

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF SUNNYVALE CONFIRMING THE DOWNTOWN
SUNNYVALE BUSINESS IMPROVEMENT DISTRICT
ANNUAL REPORT FOR FY 2021/22 AND TO LEVY AND
COLLECT AN ANNUAL ASSESSMENT FOR THE
DOWNTOWN SUNNYVALE BUSINESS IMPROVEMENT
DISTRICT FOR FISCAL YEAR 2021/22**

WHEREAS, on April 6, 2021, the City Council of the City of Sunnyvale (the “City”) adopted Resolution of Intention to Levy and Collect an Assessment and to Reauthorize the Downtown Sunnyvale Business Improvement District (Resolution No. 980-20) (the “District”), to levy and collect a benefit assessment on all businesses, trades, professions, and vendors within said District, the proceeds of which shall be used for the public purposes herein described in the Parking and Business Improvement Area Law of 1989, (commencing with Section 36500), of the California Streets and Highways Code (the “Act”) and Title 3, Chapter 3.60 of the Sunnyvale Municipal Code; and

WHEREAS, the City Council conducted a public hearing on the reauthorization of the assessment, having given due notice thereof as required by law, on May 4, 2020, beginning at 7:00 p.m. at City Hall, 456 West Olive Avenue, Sunnyvale, California, and every interested person was provided an opportunity to object to or protest the report, the proposed improvements and the activities to be funded from levy of the assessments.

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

1. Report. The City Council hereby confirms the Business Improvement District Annual Report for FY 2021-2022 (“Annual Report”) as set forth in Exhibit A.
2. Boundaries. The City Council hereby approves of the boundaries of the Business Improvement District and the benefit zones within the area as set forth in Exhibit B.
3. Assessment. The City Council finds that the amount of the assessments has fairly and properly apportioned the cost of the improvements to each business in the District in proportion to the estimated benefits to be received by each business. The City Council hereby confirms the assessment and levies each individual assessment, as provided for in the Annual Report, for fiscal year 2021-2022.

4. Protest Hearing. The City Council conducted a hearing concerning the reauthorization of the business improvement district. At the conclusion of the public hearing, the City Council considered comments from the affected businesses, considered modifications in the report, and confirmed the report as originally filed or as changed by it, which constitute the levy of the assessment for the fiscal year 2021-2022.

5. Method of Collection. The benefit assessment for Downtown Sunnyvale businesses shall be billed and collected by July 30, 2021. Payments will be considered late if not received on or before the due date listed on the invoice. The business will accrue late fees for every 30 days delinquent after the original due date. A 10% late penalty will be assessed to in addition to the assessment amount for every 30 days payment is late. The penalty fees will be accrued for up to five months after original due date. If payment is not received after five months, the City will forward delinquent accounts to collections agency for further action. Once the business is assigned to the collections agency, additional fees will accrue.

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

AYES:
NOES:
ABSTAIN:
ABSENT:
RECUSAL:

ATTEST:

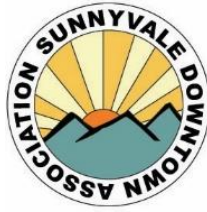
APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM:

City Attorney



Sunnyvale Downtown Association's 2021/2022 BID Renewal Request

Annual Report

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 fees 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 of Dr. Gary Gold & Associates, Secretary – Leigh Odum of Leigh's Favorite Books, Treasurer – Katie Voong of KTea, Members At Large – Amit Rajgarhia of Dish Dash, Irene Murphy of Fibbar MaGees, Rahul Nair of 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

In 2021/22, BID fees collected from the businesses totaled \$25,000 (9% of Income) and the City of Sunnyvale contributed \$40,000 (14% of Income). These funds act as the foundational funding for the SDA. The remainder of SDA revenue comes from a combination of support from sponsorships, event 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, digital visitor guides, website, e-letters, street/holiday lighting and events.

This year we were fortunate to have received city support and grants to offset the reduction in corporate sponsorship. This helped us to maintain the Sunnyvale Downtown (BID) during this challenging year. We aren't guaranteed to receive this level of sponsorship supports every year. We continues to rely on all support channels to ensure fiscal accountability.

On January 6, 2021, 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 2020/2021 has become addressing the needs of our SDA businesses amidst the COVID-19 pandemic. Businesses have struggled to keep their doors open and employees working in adhering to state and county orders. We have continued to work through the many financial challenges caused by event reduction. Corporate sponsor contributions were greatly diminished this year comparative to last year's forecasted budget. As well as we were unable to hold revenue producing events. We were fortunate to have received support from Community Grants, Annual City Support, and developer funding to aid through this unprecedented year.

