



CAPITOL HILL BID ANNUAL REPORT 2012

Capitol Hill BID Street Map



Overview



Capitol Hill Business Improvement District

The Capitol Hill Business Improvement District (BID) is a 501(c)(6) nonprofit organization funded through a tax assessment on commercial property owners who are dedicated to making Capitol Hill clean and safe. The BID provides enhanced services designed to augment, not replace those provided by the DC government, including security, street cleaning, maintenance and graffiti removal, streetscape improvements, community outreach, and marketing and promotional services.

BID services began in the spring of 2003 and have evolved and increased as needs and the budget allow.

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, ex-officio representatives and elected officials.

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 beautification and marketing contributions the BID has brought to Capitol Hill.



Board and Staff Listing

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Paul Pascal, Esq., Pascal & Weiss

Vice President

Don Denton, Coldwell Banker Real Estate

Secretary

Carol Quillian, Property Owner

Board Members

Hamood Abutaa, Capitol Hill Exxon

David Ball, Union Station Redevelopment Corporation

John Boyle, Property Owner

Bob Braunohler, Property Group Partners

Ken Golding, Stanton Development Corporation

John Gordon, National Capital Bank

Debra Hardy Havens, Capitol Associates, Inc.

Mark Holler, Ginkgo Gardens

Brad Johnson, Johnson Law Group

Gary Jankowski, Coldwell Banker Real Estate

Dr. Michael Kim, Grubbs Pharmacy

Dale Lowery, L & S Real Estate

Susan Perry, Consultant

Chris Robertson, BB&T Bank

Bill Rouchell, Maison Orleans

Victor Sgueo, Bernstein Management

Phillip Truluck, The Heritage Foundation

Ex Officio

Jack Pfeiffer, CHAMPS – Capitol Hill Chamber of Commerce

Marge Francese, DC Council Liaison

Ken Jarboe, Community Liaison

Martin Smith, Barracks Row Main Street

Commander Daniel Hickson, First District Metropolitan Police Department

Judy Wood, CPA

Founding President

George Didden, III, National Capital Bank

Staff

Patty Brosmer, President

Andrew Lee, Director of Operations

Kelly Maslar, Marketing and Program Manager

Letter from President & Chairman of the Board



Happy 10th Anniversary Members and Friends of the Capitol Hill BID!

Since 2003, the Capitol Hill BID has focused on improving Capitol Hill's economic strength and image, provided public space maintenance services to enhance the public environment, promoted business development and marketed the area as an exciting destination. Just ten short years ago, the area that was often thought to be dangerous and dirty is now cleaner, safer and more vibrant than ever. Alive with new business activity, fabulous dining options and near-zero vacancy rates, the BID has successfully accomplished our goals laid out by our founding members.

We are pleased to present the 2012 Annual Report of the Capitol Hill Business Improvement District (BID). As you take this look back on the highlights and accomplishments of our tenth full year of service, be assured that the success we're all experiencing is due to the collective efforts of our Board of Directors, BID members, city agencies, community organizations, and dedicated BID employees.

While excelling at our core services is always a priority, our board is constantly looking to the future to see what we can do to be bigger and better. As a result, we are often leaders in the industry by being innovative, creative, and technologically savvy. We were the first of the DC BIDs to provide jobs to our homeless and formerly incarcerated citizens by creating the Ready, Willing & Working (RWW) program; the first to implement public space recycling; and, the first to pilot the BigBelly solar trash receptacles.

Innovations like these have earned us local and national recognition, including three prestigious awards from the International Downtown Association:

—**2007 Merit Award for Social Issues**

—**2010 Merit Award for Keep America Beautiful Cigarette Litter Prevention**

—**2011 Merit Award for Leadership & Management**

Our communication efforts are constantly rising to meet the changing technological advances. We have a strong social media presence and recently redesigned our website to provide a more user-friendly experience for those who wish to learn more about the BID and our members.

As you will see in the financial section of the report, the BID is fiscally sound and has received its 10th consecutive "clean" audit. By careful planning, utilizing creative ways to provide clean and safe services, and with a talented staff, we have been able to keep our administrative costs at approximately 15%, enabling your tax dollars to have the maximum impact.

