

**Council Meeting: March 18, 2008**

SUBJECT: Approval of Downtown Sunnyvale Business Improvement District Annual Report for FY 2007/2008 and Adoption of the Resolution of Intention to Reauthorize the Downtown Sunnyvale Business Improvement District for FY 2008/2009

REPORT IN BRIEF

On March 6, 2007, the City Council adopted Ordinance 2830-07 to establish a Downtown Sunnyvale Business Improvement District (BID). The BID Board (Board) is presenting the BID Annual Report for FY 2007/2008 for approval (Attachment A). As part of the BID reauthorization, Council must approve the BID annual report for FY 2007/2008.

The second part of the reauthorization is for Council to adopt the Resolution of Intention (ROI) (Attachment B). The ROI adoption begins the process for reauthorization of the Downtown Sunnyvale BID for FY 2008/2009 (Attachment B). If the ROI is adopted by Council, the next step would be to hold a public hearing so that businesses within the BID zones have the opportunity to express their comments. At the public hearing, Council will have the opportunity to hear and consider any and all protests against the adoption of the FY 2008/2009 BID, the boundaries of the BID, and/or any protest regarding the proposed activities of the BID. If, at the conclusion of the public hearing, there is a record of protests from owners within the BID that would pay fifty percent (50%) or more of the total assessments of the entire proposed BID, no further proceedings to continue the BID can occur. Staff recommends that Council approve the BID Annual Report and adopt the Resolution of Intention to begin the process for reauthorization of the FY 2008/2009 Downtown Sunnyvale BID.

BACKGROUND**BID Formation**

A BID is a private sector funding tool that provides funding for specific activities that is reauthorized yearly by the City Council at the request of the businesses and/or the Board.

The purpose of a BID is to promote and improve a specific geographic area for the benefit of the businesses in the BID area. A BID is a tool 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 in order to be reauthorized. Specifically, the City Council must first approve the Annual Report and then adopt a ROI to reauthorize the BID for a second year. Once the ROI is adopted, a public hearing must be held during a Council meeting.

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. The business community maintains full control of all BID funds collected, which is a strong sales tool when asking for support from business owners at the time of BID annual approval.

The formula for determining the BID assessment amount is determined by the Board, not the City. The Board takes into account the type, size, and location of the businesses and determines the most equitable formula for each type of business. Assessments are levied on businesses on the basis of relative benefit from the activities to be funded. The City collects the fee on an annual basis. Normally, BID assessments are included as a separate charge on the business license tax bill that every business within the BID boundaries receives. However, because Sunnyvale has a two-year business license tax cycle, a separate billing process is being used. 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 cost is reviewed and adjusted annually as needed.

Downtown Sunnyvale BID

On December 13, 2005, Council approved the Sunnyvale Downtown Association's (SDA) request of \$6,400 to hire a consultant and a part-time executive director to conduct a Property/Business Improvement District (P/BID) feasibility study. The feasibility study concluded that there was sufficient support from downtown businesses to form a BID. On August 22, 2006, Council approved funds in the amount of \$47,050 to hire a consultant and fund the part-time executive director position to form a BID in downtown Sunnyvale. On January 30, 2007, Council adopted the Resolution of Intention to Establish a Downtown Sunnyvale Business Improvement District. On February 27, 2007 a public hearing was held to hear comments from the downtown businesses. On March 6, 2007, Ordinance 2830-07 was adopted by Council and the BID was established for Downtown Sunnyvale.

During the December 13, 2005 Council meeting regarding the funding request for the feasibility study, Council requested clarification on the enhanced

maintenance of Murphy Avenue. The clarification was needed due to the fact that the SDA had requested that the City continue with the enhanced maintenance of Murphy Avenue for FY 2006/2007. The enhanced maintenance included additional street sweeping and pressure washing which is normally not provided in other areas of the City. Council was informed, by Public Works staff, that the enhanced maintenance of Murphy Avenue would cost about \$24,000 for one year.

At the August 22, 2006 Council meeting regarding the SDA's request for financial assistance to form a BID, Council and staff clarified that Alternative 1 would discontinue the costs for enhanced maintenance on Murphy Avenue for FY 2007/2008. Alternative 2 did not include any language for the Murphy Avenue enhanced maintenance. Council confirmed that the additional cost for the enhanced maintenance would be about \$24,420, and that amount would not be budgeted in FY 2007/2008 if Alternative 1 was approved by Council. The exact wording of the alternatives presented to Council was:

- *Alternative 1 – Approve the SDA's request of \$47,050 to hire a consultant and to fund the part-time executive director position to form a BID in Downtown Sunnyvale, approve Budget Modification No. 7 and direct staff to discontinue the costs for enhanced maintenance on Murphy Avenue in the FY 2007/2008 budget.*
- *Alternative 2 – Approve the SDA's request of \$47,050 to hire a consultant and to fund a part-time executive director position to form a BID in Downtown Sunnyvale, approve Budget Modification No. 7.*

Council voted to approve Alternative 2 which provided funding for hiring a BID consultant and a part-time executive director, but excluded language on funding for enhanced maintenance for Murphy Avenue. At the meeting, the Public Works Director explained that Council had taken action in June 2006 to include \$35,000 for the enhanced maintenance of Murphy Avenue to continue through FY 2006/2007.

