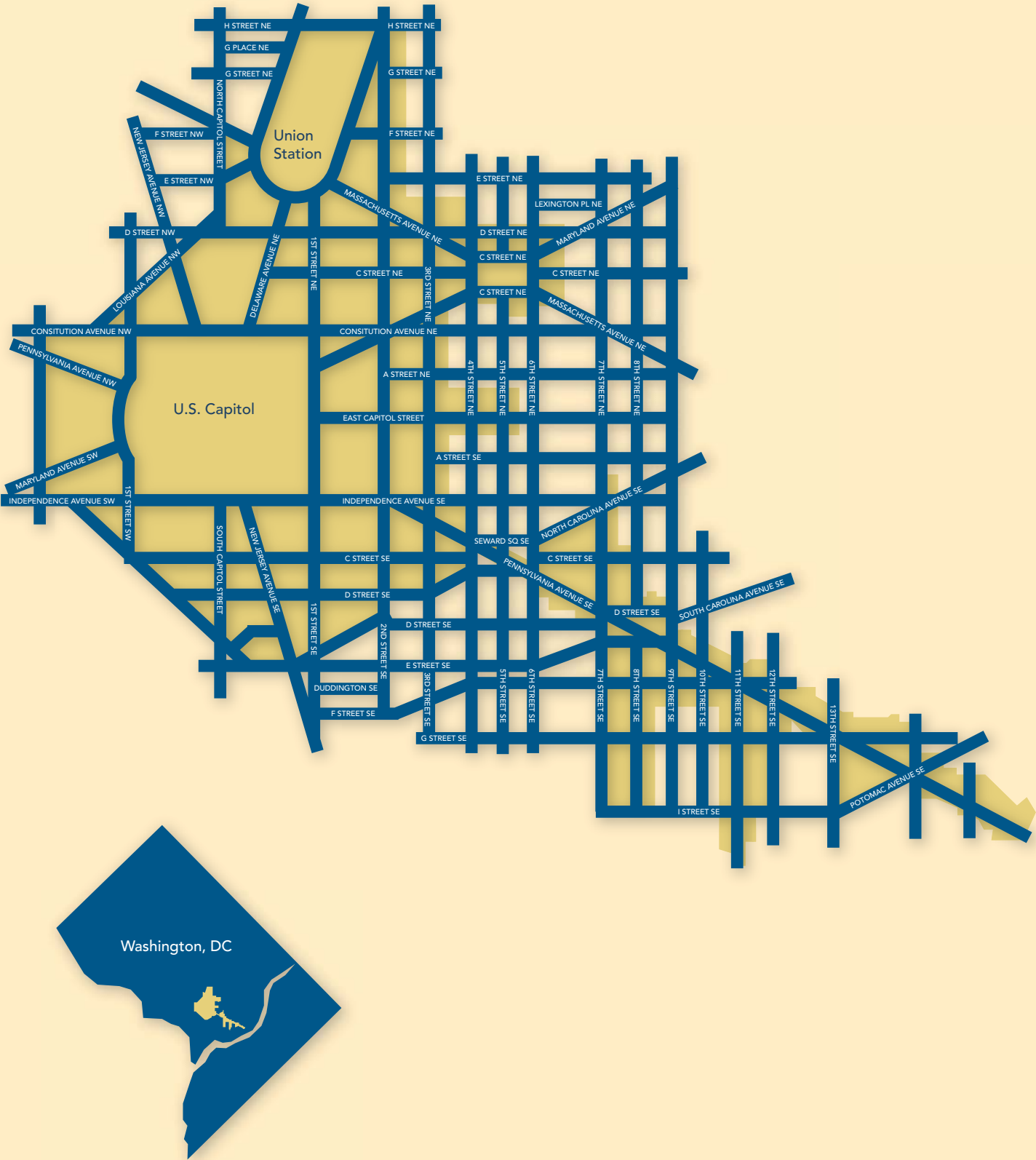




our standards of

excellence

Street Map of The Capitol Hill BID



Overview of the BID



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

2014 Capitol Hill Board of Directors

Chairman of the Board

Phil Truluck, The Heritage Foundation

Vice President

Don Denton, Coldwell Banker Real Estate

Secretary

Carol Quillian, Property Owner

Treasurer

John Gordon, National Capital Bank

Immediate Past Chairman

Paul Pascal, Esq., Pascal & Weiss

Board Members

Hamood Abutaa, Capitol Hill Exxon

John Boyle, Property Owner

Bob Braunohler, Property Group Partners

Ken Golding, Stanton Development Corporation

Mark Holler, Ginkgo Gardens

Gary Jankowski, Coldwell Banker Real Estate

Brad Johnson, Johnson Law Group

Dr. Michael Kim, Grubbs Pharmacy

Susan Perry, Consultant

Michael Phillips, The UPS Store

Chris Robertson, BB&T Bank

Bill Rouchell, Sapore

Victor Sgueo, Bernstein Management

Philip Smith, Captel

Beverly Swaim-Staley, Union Station Redevelopment Corporation

Ex Officio

Vacant, CHAMPS—Capitol Hill Chamber of Commerce

Marge Francese, Office of Councilmember Tommy Wells

Ken Jarboe, Community Representative

Martin Smith, Barracks Row Main Street

Commander Jeff Brown, 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, Director of Field Operations



Letter from the President and Chairman of the Board



Dear Members and Friends of the Capitol Hill BID:

Every business improvement district is formed with specific goals in mind based on the needs determined by the stakeholders within the legislated boundaries. When determining Capitol Hill BID's core programs, our board of directors is keenly aware of our responsibility to not just meet minimum requirements but to exceed and excel in every facet of our organization.

In presenting the 2014 Annual Report of the Capitol Hill Business Improvement District (BID), we're taking a look back at the highlights and accomplishments of our twelfth full year of service with an emphasis on "Our Standards of Excellence" that make the Hill a cleaner, safer, and more beautiful destination than ever.



Excellence in Services: Our BID clean, safe and beautification programs have earned a superior reputation that has allowed us to expand our services to Adams Morgan BID, Capitol Riverfront BID, and Barracks Row Main Street. 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.

Excellence in Marketing: Over the years, the BID has enhanced existing traditions that make Capitol Hill unique and have created a few new ones that have greatly enriched the Capitol Hill experience. Our annual holiday tree lighting event has become a community tradition that grows bigger and brighter every year, and in 2014 we hosted the inaugural lighting of the Capitol Hill Community Menorah.

