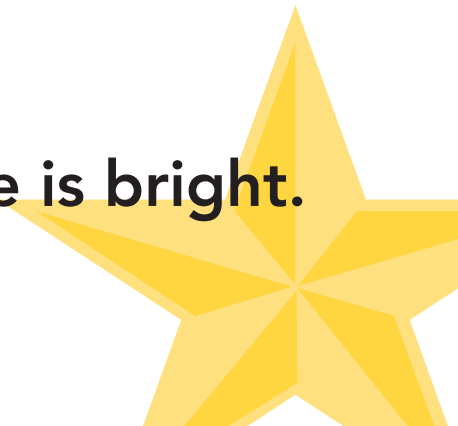


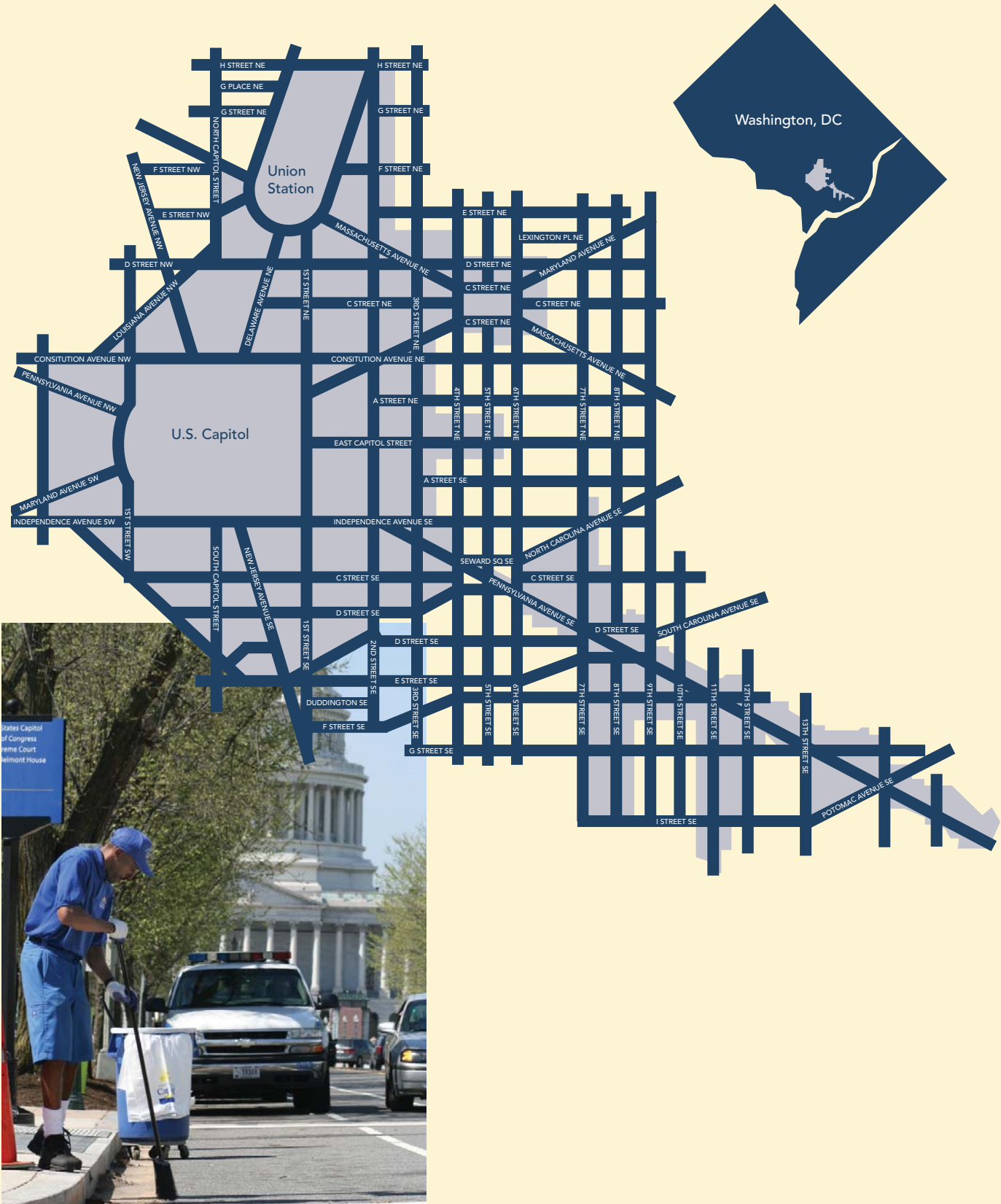
CAPITOL HILL BID ANNUAL REPORT 2011



The future is bright.



