



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Approve the Downtown Sunnyvale Business Improvement District Annual Report for Fiscal Year 2020/21; and Adopt the Resolution of Intention to Levy and Collect Annual Assessment and Reauthorize Business Improvement District for Fiscal Year 2021/22

BACKGROUND

A Business Improvement District (BID) is a funding tool that provides funding for specific activities that must be reauthorized yearly by the City Council at the request of the BID Board (Board). Businesses pay into the BID based on the benefit they receive as members of the district.

Pursuant to Sunnyvale Municipal Code Section 3.60.050 (Establishment of benefit assessments) the formula for calculating the BID assessment amount is determined by the Board and enacted by the City. Business assessments are levied based on relative benefit from the activities to be funded. The City collects the assessment fee and forwards the collected funds to the BID, minus an administrative fee.

Downtown Sunnyvale BID

Approximately 170 businesses are in the existing BID area, which is divided into three zones: Zone A, Zone B, and Zone C. The current BID boundaries are Sunnyvale, Iowa, Mathilda and Evelyn Avenues (Attachment 1, Page 9). Board members volunteer their time to lead and manage the BID.

The current Board members are:

- Dr. Gary Gold, Dr. Gary Gold & Associates & Style Eyes Optique, Board Chair
- Leigh Odum, Leigh's Favorite Books and Bookasaurus
- Irene Murphy, Fibbar MaGee's
- Amit Rajgarhia, Dish Dash
- Katie Voong, K Tea Cafe
- Rahul Nair, The Oxford

The BID offers businesses the means to pool their resources by assessing themselves to collectively pay for programs, marketing, and special events which would not be possible on an individual basis. Also, the Board promotes the downtown area by maintaining an active website, social media presence, and organizes numerous events.

EXISTING POLICY

Municipal Code Sections - Downtown Sunnyvale Business Improvement District:

3.60.050. Establishment of benefit assessments.

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

This action is not a project within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it involves the creation of government funding mechanisms or other government fiscal activities that do not involve any commitment to any specific project which may result in a potentially significant impact on the environment.

DISCUSSION

As part of the annual reauthorization, the Board is presenting the BID Fiscal Year 2020/21 report and budget for Fiscal Year 2021/22. The Board is requesting that Council adopt the Resolution of Intention (ROI) (Attachment 2) to begin the BID renewal process for Fiscal Year 2021/22.

As of January 2021, the BID collected a total of \$25,000 of the \$36,250 due from assessments for Fiscal Year 2020/21. Expenditures are approximately \$267,050 and revenues are approximately \$287,000. The proposed budget for Fiscal Year 2021/22 (Attachment 1, Pages 7 and 8), as approved by the Board, is \$309,000. This proposed budget includes \$25,000 from BID assessments; \$52,000 from special events, such as the Summer Music Series and possible sponsorships; \$180,000 from corporate and developer support; \$12,000 from grants, and \$40,000 in matching funds from the City.

The impact of COVID-19 required the Board to redirect efforts to support Sunnyvale Downtown businesses. Numerous events were cancelled due to the COVID-19 shelter in place restrictions. Cancelled events included the Music Series, Jazz and Beyond and the Magic and Wine Stroll. In place of events, the BID developed a "Stronger Together" marketing campaign to entice residents and visitors to continue to support downtown businesses and developed "Music on Murphy Ave" to provide background music on Historic Murphy for diners and shoppers to enjoy. Additionally, partnered with Sunnyvale Community Services to provide food and gift cards to downtown employees and worked with the City's Recreation and Community Department to coordinate the display of community artwork on Murphy Avenue.

The BID modified their marketing plan to increase commercial marketing and promotions. Part of the marketing strategy included the development of a new website (SunnyvaleDowntown.com), ads on different social media channels including Facebook (<https://www.facebook.com/sunnyvaledowntownassociation>), and a new digital downtown visitor guide. These tools will continue to be part of the outreach and promotions to continue to expand the audience to support BID businesses.

The BID continues to partner with Cityline and other developers involved in downtown Sunnyvale projects. They distribute downtown construction, downtown news and any other project information that might affect the downtown businesses and community at large.

For the BID to be reauthorized for Fiscal Year 2021/22, Council must approve the BID's Annual Report (Attachment 1) and adopt the Resolution of Intention (Attachment 2). Notice of the public hearing on the BID will be published in a local newspaper and mailed to all BID members. Pursuant to Sunnyvale Municipal Code Section 3.60.110, the ROI sets a public hearing for May 4, 2021 for the Council to consider all oral and written protests received on or before that date regarding the levy and collection of the assessment and reauthorization of the BID for Fiscal Year 2021/22.

FISCAL IMPACT

Staff time from the Department of Finance is provided at an estimated cost of \$3,600 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, Sunnyvale Public Library and Department of Public Safety. In addition, the agenda and report are available at the Office of the City Clerk and on the City's website.

The BID Board also emailed all BID members the meeting announcement.

RECOMMENDATION

Approve the Fiscal Year 2020/21 BID Annual Report, adopt the Resolution of Intention to Levy and Collect an Assessment and Reauthorize the Business Improvement District for Fiscal Year 2021/22, and schedule the public hearing for May 4, 2021.

The impact of COVID-19 required the BID to cancel their regular events and to enhance their marketing to continue to attract visitors to businesses. Through shared resources paid by the BID assessment, the BID was able to use the tools to continue to market downtown businesses through online marketing and new events that met CDC requirements. Because of the costs associated with expanded marketing, BID members were able to utilize shared tools that would otherwise not be available to individual businesses.

Prepared by: Maria Rodriguez, Administrative Analyst

Reviewed by: Connie Verceles, Assistant to the City Manager/Economic Development Manager

Reviewed by: Jaqui Guzmán, Deputy City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. BID Annual Report and Budget
2. Resolution of Intention to Levy and Collect an Assessment and Reauthorize the Downtown Sunnyvale Business Improvement District for Fiscal Year 2021/22