

CAPITOL HILL

BUSINESS IMPROVEMENT DISTRICT ANNUAL REPORT 2020



Stronger Together

STRONGER TOGETHER

The Capitol Hill Business Improvement District (BID) is a 501(c)(6) nonprofit organization focused on maintaining and beautifying Capitol Hill's commercial streets and sidewalks and supporting local businesses by creating a clean and vibrant public environment. From marketing and community events, to streetscape improvements and economic development, the Capitol Hill BID has contributed to the vitality and quality of life on the Hill since its inception in 2003. There are currently a total of eleven BIDs throughout the District of Columbia that have had an important impact on the renaissance of our Nation's Capital. Although the Capitol Hill BID is not the largest BID by the numbers, it has established a leadership position in the community and was the first to pilot important initiatives such as public space recycling and work-rehabilitation programs.

The Capitol Hill BID's signature program is Ready, Willing and Working (RWW), which provides supportive services to more than 55 BID employees who were once homeless or formerly incarcerated. The program, founded in 2008, provides top-quality street cleaning services not only in Capitol Hill but, through contracts, a range of Main Street Programs and BIDs throughout the city.

The BID is led by a dynamic board of directors representing a cross section of Capitol Hill stakeholders, including merchants, tenants, property owners, cultural and nonprofit organizations and ex-officio representatives. The purpose of this report is to summarize the operations of the BID, provide transparency regarding the programs and spending priorities of the BID and highlight specific safety, beautification, and marketing contributions the BID has brought to Capitol Hill.



BOARD AND STAFF LISTING

Chairman of the Board

Don Denton, Coldwell Banker Real Estate

Vice Chairman

Michael Phillips, The UPS Store

Treasurer

John B. Gordon, National Capital Bank

Secretary

Eric Korsvall, The Heritage Foundation

Board Members

Hamood Abutaa, MetroMotor

Gwendolyn Blade, Bernstein Management Corporation

John Boyle, Property Owner

Ken Golding, Stanton Development Corporation

Nathaniel Goodman-Johnson, Johnson Law Group

Jesse Heier, Jade Fitness

Risa Hirao, Pascal, Weiss & Hirao

Mark Holler, Gingko Gardens

Gary Jankowski, Coldwell Banker Real Estate

Brad Johnson, Johnson Law Group

Susan Perry, Consultant

Mary Quillian Helms, Property Owner

Phillip S. Smith, CAPTEL

Beverley Swaim-Staley, Union Station Redevelopment Corporation

Robert A. Weinstein, architrave p.c. architects

Ex-Officio

Julie Aaronson, CHAMPS

Ken Jarboe, Community Representative

Charles McCaffrey, Eastern Market Main Street

Judy Wood, CPA

Staff

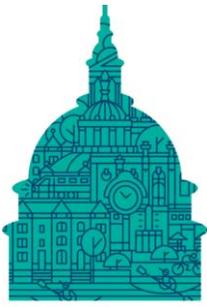
Patty Brosmer, President

Andrew Lee, Vice President of Operations

Arnold Lee, Director of Field Operations

McKenna Pugh, Marketing and Program Manager





LETTER FROM THE CHAIRMAN AND THE PRESIDENT

Dear Members and Friends of the Capitol Hill BID:

In March 2020, just two weeks after our last annual membership meeting, we, along with the rest of the country learned that the rapidly spreading Covid 19 virus had become a pandemic. Overnight it seemed our world had fallen into a sense of unknown — life became scattered puzzle pieces with no clear roadmap to follow.

The gravity of the pandemic was driven home hard at the Capitol Hill BID when in late March our VP of operations, Andrew Lee, and his family were infected with the virus. Andrew spent time in ICU and several weeks struggling to recover. While we all worried for his outcome we also knew there was a job to be done and that BID services were **Essential Services** to the community.