Approximately 130 businesses are located in the BID area, bounded by Sunnyvale, Iowa, Mathilda and Evelyn Avenues. The current Board is made up of the Sunnyvale Downtown Association representatives including, Joe Antuzzi, Il Postale Restaurant; Anne Dugan, L. Ac., Licensed Acupuncturist; Laura Bliesner, Attorney; Sean O'Keefe, Scruffy Murphy's; Gary Hurd, French Quarter; and Joel Wyrick, SDA/BID Executive Director (non-voting member). The Board has requested that the BID be continued for FY 2008/2009.

EXISTING POLICY

Socio-Economic Element: Economy and Employment

Policy 5.1B.2: Participate in partnerships with local industry/businesses in order to facilitate communication and address mutual concerns.

Policy 5.1C.1: Support efforts to establish Sunnyvale's downtown area as a strong commercial center for the City.

Land Use and Transportation Element

Policy N1.13: Promote an attractive and functional commercial environment.

Policy 2.5D2k Continue to encourage pedestrian and commercial activity on the sidewalks of the historic 100 block of Murphy Avenue.

DISCUSSION

On March 6, 2007, Ordinance 2830-07 was adopted by Council and the BID was established. The Board requests the BID be continued for FY 2008/2009. As of February 2008, the BID collected a total of \$27,060 in business assessments for FY 2007/2008. The uncollected amount of \$4,135, of which \$2,750 is for assessments fees and \$1,385 is for penalty fees, has been sent to a collections agency by the Finance Department. BID Board members are also actively working to collect these amounts by contacting businesses with an outstanding balance. The total BID budget was \$91,058.83. This budget includes \$42,000 in revenue generated from the Summer Music Series event and event sponsorships in the amount of \$22,500. Through this collaboration, the BID has formed a stronger presence for Downtown Sunnyvale.

At the time the BID was approved, the BID did not have a work program. The work program was developed after the BID was approved and revenues were collected. Based on the BID's annual report (see Attachment A), the BID's focus for FY 2007/2008 was to develop a marketing program which included the development of the Downtown business website (DowntownSunnyvale.com) and continuance of downtown events such as the Summer Music Series and the Holiday Tree Lighting. The BID included additional clean-up, such as street sweeping and pressure washing on Murphy and part of Washington Avenue, for the special events. The BID expanded their outreach to its members by developing an extensive email list and electronic newsletter. This email list has improved communications with the Downtown business community for the BID as well as for City staff. The BID is able to assist City staff in distributing information regarding current and future phases of projects in Downtown Sunnyvale. Also, expanded outreach to the business community has created opportunities for additional sponsorships at special events. The Board was able to raise \$22,500 in event sponsorships for FY 2007/2008 and expects to raise about \$65,000 in FY 2008/2009.

If Council adopts the ROI, a public hearing must be held to receive input from affected businesses regarding their issues, concerns, and support of a BID. The BID cannot be reauthorized if businesses paying more than 50% of the assessment file a protest. If the BID is reauthorized, funds collected can only be used for projects within the BID boundaries. At this time, the Board feels that the first year was a critical step to begin to build a stronger Downtown Sunnyvale.

If authorized, the BID will use the same boundaries and fee schedule used in FY 2007/2008 for FY 2008/2009. They are:

- BID Boundaries (Exhibit B of Attachment A): The boundaries were established based on the area in Downtown Sunnyvale that would benefit from a BID.
- Benefit Zones: By law, the BID must show a relationship between the amount paid and the benefit received by each business. The same zones will be maintained with activities and events held to support all BID zones.
- Assessment Methodology: The methodology was determined by business type and business location. The intent is to make the assessment equitable to all businesses within the BID.
- Identification of BID Activities: Commercial marketing and promotion will continue. Resources to be used include print media (*Sunnyvale Sun* and other local and regional publications), DowntownSunnyvale.com webpage, and business directory, as well as promotion by current events such as the Summer Music Series, St. Patty's Day and the Holiday Tree Lighting. A new planned event for FY 2008/2009 is Cinema In The Plaza.
- Establishment of a BID Budget: The proposed budget is based on the collection of the annual benefit fee of approximately \$27,000. Actual assessments collected as of February 2008 are \$27,060. Special events, such as the Summer Music Series, generate an additional amount of approximately \$50,000. The proposed annual budget is \$77,000. This amount does not include the \$65,000 projected from event sponsorships for 2008. The BID will monitor and adjust this budget based on actual sales and sponsorships. If the BID is unable to reach its goal of \$65,000 in sponsorships or the assessment revenue is lower than expected, projects, events and/or activities will be modified to maintain a balanced budget.