For 10 years your BID taxes have been hard at work 7 days a week, 365 days a year. We invite you to join us as we celebrate the successes of those 10 years outlined in this report, and look forward to serving you in the years to come. Together we will continue to make great things happen on Capitol Hill!

Paul L. Parol

Clean, Safe & Beautiful

The BID is dedicated to fortifying Capitol Hill by sustaining a beautiful, clean and safe place to live, work and conduct the business of our nation's capital. In 2012, the Ready, Willing & Working (RWW) clean team collected over 1,200 tons of trash and 100 tons of recyclables and removed 783 graffiti taggings from public space on The Hill.

2012 Highlights

- Our ambassadors assisted 12,991 people at our weekend information tent at the Eastern Market metro plaza in FY 2012.
- The BID's landscaping crew planted and replaced liriopie in the BID's 400 tree beds. The tree beds were watered daily in the warm summer months to allow these plants to grow and thrive, adding shade and beauty to Capitol Hill.

Through our supplementary contract with the Barracks Row Main Street program we planted 30 self-watering planters along 8th Street, SE. The BID's landscaping crew also planted petunias in the 26 pole baskets along Barracks Row.

- For the fourth year in a row, the Capitol Hill BID was awarded Cigarette Litter Prevention Program (CLPP) grants from Keep America Beautiful to help combat cigarette litter waste. Ash tray lids were installed onto trash cans at the intersection of 8th Street, SE, and Pennsylvania Avenue, SE. In addition, our ambassadors distributed hundreds of pocket ash trays to help smokers dispose their extinguished cigarettes properly.



- The BID hired a team of two casual labor workers to help refurbish our holiday snowflakes that decorate the light poles of the Capitol Hill business district every December. The men sanded the rust off of the snowflakes (above), added primer and then white paint to make them look like new. The project saved the BID thousands of dollars as we were able to make the snowflakes last a few more holiday seasons. Replacing the snowflakes would cost up to \$500 each.

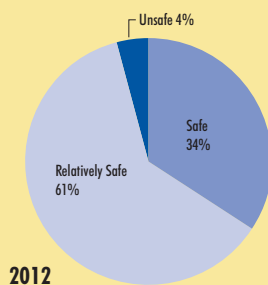
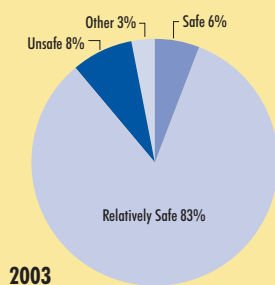
Recycling Initiatives

The BID saw a 26% increase in collected recyclables from last year, collecting over 100 tons of recyclables from the blue receptacles stationed within the BID's boundaries. The Capitol Hill BID was the first BID in the city to implement a public space recycling program in 2008. Since then, the amount of recyclables collected has doubled as we continually increased the quantity of recycling cans in the BID. The BID plans to add two additional recycling receptacles in 2013, and hopes to see a continual increase in recycling and a steady decline in the amount of rubbish collected by our teams.

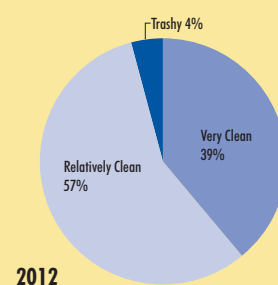
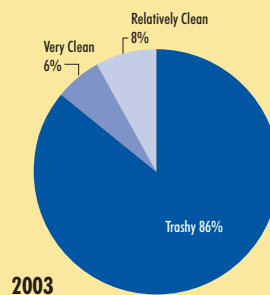
Homeless Outreach and Assistance

Capitol Hill has seen a significant decrease in the number of homeless people within the BID's boundaries since 2003. All of our safety 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 2012, BID safety ambassadors performed 577 homeless assists.

Perceptions of Safety on Capitol Hill



Perceptions of Cleanliness





BID Clean Team Member Reginald

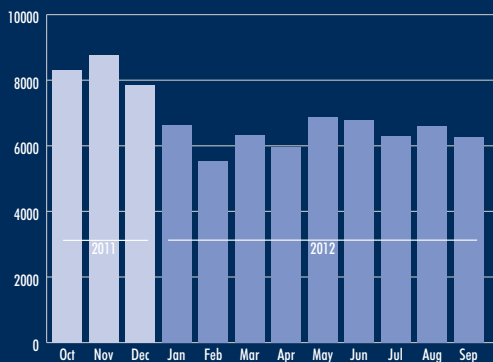
"I'm always proud of the 'men in blue' and the hard work they go out and do every day, without complaint, in the scorching heat or the freezing cold, always with a smile...It's easy to find people who can do a job well, but it's incredibly difficult to find people who do their job so well and with such dedication and selflessness."

