



## **BID Renewal Request for 2022/2023 - 2023/2024**

### **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 approve the Annual Budget and 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.

Each year after the city has reauthorized the BID; businesses receive an invoice from the city finance department for BID fees. The city collects the fees annually, and businesses are invoiced at the beginning of June for the next fiscal year. Once received, funds can only be used for projects within the BID boundaries. The BID maintains complete control of all BID funds collected.

The formula for defining our BID assessment amount is as follows: the Sunnyvale Downtown Association (SDA) Board considers the businesses' type, size, and location. Then, it selects the most equitable formula for every business. Typically, BID assessments are included as a separate charge from the business license tax and are billed to every business within the BID boundaries.

Assessments are levied on businesses based on relative benefits from annual activities. 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.

By state law, we use the BID funds to support community business activities, promote public events, decorate public places, and provide entertainment within the BID. In addition, BID funds include advertising, marketing materials, digital guides, operational expenditures, websites, e-letters, street/holiday lighting, and events.

Our BID fees are a self-imposed tax on the downtown businesses, outside of paying their standard fees, taxes, and license fees associated with owning and operating a business in our downtown district.

### **The Mission of the Sunnyvale Downtown Association (SDA)**

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 BID fees, city grants, sponsorships, and revenue-producing events.

The current SDA Board of Directors includes Chair – Dr. Gary Gold of Dr. Gary Gold & Associates, Secretary – Leigh Odum of Leigh's Favorite Books, Treasurer - Amit Rajgarhia of Dish Dash, and Members At Large – Irene Murphy of Fibbar Magee's, Katie Voong of Mayan Kitchen/K'Tea Cafe, and Salvatore Foresta of Sweet Sicily.

The SDA also 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 downtown Sunnyvale's growth and continued vitality.

### **Budget**

2022/23 BID fees collected from the businesses totaled \$41,000 (approximately 15.2% of our Income), and the City of Sunnyvale's contribution with community grants of \$47,500 (18.3% of our Income) 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.

However, as always stated, we can't guarantee that we will have this same level of developers, community sponsors, and corporate sponsorship support in any given year. So, we rely on all support channels to ensure fiscal accountability.

On January 27, 2023, the SDA Board of Directors unanimously approved the BID 2023/2024 budget via email.

Below we have included a brief overview of some significant expense areas:

<b>Account</b>	<b>2022/2023 Actual</b>	<b>2023/2024 Forecast Projected</b>
<b>INCOME</b>		
<i>BID Fees</i>	36,072	41,000
<i>City Contributions</i>	40,000	40,000
<i>Community Grants</i>	11,000	7,500
<i>Developer Support</i>	135,000	30,000
<i>Events Revenue (Sponsorship &amp; Sales)</i>	111,184	140,500
<b>TOTAL INCOME</b>	<b>333,256</b>	<b>259,000</b>
<b>EXPENSES</b>		
<i>Personnel Related Expenses</i>	161,647	150,500
<i>Office/General Admin Exp</i>	40,370	35,950
<i>Event Expenses</i>	109,732	98,200
<b>TOTAL EXPENSES</b>	<b>311,749</b>	<b>284,650</b>
<b>TOTAL PROFIT/LOSS</b>	<b>21,507</b>	<b>-25,650</b>

Last fiscal year, we delivered half of the events we usually produce. This fiscal year, the SDA aims to increase the 2022/23 season to **thirty-seven events**, including partnering events in 2022. **Eighteen** of these seasons' events generated "No sales revenue" and supporting the community, the city, and downtown businesses.

#### **Events for 2022/2023**

- 16 Events: Music While Dining on Murphy - Every Wednesday & Thursday - May and June. **No sales revenue is generated at these events.**
- 1 Day Event: Taste of the World & Wine Stroll - May 13<sup>th</sup>.
- 2-Day Event: Art & Wine Festival - June 3<sup>rd</sup> & 4<sup>th</sup> (In partnership with the Sunnyvale Chamber of Commerce).
- 8 Events: Summer Music 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 is generated at this event.**
- 1-Day Event: Holiday Tree Lighting. **No sales revenue-generating event.**

These events attract new visitors from all over the Bay Area to our vibrant and growing downtown community.

## **Event Sponsorships & City Contribution**

We are grateful for continued support from the city and sponsors who help keep our SDA events growing and serving the community in 2022/23. We thank the City of Sunnyvale, Cityline Sunnyvale, Minkoff Group, El Camino Health, Google, Meta, LinkedIn, Specialty Waste, Murphy Square, StarOne Credit Union, and City National Bank for continuing their support.