The Sunnyvale Town Center area (Town Center) is included as a Zone C participant. Section 10.05 of the Amended and Restated Disposition and Development and Owner Participation Agreement (ARDDOPA) between the Redevelopment Agency and Downtown Sunnyvale Mixed Use, LLC requires the developer to support a BID in Downtown Sunnyvale. The ARDDOPA specifically states:

"In the event a business improvement or property improvement district (District) is formed for the downtown, Developer shall not oppose or protest such formation".

The assessment amount is to be determined, along with other businesses, during the reauthorization process. The Board does not expect additional assessment funds from Town Center because it is currently under construction and no tenants are in place for FY 2008/2009 BID. If the BID is reauthorized for a third year, the Board will include Town Center tenants in the total assessment.

In order for the BID to be reauthorized for FY 2008/2009, Council must adopt a resolution of intention (Attachment B). The resolution describes the proposed boundaries, which remain unchanged from first year, (Exhibit B of Attachment A) as well as the time and place for the public hearing, scheduled for April 8, 2008. Notice of the public hearing on the BID will be published in *The Mercury News*.

The City Council must hold the public hearing on April 8, 2008, to consider all oral and written protests regarding the BID reauthorization for FY 2008/2009. A vote of the businesses is not required. If businesses do not support the BID for FY 2008/2009, they must file a protest in writing or in person before the City Council at the public hearing.

If a majority protest is not filed, the City Council may reauthorize the FY 2008/2009 BID by adopting an ordinance to that effect. Council cannot add territory to the boundaries or change the annual assessment fee without notifying business owners of that change, and only after holding a full and formal public hearing. The adopted ordinance includes the method and basis of levying the benefit fees and the time and manner of collecting the fees.

If protests are filed by business owners who would pay 50% or more of the proposed assessment, a 2008/2009 BID cannot be reauthorized nor can it be pursued again for one year. If the majority of protest is only against the furnishing of a specific type or types of activities, those types of activities must be eliminated.

The City's direct cost to collect the BID assessment during FY 2007/2008 is estimated to be \$2,886 and 48 staff hours. The assessment was levied on 190 businesses. The Finance Department estimates the costs and hours will remain unchanged for FY 2008/2009, assuming that the total number of businesses is reduced, which is expected due to the Town & Country closure. This might reduce the total number of hours used by Finance staff. The City's cost would be reviewed and adjusted annually and will be included as part of the BID budget as reimbursement to the City. The cost would be dependent on staff hours and cost of those hours.

Community Development staff has also worked with the Sunnyvale Downtown Association for the past several years. In FY 2006/2007, staff worked a total of 165 hours at a cost of \$11,479 in support of the SDA and in the formation of the BID. This amount included \$9,679 for hours and cost of legal ad in the amount of \$1,800. These hours were also spent attending SDA meetings to inform businesses about current downtown redevelopment projects, working with SDA for information distribution for street and lane closures, and also working with SDA to resolve parking issues and concerns. As of Period 8 of FY 2007/2008, CDD staff has worked a total of 60 hours for a total cost of \$5,379. These hours have been spent working on BID reauthorization reports, working with the SDA to communicate information on current and future downtown redevelopment projects and for information distribution for lane closures and parking regulations. Staff also expects to spend approximately \$1,900 for the legal BID ad in April 2008.

FISCAL IMPACT

The reauthorization of the BID should result in a positive fiscal benefit from continued and increased business activity in the Downtown area. Businesses may be able to increase their sales, thereby generating higher sales tax revenue for the City. First and second quarter of FY 2006/2007 sales tax revenue generated within the BID area was approximately \$348,900 while FY 2007/2008 has generated about \$358,300.

The Finance Department's staff hours needed to collect the BID assessment are estimated to be 48 hours at a cost of \$2,886. These costs will be reimbursed by the BID.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center and Department of Public Safety; posting the agenda and report on the City's Web

site; and making the report available at the Library and the Office of the City Clerk.

ALTERNATIVES

1. Approve the BID Annual Report for FY 2007/2008 and adopt the Resolution of Intention and schedule a public hearing for April 8, 2008 to reauthorize the Business Improvement District for FY 2008/2009 for Downtown Sunnyvale and direct staff to discontinue the costs for enhanced maintenance on Murphy Avenue in the FY 2008/2009 budget.
2. Approve the BID Annual Report for FY 2007/2008 and adopt the Resolution of Intention and schedule a public hearing for April 8, 2008 to reauthorize the Business Improvement District for FY 2008/2009 for Downtown Sunnyvale.
3. Do not approve the BID Annual Report for FY 2007/2008 or the Resolution of Intention for BID reauthorization.
4. Continue items and modify public hearing schedule to adhere with legal requirements for scheduling of actions.