— Martin Smith, Executive Director of
Barracks Row Main Street

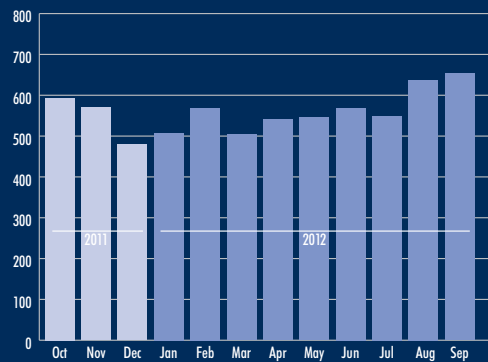


C. Stanley Photography

Rubbish Collected in FY 2012
Total tons: 1,232



Recycling Collected in FY 2012
Total tons: 100.74



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 2012, the BID continued its efforts on producing a weekly e-newsletter along with engaging the public through social media outlets. The BID also launched a newly redesigned website in September. The new website is more user-friendly, with quick links to the BID's Twitter, Facebook, and YouTube pages. In addition, it is easier to update and maintain in-house by BID staff members.

Continued collaboration with fellow business organizations like CHAMPS and Barracks Row Main Street maximized promotional efforts in 2012; further enhancing Capitol Hill as "THE" place to be.

2012 Highlights

April 25, 2012 • Hyattsville, MD
Tours the BID - Representatives from the City of Hyattsville, Maryland



visited Capitol Hill to learn more about business improvement districts and how they operate. Hyattsville chose to tour the Capitol Hill BID as it is similar in density to areas of their city where they are considering launching a BID.

May 18, 2012 • Bike to Work Day –
The BID hosted a Capitol Hill pit stop for Bike to Work Day at the Eastern Market Metro plaza. Over 200 registered Bike to Work Day participants visited the pit stop,

enjoying coffee from Peregrine Espresso, cereal bars and water from Harris Teeter, as well as fun giveaways and free bike maintenance inspections from Capitol Hill Bikes.

July 4, 2012 • Fourth of July Community Parade — Have a Ball on the Hill! In honor of America's birthday, the BID pickup trucks were decorated in red, white and blue as they cruised down Barracks Row on 8th Street, SE. Our "men in blue" passed out foam balls printed with the saying "Have a Ball on the Hill!" along with candy to parade spectators.



July 12, 2012 • BID Renewal Hearing in front of DSLBD — The BID had its

"If the upkeep is not done, it would bring down the neighborhood very fast, so we need the BID. I'm a very big supporter...I like it when I see the men in the morning; they sweep the sidewalks, take care of the planters. They take pride and joy in it and make sure that our streets look good...they're kind of like little Supermans."

— Bart Vandaele, Belga Café



5-year renewal hearing before the District's Deputy Mayor for Planning and Economic Development. The public hearing was conducted to inform citizens about the application to extend the term of the Capitol Hill BID, and to ensure that the interested parties have an opportunity to present their views on the application. On July 20, the Office of the Mayor approved the extension of our term as a Business Improvement District for the next five years.



August 14, 2012 • Councilmember Vincent Orange Tours the BID — The BID welcomed Councilmember At-Large Vincent Orange to The Hill, providing a tour of the neighborhood as well as an overview of BID services. In 2012, Councilmember Orange served as Chairman of the Committee on Small and Local Business Development.

September • New BID Website redesign is launched at www.capitolhillbid.org.