Excellence in Social Responsibility: The Capitol Hill BID employs more than 25 individuals who were once homeless or formerly incarcerated. By providing supportive services through our Ready, Willing & Working program, these team members are able to become productive, contributing members of society.

Excellence in our Team Members: We are committed to providing work for our employees that not only affords them a livelihood, but that also enhances the quality of every aspect of their lives. In 2014 we won an International Downtown Association (IDA) Merit Award for "Outstanding Leadership and Management in Creating a Positive Workplace Environment." It was the 4th IDA award for the Capitol Hill BID.

Excellence in Fiscal Responsibility: The BID is financially sound and has received its twelfth 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 below 15%, enabling your tax dollars to have the greatest impact.

Clearly the key to our success is our attention to achieving high standards of excellence in all we endeavor to do. All of this is possible because of the vision and support of our Board of Directors, dedicated staff, and our stakeholders who place their trust in our ability to maximize the tax dollars that we receive.

Thank you and best wishes for continued excellence in 2015!

A handwritten signature in black ink, appearing to read "P. Truluck".

Phillip N. Truluck
Chairman of the Board

A handwritten signature in black ink, appearing to read "P. Brosmer".

Patty Brosmer
President



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 2014, the Ready, Willing & Working (RWW) clean team collected 1,250 tons of trash and over 100 tons of recyclables and removed 748 graffiti taggings from public space on The Hill.

2014 Highlights

- Our ambassadors assisted 12,470 people at our weekend information tent at the Eastern Market Metro plaza in FY 2014.
- The BID's landscaping crew planted and replaced liriope as needed in the BID's 400 tree beds. Through our supplementary contract with the Barracks Row Main Street program we maintained 30 public space planters along 8th Street, SE, with seasonal plantings. The BID's landscaping crew also

planted petunias in the 23 pole baskets along Barracks Row.

- Our Clean & Hospitality Teams were happy to help out at the Capitol Hill Classic 10K in Stanton Park on May 18th. Our Hospitality Ambassadors handed out bottled water to runners while our Clean Team picked up trash and emptied out trash receptacles.
- The BID received its fifth Keep America Beautiful — Cigarette Litter Prevention Program Award to purchase four ash tray lids for the trash receptacles at the Potomac Avenue Metro Station. The ash tray lids were installed in June 2014 and in just three months there was a 38% decrease in cigarette litter in the area surrounding the metro station.

