



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Approve the Downtown Sunnyvale Business Improvement District (BID) Annual Report for Fiscal Year 2023/24 and Adopt Resolution of Intention to Levy and Collect an Annual Assessment to Reauthorize BID for Fiscal Year 2024/25

BACKGROUND

A Business Improvement District (BID) is a funding tool that allows participating businesses to pool their resources to fund specific activities in support of their business district. It must be authorized yearly by the City Council at the request of the BID Board (Board). 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 and forwards the collected funds to the BID, minus an administrative fee.

The BID assessment allows BID businesses to collectively pay for marketing and special events which would not be possible on an individual basis. In addition to the annual events, BID funds are used to promote the downtown area by maintaining an active website and strong social media presence.

Downtown Sunnyvale BID

Approximately 220 businesses are located within the 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 11).

The current Board members are:

Dr. Gary Gold, Dr. Gary Gold & Associates & Style Eyes Optique, Chairman
Leigh Odum, Leigh's Favorite Books and Bookasaurus, Secretary
Amit Rajgarhia, Dish Dash, Treasurer
Katie Voong, Mayan Kitchen/K Tea Café
Salvatore Foresta, Sweet Sicily
Justin Breining, Whole Foods Market
Amal Allan, City National Bank

EXISTING POLICY

Sunnyvale Municipal Code Sections - Downtown Sunnyvale Business Improvement District
3.60.050. Establishment of benefit assessments.
3.60.060. Purpose of 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 of the environment.

DISCUSSION

The BID renewal process requires the Board to submit the BID's annual report for Fiscal Year 2023/24 and the proposed budget for Fiscal Year 2024/25 to the City Council for approval. In addition, the Board is requesting that Council adopt a Resolution of Intention (ROI) (Attachment 2) to begin the BID renewal process for Fiscal Year 2024/25.

As of February 2024, the BID collected about \$35,000 in assessments for fiscal year 2023/24. Total revenue for fiscal year 23/24 is about \$355,800 and expenditures are approximately \$351,000.

The proposed budget for fiscal year 2024/25 (Attachment 1, Pages 8 and 9), as approved by the Board, is \$360,250. This proposed budget includes \$43,500 from BID assessments; \$168,500 from special events, such as the Summer Music Series and sponsorships; and, \$123,000 from corporate grants, City funding and other miscellaneous revenues. The proposed budget for Fiscal Year 24/25 shows a deficit of \$25,250. The BID Board expects to make up the deficit with additional sponsorships or changes to scheduled events.

During fiscal year 2023/24, the BID produced events that included the Summer Music Series, Magic of Sunnyvale Wine Stroll, Jazz & Beyond Series, and the Holiday Tree Lighting. The events attract visitors to the downtown area and provides about 45% of the BID's annual revenue. The BID promotes BID businesses by using a business directory and calendar of events on their site at SunnyvaleDowntown.com. It also manages accounts on X (formerly Twitter) and Facebook highlighting the different downtown businesses and events.

For the BID to be reauthorized for fiscal year 2024/25, Council must approve the BID's Annual Report and adopt the Resolution of Intention. Pursuant to Sunnyvale Municipal Code Section 3.60.110, the Resolution of Intention sets a public hearing for May 7, 2024, for the Council to consider 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 2024/25. Notice of the BID'S public hearing will be published in a local newspaper and mailed to all BID businesses.

FISCAL IMPACT

An estimated administration annual cost of \$4,657 will be charged the BID to administer and collect the BID assessment. Since the BID pays the administrative cost, there is no fiscal impact to the City for providing this service.

PUBLIC CONTACT

Public contact was made by posting the Council meeting agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Public Library and in the Department of Public Safety Lobby. In addition, the agenda and this report are available at the NOVA Workforce Services reception desk located on the first floor of City Hall at 456 W. Olive Avenue (during normal business

hours), and on the City's website.

RECOMMENDATION

Approve the Fiscal Year 2023/24 BID Annual Report, adopt the Resolution of Intention to Levy and Collect an Assessment and Reauthorize the Business Improvement District for Fiscal Year 2024/25, and schedule the public hearing for May 7, 2024.

Prepared by: Maria Rodriguez, Economic Development Specialist

Reviewed by: Christine Velasquez, Economic Development Manager

Reviewed by: Connie Verceles, Deputy City Manager

Reviewed by: Sarah Johnson-Rios, Assistant City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. BID Annual Report
2. Resolution