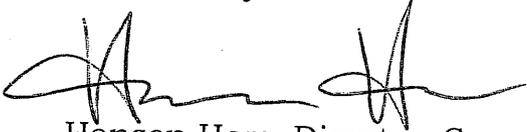
RECOMMENDATION

Staff recommends approval of Alternative #1.

The BID Board has continued to communicate with businesses within the BID zones. The Sunnyvale Downtown Association (SDA)/BID Board holds a monthly meeting to keep business people informed about current activities and about future opportunities for them to get involved. Also, the SDA, acting as the Board, has continued to work to promote Downtown by developing and maintaining their website (downtownsunnyvale.com), as well as other promotions through its Downtown events. These events include the Summer Music Series, the Holiday Tree Lighting, St. Patty's Day Celebration, and other events. SDA/BID members continue to volunteer their time in pursuing the success of a Downtown Sunnyvale BID.

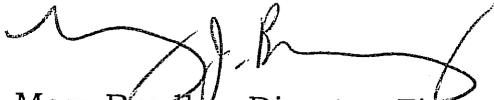
The BID serves as a self-help funding tool that will give Downtown businesses a means to pool their resources by assessing themselves to collectively pay for programs which would not be possible on an individual basis. The reauthorization of the BID should result in a positive fiscal benefit resulting from increased business activity in the Downtown area and increased recognition of Downtown Sunnyvale. Businesses may be able to increase their sales, thereby generating higher sales tax revenues for the City. They will also have the option of continuing the enhanced maintenance in the downtown area, primarily along Murphy Avenue, if this is determined to be a priority by the participating businesses.

Reviewed by:



Hanson Hom, Director, Community Development
Prepared by: Maria Rodriguez, Administrative Analyst

Reviewed by:



Mary Bradley, Director, Finance

Approved by:



for Amy Chan
City Manager

Attachments

- A. BID Annual Report for FY 2007/2008
- B. Resolution of Intention to Reauthorize the Downtown Sunnyvale
Business Improvement District for FY 2008/2009

ATTACHMENT A



February 4, 2008

TO: Mayor and City Council Members
City of Sunnyvale

FROM: Downtown Sunnyvale Business Improvement District (BID) Board
Sunnyvale Downtown Association (SDA)

RE: State of the BID/SDA

Dear Sirs and Ma'am,

Past

Attached (Exhibit A) is a copy of the SDA's expense & revenue report for 2007 and projected budget for 2008. These numbers reflect as of April 2007 until today. Once we have a complete year under the BID I'll break it down annually on a fiscal calendar running from July to June.

Our start-up funding comes from the BID which amounted to approximately 25,000. The board decided to use the monies to produce the Holiday Tree Lighting and the Summer Music Series. The production of those two events grossed 65,000 from sales and sponsorships. Once the expenses for the year were subtracted the SDA netted 20,000.

Present/For the Year

The Board approved the Executive Director's recommendation to add one additional winter event, summer and fall event to our calendar. Those events were: St. Patty's Day, Cinema In The Plaza and Sunfest.

Event Sales

For 2007, Summer Series averaged \$4,200 per week in beverage sales, approximately 90% of it being alcohol sales and 10% non-alcohol. Holiday Tree lighting grossed \$400, 20% being alcohol and 80% non-alcohol (hot chocolate).

We expect St. Patty's to be much like a Summer Music Series (Exhibit B) in terms of sales and Cinema In The Plaza to be more like the Holiday Tree Lighting. Although we believe the Cinema In The Plaza to be even less sales due to the fact that we anticipate people bringing their own food & drink.

Event Sponsorships

Despite the weakened economy we brought in record sponsorships for The 2007 Holiday Tree Lighting coupled with our two new events (St. Patty's and Cinema In The Plaza) we expect to nearly triple our sponsorships for the year 2008 due to BID Board's marketing and outreach to the business and corporate community.

Future

The BID Board strongly recommends that we continue the BID assessment. The BID serve's as the SDA's seed money. Without the BID, we couldn't provide the services and events to our community. The BID will continue with the Summer Music Series, Holiday Tree Lighting as well as other events to promote downtown Sunnyvale. These events are especially important to continue to attract patrons to downtown during the construction of Town Center and other upcoming projects scheduled on Murphy Ave. and the Mathilda Ave. overpass.