Our clean and safe teams rose to the occasion by modifying their daily duties to include disinfecting public space fixtures (bus shelters; ATM machines; bike stations and trash receptacles), passing out hand sanitizer and monitoring how businesses were doing. Being considered **Essential Workers** gave our teams a renewed sense of purpose and pride that truly made them Stronger Together. When Andrew Lee returned to work in mid-May it was clear each had done their best in his absence. BID Management immediately partnered with the other 10 BIDs in the city to share information and ideas and to offer support that was instrumental in navigating the challenges that faced us all. The DC BID community is now anchored together in ways that will prove beneficial to the city for years to come.

The Mayor's office and city agencies like DDOT, DPW, DHS, DSLBD and others went into overdrive to work with BIDs to address challenges as they arose and to anticipate and prevent problems before they happened. The BID also coordinated with Barracks Row Main Street, Eastern Market Main Street, and CHAMPS on critical information and PPE distribution efforts. These partnerships truly prove that we are **Stronger Together!**

Our marketing efforts promoted restaurants and retail businesses to help keep them viable when the pandemic forced them to modify their hours and how they did business. In the summer when some restrictions were lifted, we painted murals and sidewalk stencils with messaging that reminded the community to wear a mask; keep social distance; and that **You Are Loved Here**. With each day bringing new changes, our updated website allowed for important safety messages and resources to be accessible for business owners and community members.

Despite the uncertainty of 2020 you will see in the financial section of this report that the BID remains financially sound and has received its seventeenth straight "clean" audit. By working with our Board, our CPA and our Auditors we thoughtfully modified some of our programs to meet the needs of the present, we were able to stay on-budget and increase our retained earnings.

It is our hope that our FY20 Annual Report will exemplify how by working together with our Board, our stakeholders, our city officials, and our BID Essential Workers we navigated the puzzle that was put before us and have become **Stronger Together** for it.

While 2020 certainly had its dark and difficult moments, may it serve to remind us that by working together we can be stronger people, a stronger community, and a stronger city.

Don Denton

Patty Brosmer



STRONGER TOGETHER: TAKING ON THE GLOBAL PANDEMIC

The year 2020 and the global pandemic brought on many new challenges.

Throughout this unprecedented time, it was imperative that the essential services provided by the BID's Clean Team and Safety Ambassadors continued as normally as possible. The BID quickly made the necessary changes to continue our work and keep the neighborhood safe. The team member's safety is also extremely important to the work done in our community and it became a top priority to make sure we are doing our part to minimize the risk of exposure for everyone.

2020 Highlights

- **Immediate modifications** were made in March of Clean Team services with additional sanitization including wiping down trash receptacles, bus shelters, bike stations, ATM



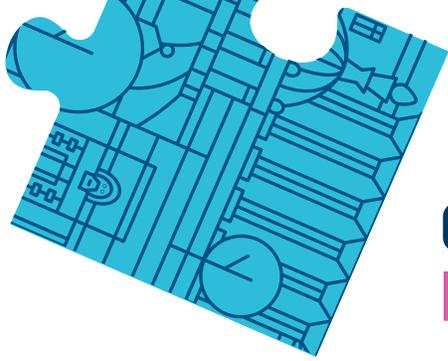
machines and other public space fixtures on a daily basis, as well as our Safety Ambassadors providing hand sanitizer to community members.

- **Team members assisted** in the organization and distribution of PPE supplies that were provided by the city to small businesses throughout the BID. Working alongside Eastern Market Main Street and Barracks Row Main Street, we distributed 210,000 masks, 168 gallons of bleach, and thousands of gallons of hand sanitizer.
- **Personal Protective Equipment (PPE)** was purchased and readily available for BID team members including masks, gloves, face shields, and sanitizer for employee use. Additional sick leave was secured for all employees if necessary to protect themselves, their families, and their employment.
- **Increased communication**



between other BIDs and government organizations was crucial to the planning and success of services in 2020. Daily and weekly virtual video calls were had by all administrative team members in efforts to coordinate and ensure safe operations.

- **Special e-newsletters** with timely information concerning reopening and safety recommendations were sent to members as well as continuous updates to the website to be used as resource during each phase.