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

Chairman of the Board & Treasurer

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

George Brown, US Securities and Exchange Commission

Edwin Copenhaver, Frager's Hardware

Ken Golding, Stanton Development Corporation

John Gordon, National Capital Bank

Debra Hardy Havens, Capitol Associates, Inc.

Mark Holler, Ginkgo Gardens

William Isaac, Bernstein Management Corporation

Gary Jankowski, Coldwell Banker Real Estate

Dale Lowery, L & S Real Estate

Susan Perry, Consultant

Bill Rouchell, Maison Orleans

Phillip Truluck, The Heritage Foundation

Ex Officio

Julia Robey Christian, CHAMPS — Capitol Hill Chamber of Commerce

Marge Francese, Office of Councilmember Tommy Wells

Ken Jarboe, ANC 6B

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

Dear Members and Friends of the Capitol Hill BID:

We are pleased to present the 2011 Annual Report of the Capitol Hill Business Improvement District (BID). As you take this look back on the highlights and accomplishments of our ninth full year of service, we want you to know that we appreciate the role you and others have had in making The Hill cleaner, safer, more beautiful and with a future brighter than ever before.

As you will see in this report, the BID had another strong year of accomplishments in 2011. We won our third International Downtown Association Merit Award—this year for Leadership and Management—which was followed by a Special Resolution from the DC Council acknowledging our contributions to the Capitol Hill community.

While excelling at our core services is a priority, our board is always looking to the future to see what we can do bigger, better, and first. 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 big belly solar trash receptacles.

Thanks in large part to the organizational and management talent of Operations Director Andrew Lee, we continue to expand RWW to serve Main Streets and other BIDs. These extra contracts allow us to employ more individuals and save money through a larger economy of scale.

Our board members and management staff play an integral role on several joint committees with community organizations. Partnering with CHAMPS—Capitol Hill's Chamber of Commerce, Barracks Row Main Street, Market Row Association, and DCST (DC Surface Transit), just to name a few, enables us to address challenges facing our community in the most effective manner.

Last year we added Kelly Maslar to our team as our program manager, and she has taken our communications to a whole new level. Our social media presence on Facebook and Twitter is stronger than ever and adds real-time results to our marketing efforts.

As you will see in the financial section of the report, the BID is financially sound and has received its ninth straight “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 dollars to have the maximum impact.

Your BID taxes are hard at work 7 days a week, 365 days a year employing 30 people, and covering nearly 5 linear miles, all for around \$3,000 a day. We accomplish this by keeping overhead low and morale high. The success of our BID services is a source of pride for all of our workers who truly feel they are serving the public in an important way. As a result, the perception of cleanliness and safety on The Hill has never been higher.

As we move toward the BID's 10 year anniversary, we are preparing to submit our second 5-year renewal application to the Mayor's office. This will include a forward-thinking plan that will help solidify Capitol Hill as a world-class destination for visitors, workers and residents. We welcome your ideas and input in this process.

Thank you for playing such an important role in building a strong community. Together, we are shaping a truly bright future for Capitol Hill.



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 2011, the Ready, Willing & Working (RWW) clean team collected over 1,100 tons of trash and 75 tons of recyclables and removed over 750 graffiti taggings from public space on The Hill.

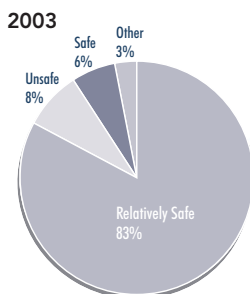
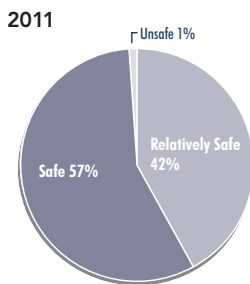
2011 Highlights

★ Our ambassadors assisted 13,863 people at our weekend information tent at the Eastern Market metro plaza in FY 2011.

★ The BID's landscaping crew planted and replaced liriopse in the BID's 400 tree beds. The tree beds were watered twice daily in the warm summer months to allow these plants to grow and thrive, adding shade and beauty to Capitol Hill. The team also planted black eyed susan's in two pilot areas, including Stanton Park and Eastern Market.