Commercial marketing and promotion will continue. Resources for marketing will include local and regional publications. Maintenance of the SunnyvaleDowntown.com site is also key to reach a broader population group. Our plans are also to develop a business directory that will be available online and will simplify a customer's search for restaurants and services in Downtown Sunnyvale.

Contract Labor

For 2008, we sub-contracted help to answer phone and some administrative work.

Staff Salaries

In 2007 we hired our first Executive Director (ED) only to lose him to another job opportunity. Our current ED was hired in November 2007 at a rate of 24,000 for the year.

Overview

Adding in 2008: two new events, a paid ED and sub-contracting work will potentially require an additional \$13,000 from the BID reserves. In the future, the new events are expected to help the organization financially; however, as with start ups, the first few years are expected to be focused on marketing and attracting visitors to Downtown Sunnyvale. Any revenue generated from new events or projects, if any, will be reinvested into those same events or projects.

Our office is virtual therefore there are no office attributed expenses presented on our report, but the needs of having a physical presence in our community is becoming more evident. This may change soon adding more expenses to our bottom line.

Proposed projects are based on proposed budget for 2008. Projects/events will be modified based on budget actuals as assessment fees and sponsorships are received.

Thank you for your support.

If you have any questions please do not hesitate to call the SDA @ 408 516-7217.

Sunnyvale Downtown Association Expense & Revenue Report 2007			Jan-07	Jan-08	Exhibit A Notes
			Actual	Projections	
Advertising, Promotion & Marketing					
Sunnyvale Downtown Visitors Guide					
Print Ads					
SDA Web site & E News					
Downtown Outreach Surveys					
Historic District Merchants Brochure					
Design			\$ 500.00		
Commissions & Fees					
City of Sunnyvale Administration Fees (BID)				\$ 3,000.00	
Sponsorship Commissions					
Conferences, meetings & seminars (attended)					
Contract Labor			\$ 800.00	\$ 9,600.00	Administrative tasks
Dues/Subscriptions/Contributions					
Employee Health Benefits					
Events & Programs					
Christmas Tree Lighting & Holiday Celebration			\$ 10,964.00	\$ 12,000.00	
Cinema In The Plaza (10 weeks)				\$ 35,000.00	New event
Golf Tourney (pending)					
Murphy Ave. Mardi Gras Pet Parade (pending)					
Oktoberfest (pending)					
Summer Music Series (10 weeks)			\$ 43,765.42	\$ 45,000.00	
Sunfest (pending)					
St. Patty's Day				\$ 20,000.00	New event
Finance Services Charges					
Insurance					
General			\$ 2,118.65	\$ 2,118.65	
Directors & Officers					
Workman's Compensation					
Janitorial & Cleaning					
Audit					
Legal			\$ 25.00		
Maintenance & Repair					
Office Supplies			\$ 461.00	\$ 500.00	
Payroll Taxes					
Postage					
Printing & Reproduction					
Purchases					
Rent					
Tools & Equipment (incl. furniture & IT)					
Seminars, Workshops & Speakers (hosted)					
Staff Salaries					
Executive Director			\$ 10,500.00	\$ 24,000.00	Exec. Director hired November 2007.
Program & Event Director					
Office Manager					
Accountant					
Sub Contractors					
Public Relations & Promotions					
Supplies (non office)					
Taxes, Licenses & permits			\$ 2,118.65	\$ 2,200.00	
Telephone/ Internet/Communications				\$ 480.00	New phone line for BID/SDA.
Travel & Entertainment					
Utilities					
TOTAL EXPENSES			\$ 71,252.72	\$ 153,898.65	
REVENUE					
CONTRIBUTED INCOME					
Grants					
BID			\$ 25,058.83	\$ 27,060.00	Loss of town & country businesses.
BID Reimbursement			\$ 1,500.00		
Event Sales			\$ 42,000.00	\$ 50,000.00	New events added additional revenue.
Event Sponsorships			\$ 22,500.00	\$ 65,000.00	Increased support expected.
TOTAL REVENUE			\$ 91,058.83	\$ 142,060.00	
CASH IN BANK				\$ 30,000.00	
BALANCE			\$ 19,806.11	\$ 12,161.35	

SDA SUMMER MUSIC SERIES 2008		39,479.00	
(10-week event series)		Projected	
Beginning Balance		100.00	
REVENUE			
CONTRIBUTED INCOME			
Grants			
City/Government			
		-	
Subtotal - Grants		-	
Space Rentals			
Food			handled in the past by farmers mkt.
Arts & Crafts/Other		-	
Subtotal - Space Rentals		-	
Sponsorships			
Presenting Sponsor		20,000.00	
Stage Sponsor		10,000.00	
Community Partner		5,000.00	
Subtotal - Sponsorships		35,000.00	
Beer & Wine			
Ticket Sales		42,500.00	4250 a week
Subtotal - Ticket Sales		42,500.00	
Additional Income			
Subtotal - Additional Income		-	
TOTAL REVENUE		77,600.00	