CLEAN, SAFE AND BEAUTIFUL

Even with changes brought on by the circumstances of 2020, during the past eighteen years of service Capitol Hill BID has remained true to our core mission of clean and safe. The BID continued to be dedicated to creating and sustaining a beautiful, clean and safe place to live, work and conduct business. In 2020, our Clean Team collected 1,592 tons of trash, over 168 tons of recyclables and removed 560 graffiti tags from public space areas on the Hill.



2020 Highlights

- **Our Safety Ambassadors** assisted 19,313 people at our weekend information tent at the Eastern Market Metro Plaza and throughout the BID in FY 20.



- **The BID's landscaping team** planted and replaced liriopse as needed in the BID's 400 tree beds.
- **Through our partnership** with the Barracks Row Main Street, we maintained dozens of public space planters along 8th Street, SE.
- **Partnered with** the District Department of Transportation (DDOT), the BID handled brick sidewalk repairs and the repair and installation of bike racks.
- **Throughout the year**, the BID helps to maintain the Eastern Market Metro Plaza by mowing the grass as needed and making sure the plaza is clean and trash-free, as well as maintaining our community tree "Little George".

Recycling Initiatives

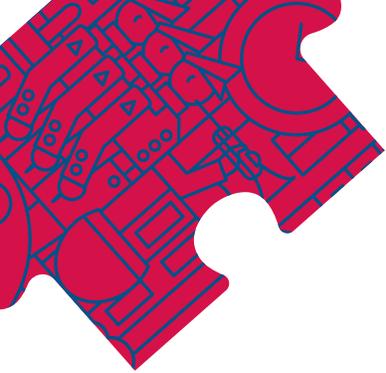
In 2020, the BID collected over 168 tons of recyclables from the blue receptacles stationed within the BID's boundaries.

By continuing to increase the presence of recycling on Capitol Hill, the BID expects to see an increase in recycling and a steady decline in the amount of rubbish collected by our teams.

Homeless Outreach and Assistance

All of our safety and hospitality ambassadors are trained to assist the homeless and direct them to services where they can find food, shelter or employment in DC. In the cold winter months our ambassadors keep their eyes open for cases of possible hypothermia among the homeless population and during the hot summer months they provide bottled water and directions to nearby cooling centers. In FY 2020, BID safety and hospitality ambassadors performed 148 homeless assists.





MARKETING CAPITOL HILL

In addition to creating a clean and safe business district, the BID also promotes Capitol Hill as a premier shopping and dining destination. In 2020, the BID continued its efforts of producing a weekly e-newsletter along with building a strong presence on social media to connect with residents and visitors. The BID continues to collaborate with fellow business organizations like CHAMPS, Barracks Row Main Street and Eastern Market Main Street to further market Capitol Hill as a world-class destination.



2020 Highlights

Eastern Market Sidewalk Mural — In anticipation of Phase 1 Reopening of DC, the BID premiered the “You are Loved Here” sidewalk mural at the

end of May in Eastern Market Metro Plaza. The mural displayed the Messages “You are Loved Here”, “Remember Social Distancing”, and “Stay Safe, Wear a Mask” as a fun way to welcome back visitors and residents to enjoy as Capitol Hill safely reopened.

Neighborhood Stencils — In addition to the large sidewalk mural, the “men in blue” placed sidewalk stencil art throughout the neighborhood. Mirroring the safe and welcoming messages of the Eastern Market mural, residents enjoyed snapping pictures of the sidewalk art and sharing on social media. The stencils also garnered media coverage from The Washington Post, Hill Rag, and other local TV news channels.

Brand New Website — Utilizing our new branding, we launched an updated website in October. The new site features a comprehensive directory of businesses, frequently updated local specials, and serves as an



Mural by local artist Rajan Sedalia

MARKETING CAPITOL HILL

informational hub for the community and BID members. The easy navigation allows for all to explore the incredible places to eat, shop, and more in our neighborhood.

Safe and Welcoming Video — After Phase 2 of reopening allowing limited indoor capacity and continued curbside options, the BID produced a video to highlight the signage, sanitization and safety practices taken by businesses in the neighborhood to keep staff and customers safe. 14 BID businesses participated in the video along with many community members.



