



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Approve the Downtown Sunnyvale Business Improvement District Report for Fiscal Year 2015/16 and Adopt the Resolution of Intention to Reauthorize the Downtown Sunnyvale Business Improvement District for Fiscal Year 2016/17

BACKGROUND

A Business Improvement District (BID) is a private sector funding tool that provides funding for specific activities that must be reauthorized yearly by the City Council at the request of the BID Board. Businesses pay into the BID based on the benefit they receive as members of the district. The funds collected can only be used for projects within the BID boundaries.

Pursuant to Sunnyvale Municipal Code section 3.60.050, Establishment of the benefit assessment, the formula for calculating the BID assessment amount is determined by the BID Board and enacted by the City Council. Assessments are levied on businesses on the basis of relative benefit from the activities to be funded. The City collects the assessment fee and forwards the collected funds to the BID, minus a fee for administrative costs associated with this service.

Downtown Sunnyvale BID

Approximately 200 businesses are located in the BID area, bounded by Sunnyvale, Iowa, Mathilda and Evelyn Avenues. The current BID Board Members are:

Joe Antuzzi, Il Postale Restaurant
Dr. Gary Gold, Dr. Gary Gold & Associates
Leigh Odum, Leigh's Favorite Books
Kathy Johnson, Broadcom
Johnny Sevey, Rok Bistro
Joel Wyrick, SDA/BID Executive Director (non-voting member)

EXISTING POLICY

Sunnyvale Municipal Code Sections - Downtown Sunnyvale Business Improvement District:

- 3.60.050. Establishment of benefit assessment.
- 3.60.060. Purpose and use of benefit assessments.
- 3.60.110. Annual Budget Process
- 3.60.120. Decisions regarding expenditure of funds.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" with the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378 (b) (4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a

potential significant impact on the environment.

DISCUSSION

As part of the annual BID reauthorization, the BID Board (Board) is presenting the BID FY 2015/16 report based on current estimates and Budget for FY 2016/17 for Council approval (Attachment 1). Council is also being asked to adopt a Resolution of Intention (ROI) (Attachment 2) to begin the BID renewal process for FY 2016/17.

The Board is requesting that the BID be renewed for FY 2016/17. As of February 1, 2016, the BID collected \$30,737 in assessments for FY 2015/16. The proposed BID budget, as approved by the BID Board, for FY 2016/17 is \$172,810. This proposed budget includes \$32,000 from assessments and \$100,500 from special events, such as the Summer Music Series and the Jazz & Beyond Series. It also includes business sponsorships as well as the City's \$30,000 matching funds. Although, the budget for FY 2016/17 identifies a slight shortfall, the Board intends to cover the shortfall with FY 2015/16 surplus funds and will continue its practice of carefully monitoring expenditures and revenues.

The BID is mainly a marketing organization and organizes all of the downtown events. Some of the annual events include the Summer Music Series, the Jazz & Beyond Series, and the Holiday Tree Lighting. This year the SDA produced the Pre-Bowl Kick-Off Bash, which was held on the Saturday before Super Bowl 50. The annual events attracted members of the Sunnyvale community as well as visitors from surrounding cities. The Pre-Bowl event also attracted tourists visiting for the Super Bowl festivities. Events generate about 75% of the BID's annual revenue. Additional marketing continues on *SunnyvaleDowntown.com* and an updated downtown business directory.

If Council adopts the ROI, a public hearing is required to receive input from businesses regarding their issues, concerns, and support of the BID. The BID cannot be reauthorized if businesses within the BID boundaries paying more than 50% or more of the assessment file a protest. If reauthorized, the BID will use the same boundaries, benefit zones, and assessment methodology as in past years (Attachment 3).

In order for the BID to be reauthorized for FY 2016/17, Council is asked to approve the submitted BID's Annual Report and adopt the ROI. The ROI describes proposed boundaries as well as the time and place for the public hearing, scheduled for April 19, 2016. Notice of the public hearing will be published in a local newspaper such as the *Sunnyvale Sun* or the *San Jose Mercury News*. The adopted ROI will be mailed to all BID members and meeting notices will be emailed by BID staff. The City Council must hold the public hearing on April 19, 2016, to consider all oral and written protests received on or before that date regarding the BID reauthorization for FY 2016/17.

FISCAL IMPACT

Staff time from the Department of Finance is provided at an estimated cost of \$2,500 annually for the administration of the assessment. Because these costs are reimbursed by the BID, there is no fiscal impact to the City for providing this service.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public

Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website. Additional outreach was done by the BID Board through email communications to their members.

RECOMMENDATION

Approve the submitted FY 2015/16 BID Annual Report and Adopt the Resolution of Intention, and schedule a public hearing for April 19, 2016 to reauthorize the Business Improvement District for FY 2016/17.

Prepared by: Maria Rodriguez, Administrative Analyst
Reviewed by: Connie Verceles, Economic Development Manager
Reviewed by: Walter C. Rossmann, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. BID Annual Report and Budget
2. Resolution of Intention to Reauthorize the Downtown Sunnyvale Business Improvement District for Fiscal Year 2016/2017
3. Benefit Zones and Annual Assessments