SDA SUMMER MUSIC SERIES 2008

(10-week event series)

EXPENSES

City/County Services			
Permits			
	Street Closure	5,400.00	
	ABC	750.00	
	Health Permits	-	handled in the past by farmers mk
	Electricity		
	Fire Inspection		
	Police	7,080.00	
	Subtotal - City Services	13,230.00	
Entertainment			
	Bands (10 week series)	10,000.00	
	Street Performers	-	
	Subtotal - entertainment	10,000.00	
Equipment Rentals			
	Generators	-	
	Sound System & Lighting	-	bands supplied
	Porta Potties	-	
	Staging, Booths, Tables & Chairs	7,200.00	
	Radios		
	Subtotal - Equipment Rentals	7,200.00	
Marketing & Advertising			
	Artwork & Design	800.00	
	Posters	750.00	
	Flyers	750.00	
	Print Advertising	5,000.00	
	Street Mktg	500.00	
	Subtotal - Marketing & Advertising	7,800.00	
Subcontractors			
	Dumpsters		
	Fencing		
	Security		
	Staff/Production Crew	2,000.00	
	Street Cleaning/Power Washing	5,000.00	
	Subtotal - subcontractors	7,000.00	
Other			
	Cost of Goods Sold (beer & wine)	8,000.00	
	Insurance	3,000.00	
	Ice		
	Misc (tape, chalk, rope etc.)		
	Subtotal - Other	3,000.00	
TOTAL EXPENSES		36,460.00	
Contingency		1,823.00	
NET PROFIT / LOSS		39,317.00	

ST. PATTY'S DAY CELEBRATION		Feb-08	
		Projected	
REVENUE			
CONTRIBUTED INCOME			
Grants			
	City/Government	*	
Subtotal - Grants		\$	-
Space Rentals			
	Food		
	Arts & Crafts/Other	\$	-
Subtotal - Space Rentals		\$	-
Sponsorships			
	Presenting Sponsor - Guinness	\$	5,000.00 20 vip tx
	Stage Sponsor - Toyota Sunnyvale	\$	2,500.00 10 vip tx
	Stage Sponsor - Sand Hill	\$	2,500.00 10 vip tx
	VIP Tent Sponsor - Sand Hill	\$	2,500.00 10 vip tx
Subtotal - Sponsorships		\$	12,500.00
Sales			
	Beverages		
Subtotal - Ticket Sales		\$	-
Additional Income			
Subtotal - Additional Income		\$	-
TOTAL REVENUE		\$	12,500.00

ST. PATTY'S DAY CELEBRATION

EXPENSES				
City Services				
	Permits			
	Street Closure	\$	500.00	
	ABC	\$	75.00	
	Health Permits	\$	-	
	Electricity			
	Fire Inspection			
	Police	\$	7,906.00	
	Subtotal - City Services	\$	8,481.00	
Entertainment & Hospitality				
	Bands	\$	2,000.00	
	Costs of Goods Sold (beverages)			
	VIP/Hospitality Suite (catered food)	\$	1,000.00	
	Street Performers			
	Subtotal - entertainment	\$	3,000.00	
Equipment Rentals				
	Generators			may need extra spider box
	Sound System & Lighting			
	Porta Potties			
	Staging	\$	1,568.00	24wX16dX3h
	Booths, tents & chairs	\$	500.00	
	Radios			
	Subtotal - Equipment Rentals	\$	2,068.00	
Marketing & Advertising				
	Artwork & Design		800	
	Posters (400)		600	
	Flyers (25,000)		750	
	Print Advertising - Metro, Sun		2400	
	Street Mktg		500	
	Subtotal - Marketing & Advertising	\$	5,050.00	
Subcontractors				
	Dumpsters			see joe re: using his trash bin
	Cans			Julie Benabente 730-7484 re: tras
	Fencing			
	Security			
	Staff/Production Crew			
	Street Cleaning/Power Washing		500	
	Subtotal - subcontractors	\$	500.00	
Other				
	Insurance			
	Ice			
	Misc (tape, chalk, rope etc.)	\$	200.00	wristbands medtech
	Subtotal - Other	\$	-	
TOTAL EXPENSES			\$	19,099.00
NET PROFIT / LOSS			\$	(6,599.00)

ATTACHMENT B

RESOLUTION NO.

