



11 Reasons
to Celebrate



BUSINESS IMPROVEMENT DISTRICT

Capitol Hill

ANNUAL REPORT 2013



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

Treasurer

John Gordon, National Capital Bank

Board Members

Hamood Abutaa, Capitol Hill Exxon

John Boyle, Property Owner

Bob Braunohler, Property Group Partners

Ken Golding, Stanton Development Corporation

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

Michael Phillips, The UPS Store

Chris Robertson, BB&T Bank

Bill Rouchell, Maison Orleans

Victor Sgueo, Bernstein Management

Beverly Swaim-Staley, Union Station Redevelopment Corporation

Phillip Truluck, The Heritage Foundation

Ex Officio

Vacant, 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 Director

Arnold Lee, Field Director

1

The Support of Our Board of Directors – The BID would not be possible without their unwavering support and sound advice.

LETTER FROM CHAIRMAN OF THE BOARD

Dear Members and Friends of the Capitol Hill BID!

As I conclude my tenure as Chairman of the Board, I say with confidence and pride that this organization has become the catalyst for positive change we envisioned in the fall of 1999 when we began the business improvement district formation process for Capitol Hill. I attended the very first meeting held at the National Capital Bank along with approximately 30 other committed business and property owners. That evening we raised the seed money that enabled us to launch the Capitol Hill BID. The investment and faith of this original group has surely paid off for us all with cleaner, safer streets, lots of new business activity, fabulous dining options and near-zero vacancy rates.

Our success over the years has also 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

I am pleased to present the 2013 Annual Report of the Capitol Hill Business Improvement District (BID). As you take this look back on the highlights and accomplishments of our eleventh 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.

As you will see in the financial section of this report, the BID is fiscally sound and has received its 11th 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.

I am particularly proud of the successes we've seen with our Ready, Willing & Working program which we launched the year I became Chairman. By providing steady work opportunities to homeless and formerly incarcerated citizens we have helped dozens of men become contributing members of society, and fathers to their children.

At the end of fiscal year 2013, I announced that after seven years as your Chairman, I would be passing the torch to the very capable Phil Truluck. I am confident that, with a solid financial foundation, the continued dedication and work ethic of our staff and Board of Directors, and with Phil Truluck at the helm, the BID is poised to continue ushering in positive changes.

I wish to sincerely thank you all for your confidence in me as your Chairman since 2007. It has been an honor and a pleasure to serve this wonderful community in this capacity and I will be forever grateful for the experience.



CLEAN, SAFE & BEAUTIFUL

The BID is dedicated to our core mission of creating and sustaining a beautiful, clean and safe place to live, work and conduct the business of our nation's capital. In 2013, the Ready, Willing & Working (RWW) clean team collected over 1,338 tons of trash and 104.9 tons of recyclables and removed 811 graffiti taggings from public space on The Hill.

2013 Highlights

Our ambassadors assisted 11,073 people at our weekend information tent at the Eastern Market Metro plaza in FY 2013.

Inauguration Day: The Clean Team collected 411 bags of rubbish and 67 recycle bags within the BID's boundaries on Inauguration Day 2013. Our safety ambassadors helped lead visitors to where they needed to go and offered recommendations for places to shop and dine after the Inauguration. They assisted 12,595 people, which includes large groups from tour busses.

The BID's landscaping crew planted and replaced liriopse as needed in the BID's 400 tree beds. Through our supplementary contract with the Barracks Row Main Street program we planted 30 self-watering planters along 8th Street, SE. The

2

A Cleaner and Safer Capitol Hill!

In 2013, over 94% of those surveyed felt that Capitol Hill is safe or relatively safe. In 2003 only 6% of those surveyed felt that Capitol Hill was safe. Today only 1% of those surveyed view Capitol Hill as trashy, whereas in 2003 over 86% of viewed thought The Hill as trashy.



Clean Team Member Damon removes trash and debris.

BID's landscaping crew also planted petunias in the 23 pole baskets along Barracks Row.

The BID stepped up its clean team services in and around federal-owned parks during the government shutdown (October 1-16). These areas are typically maintained by the National Parks Service, but with many of their workers furloughed, BID clean teams picked up trash and serviced approximately 40 overflowing trash cans in the following areas within our legislated boundaries: Stanton Park, Seward Square, Eastern Market Metro Plaza, and eight pocket parks scattered throughout the BID.

