU Movie Nights on Historic Murphy Ave, the Technology Business Expo in conjunction with the City, and our Annual Holiday Tree Lighting as well as plans are underway for the Magic of Sunnyvale Wine Stroll. Our 2019/20 events will gross \$163K from the sales, sponsorships, and event participation fees.

Additionally, Sunnyvale Downtown was a destination for other community events including: PAL Classic Car Show, Halloween Pet Parade, Rides for Toys, Sunnyvale State of the City and the Winter Ice Rink. We were also a showcase destination for the KTVU Mornings on 2, Zip Trips, live broadcast from Historic Murphy Avenue.

The City contribution is 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 and consider each other partners with common goals for a vibrant downtown.

Our commercial marketing and promotion will continue. These resources for marketing include local and regional news outlets, radio and print publications as well as event collateral including community banner, event flyers, post cards and outreach with our visitor's guide. We will continue to expand our digital reach with online messaging via our SunnyvaleDowntown.com website, all of our social media sites like Facebook, Twitter, and YouTube as well as pin-point advertising.

We continue to maintain a strong local community internet presence with event calendars, downtown nightlife calendar and Eventbrite promotion. This past year was focused on improving the quality of our events with attention to our operations, financial oversight and strengthening partnerships with downtown businesses, other community organizations, property management, developers and our sponsors.

In the year ahead, we want to continue to grow with optimized resources and increased sponsorship as well as expand our event audience where appropriate. We continually improve our communications and want to build on that success to ensure our BID members are supported and promoted and the community is informed and proud of our downtown, our city and the direction we are heading.

Event Sponsorships & City Contribution

We are very grateful for the continued support from the City and the many Sponsors who have helped keep our SDA events growing and continuing to serve the community in 2019/20. We'd like to give special thanks to the City of Sunnyvale, CityLine Sunnyvale, Google, VUDU TV & Movies Streaming, LinkedIn, WalmartLabs, Baidu, Specialty Waste, Murphy Square, Premier One Credit Union and UFC Gym.

We believe our downtown businesses need City and Sponsorship support for these events more than ever. With ongoing downtown development, the new minimum wage increase, and the high cost to do business in downtown Sunnyvale, the events allow for business owners to maintain some level of profitability and their business livelihood.

Without sponsorship as well as the continued support from the City, we could not deliver the events which are so critical to attracting new consumers and visitors to our downtown. Each year we need to wait until early February before we have a sense of what amount of sponsorship support, we have and in May we receive notification of the City's Community Grant approvals, we will be receiving.

We are still actively working to secure sponsorship commitments for the late 2019/20 events as well as the 2020/21 events and are thankful for many of the returning sponsors.

Future

The BID's goal is to continue producing quality events and promoting downtown Sunnyvale as a great place to shop, dine, work and live. These events are especially important to continue to attract new visitors to our vibrant, growing downtown as well as community pride.

Our BID fees are 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.

Overview

The 2019/20 year proved to be another very successful season for the Sunnyvale Downtown Association. Early in the year, we added a CPA firm to assist the SDA in its accounting. The continuing outreach campaign to all BID members regularly has help to reduce late BID fee collection and improve member support.