As we've always stated, more than ever, the SDA and our downtown businesses need the city and other sponsorship support for these events. Due to the current economic uncertainty ahead, supply cost increases, ongoing fixed costs, and annual wage increases, these events allow business owners to weather these challenges during this unprecedented period.

Each year in February, the SDA evaluates what sponsorship support we have coming in. We always plan months to ensure that we can deliver the events the SDA puts on annually. However, it is always hard to predict what our budget will look like six months before the coming fiscal year.

## **Event-Related Financial Breakdown**

Our focus in 2022/2023 has continued to address our SDA businesses' needs amidst the transition from the COVID-19 pandemic that has impacted our downtown district. Businesses everywhere in Sunnyvale have struggled to keep their doors open and employees working. Unfortunately, there have been casualties of businesses due to overhead costs and staffing challenges.

We continued working through the many financial challenges despite corporate sponsorship reductions due to the lack of a complete annual event schedule. Over the last couple of years, we were fortunate to have received support from Community Grants, annual City support, developers' support, and critical local and corporate sponsorships to help.

<b>Account</b>	<b>2022/2023 Actual Forecast</b>	<b>2023/2024 Projected</b>
<b>EVENT INCOME</b>		
<i>Holiday Tree Lighting</i>	17,400	15,000
<i>Jazz &amp; Beyond</i>	29,765	35,000
<i>Taste of the World &amp; Wine Stroll</i>	31,000	39,000
<i>Music on Murphy</i>	-	5,000
<i>Stronger Together</i>	1,500	1,500
<i>Summer Series</i>	31,519	40,000
<i>Tech Expo</i>	-	5,000
<b>TOTAL EVENT INCOME</b>	<b>111,184</b>	<b>140,500</b>
<b>EVENT EXPENSES</b>		
<i>Holiday Tree Lighting</i>	2,418	3,000
<i>Jazz &amp; Beyond</i>	44,115	40,000
<i>Taste of the World &amp; Wine Stroll</i>	16,721	15,000
<i>Music on Murphy</i>	8,485	4,000
<i>Stronger Together</i>	225	1,200
<i>Summer Series</i>	37,768	30,000
<i>Tech Expo</i>	-	5,000
<b>TOTAL EVENT EXPENSES</b>	<b>109,732</b>	<b>98,200</b>

*\*\* The event expenses only reflect general marketing and promotional material, 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 tasks required to deliver the SDA events annually. Also, event expenses do not reflect our "Stronger Together" promotion, marketing, or payout to businesses for the "downtown certificates."*

## **Overview**

The 2022/23 year proved successful despite the many challenges the SDA has experienced. We invested in better financial strategies, operational staffing, management tools, and marketing solutions early in the year. At the end of 2021, we moved into our new office on Historic Murphy Avenue and added new conference room technology to better prepare for the new way business will be conducted. The conference room and training room allow our SDA businesses to meet with vendors and customers and schedule training off-site.

Although we still had to deal with COVID-19 challenges, we delivered sixteen Music while Dining on Murphy events, the Taste of the World & Wine Stroll, eight Summer Music Series concerts, eight Jazz & Beyond shows, the Annual Holiday Tree Lighting Ceremony, and the potential Technology Expo.

The SDA continues to work with Cityline Sunnyvale and other developers, property managers, and the City of Sunnyvale to promote cohesion between the existing businesses in Sunnyvale and the expansion of Sunnyvale downtown.

We also want to thank all the Sunnyvale downtown businesses that make this possible with their continued participation and support. We appreciate the sacrifices our BID members have endured with the changes in our downtown's new developments. We are excited and optimistic about the future and its possibilities. Sunnyvale Downtown continues to expand with many new commercial businesses, retail businesses, and entertainment destinations.

## **Future**

Keeping the BID fee assessment in conjunction with the city's 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. In addition, these events attract new visitors to our vibrant, growing downtown and community pride.

This year the SDA will continue to focus on connecting more current and new businesses to our website to provide additional visibility with promotions, events, and job listings. We have also been reaching out to banking, financial planning, IT Services, social media experts, and other services based on business-specific requests. In addition, we offer a conference room and training room so our members can have an area to meet with clients and vendors and train their staff. The new construction is ongoing for the next few years; many new businesses are looking for direction and support in their new community; the SDA is here to assist them in navigating our city and downtown.

We appreciate the continued support of the SDA's BID, and we do not take the support for granted. The SDA continues to be good stewards of all funds, grants, and sponsorships we receive and considers this partnership with the common goals for a vibrant downtown.

Michael Johnson  
Executive Director  
Sunnyvale Downtown Association