3

Speedy Graffiti Removal –

Our graffiti removal team is dispatched as soon as a graffiti is reported. The graffiti is removed within hours which discourages repeat taggings in the area. In 2013, the BID removed 811 graffiti taggings from properties within our legislative boundaries.



4

Beautiful Streetscapes –

Planters and pole baskets beautify 8th Street, SE, through our supplementary service contract with Barracks Row Main Street. In addition, over 400 tree beds are maintained throughout the year with fresh coatings of mulch and liriopie is replaced as needed.



Recycling Initiatives

The BID saw a 4% increase in collected recyclables from last year, collecting nearly 105 tons of recyclables from the blue receptacles stationed within the BID's boundaries. The BID plans to add two additional recycling receptacles in 2014, 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.

Left: One of 30 self-watering planters along 8th Street, SE. The planters are provided through a supplementary service contract with Barracks Row Main Street. Below: Safety Ambassadors Charles and India serve lunch to a homeless individual during their weekly visit to a local soup kitchen as part of our homeless outreach program.



6

We Recycle! –

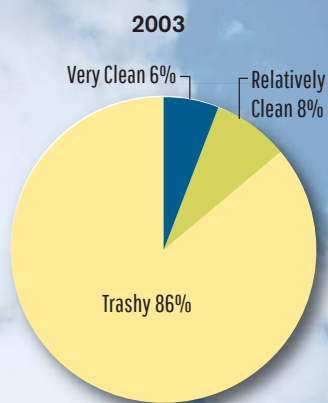
The BID was the first in DC to implement public space recycling. Our tonnage recycled increased 4% in 2013, and has nearly doubled since recycling was implemented by the BID in 2008.



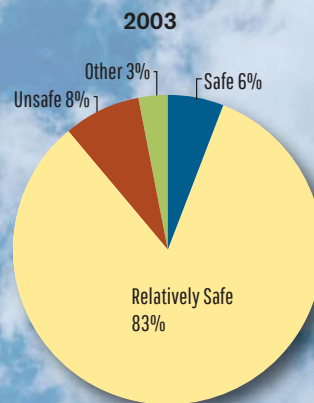
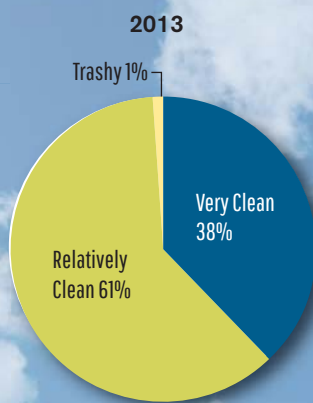
5

Safety Ambassadors – Our ambassadors serve as extra eyes in the business district, assisting homeless individuals and visiting BID members on a daily basis. In addition, our ambassadors staff the information tent at Eastern Market Metro on weekends.

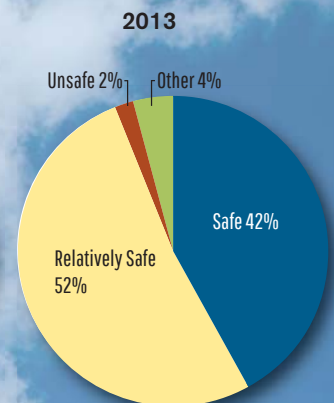
HOW PERCEPTIONS OF CAPITOL HILL HAVE CHANGED SINCE 2003



Perceptions of Cleanliness



Perceptions of Safety



What a difference ten years of BID services have made on Capitol Hill since 2003! Every year since the BID's inception we have conducted a survey to evaluate our services along with the perceptions of cleanliness and safety on Capitol Hill. When the BID began clean and safe services in 2003, 86% of those surveyed viewed Capitol Hill as trashy, and a mere 6% thought Capitol Hill was safe. Ten years later in 2013, only 1% of those surveyed thought Capitol Hill was trashy, and 94% felt that the area was safe or relatively safe.