★ 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 19 pole baskets along Barracks Row. It was an outstanding year for the light pole baskets, filled with full, beautiful pink cascading petunias that rivaled other commercial streets throughout the District.

Perceptions of Safety on Capitol Hill



★ For the third 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 along Pennsylvania Avenue, SE, and our ambassadors distributed pocket ash trays to help smokers dispose their extinguished cigarettes properly.

Recycling Initiatives

★ As part of our Ready, Willing, and Recycling program, the BID partnered with WildTech on March 17 to collect used computer equipment and ink cartridges. Our Ready, Willing, and Working team was on site to assist with the collection. The event provided the homeless and unemployed with jobs and skills through the refurbishing of electronics. The refurbished items were then provided to low income families.

★ The BID continued to increase the presence of recycling throughout 2011 by adding new receptacles along Pennsylvania Avenue, SE. As a result, there was a 20% increase in recyclables collected in FY 2011.





Tree beds were watered twice daily in the warm summer months to allow these plants to grow and thrive.

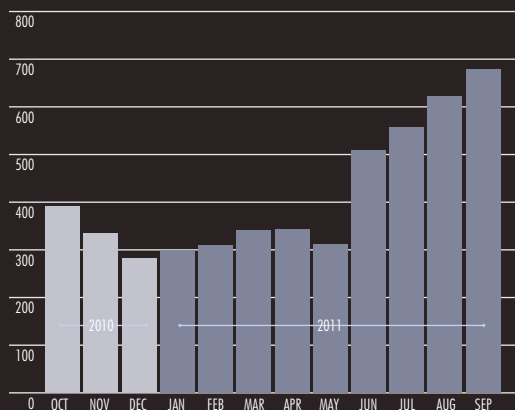


The BID partnered with WildTech to collect used computer equipment and ink cartridges.



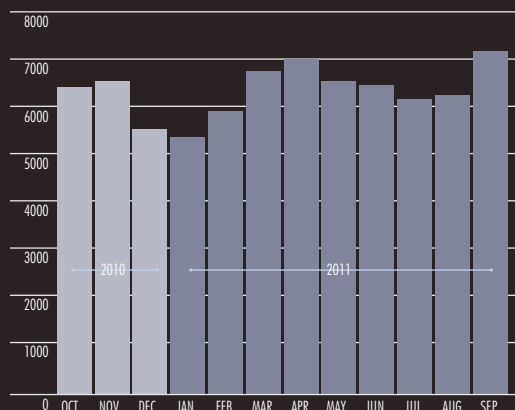
Recycling Collected in FY 2011

Total 4,978 lbs. (74.7 tons)



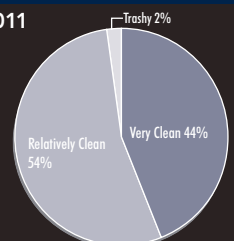
Rubbish Collected in FY 2011

Total 77,382 lbs. (1,160.7 tons)

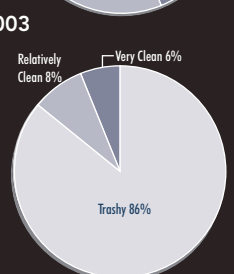


Perceptions of Cleanliness

2011



2003



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 2011, the BID focused its efforts on producing a weekly e-newsletter along with engaging the public through social media outlets. The BID launched a new Facebook page, making it easier for users to access up-to-date information about Capitol Hill. Collaboration with fellow business organizations like CHAMPS and Barracks Row Main Street maximized promotional efforts, further enhancing Capitol Hill as “THE” place to be.

2011 Highlights

★ May 2011 — Capitol Hill Month —

Together with CHAMPS, and Councilmember Tommy Wells, the BID successfully renewed designation of May as “Capitol Hill Appreciation Month” in DC — recognizing “the historic significance and vitality of Capitol Hill.”



DC Councilmember Tommy Wells presents a ceremonial resolution at DC Council for the BID’s outstanding leadership award at the IDA Conference in September.

★ May 20, 2011 — Bike to Work Day —

The BID hosted the first-ever Capitol Hill pit stop for Bike to Work Day in the Eastern Market Metro plaza. Over 150 registered Bike to Work Day participants visited the pit stop, enjoying coffee from Peregrine Espresso, bananas and water from Harris Teeter, as well as fun giveaways and free bike maintenance inspections from Capitol Hill Bikes and City Bikes.

★ July 4, 2011 — Fourth of July Community Parade — Have a Ball on the Hill!