Updated Light Pole Banners — The new branding imagery was used to produce new light pole banners in bright eye-catching colors. The

banners highlight the micro-neighborhoods of Barracks Row, Eastern Market, Union Station, and the overall community of Capitol Hill. Watch here: <http://bit.ly/CHBIDSafeWelcome>





THE HILL IS ALIVE FOR THE HOLIDAYS!

In 2020, the Capitol Hill Business Improvement District continued to provide a memorable holiday program experience. Keeping everyone’s health and safety in mind, the Annual Tree Lighting and Menorah Lighting celebrations were held virtually. Both events were recorded without an audience and published online for all to enjoy.

14th Annual Capitol Hill Holiday Tree Lighting — The start of the holiday season was celebrated socially responsibly this year with the virtual 14th Annual Capitol Hill Holiday Tree Lighting. Due to construction limiting access to the tree known as “Little George”, a 14-foot commercial holiday tree was purchased and placed in Parcel One of Eastern Market Metro Plaza. The tradition was carried on this year despite the changes and the tree was lit with limited participants in honor the BID’s founding chairman

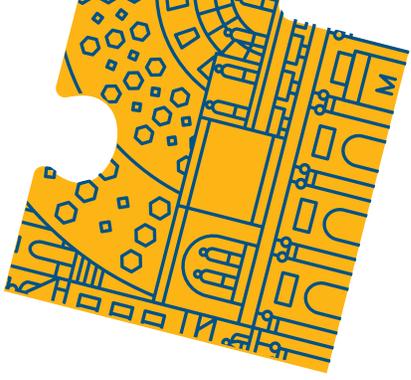


George Didden III for his many contributions to the Capitol Hill community. Watch here: <http://bit.ly/CHBID14TreeLighting>

7th Annual Capitol Hill Menorah Lighting — In collaboration with Hill Havurah, the first night of Hanukkah was also responsibly celebrated with the 7th Annual Capitol Hill Menorah Lighting. The ceremony was filmed in Parcel One of Eastern Market

Metro Plaza and the menorah was displayed next to the holiday tree all 8 nights of Hanukkah. The 9-foot public space menorah was purchased in 2013 and is dedicated to BID Past Chairman Paul Pascal. Mr. Pascal passed away in April 2018. His son, Bruce Pascal, carried on his legacy by flipping the switch to light the menorah. Watch here: <http://bit.ly/CHBID7MenorahLighting>





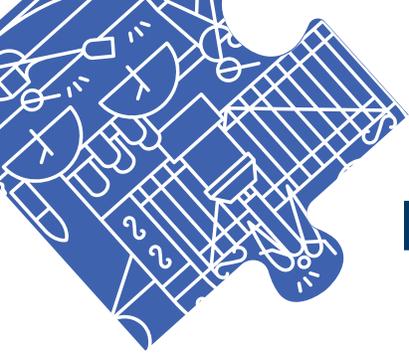
TRANSPORTATION

Public transportation improvements are an important part of Capitol Hill's economic prosperity and sustainability. The BID continues to support and promote District transportation amenities, including Capital Bikeshare and the DC Circulator bus service. The BID also holds a seat on the DC Sustainable Transit (DCST) board. Capital Bikeshare began its presence with a just a few small stations on the Hill in 2010 and since has seen a significant impact in the way people travel around Washington. Today, Capital Bikeshare offers

sixteen stations within the BID's boundaries, which at maximum capacity can dock over 300 bikes, providing an

innovative and environmentally-friendly way to get around and explore Capitol Hill.





READY, WILLING & WORKING

The BID continues its commitment to be socially responsible through the management of Ready, Willing & Working (RWW); a solution to homelessness and criminal recidivism in Washington. Since 2008, maintenance service areas have expanded beyond Capitol Hill to Adams Morgan, Barracks Row, Capitol Riverfront, Mid-City and Pennsylvania Avenue West. RWW currently provides supportive services to over 55

formerly homeless and incarcerated individuals who work for the BID.