**RESOLUTION OF INTENTION OF THE CITY COUNCIL
OF THE CITY OF SUNNYVALE TO REAUTHORIZE THE
DOWNTOWN SUNNYVALE BUSINESS IMPROVEMENT
DISTRICT AND HOLD A PUBLIC HEARING**

WHEREAS, under California Streets and Highways Code Section 36500, *et seq*, the City Council of the City of Sunnyvale is authorized to reauthorize an improvement district and to act as the legislative body for an improvement district; and

WHEREAS, the City Council now desires to proceed with the reauthorization of an improvement district in order to finance improvements and/or activities necessary or incident to development in the City of Sunnyvale.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. Authority. The City Council proposes to conduct proceedings and declares its intention to reauthorize an improvement district pursuant to California Streets and Highways Code Section 36500, *et seq*.

2. Name. The name of the district will continue to be the "Downtown Sunnyvale Business Improvement District" (the "District").

3. Boundaries. The boundaries of the entire area included in the District, and the boundaries of each separate benefit zone within the District, are set forth in the map attached hereto as Exhibit A and incorporated herein by reference. A true and correct copy of the map is on file with the City Clerk of the City of Sunnyvale.

4. Improvements. The types of improvements and activities proposed to be funded by the levy of assessments on businesses in the District are in Exhibit B attached hereto and incorporated by reference.

5. Benefit Fee. Except to the extent that funds are otherwise available to the District, the City Council intends to levy an annual benefit fee on businesses in the District to pay for selected improvements and activities of the District. All funds of the District shall be expended on improvements and activities within the District. The method and the basis for levying the benefit fee on all businesses within the District are set forth in Exhibit C, attached hereto and incorporated herein by reference.

6. Exemption. New businesses shall be exempt from payment of the fee until the next billing period following their establishment occurs.

7. Public Hearing. A public hearing to establish the District is hereby set for April 8, 2008, at 7:00 p.m., before the City Council of the City of Sunnyvale, at Council Chambers, City Hall, 456 West Olive Avenue, Sunnyvale, CA.

(a) Testimony. At the public hearing the testimony of all interested persons, for or against the reauthorization of the District, interested in matters concerning the boundaries of the District, the areas of benefit within the District and the assessments to be levied, will be heard.

(b) Protest(s). A protest against the reauthorization of the District, or any aspect of it, may be made orally or in writing. Any oral protest shall be made at the said public hearing. To count in the majority protest against the District, a protest must be in writing. A written protest may be withdrawn from record at any time before the conclusion of the public hearing. Each written protest shall contain a written description of the business in which the person signing the protest is not shown on the official records of the City of Sunnyvale as the owner of the business, then the protest shall contain or be accompanied by written evidence that the person is the owner of the business. Any written protest as to the regularity or sufficiency of the proceedings shall be in writing and clearly state the irregularity of defect to which objection is made.

If, at the conclusion of the public hearing, there are of record, written protests by the owners of the businesses within the District that will pay fifty percent (50%) or more of the total assessments of the entire District, no further proceedings to reauthorize the District shall occur. New proceedings to form a District shall not be undertaken again for a period of at least one (1) year from the date of the finding of the majority written protest by the City Council. If the majority of written protests are only as to an improvement or activity proposed, then that type of improvement or activity shall not be included in the District.

8. Notice of Public Hearing. The City Clerk is hereby directed to cause notice of the public hearing to be given by causing copies of this resolution to be posted in three (3) prominent places in the City of Sunnyvale and to cause publication of this Resolution in a newspaper of general circulation once, at least ten (7) days before the hearing, in The Mercury News and a list of places where copies of this resolution are posted.

Adopted by the City Council at a regular meeting held on March 18, 2008, by the following vote:

AYES: SPITALERI, MOYLAN, HOWE, WHITTUM, LEE, SWEGLES, HAMILTON
NOES: None
ABSTAIN: None
ABSENT: None

ATTEST:

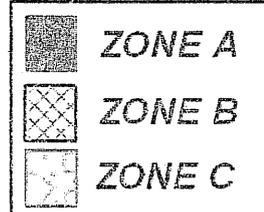
APPROVED:

Gail Borkowski
City Clerk
(SEAL)

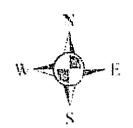
Anthony (Tony) Spitaleri
Mayor

APPROVED AS TO FORM AND LEGALITY:

David E. Kahn
David E. Kahn, City Attorney



ZONES



Proposed Annual BID Programs - Present and Future

A) Current Programs: The best of the current downtown programs will be retained while being made bigger and better. Several of those are as follows:

- Sunnyvale Summer Series - Music and Market
- Annual Holiday Tree Lighting
- St. Patty's Day
- Cinema in the Plaza
- Downtown Sunnyvale Website

B) Possible Future BID Programs: Many new, creative and colorful Commercial Marketing and Special Events programs are planned for the benefit of BID members. In addition to commercial marketing and special events, other member benefit programs will include Civic Beautification and Signage as well as a specific Member Services Program.