In honor of America’s birthday, the BID pickup trucks became a mobile beach party as they strolled along the parade route on 8th Street, SE. Our “men in blue” passed out beach balls printed with the saying “Have a Ball on the Hill!” along with sunglasses and candy to people along the parade route.

★ August 2011 — Sidewalk Café Month —

To celebrate the 50th anniversary of the first sidewalk café in Washington, DC, the BID, Barracks Row Main Street and numerous city District and community leaders joined Mayor Gray in his proclamation to designate August as Sidewalk Café Month in the District. The Mayor announced this proclamation outside of The Chesapeake Room on 8th Street, SE.

★ September 2011 — BID Receives IDA Merit Award —

At their annual conference in Charlotte, NC, the International Downtown Association awarded the BID with a Merit Award in Downtown Leadership and Management for our work and initiatives related to maintaining a positive workplace environment in Capitol Hill.

★ December 3, 2011 — The 5th 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.

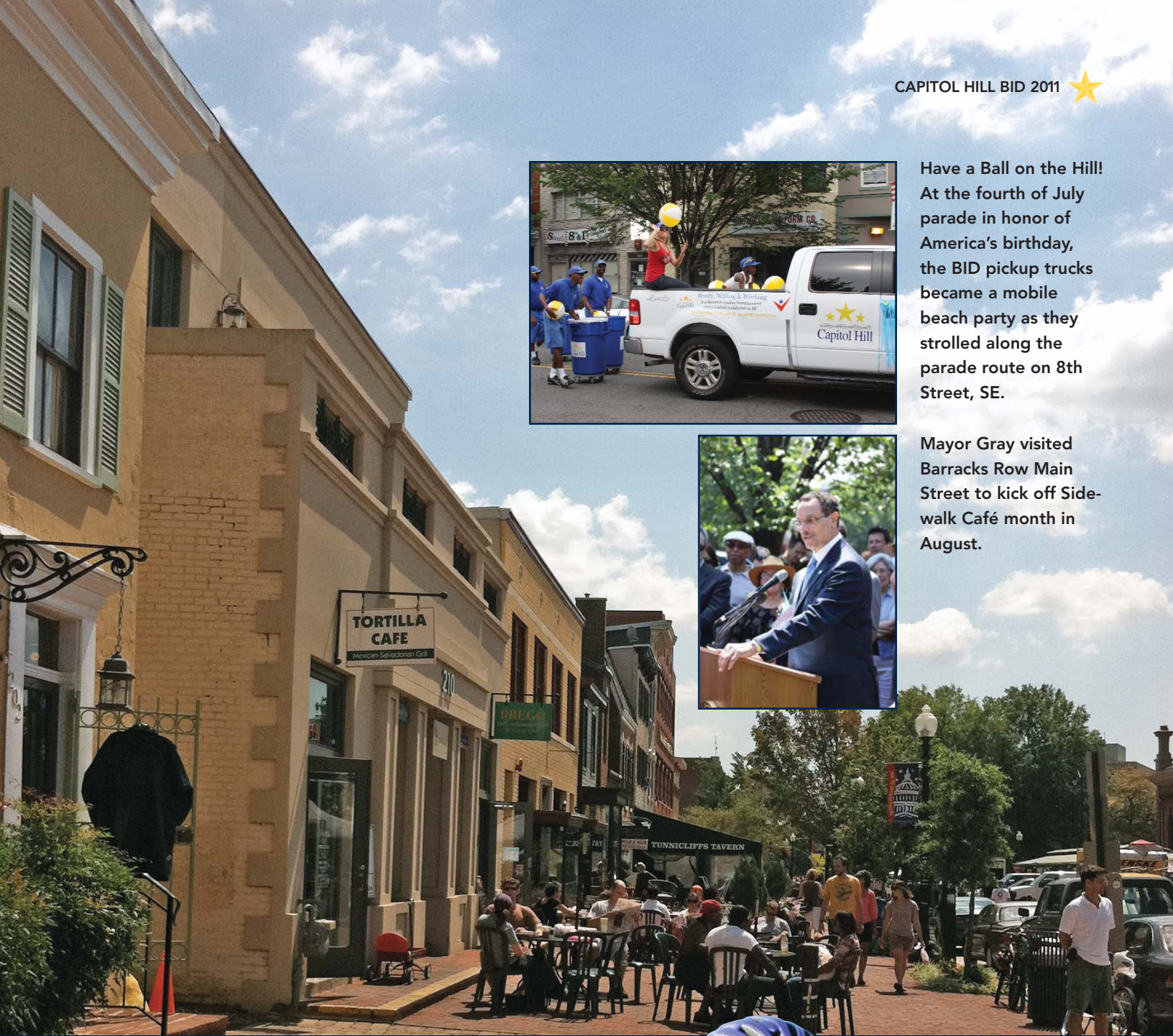




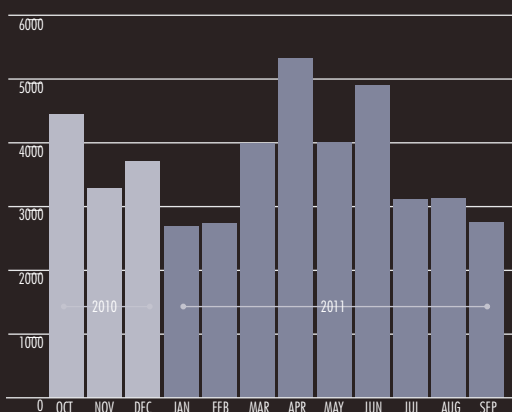
Have a Ball on the Hill!
At the fourth of July parade in honor of America's birthday, the BID pickup trucks became a mobile beach party as they strolled along the parade route on 8th Street, SE.



Mayor Gray visited Barracks Row Main Street to kick off Side-walk Café month in August.



Ambassador Contacts in FY2011



Our ambassadors assisted 44,222 people in FY 2011.



Transportation



Safety Ambassador Edrick Lewis greets Councilmember Tommy Wells at the Circulator launch reception on October 3.

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. As an efficient, low-cost, neighborhood bus route, the Circulator is the quickest way for Hill residents, workers and visitors to travel between Union Station to the Capitol Riverfront. And, as of October 2011, riders can now travel from Capitol Hill to Anacostia.

