



## **BID Renewal Request for 2021/2022 - 2022/2023**

### **What is a BID**

A BID (Business Improvement District, authorized by State of California law) provides funding for promoting and improving a specific area. All business license holders inside the said district are self-assessed with 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 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 Resolution of Intent (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 complete 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 businesses' type, size, and location and selects the most equitable formula for every kind of business. Assessments are levied to businesses based on relative benefit from annual activities. The city collects the fee on an annual basis. Typically, BID assessments are included as a separate charge from the business license tax and billed to every business within the BID boundaries. 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 price 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.

### **The 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 organizations that share in the growth, beautification, and continued vitality of downtown Sunnyvale
- Serving as the primary information portal of all events, attractions, and programs from the downtown core.

## **Budget**

2021/22 BID fees collected from the businesses totaled \$35,000 (9.7% of Income), and the City of Sunnyvale contribution with community grants of \$56,166 (15.5%) acts as SDA foundational funding. The rest of SDA revenue comes from a combination of developer support, corporate sponsorships, sales/concessions, and event participant fees. By state law, we use the BID funds to support general business activities, promote public events, decorate public places, and provide entertainment inside the BID area. BID funds also include advertising, marketing materials, digital guides, operational expenditures, websites, e-letters, street/holiday lighting, and events.

This year we received City support city grants, in addition to developer and corporate sponsorship funding, in addition to sales and concessions we generated at events. These funds help us maintain the Sunnyvale Downtown (BID) overall operation during this challenging year. As stated previously, we can't guarantee that we will have this same level of developers and sponsorship support in any given year. So, we rely on all support channels to ensure fiscal accountability.

On February 2, 2022, the SDA Board of Directors approved the BID renewal. Below we have included a brief overview of some significant expense areas.

<b>Account</b>	<b>2021/22 Actual</b>	<b>2022/23 Forecast Projected</b>
<b>INCOME</b>		
BID Fees	35,000	38,000
City Contributions	40,000	40,000
Community Grants	16,166	11,000
Developer Support & Funding	152,000	150,000
Events Revenue (Sponsorship & Sales)	87,118	123,450
Donation	5,000	-
<b>TOTAL INCOME</b>	<b>335,284</b>	<b>362,450</b>
<b>EXPENSES</b>		
Personnel Related Expenses	158,365	194,000
Office/General Admin Exp	86,175	81,000
City/Permit Fees	1,900	2,500
Covid 19-Events & Activities	30,000	9,000
Equipment	5,000	5,500
Event Expenses**	44,062	60,200
<b>TOTAL EXPENSES</b>	<b>325,502</b>	<b>352,200</b>
<b>TOTAL PROFIT/LOSS</b>	<b>9,782</b>	<b>10,250</b>

While last year we were still able to deliver half of the events we usually produce. This year, the SDA aims to increase the 2022/23 season to **forty-one events**, including partnering events in 2022. **Twenty-one** of these seasons' events provide "No sales revenue" and support the community, city, and downtown businesses.

## **Events**

- 18 Events: Music While Dining on Murphy - Every Wednesday & Thursday in May and June. **No sales revenue.**
- 1 Day Event: Magic of Sunnyvale & Wine Stroll - May 7<sup>th</sup>
- 1 Day Event: Pride Day - (TBD in partnership with the City of Sunnyvale & Sunnyvale Chamber of Commerce). **No sales revenue.**
- 2 Day Event: Art & Wine Festival - June 4<sup>th</sup> & 5<sup>th</sup> (In collaboration with the Sunnyvale Chamber of Commerce)
- 8 Events: Summer Series Every Wednesday - July and August
- 8 Events: Jazz & Beyond – Every Saturday – July and August
- 1 Day Event: Technology Expo (TBD in partnership with the City of Sunnyvale). **No sales revenue.**
- 1 Day Event: 18+ Costume Pet Parade (In collaboration with Duo-DuoProject.org. **No sales revenue.**
- 1 Day Event: Holiday Tree Lighting. No sales revenue-generating event.

These events are significant to continue attracting new visitors to our vibrant, growing downtown and community pride. The SDA continues to partner with the Cityline and other developers moving forward in this next phase of the downtown's development. We distribute updates on downtown construction, road closures, news, and additional project information that affects downtown business and the community.

## **Event Sponsorships & City Contribution**

We are grateful for ongoing support from the city and sponsors who have helped keep our SDA events growing and serving the community in 2021/22. We want to thank the City of Sunnyvale, CityLine Sunnyvale, Minkoff Group, El Camino Health, Google, and Facebook. LinkedIn, Specialty Waste, Murphy Square, StarOne Credit Union, and City National Bank for continuing their support.