2020 Highlights

- **Renewed contracts with DC Department of Small & Local Business Development (DSLBD) for Pennsylvania Avenue and MidCity.**
- **Without the ability to host our Annual fundraising gala, Magic & Miracles, an online merchandise fundraiser was launched using the new Capitol Hill Neighborhood**



branding. After two successful activations, the store raised around \$6,000 for the “men in blue” and helped to balance the funding missed from the gala.

- **In the Fall, RWW received a \$2,500 Community Grant from the Capitol Hill Community Foundation (CHCF).**
- **In lieu of their usual community holiday party, National Capital Bank donated \$4,000 of its holiday event budget to show their support for RWW.**





AUDITED FINANCIALS

Board of Directors The Capitol Hill Business Improvement District, Inc.

We have audited the accompanying financial statements of The Capitol Hill Business Improvement District, Inc., which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Capitol Hill Business Improvement District, Inc. as of September 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared assuming that the Organization will be able, through management efforts, available legal options, property sales, and the passage of time, to collect all assessments receivable recorded as of September 30, 2020 and 2019. The Organization believes that all assessments receivable will either be received as due or will be collected via future property sales, tax sales, and liens. As such, it is likely that not all assessments receivable recorded as of September 30, 2020 and 2019 will be received in the near future, but it is unknown as to the length of time each assessment receivable may require before it is paid by the property owner. The accompanying financial statements do not include any adjustments to record an allowance for uncollectible assessments receivable or to allocate any portion of the assessments receivable to long term assets. Our opinion is not modified with respect to this matter.

Katz, Abosch, Windesheim, Gershman & Freedman, P.A.

Timonium, Maryland
February 10, 2021

AUDITED FINANCIALS

ASSETS	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash	\$376,526	\$277,596
Assessments and contracts receivable	487,704	537,609
Prepaid expenses and other current assets	13,581	24,274
TOTAL CURRENT ASSETS	<u>877,811</u>	<u>839,479</u>
FIXED ASSETS NET	166,260	174,564
OTHER ASSETS		
Deposits	<u>3,500</u>	<u>3,500</u>
TOTAL ASSETS	<u><u>\$1,047,571</u></u>	<u><u>\$1,017,543</u></u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$25,682	\$20,629
Accrued expenses	53,476	39,121
Unearned assessment revenue	458,271	490,928
Current portion of long term debt	31,388	31,894
TOTAL CURRENT LIABILITIES	<u>568,817</u>	<u>582,572</u>
LONG TERM LIABILITIES		
Debt	<u>45,168</u>	<u>39,010</u>
TOTAL LIABILITIES	613,985	621,582
NET ASSETS		
Without donor restrictions	<u>433,586</u>	<u>395,961</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$1,047,571</u></u>	<u><u>\$1,017,543</u></u>
 REVENUES, GAINS AND OTHER SUPPORT	<u>2020</u>	<u>2019</u>
Assessment revenue	\$1,580,266	\$1,555,222
Contracts income	2,125,115	1,942,827
Contributions and grants	40,132	41,146
Penalties and interest	40,662	63,052
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>3,786,175</u>	<u>3,602,247</u>
 EXPENSES		
Functional expenses:		
Program services	3,257,348	3,214,247
Management and general	491,202	376,489
TOTAL EXPENSES	<u>3,748,550</u>	<u>3,590,736</u>
Change in Net Assets	37,625	11,511
Net Assets Beginning of the Year	395,961	384,450
Net Assets End of the Year	<u><u>\$433,586</u></u>	<u><u>\$395,961</u></u>