In 2011, the BID helped market the extended summer hours for the Circulator's Union Station-Navy Yard route. On October 3, 2011, a new Circulator route was added to expand its service east of the Anacostia River; a first in Circulator history. The new route originates at the Potomac Avenue Metro station and travels to Skyland by way of Barracks Row. The Capitol Hill BID hosted a luncheon reception at Lavagna to celebrate the route launch that connects Anacostia to Capitol Hill and its amenities.



Capital Bikeshare also expanded its presence on the Hill in 2011 by adding extra capacity to the bike station at the Eastern Market Metro plaza. There are now seven stations within the BID's boundaries, which at maximum capacity can now dock over 100 bikes. Capital Bikeshare is an innovative and environmentally friendly way to get around and explore Capitol Hill.

In 2012, 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 new Potomac Avenue-Skyland Route and encourage riders from Anacostia to visit Capitol Hill for dining, shopping, and entertainment as well as means to connect to other areas of the city.



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.

2011 Highlights

★ 80% retention rate among RWW participants and renewed DSLBD supplementary contracts with the Barracks Row Main Street and North Capitol Main Street programs.



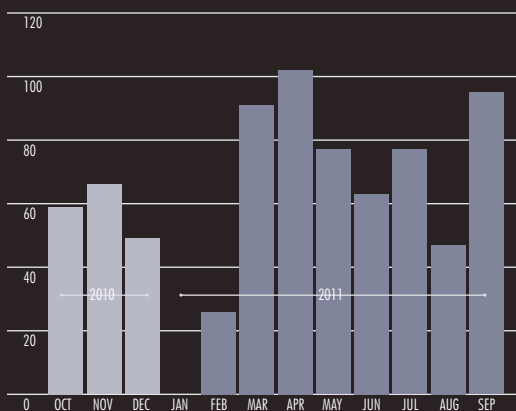
★ Secured new maintenance service contract with the Adams Morgan Partnership BID to begin supplementary services on January 1, 2012. The new contract allowed RWW to hire seven new team members.

★ The Fourth Annual Magic & Miracles was held on November 30 at the Ritz-Carlton where Nancy Squires and The Squires Group were 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 of OkTake5 productions. The video can be viewed on YouTube at: <http://youtu.be/CE1hnY880cc>.



Graffiti Removal in FY 2011

Total 752 taggings removed



645 Pennsylvania Ave.
before and after.



The Future is Bright for Damon Robinson



Above left: Damon with his daughter Amia, 2011.

Above right: Damon proudly displays his first carved pumpkin as a 17 year-old performing community service through the BID's former program Youth Empowerment for Success (YES), 2007.