Account	2020/21 Actual Forecast	2021/22 Projected
INCOME		
BID Fees	25,000	25,000
City Contributions	40,000	40,000
Community Grants	8,000	12,000
Developer Support & Funding	150,000	160,000
COVID-19 Disaster Relief	64,000	20,000
Events Revenue (Sponsorship & Sales)		
<i>Summer Series</i>	-	22,000
<i>Jazz & Beyond</i>	-	10,000
<i>Wine Stroll</i>	-	20,000
<i>Tree Lighting</i>	-	-
<i>Tech Expo</i>	-	-
<i>Movie Night</i>	-	-
<i>Car Show</i>	-	-
<i>Music on Murphy</i>	-	-
TOTAL INCOME	287,000	309,000
EXPENSES		
Personnel Related Expenses	142,500	149,000
Office/General Admin Exp	40,550	43,550
Sales Tax	0	3,000
City/Permit Fees	0	3,500
Covid 19-Events & Activities	58,000	10,000
Equipment	6,000	0
Event Expenses**		
<i>Summer Series</i>	-	42,000
<i>Wine Stroll</i>	-	20,000
<i>Jazz & Beyond</i>	-	20,000
<i>Movie Night</i>	-	-
<i>Tech Expo</i>	-	-
<i>Tree Lighting</i>	5,000	7,000
<i>Car Show</i>	-	-
<i>Music on Murphy</i>	15,000	8,000
TOTAL EXPENSES	267,050	306,050
TOTAL PROFIT/LOSS	19,950	2,950

** 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 SDA events on annually.

Events

This year the SDA has produced twenty-one events that generated no revenue. Due to the impact of COVID-19, we had to redirect our efforts from large events and focus on ways to help support the Sunnyvale Downtown Businesses.

In 2020, we started a new marketing promotion to entice residents and visitors to shop at our SDA businesses by entering a drawing to win downtown cash. This campaign was called “Stronger Together”, which included downtown retail, professional services, and restaurants. We combined the businesses into a list of twelve groups and offered any participant who purchased products from five groups into a drawing for \$50.00 and if they purchased from ten different groups, into a drawing for \$100. Winners would receive downtown cash bucks to be used at participating downtown locations.

Last spring, we introduced Music on Murphy Ave., which provided music for restaurants and retail customers while they shopped on Historic Murphy. We partnered with the Sunnyvale Library and Community Services to display community artwork during that time.

The Annual Holiday Tree Lighting was held on December 8th. The community gathering component of the event was cancelled due to COVID concerns, however we continued community outreach through social media.

We project our 2021/22 events will gross \$52K from sponsorships, and event participation fees. In 2020, we were unable to provide the level of events we would have done previously because of COVID-19. As we enter 2021/22, we are optimistic that we will be able to provide more events this year, however we understand we need to adhere to CDC, County and City guidelines. We are currently planning to move forward with Music on Murphy, Jazz and Beyond, Summer Series Music & Market, and the Holiday Tree Lighting. We have decided to cancel The Magic of Sunnyvale & Wine Stroll this year as a safety precaution. Because of COVID-19, we cannot guarantee any of these events will happen until later in the year. That being the case we still will need to plan, organize, budget, and prepare for them as normal.

The City contribution is a crucial part of our overall funding for annual events. We appreciate that you have continued to support the Sunnyvale Downtown Association (BID) and want you to know, we don't take your support for granted.

COVID-19 has forced businesses rely on ecommerce tools more than ever before. In 2020/21 we increased our online presence and communication. We will continue to increase our commercial marketing and promotional effort. Our marketing strategies include a new SDA website, a digital downtown visitor guide, increase in social media presence, new print advertisement, paid marketing services on Twitter, Facebook, and Google, and partnering with other local community organization to expand our digital footprint. (educational programs to teach businesses about ecommerce tools?)

In the year ahead, we want to continue to grow with optimized resources and increased sponsorship as well as expanding our event audience where appropriate. We continually work to improve our communications and outreach. Building on our successes, by ensuring our BID members are supported and promoted in addition to keeping the community informed.

Event Sponsorships & City Contribution

We are very grateful for the continued support from the City and the many Sponsors who have helped fund our SDA events and enabling us to continue to serve the community in 2020/21. We'd like to give special thanks to the City of Sunnyvale, CityLine Sunnyvale, Minkoff Group, El Camino Health, Google, Facebook, LinkedIn, Specialty Waste, and Murphy Square.

We believe the SDA and our downtown businesses need City and Sponsorship support for these events now more than ever. With ongoing downtown development, the new minimum wage increase, COVID-19 forced shutdowns, and the high cost to do business in downtown Sunnyvale. These events and promotional programs allow for business owners to maintain a small level of revenue that will hopefully help them weather this period.