CAPITOL HILL NEIGHBORHOOD: A RESOURCE FOR EVERYONE

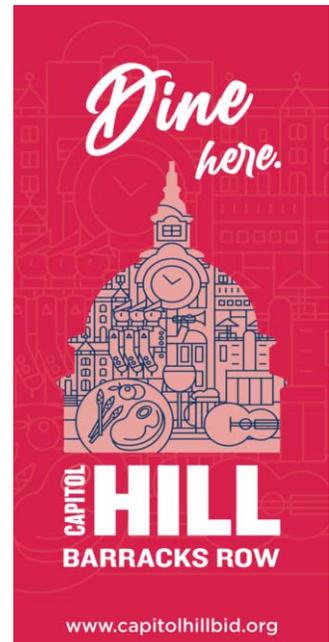
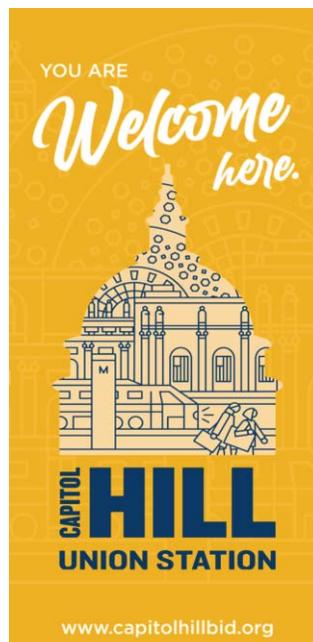
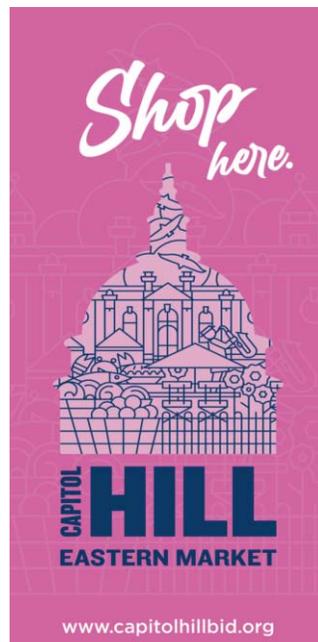
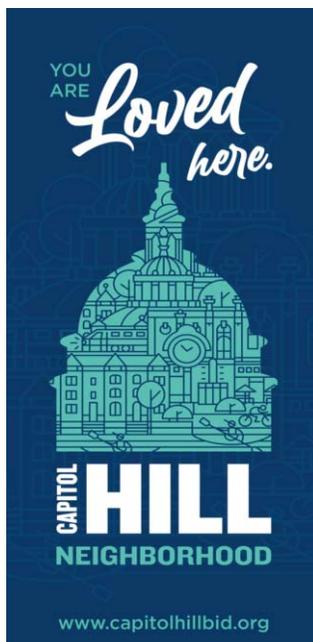
When Capitol Hill BID created our new brand positioning and identity system, our website was upgraded and amplified as a resource for the community and businesses. Capitol Hill is a one-of-a-kind destination encompassing many micro-neighborhoods, and it was important to make

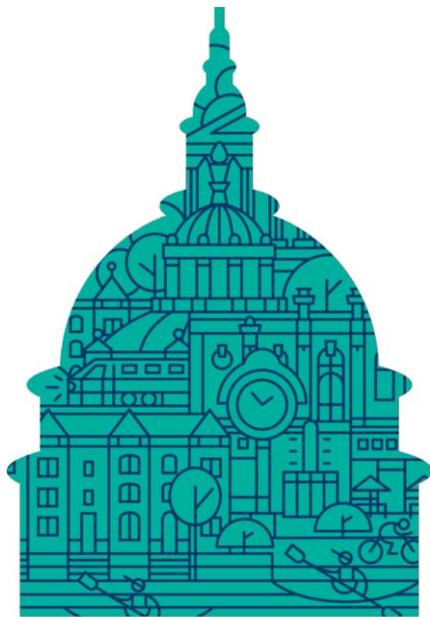
sure our website was representative of each of their strong personalities and features.

- **Interactive directory** highlighting places to eat, shop, live, and explore all over the neighborhood.
- **Micro-directories** for hubs such as Eastern Market

Corridor and Barracks Row for easier navigation.

- **Events calendar** for BID events and the opportunity for business and community members to share occasions.
- **Highlighted business offerings** on special occasions to inform the community and further promote BID businesses.





CAPITOL
HILL
NEIGHBORHOOD

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