Damon Robinson was first introduced to the BID in 2007 as a troubled teenager, ordered by the court system to perform 90 community service hours through the BID's Youth Empowerment for Success (YES) program. On every other Saturday from 2005 to 2008, the YES program provided troubled teenagers an opportunity to make a positive impact on the Capitol Hill community through service projects like street cleaning and seasonal planting.

Damon made a lot of poor choices as a teenager as a result of the environment that surrounded him, including selling drugs on the street. While performing his community service hours through YES, he realized that he can start a better life for himself through hard work, and Andrew Lee, director of operations, saw Damon's potential. "Damon really stood out from the other kids," Andrew said. "When they would be socializing with each other on a break, Damon kept working. Sweeping the streets, pulling weeds out of tree beds, he was a hard worker from the very beginning."

Andrew quickly offered Damon a part-time position with the clean team once he graduated high school and he has been working for the BID ever since. When he's not cleaning Capitol Hill, Damon stays busy taking care of his daughter Amia, who turned two in December 2011. He is also preparing to take an entrance exam to become an officer for the Capitol Police. Just four years ago Damon was in trouble with the law, now he's hoping to become an enforcer of the law!

When asked what he likes most about his job, Damon enjoys the bond he shares with his fellow team members. "I love to joke with the guys," he said. "We're really close with one another. They make me realize that I don't have to go back to the way my life used to be. With this job, I'm always thinking positively, and I want to be a positive role model for my daughter." Since Amia was born, Damon has stayed completely focused on being the best father and provider that he can be, and loves seeing her run around their apartment, talking and smiling. He even carved a pumpkin for her to celebrate Halloween, a skill that he learned through the BID's YES program.



Financials



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, 2011 and 2010, 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. An audit also includes 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, 2011 and 2010, 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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 12 - 13 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

February 9, 2012
Timonium, Maryland

THE CAPITOL HILL BUSINESS IMPROVEMENT DISTRICT, INC. STATEMENTS OF FINANCIAL POSITION ENDED SEPTEMBER 30, 2011 AND 2010

ASSETS

CURRENT ASSETS

	2011	2010
Cash	\$ 16,223	\$ 24,208
Assessments and contracts receivable	154,561	149,767
Prepaid expenses and other current assets	15,376	14,160
TOTAL CURRENT ASSETS	186,160	188,135

FIXED ASSETS — NET

31,013 **9,655**

TOTAL ASSETS

\$ 217,173 **\$ 197,790**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

	2011	2010
Accounts payable	\$ 18,514	\$ 16,795
Current portion of long-term debt	4,481	0
Accrued expenses	23,478	21,518
Unearned assessment revenue	23,180	18,936
Line of credit	100,000	100,000
TOTAL CURRENT LIABILITIES	169,653	157,249

LONG-TERM LIABILITIES

Long-term debt	16,121	0
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NET ASSETS

Unrestricted	26,227	35,369
Temporarily restricted	5,172	5,172
TOTAL NET ASSETS	31,399	40,541

TOTAL LIABILITIES AND NET ASSETS

\$ 217,173 **\$ 197,790**

THE CAPITOL HILL BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

2011	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Assessment revenue	\$ 1,006,709	\$ 0	\$ 1,006,709
Contributions	37,388	0	37,388
Contracts income	222,780	0	222,780
Penalties and interest	31,730	0	31,730
TOTAL REVENUE AND SUPPORT	1,298,607	0	1,298,607
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	(9,142)	0	(9,142)
Net Assets — Beginning of the Year	35,369	5,172	40,541
Net Assets — End of the Year	\$ 26,227	\$ 5,172	\$ 31,399

2010	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Assessment revenue	\$ 1,052,743	\$0	\$ 1,052,743
Contributions	36,388	0	36,388
Contracts income	194,056	0	194,056
Penalties and interest	26,472	0	26,472
TOTAL REVENUE AND SUPPORT	1,309,659	0	1,309,659
EXPENSES AND LOSSES			
Functional expenses:			
Program services	1,121,761	0	1,121,761
Management and general	190,354	0	190,354
Loss on disposal of fixed assets	0	0	0
TOTAL EXPENSES AND LOSSES	1,312,115	0	1,312,115
Change in Net Assets	(2,456)	0	(2,456)
Net Assets — Beginning of the Year	37,825	5,172	42,997
Net Assets — End of the Year	\$ 35,369	\$ 5,172	\$ 40,541



Capitol Hill Business Improvement District

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