The SDA and our downtown businesses will continue to need City and other Sponsorship support for these events now more than ever. With the downtown development moving forward, minimum wage increases, and COVID 19 continues to impact customers' not being comfortable going out as often. These events allow business owners an opportunity to weather this period.

Without sponsorships and City support, we could not continue to deliver the events year over year, and it's critical to Sunnyvale's downtown businesses. Events help attract new consumers and visitors to our downtown.

Each year, we wait until February to evaluate what sponsorship support, we have coming in. We always need to plan months ahead to ensure that we can deliver the events the SDA puts on annually. It's always hard to predict what our budget looks like.

## **Event-Related Financial Breakdown**

Our focus in 2022/2023 has continued to be addressing our SDA businesses' needs amidst the ongoing COVID-19 pandemic impacting our downtown district. Businesses everywhere in Sunnyvale have struggled to keep their doors open, and employees are working. Unfortunately, some of our businesses, as well as throughout the city, could not continue doing business due to overhead costs and staffing challenges. At the same time, we have continued to work through the many financial challenges due to some corporate sponsorship reductions due to the lack of a total annual event schedule. We were fortunate to have received support from Community Grants, Annual City Support, developers, support, and critical local and corporate sponsorship help this year.

<b>Account</b>	<b>2021/22 Actual Forecast</b>	<b>2022/23 Projected</b>
<b>EVENT INCOME</b>		
Summer Series	19,726	42,950
Jazz & Beyond	16,017	24,000
Wine Stroll	29,000	33,500
Tree Lighting	12,500	13,000
Music on Murphy	9,875	10,000
<b>TOTAL EVENT INCOME</b>	<b>87,118</b>	<b>123,450</b>
<b>** EVENT EXPENSES</b>		
Summer Series	10,900	20,000
Jazz & Beyond	10,419	13,500
Wine Stroll	12000	15000
Tree Lighting	4,042	5,000
Music on Murphy	6700	6700
<b>TOTAL EVENT EXPENSES</b>	<b>44,062</b>	<b>60,200</b>

*\*\* The event expenses only reflect general marketing and promotional material, the day of staffing, Wine, Beer, Performers, and some equipment. It does not include pre-event preparation costs for Staff labor to follow up with vendors, host locations coordination, design time for marketing products, booking bands, volunteer coordination, Poster design, Flyer design, Social Media outreach & Website, ticket sales, beverage sales, and various other task required to deliver the SDA events annually. Also, event expenses don't reflect our "Stronger Together" campaign, marketing, or payout to businesses for the "downtown bucks."*

## **Overview**

The 2021/22 year proved successful even with the many challenges Sunnyvale Downtown Association experienced. We invested in better financial strategies, operational staffing, management tools, and marketing solutions early in the year. At the end of last year, we moved into our newly acquired office on Historic Murphy Avenue.

We invested in the new SDA Website, which should go live within 30 days. We are adding new conference room technology to better prepare for the new way business will be performed. Our office worker stations have laptops rather than desktop computers, so our staff is flexible. The conference Room and Training room allow our SDA businesses to meet with vendors and customers and schedule training off-site.

Thanks to corporate donations, we will have laptops available for training sessions on things like learning social media skills, setting up an effective "Google My Business" page, Cyber Security tools, how to use them, and many other possibilities.

Although we dealt with COVID-19 challenges, we still delivered sixteen Music while Dining on Murphy events, four-Summer Series concerts, four Jazz & Beyond concerts, and the annual Holiday Tree Lighting Ceremony. This included performances by local school choirs and local community dance organizations.

The SDA continues 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 one Sunnyvale downtown.

We want to thank all the Sunnyvale Downtown Businesses, who, without their participation and support, this would not be possible. We appreciate the many sacrifices that our BID members have endured with the continued growth of our downtown. We are excited and optimistic about the future and its possibilities.

### **Future**

Keeping the BID Fee assessment in conjunction with the City contribution provides the foundational funding for our organization. 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 significant to continue attracting new visitors to our vibrant, growing downtown and community pride.

Understand that our BID fees are a self-imposed tax on the downtown businesses. Outside of paying their standard fees, taxes, and licenses associated with owning and operating a business.

We appreciate that you have continued to support the BID, and we don't take your support for granted. We continue to be good stewards of all funds, grants, and sponsorships that we receive and consider you as partners with the common goals for a vibrant downtown.

This past year focused on building an infrastructure poised to handle the many changes coming forward. New construction will be going on for the next few years, new businesses looking for direction and support in their new community, and new challenges we all will share as the Pandemic slowly fades and we start the rebuilding process.

Questions contact:

Mike Johnson, SDA  
Executive Director, at 408-480-5437