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 2013, the BID continued its efforts on producing a weekly e-newsletter along with engaging the public through social media outlets. Continued collaboration with fellow business organizations like CHAMPS and Barracks Row Main Street maximized promotional efforts in 2013; further enhancing Capitol Hill as “THE” place to be.

2013 Highlights

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, snacks from Harris Teeter, as well free bike maintenance inspections from Capitol Hill Bikes.

Fourth of July Community Parade — 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 frisbees printed with the saying,



“Great Things Happen on The Hill!” along with and candy to parade spectators.

The 7th 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 and The Washington Youth Choir sang holiday carols while the “men in blue” served hot chocolate and doughnuts.



8

Community Events – Whether it’s our “men in blue” handing out hot chocolate at the annual “George Didden” Holiday Tree Lighting or tossing beads and candy into the crowd at the 4th of July parade, the BID’s engagement in community events and traditions is a reason to celebrate a thriving neighborhood that has become “A Small Town within a Capital City!”



7

Capitol Hill Has Become a Destination –

Once an area where people just drove through or simply avoided, The Hill is now considered a destination for DC residents and tourists alike. Trash can logo plates and pole banners identify the area and welcome you to The Hill. Our presence on social media and collaboration with fellow business organizations like CHAMPS and Barracks Row Main Street help maximize our promotional efforts.

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.



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.

The BID will continue to promote the neighborhood Circulator routes and encourage riders to use the service to get to Washington Nationals baseball games from Capitol Hill. Additionally, it will be promoted as an easy and efficient way to travel 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.



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



9 Plenty of Transportation Options – There are six modes of transportation available on Capitol Hill: Catch a train at Union Station, ride the Metro (3 lines), hop on a bus (DC Circulator or Metrobus), drive, bike (use your own or Capital Bikeshare) or walk.



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. Since 2008, maintenance service areas have expanded beyond Capitol Hill to Adams Morgan; Barracks Row; North Capitol Street; and 12th Street. Paid for through the City's DSLBD Clean Team Grants, we provide work opportunities to over 20 additional homeless and formerly incarcerated individuals.

2013 Highlights:

- Renewed DSLBD supplementary contracts with the Barracks Row Main Street and the Adams Morgan Partnership BID.
- Received two grants from DSLBD to provide clean team services in the business corridors of 12th Street (Brookland) and North Capitol Street. The contracts allowed RWW to hire eight new team members, all previously homeless or incarcerated.
- The Sixth Annual Magic & Miracles benefit was held on December 5 at The Atlas Performing Arts Center where Phil Truluck and The Heritage Foundation were honored with a video tribute for their 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/OAIHRYBv2cs>.



The "Men in Blue" join local talent Adalia Jimenez on stage as she performs "The Impossible Dream" at Ready, Willing & Working's annual fundraiser, Magic & Miracles.

10

Our "Men in Blue" – All of our clean team members are formerly homeless, formerly incarcerated individuals, many of whom battled substance abuse. Through our Ready, Willing & Working program (RWW) these individuals receive the tools necessary to become productive, contributing members of society.



SPOTLIGHT ON ANTOINE WALKER

Capitol Hill BID Clean Team Member



Antoine addresses the audience at the 6th annual Magic & Miracles.

Antoine Walker is a participant in the Ready, Willing & Working program as a member of the Capitol Hill BID Clean Team. As a kid, Antoine acted out a lot. His mother tried everything she could to keep him on a straight path and he wanted nothing to do with it. Like most of his friends, Antoine's father wasn't in his life so Antoine figured he could work things out his own without someone telling him what to do.

As a teenager, Antoine got caught up in the thrill of getting high and making fast money by selling drugs. He had been arrested many times, but managed to stay out of prison until 2008, when his destructive behavior spiraled out of control and he was incarcerated for carjacking. He spent two and a half years in prison, desperate to end the cycle of drugs and crime, longing for meaningful employment that would bring him peace of mind. "I wanted to be legit," Antoine said. "To me, being legit was the impossible dream."

While in jail, Antoine met an inmate who was talking about getting into a program after leaving. He found out that his fellow inmate was talking about the Ready, Willing & Working program and the operations director was Andrew Lee — Antoine's cousin! Antoine got in touch with Andrew to find some way he could get him into the program after he got out of jail.