Several of these new and continued programs for Fiscal Year 2008/2009 are as follows:

Program 1) Commercial Marketing and Promotion

This Commercial Marketing Program has been created to enable local businesses to compete more successfully and cost-effectively, for tenants and customers, with nearby commercial centers and malls, such as are found in San Jose and Palo Alto. This is to be accomplished by establishing a means of supporting the long-term and day-to-day needs of Sunnyvale's retailers while aggressively attracting visitors and shoppers into the traditional central business district.

Among other projects, the BID program will sponsor the publication of a Directory of Downtown Sunnyvale Goods And Services which will identify and promote all business types within the area. Businesses will be listed according to name, type of business and location. A brief description of each business will be provided as part of the listing.

The Directory information will serve several purposes including being used with the BID Website as well as in a published format complete with a map of the new BID area. An additional use of this information would be to be used as an ad or insert in local and regional newspapers.

This Directory of goods and services will be distributed by the new BID organization as well as by the City. Local businesses will also be provided with copies of the Directory. The benefits of the Directory will be provided to all businesses on a no cost basis.

- Downtown Directory Of Goods and Services
- Consistent Advertising Pages in Local Publications

- "Shop Downtown Sunnyvale" Campaign

Program 2) Special Events and Activities

The marketing program will also work toward development of a annual series of special events, fairs and festivals that are not necessarily retail-oriented, and in fact, may serve as successful program fund-raisers. This program of special events and street fair activities will be intended to focus public attention and patronage on the overall commercial district as well as on the overall community. This is especially important during the different construction phases in downtown Sunnyvale which will affect the main streets in and out of downtown.. Examples of these activities would include parades, festivals, fairs, seasonal events, markets, concerts, holiday themes and celebrations. Several special events and activities that are suggested for the approval of the BID membership are as follows:

- "A Taste of Sunnyvale", (A Food and Drink Fair/Fund-raiser)
- Downtown Jazz Festival
- Classic Movie Night
- Flea Markets
- Parades and Car Shows
- Historic Celebrations
- Ethnic Themes
- Restaurant Cooking Contests, Themes Nights, Chili Cookoffs, BBQs, Etc.

Program 3) Civic Beautification and Signage

It is recommended the BID play the lead role in the planning and implementation of a Downtown civic beautification program. The purpose of this program would be the development of various appropriate commercial marketing-oriented civic beautification special effects projects.

- Twinkle Lights on Murphy Street Trees as well as Holiday Street Lighting
- Public Art Programs, Wall Murals, etc.
- Programs of Seasonal Decorations
- Downtown Information Kiosks

Program 4) Member Services

- Management - Administration of all downtown programs
- Links to Website for Downtown Merchant
- Featured Monthly Business on Website
- Serving as Liaison with City Regarding Downtown Issues Such As Parking Problems and Enforcement and other Construction-related issues.

Possible Annual BID Budget:

1) Income

Zone A: 42 businesses paying an average annual benefit fee of \$407.	\$17,100
Zone B: 20 businesses paying an average of \$185.	\$ 3,700
Zone C: 60 businesses paying an average of \$111.	\$ 6,660

Total potential BID annual collections	\$27,460
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Revenues from SDA special events and fund-raisers	\$115,000
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Total BID Program annual budget	\$142,460
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2) Expenditures

<u>Program</u>	<u>Amount</u>	<u>Percent</u>
1) Commercial Marketing Program	\$78,353	55%
a) Advertising and promotion		
b) Theme development		
c) Special events and activities		
d) Visitor attraction		
2) Civic Beautification and Signage Program	\$7,123	5%
a) Streetscape beautification, lighting		
b) Public arts programs		
c) Public-private directional signage		
3) Programs Administration and BID Management	\$56,984	40%
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Totals	\$142,460	100%

Proposed Annual BID Benefit Fee

	ZONE A	ZONE B	ZONE C
Retailers, Restaurants, Bars	\$500	\$300	\$150
Service Businesses	\$300	\$200	\$100
Lodging	\$10/rm.	\$10/rm.	\$10/rm.
Professional Services Businesses	\$100	\$100	\$100
Financial Institutions	\$500	\$500	\$500

Business type definitions:

Retail and Restaurant: Businesses that buy and resell goods, examples are clothing stores, shoe stores, office supplies as well as businesses that sell prepared foods and drinks.

Service Businesses: Businesses that sell services. Examples are beauty and barber shops, repair shops, most automotive-oriented businesses, entertainment businesses such as theaters, etc.

Lodging: Includes renting rooms by the day or week to community visitors.

Professional Services Businesses: Includes Architects, Engineers, Attorneys, Dentists, Doctors, Accountants, Optometrists, Realtors, Insurance Offices, Mortgage Brokers and most other businesses that require advanced and/or specialized licenses and/or advanced academic degrees.

Financial Institutions: Includes banking and savings and loan institutions as well as credit unions, etc.