Without sponsorships as well as the support from the City, we could not continue to deliver these services year over year which are so critical to the SDA's businesses and attracting new consumers 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 coming in. This year many corporate sponsors are taking a step back due to COVID-19 and the impact of their brand name being associated with large events.

Looking Ahead

This year the SDA is planning to make some bold steps as we move forward into 2021. Our first order of business is building a new interactive mobile friendly and responsive website to support our downtown businesses. Second, we recognize that continuing into 2021 we need to address the move from printed visitor guides to a digital app that provides a more interactive and user-friendly experience for everyone.

The SDA'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. Now more than ever, we need to keep dispersing messages that inspire and keep our businesses, community residents, and visitors engaged with Sunnyvale Downtown.

Overview

The 2020/21 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 work to expand our reoccurring event partnerships with the City and other local non-profit organizations. Delivering events like The Technology Business Expo on Historic Murphy Avenue, State of the City, PAL Classic Car Show, The Pet Parade, Winter Ice Rink and Rides for Toys.

Moving forward into the 2021/22 fiscal year, the SDA plans to host 8 Summer Series Music + Market concerts, 8 Jazz & Beyond concerts, 17 Music & Dining events on Historic Murphy Ave., in addition to partnering with the Sunnyvale Chamber of Commerce in a support effort for the Sunnyvale Art & Wine Festival. Many of these events are scheduled to be held on Historic Murphy Avenue and the surrounding areas. We will also be holding our Annual Holiday Tree Lighting.

The Magic of Sunnyvale & Wine Stroll has again been cancelled for 2021. We look forward to continuing to collaborate with the City Economic Development 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 2021.

While we continue to explore ways to bring new visitors to our downtown community, we remain vigilant in working to protect our community, visitors, residents, and our businesses during the COVID-19 pandemic. With light starting to emerge on the horizon as the vaccines are starting to be deployed in our county. We are optimistic that better days are ahead.

A few of the things we want to take a second and give thanks and gratitude for. First the City of Sunnyvale providing us with a COVID-19 Grant to help the SDA this year as well as the corporate sponsors who were willing to allow us to use their funds allocated for events as support to offset our expenses during COVID-19. The second item was the support and collaboration with the Sunnyvale Community Services who has worked with us on two events to provide food and gift cards to the many employees who have been displaced during the multiple shut down and restrictions this year. We were able to provide almost 600 meals and gift cards to our downtown employees.

As the SDA continues to partner with the Cityline and other developers while moving forward 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 our downtown business and community at large. Thank you for your past support and once again, we ask that you continue to support our Resolution of Intent (ROI) request to renew the Sunnyvale Downtown Association's BID for fiscal year 2021/22.

Prepared by:

Michael Johnson
Executive Director

Approved by:

SDA Board of Directors
Gary Gold
Leigh Odum
Irene Murphy
Katie Voong
Admit Rajgarhia
Rahul Nair

EXHIBIT A

FISCAL YEAR		Actual	Projected	
		20/21	21/22	
Revenue				
City Contributions				
	Community Grants	\$ 8,000.00	\$ 12,000.00	
	City Contributions	\$ 40,000.00	\$ 40,000.00	
	BID Funds	\$ 25,000.00	\$ 25,000.00	
Total City Contributions		\$ 73,000.00	\$ 77,000.00	
Developer Support & Funding		\$ 150,000.00	\$ 160,000.00	
COVID-19 Disaster Relief				
	COVID-19 City Grant (SV Cares Nonprofit)	\$ 11,000.00	\$ -	
	COVID-19 Coporate Sponsorship	\$ 53,000.00	\$ 20,000.00	
Total Disaster Relief		\$ 64,000.00	\$ 20,000.00	
Holiday Tree Lighting				
	Sponsorships	\$ -	\$ -	
Total Holiday Tree Lighting		\$ -	\$ -	
Magic of Sunnyvale Wine Stroll				
	Sales	\$ -	\$ 20,000.00	
	Sponsorships	\$ -	\$ -	
Total Magic of Sunnyvale Wine Stroll		\$ -	\$ 20,000.00	
Summer Series				
	Sales	\$ -	\$ 22,000.00	
	Vendors	\$ -	\$ -	
	Sponsorships	\$ -	\$ -	
Total Summer Series		\$ -	\$ 22,000.00	
Jazz & Beyond				
	Sales	\$ -	\$ 10,000.00	
	Sponsorships	\$ -	\$ -	
Total Jazz & Beyond		\$ -	\$ 10,000.00	
Tech Expo				
	Sales	\$ -	\$ -	
	Sponsorships	\$ -		
Total Tech Expo		\$ -	\$ -	
Movie Night				
	Sales			
	Sponsorships	\$ -	\$ -	
Total Movie Night		\$ -	\$ -	
Classic Car Show				
	Sales	\$ -	\$ -	
	Event Operations Cost	\$ -	\$ -	
Total Classic Car Show		\$ -	\$ -	
Total Revenue		\$ 287,000.00	\$ 309,000.00	