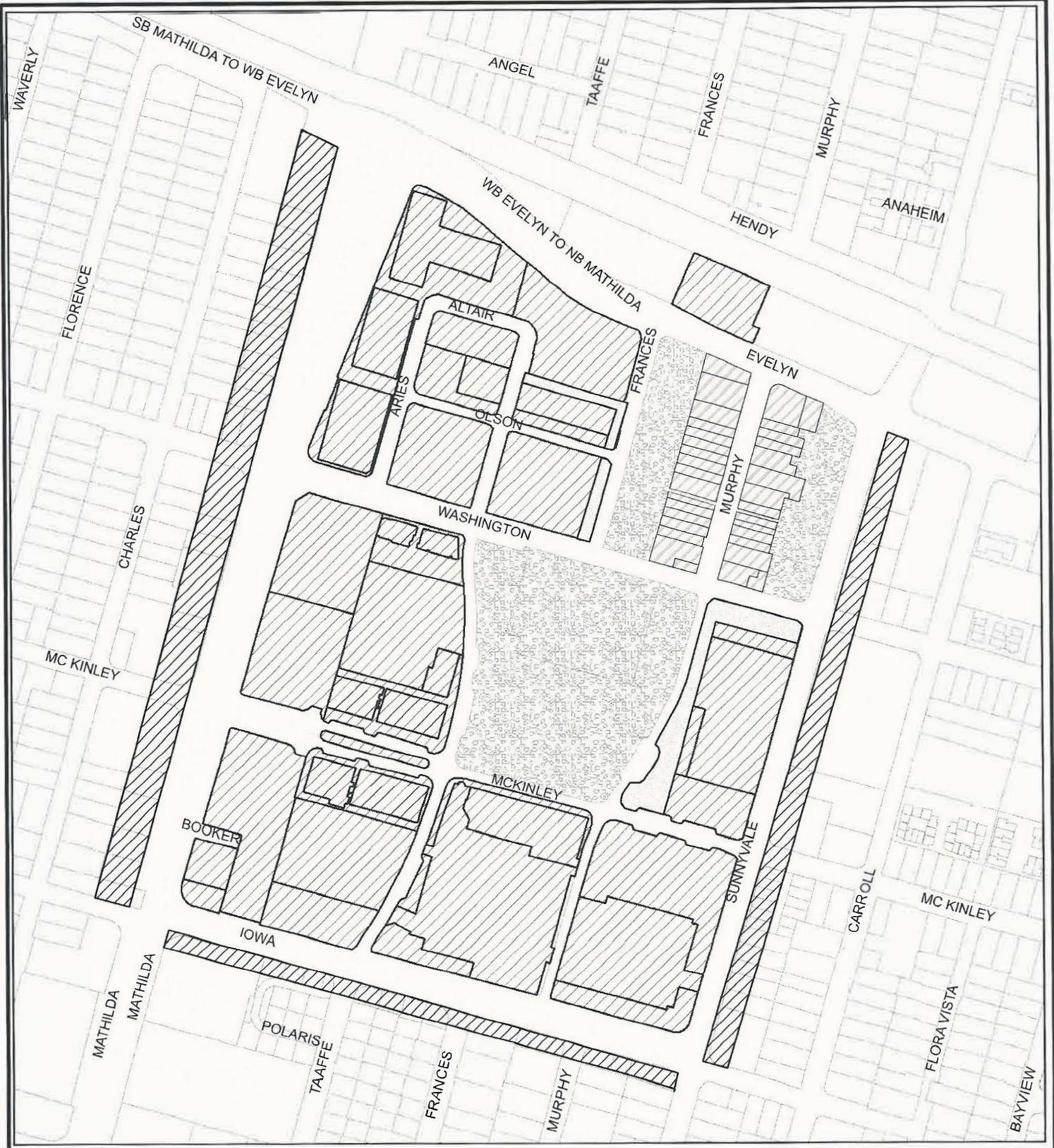
We continue to expand our reoccurring events with VUDU sponsored Movie Nights and expanded partnership with the City for the Technology Business Expo both on Historic Murphy Avenue. We celebrated returning guest events with the State of the City, PAL Classic Car Show and Rides for Toys as well as welcomed new guest events with the return of the Halloween Pet Parade and the inaugural Winter Ice Rink that was hosted by Google, City of Sunnyvale and Cityline team. These additional community events were in partnership with other local community organizations and were great additions in this season's downtown events.

Moving forward into the 2020/21 fiscal year, the SDA plan to host 11 Summer Series Music + Market concerts again, 8 Jazz & Beyond events, 3 VUDU Movie Nights on Historic Murphy Avenue, the Annual Holiday Tree Lighting and the Magic of Sunnyvale & Wine Stroll. We look forward to continuing to collaborate with the City Economic Department on the Technology Business Expo and are excited to be hosting for the third year the PAL Classic Car Show in downtown Sunnyvale. This year we expect the return of the Sunnyvale Halloween Pet Parade to the downtown community and will monitor plans for the Winter Ice Rink in 2020 as well as plan to celebrate the opening of the long-awaited AMC Movie Theater and Whole Foods, along with other businesses.

We are continually exploring new events and sponsorship opportunities to draw more attention to our growing business community and vibrant downtown. The SDA will continue to work with Cityline and other developers, property managers and the City of Sunnyvale to promote cohesion between the existing businesses in Sunnyvale and the expansion of a one Sunnyvale downtown.

The SDA continues to partner with the Cityline and new developers as we move into the next phase of the downtown's development. We provide support in the distribution of downtown construction, downtown news and any other project information 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.