Early October • Capitol Hill Shows Its "Natitute" — Over 900 Washington Nationals hats were distributed along with 600 "Curly W" window decals. Businesses were encouraged to have their employees wear hats during Nationals playoff games to show their team spirit. The BID clean and safe teams also wore Nationals hats during this time and even decorated "Big

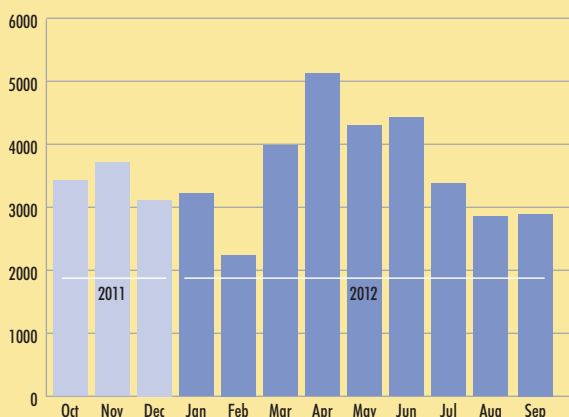


George" in red ornaments with "W" decals.

December 1, 2012 • The 6th Annual Capitol Hill Community Tree Lighting - Hundreds of community members joined the BID in kicking off the holiday season at this annual celebration. The tree, affectionately called "Big George," was planted in 2007 to honor George Didden III, the BID's founding president and beloved member of the Capitol Hill community. Joyous Voices sang holiday carols in their Victorian-era garb while the "men in blue" served hot chocolate and doughnuts.

Ambassador Contacts in FY2012

Total contacts: 42,658



Right: Safety Ambassador India Person speaking with Labyrinth Games and Puzzles owner Kathleen Donahue during a merchant visit.



Transportation

Public transportation improvements are an important part to 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. Established by

a partnership between DC BIDS, DDOT and WMATA, the DC Circulator continues to grow in popularity throughout the District and on Capitol Hill. Since 2009, the Circulator has been an efficient, low-cost, neighborhood bus route and provides the quickest way for Hill residents, workers and visitors to travel between Union Station to the Capitol Riverfront and over the Anacostia River.

In 2012, the BID continued to promote the Circulator's newest route that travels from the Potomac Avenue Metro station to Skyland via Barracks Row. Since its launch in October 2011,



C. Stanley Photography

the route has seen an increase in ridership and has welcomed new visitors to our business district. Throughout the baseball season and as the Washington Nationals solidified their spot in the October playoffs, the BID encouraged fans to ride the Circulator to and from the games and promoted Capitol Hill as the perfect destination for drinks and dining both before and after each game.

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 seven stations within the BID's boundaries,

which at maximum capacity can dock over 100 bikes, providing an innovative and environmentally friendly way to get around and explore Capitol Hill.

In 2013, the BID's transportation committee's efforts, led by Susan Perry, will focus on additional route improvements along with a redesign of the Circulator bus exteriors. Furthermore, the BID will continue to promote the neighborhood Circulator routes and encourage riders from Anacostia and the Capitol Riverfront to visit Capitol Hill for dining, shopping, and entertainment as well as means to connect to other areas of the city.



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Ready, Willing & Working

The BID continues to remain socially responsible through the management of Ready, Willing & Working (RWW), a solution to homelessness and criminal recidivism in Washington.

2012 Highlights:

- Renewed DSLBD supplementary contracts with the Barracks Row Main Street and North Capitol Main Street programs.
- Began new maintenance service contract with the Adams Morgan Partnership BID on January 1, 2012. The contract allowed RWW to hire seven new team members, all previously homeless or incarcerated.
- RWW participated in Antiques Migration, a local antique sale event, in April. The “men in blue” assisted with the setup of the event and made deliveries to those who purchased items. A portion of event’s proceeds benefitted RWW.
- The Fifth Annual Magic & Miracles benefit was held on November 29 at The Atlas Performing Arts Center where National Capital Bank was honored with a video tribute for their generous contributions and support of the RWW program since its inception. The video was produced by Matthew McClain and can be viewed on YouTube at: http://youtu.be/k4hc_2xH8xc.



The “men in blue” join local talent Adalia Jimenez on stage to sing *God Bless America* at Magic & Miracles.

Spotlight on Michael Baxter

BID Safety Ambassador since 2004



Safety Ambassador Michael Baxter began working for the BID in 2004. Prior to his position with the BID, Michael worked countless part-time jobs that could not hold his interest for more than two or three weeks. He was also drawn into selling drugs by the quick money he could make, and

even though he did not use drugs, he spent time in jail for possession.