EXHIBIT A

FISCAL YEAR	Actual	Projected	
	20/21	21/22	
Expenses			
Administrative			
Insurance	\$ 9,500.00	\$ 10,000.00	D&O, Workers Comp & Events
Marketing & Advertisement	\$ 15,000.00	\$ 15,000.00	
Bookkeeping/Accounting	\$ 6,800.00	\$ 6,800.00	
Office Supplies & Expenses	\$ 8,000.00	\$ 9,500.00	
Telephone & Website	\$ 1,250.00	\$ 1,250.00	
Travel Expense (CDA Conference)	\$ -	\$ 1,000.00	IDA / California Downtown Association Conf.
Total Administrative	\$ 40,550.00	\$ 43,550.00	
Covid 19-Events & Activities			
Stronger Together Campaign	\$ 10,000.00	\$ 10,000.00	New project as of 2020/21
Ecommerce Workshops & Consulting	\$ 7,000.00	\$ -	New project as of 2020/21
Food & Gift Cards for SDA Emp. not working	\$ 15,000.00		New project as of 2020/21
Website Development	\$ 18,000.00	\$ -	New project as of 2020/21
Visitor Guide App	\$ 8,000.00	\$ -	New project as of 2020/21
Total Covid 19-Events & Activities	\$ 58,000.00	\$ 10,000.00	
Event Expenses			
Building Permit Fees	\$ -	\$ 1,000.00	
City (event) Permits & Rental Fees	\$ -	\$ 2,500.00	
Holiday Tree Lighting	\$ 5,000.00	\$ 7,000.00	
New Equipment & Maintenance	\$ 6,000.00		Powered dolly/lift to move mobile wheelchair
Magic of Sunnyvale Wine Stroll	\$ -	\$ 20,000.00	
Music on Murphy	\$ 15,000.00	\$ 8,000.00	
Summer Series	\$ -	\$ 42,000.00	
Jazz & Beyond	\$ -	\$ 20,000.00	
Movie Night	\$ -	\$ -	
Tech Expo	\$ -	\$ -	
Sales Tax	\$ -	\$ 3,000.00	
Classic Car Show	\$ -	\$ -	
Total Event Expenses	\$ 26,000.00	\$ 103,500.00	
Staffing			
Exec. Director Compensation	\$ 81,000.00	\$ 87,000.00	
Employee Taxes	\$ 16,500.00	\$ 17,000.00	
Contract Labor	\$ 45,000.00	\$ 45,000.00	Add'l admin staff & part-time Event Coordinator, contract labor
Total Staff & ED Compensations/Commission	\$ 142,500.00	\$ 149,000.00	
Total Expense	\$ 267,050.00	\$ 306,050.00	

Profit or Loss **\$ 19,950.00** **\$ 2,950.00**

Here are a few reasons City Support is always important

- ~ Sponsorships vary from year to year. BID staff continues outreach to maintain and increase sponsorship amounts
- ~ Additional staffing is required to meet the new demand of work requirements to manage added correspondence, work with developers, additional events, city communications and general day to day operations
- ~ Our SDA businesses need this additional support more than ever now, with the new changes coming in 2019 that will make it even harder to keep their doors open long enough to hopefully last through the next period of development ahead (Change in block 6 and parking access).
- ~ We continue to work with outside community & non-profits to help in showcasing and promoting their causes in the downtown for better visibility, This also helps our downtown businesses as well.

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.