Sunnyvale Downtown Association Budget		Actual	Projected	
FISCAL YEAR		19/20	2020/21	
Revenue				
Community Grants		\$ 16,200.00	\$ 13,000.00	
CityLine Marketing Support		\$ 1,200.00	\$ 1,800.00	
City Contributions		\$ 40,000.00	\$ 40,000.00	
BID Funds		\$ 35,000.00	\$ 36,000.00	
Total City Contributions		\$ 92,400.00	\$ 90,800.00	
Holiday Tree Lighting				
Sponsorships		\$ 17,200.00	\$ 18,000.00	
Total Holiday Tree Lighting		\$ 17,200.00	\$ 18,000.00	
Magic of Sunnyvale Wine Stroll				
Sales		\$ 18,500.00	\$ 20,000.00	
Sponsorships		\$ 19,000.00	\$ 20,000.00	
Total Magic of Sunnyvale Wine Stroll		\$ 37,500.00	\$ 40,000.00	
Summer Series				
Sales		\$ 26,580.00	\$ 30,000.00	
Vendors		\$ 1,400.00	\$ 1,500.00	
Sponsorships		\$ 31,000.00	\$ 31,000.00	
Total Summer Series		\$ 58,980.00	\$ 62,500.00	
Jazz & Beyond				
Sales		\$ 19,190.00	\$ 23,000.00	
Sponsorships		\$ 16,100.00	\$ 18,200.00	
Total Jazz & Beyond		\$ 35,290.00	\$ 41,200.00	
Tech Expo				
Sales		\$ -	\$ -	
Sponsorships		\$ 5,000.00	\$ 5,000.00	
Total Tech Expo		\$ 5,000.00	\$ 5,000.00	
Movie Night				
Sales		\$ -	\$ -	
Sponsorships		\$ 8,000.00	\$ 16,000.00	
Total Movie Night		\$ 8,000.00	\$ 16,000.00	
Classic Car Show				
Sales		\$ 1,129.00	\$ 1,200.00	
Event Operations Cost		\$ 1,875.00	\$ 2,000.00	
Total Classic Car Show		\$ 3,004.00	\$ 3,200.00	
Total Revenue		\$ 257,374.00	\$ 276,700.00	
Expenses				
Administrative				
Insurance		\$ 9,300.00	\$ 10,000.00	Event insurance, plus added Director & Officer Ins., Worker's Comp. on salary employee
Marketing & Advertisement		\$ 11,600.00	\$ 7,000.00	Develop Post Cards, Flyers, Banners, Menu's, Social Media, Explore Magazine and State of Downtown Outreach
Bookeeping/Accounting		\$ 7,500.00	\$ 8,500.00	Added New CPA to reconcile and manage accounting information
Office Supplies & Expenses		\$ 5,500.00	\$ 8,500.00	
POD Rental & Permit Fee		\$ -	\$ -	
Telephone & Website		\$ 1,800.00	\$ 1,800.00	
Visitor Guide		\$ 2,800.00	\$ 3,300.00	New Design, updates & Printing - distribution
Travel Entertainment (CDA Conference)		\$ 800.00	\$ 500.00	CDA Membership & Conference / Training & Development
Total Administrative		\$ 39,300.00	\$ 39,600.00	
Event Expenses				
Wheelchare Lift		\$ 4,700.00	\$ 500.00	Lift maintenance
Building Permit Fees - New 18/19		\$ 800.00	\$ 800.00	Stage Inspections - City's Estimate
City (event) Permits & Rental Fees		\$ 2,000.00	\$ 2,000.00	Event permits (Planning, Building, PW, Fire, etc)
Holiday Tree Lighting		\$ 5,010.00	\$ 5,000.00	Tree, staff, stage, equipment. Free event for the community.
Magic of Sunnyvale Wine Stroll		\$ 20,000.00	\$ 20,000.00	
Summer Series*		\$ 38,000.00	\$ 42,800.00	Supplies, Staff, Bands, Security, Beverage Booth, Stage, Beverages, labor cost increases
Jazz & Beyond		\$ 22,758.00	\$ 22,000.00	Supplies, Staff, Bands, Security, Beverage Booth, Stage, Beverages, labor cost increases
Movie Night		\$ 4,198.00	\$ 5,000.00	
Tech Expo		\$ 5,000.00	\$ 5,000.00	
Sales Tax		\$ 11,600.00	\$ 9,500.00	
Classic Car Show		\$ 2,100.00	\$ 2,100.00	
Total Event Expenses		\$ 116,166.00	\$ 114,700.00	
Staffing				
Exec. Director Compensation		\$ 80,000.00	\$ 80,000.00	
Employee Taxes		\$ 10,000.00	\$ 12,000.00	
Contract Labor		\$ 11,000.00	\$ 25,000.00	Additional admin staff & part-time Event Coordinator, contract labor
Total Staff & ED Compensations/Commission		\$ 101,000.00	\$ 117,000.00	
Total Expense		\$ 256,466.00	\$ 271,300.00	
Profit or Loss		\$ 908.00	\$ 5,400.00	



DOWNTOWN BUSINESS IMPROVEMENT DISTRICT ZONES

0 130 260 520 Feet

Legend

-  ZONE A
-  ZONE B
-  ZONE C



**Downtown Sunnyvale Business Improvement District
Proposed Improvements and Activities for Fiscal Year 2019/2020**

Income		
Zone A	39 Businesses paying an average annual benefit fee of \$451.	\$17,100
Zone B	48 Businesses paying an average of \$179.	\$8,800
Zone C	112 Businesses paying an average of \$122.	\$14,100
Total potential BID assessment collections		\$40,000
Projected assessment collections (annual paid average at about 90%)		\$36,000
Revenues from SDA special events and fund-raisers		\$160,000
Grants, event sponsorships and other misc. revenue		\$38,800
Total BID Program annual budget		\$234,800

Expenditures		
Program	Amount	Percent
1) Commercial Marketing Program	\$152,620	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	\$2,348	1%
a) Streetscape beautification, lighting		
b) Public arts programs		
c) Public-private directional signage		
3) Programs Administration and BID Management	\$79,832	34%
Totals	\$234,800	100%

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.