When his son was born in 2000, Michael realized he needed to set a good example for him, and was seeking a job where he could not only provide for his son but also enjoy the work. After trying out a few more part-time jobs, Michael was referred to the BID through a workforce development program. He loves being able to work outside all day, and says that meeting people is the best part of his job.

In 2005, Michael was asked to perform homeless outreach in the BID and continues to do so today. He engages with homeless people on a daily basis, offering bottled water on hot days or directing them to the

nearest soup kitchen in the cold winter months. Seeing how drugs have caused many people to become homeless has really motivated Michael to be the best father he can be. He wants to make sure his son will avoid making poor choices in his life.

Michael is very grateful for the opportunity to work for the BID, and does not dwell on some of the mistakes he made in the past. "My father always said 'you can't live in the past because your future will fly by' and I try to live by that," he said. "You have to choose your attitude and how you will respond to what life throws at you. You can't dwell on things of the past that you can't change. You can only move forward." Well said, Michael!



Board of Directors

The Capitol Hill Business Improvement District, Inc.

We have audited the accompanying statements of financial position of The Capitol Hill Business Improvement District, Inc. (BID) as of September 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the BID's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BID's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 8 to the financial statements, assessments and contracts receivable as of September 30, 2011 and assessment revenue for the year ended September 30, 2011 have been restated.

The accompanying financial statements have been prepared assuming that the BID 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, 2012 and 2011. The BID 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, 2012 and 2011 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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information provided is presented for

purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

February 2, 2013
Timonium, Maryland

THE CAPITOL HILL BUSINESS IMPROVEMENT DISTRICT, INC. STATEMENTS OF FINANCIAL POSITION SEPTEMBER 30, 2012 AND 2011

ASSETS	2012	2011
CURRENT ASSETS		
Cash	\$ 29,731	\$ 16,223
Assessments and contracts receivable	231,722	197,042
Prepaid expenses and other current assets	18,465	15,376
TOTAL CURRENT ASSETS	279,918	228,641
FIXED ASSETS — NET	20,968	31,013
TOTAL ASSETS	\$ 300,886	\$ 259,654
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 67,543	\$ 18,514
Current portion of long-term debt	4,700	4,481
Accrued expenses	30,476	23,478
Unearned assessment revenue	20,881	23,180
Line of credit	100,000	100,000
TOTAL CURRENT LIABILITIES	223,600	169,653
LONG-TERM LIABILITIES		
Long-term debt	11,422	16,121
TOTAL LIABILITIES	235,022	185,774
NET ASSETS		
Unrestricted	60,692	68,708
Temporarily restricted	5,172	5,172
TOTAL NET ASSETS	65,864	73,880
TOTAL LIABILITIES AND NET ASSETS	\$ 300,886	\$ 259,654



THE CAPITOL HILL BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

2012	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Assessment revenue	\$1,076,534	\$0	\$1,076,534
Contributions and grants	46,670	0	46,670
Contracts income	366,484	0	366,484
Penalties and interest	23,759	0	23,759
TOTAL REVENUE AND SUPPORT	1,513,447	0	1,513,447
EXPENSES AND LOSSES			
Functional expenses:			
Program services	1,277,955	0	1,277,955
Management and general	243,451	0	243,451
Loss on disposal of fixed assets	57	0	57
TOTAL EXPENSES AND LOSSES	1,521,463	0	1,521,463
Change in Net Assets	(8,016)	0	(8,016)
Net Assets - Beginning of the Year	68,708	5,172	73,880
Net Assets - End of the Year	\$ 60,692	\$5,172	\$65,864

2011	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Assessment revenue	\$1,049,190	\$ 0	\$1,049,190
Contributions and grants	37,388	0	37,388
Contracts income	222,780	0	222,780
Penalties and interest	31,730	0	31,730
TOTAL REVENUE AND SUPPORT	1,341,088	0	1,341,088
EXPENSES AND LOSSES			
Functional expenses:			
Program services	1,102,762	0	1,102,762
Management and general	204,838	0	204,838
Loss on disposal of fixed assets	149	0	149
TOTAL EXPENSES AND LOSSES	1,307,749	0	1,307,749
Change in Net Assets, as restated	33,339	0	33,339
Net Assets — Beginning of the Year	35,369	5,172	40,541
Net Assets —End of the Year	\$ 68,708	\$5,172	\$ 73,880





Capitol Hill Business Improvement District

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