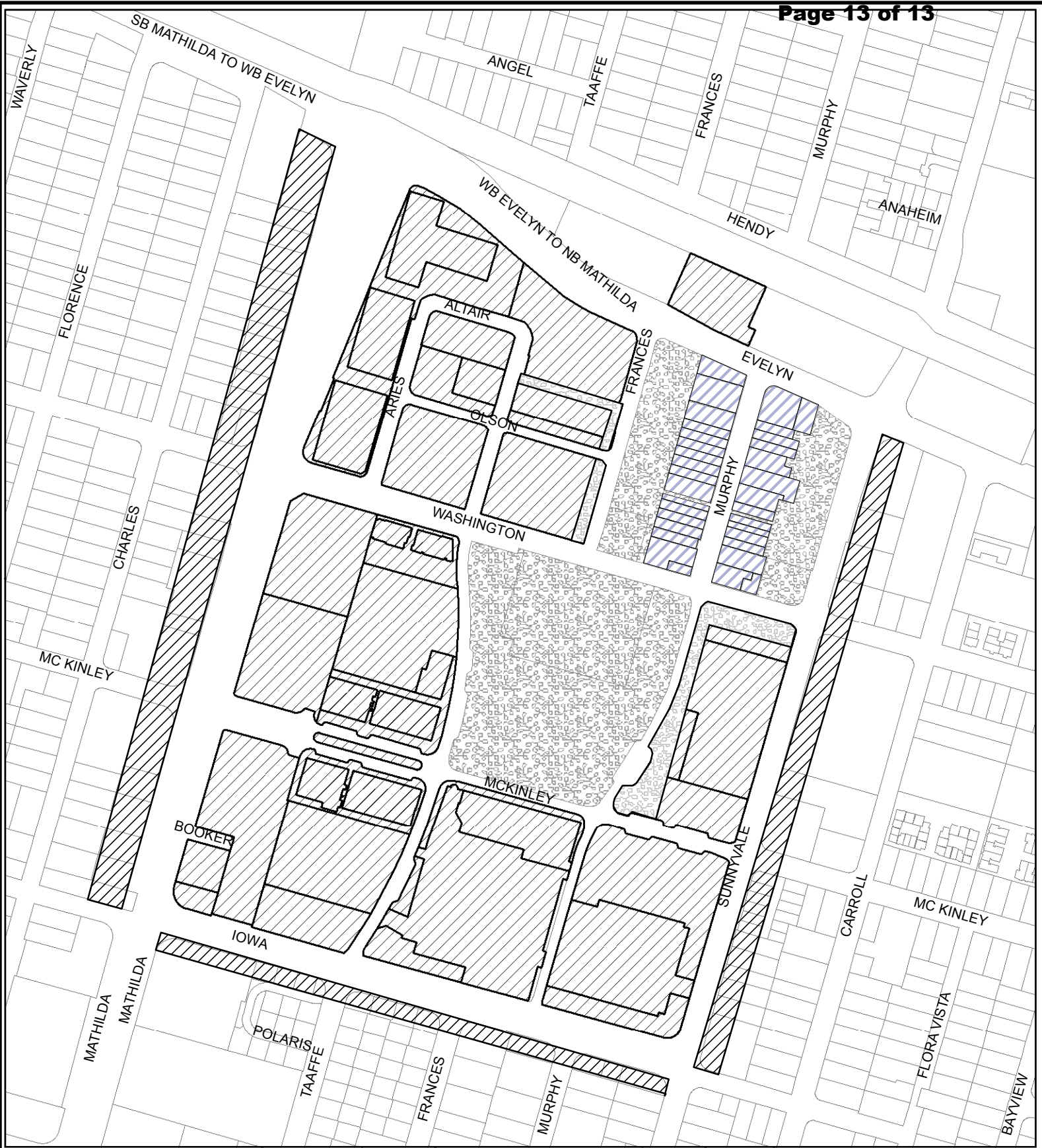
Professional Services Businesses: Includes Architects, Engineers, Attorneys, Dentists, Doctors, Accountants, Optometrists, Realtors, Insurance Offices, Mortgage Brokers and most other businesses that require advanced and/or specialized licenses and/or advanced academic degrees.

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 2021/2022

Income		
Zone A	34 Businesses paying an average annual benefit fee of \$458.	\$15,600
Zone B	42 Businesses paying an average of \$200.	\$8,400
Zone C	99 Businesses paying an average of \$126.	\$12,550
Total potential BID assessment collections		\$36,550
Projected assessment collections (COVID impact reduced annual paid average)		\$25,000
Revenues from SDA special events and fund-raisers		\$52,000
Grants, event sponsorships and other misc. revenue		\$232,000
Total BID Program annual budget		\$309,000




Expenditures		
Program	Amount	Percent
1) Commercial Marketing Program a) Advertising and promotion (Ads, social media, etc.) b) Theme development c) Special events and activities d) Visitor attraction	\$198,933	65%
2) Civic Beautification and Signage Program a) Streetscape beautification, lighting b) Public arts programs c) Public-private directional signage	\$3,060	1%
3) Programs Administration and BID Management	\$104,057	34%
Totals	\$306,050	100%



DOWNTOWN BUSINESS IMPROVEMENT DISTRICT ZONES

0 130 260 520 Feet

Legend

-  ZONE A
-  ZONE B
-  ZONE C