Andrew hired Antoine part-time as a casual laborer for the Capitol Hill BID. Andrew had Antoine work on small landscaping projects, mostly because he wanted to make sure he was serious about getting his life back on track. He saw that Antoine was a hard worker, and was able to get me a spot as a member of the BID's clean team.

While working for the BID, Antoine received supportive services through Ready, Willing & Working that kept him focused and on the road to self-sufficiency. Being with other men who went through the same experiences and struggles that Antoine went through made him realize that he was not alone. His team members wanted to see him succeed and become a contributing member of society. "My relationship with the other 'men in blue' gives me hope," Antoine said. "And every day I learn a little more from them."

Antoine has been working with the Capitol Hill BID for nearly two years. Prior to working for the BID, he said he was lucky if he could keep a job for two months. "I now contribute to society instead of being removed from it," Antoine said. "I am able to live a life without crime and drugs. I am able to provide for my daughter, my fiancé and her two children. I want to be able to show them that they can be anything they dream of, just as long as it is productive."

Antoine is now living what he thought was the impossible dream. I think you could say that he is now legit!



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, 2013 and 2012, and the related statements of activities 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.

Auditors' 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 auditors' 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 BID'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 BID'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, 2013 and 2012, 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.

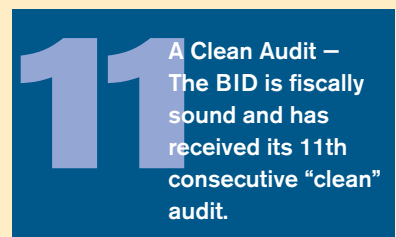
Emphasis of Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared assuming that the 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, 2013 and 2012. 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, 2013 and 2012 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 12 - 13 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.

Timonium, Maryland
January 7, 2014



	2013	2012
The Capitol Hill Business Improvement District, Inc. Statements Of Financial Position September 30, 2013 and 2012	ASSETS	
	CURRENT ASSETS	
	Cash	\$ 51,749
	Assessments and contracts receivable	143,741
	Prepaid expenses and other current assets	20,794
	TOTAL CURRENT ASSETS	279,918
	FIXED ASSETS NET	20,968
	TOTAL ASSETS	\$ 300,886
	LIABILITIES AND NET ASSETS	
	CURRENT LIABILITIES	
	Accounts payable	\$ 67,543
	Current portion of long term debt	4,700
	Accrued expenses	30,476
	Unearned assessment revenue	20,881
	Line of credit	100,000
	TOTAL CURRENT LIABILITIES	223,600
	LONG TERM LIABILITIES	
	Long term debt	11,422
	TOTAL LIABILITIES	235,022
	NET ASSETS	
	Unrestricted	60,692
	Temporarily restricted	5,172
	TOTAL NET ASSETS	65,864
	TOTAL LIABILITIES AND NET ASSETS	\$ 300,886

	2013	Unrestricted	Temporarily Restricted	Total
The Capitol Hill Business Improvement District, Inc. Statements Of Activities For The Years Ended September 30, 2013 and 2012	REVENUE AND SUPPORT			
	Assessment revenue	\$ 1,112,388	\$ 0	\$ 1,112,388
	Contributions and grants	37,492	0	37,492
	Contracts income	281,943	0	281,943
	Penalties and interest	31,648	0	31,648
	Gain on disposal of fixed assets	5,000	0	5,000
	TOTAL REVENUE AND SUPPORT	1,468,471	0	1,468,471
	EXPENSES AND LOSSES			
	Functional expenses:			
	Program services	1,278,244	0	1,278,244
	Management and general	247,182	0	247,182
	Loss on disposal of fixed assets	0	0	0
	TOTAL EXPENSES AND LOSSES	1,525,426	0	1,525,426
	Change in Net Assets	(56,955)	0	(56,955)
	Net Assets Beginning of the Year	60,692	5,172	65,864
	Net Assets End of the Year	\$ 3,737	\$ 5,172	\$ 8,909

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
Gain on disposal of fixed assets	0	0	0
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





Capitol Hill Business Improvement District

30 Massachusetts Avenue, NE
Washington, DC 20002
202.842.3333
www.capitolhillbid.org
@CapitolHillBID