Recycling Initiatives

The BID collected over 100 tons of recyclables from the blue receptacles stationed within the BID's boundaries in 2014. The BID is partnering with the District's Department of Public Works and plans to





add 12 new recycling receptacles in 2015. By continuing to increase the presence of recycling on Capitol Hill, the BID 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

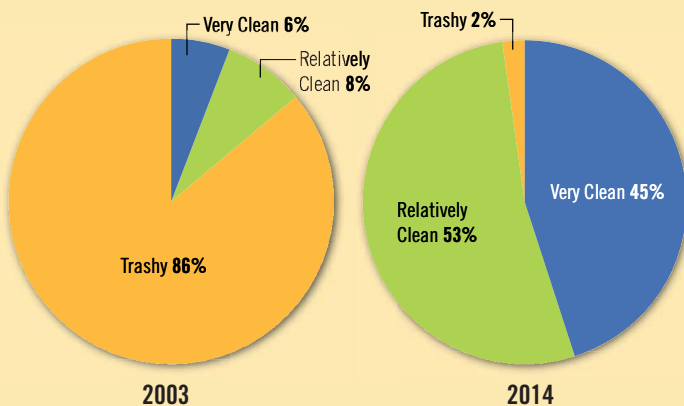
Capitol Hill has seen a significant decrease in the number of homeless people within the BID's boundaries since 2003. All of our safety and hospitality ambassadors are trained to assist the homeless and direct them to services where they can find food, shelter or employment in DC. In the cold winter 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 2014, BID safety and hospitality ambassadors performed 1,272 homeless assists. This number includes their weekly visits to serve meals at the soup kitchen, located at the Washington City Church of the Brethren (337 North Carolina Avenue, SE).



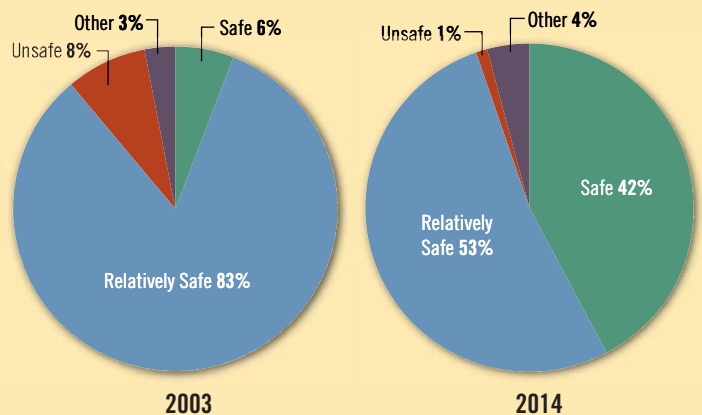
Below: Clean Team Member Charles Holcomb collects empty water bottles for recycling at the Capitol Hill Classic 10K.

How Perceptions of Capitol Hill's Safety and Cleanliness Have Changed Since 2003

Perceptions of Cleanliness



Perceptions of Safety



Since 2003, the BID has conducted an annual survey to evaluate the level of our services along with the perceptions of cleanliness and safety on Capitol Hill. In 2003, 86% of those surveyed thought the Hill was trashy and only 6% felt the neighborhood was safe. In 2014, only 2% thought The Hill was trashy and 95% of those surveyed felt that The Hill was safe or relatively safe. What a difference twelve years of BID services have made on Capitol Hill!



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 2014, the BID continued its efforts on producing a weekly e-newsletter along with engaging the public through social media outlets. The BID continues to collaborate with fellow business organizations like CHAMPS, Barracks Row Main Street, and Market Row to further enhance Capitol Hill as “THE” place to be.

2014 Highlights

- **I Love Capitol Hill!** — On Valentine’s Day, BID Hospitality Ambassadors handed out Hershey kisses and I ♥ Capitol Hill buttons to share the love for Capitol Hill.
- **Bike to Work Day** — The BID hosted a Capitol Hill pit stop for Bike to Work Day at the Eastern Market Metro plaza on May 23rd. Over 300 registered Bike to Work Day participants visited the pit stop, enjoying coffee from Peregrine Espresso, snacks from Harris Teeter, as well as free bike maintenance inspections from Capitol Hill Bikes and City 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 foam Statue of Liberty crowns printed with the saying, “Celebrate Capitol Hill!” along with candy to parade spectators.
- **“Nothing But October”** — Capitol Hill showed its team spirit for the Washington Nationals as they entered the playoffs in early October. Hundreds of hats—provided to the BID by the Washington

Nationals—were distributed along with “Curly W” window decals and tee shirts. Businesses were encouraged to have their employees wear hats during Nationals playoff games and use #*NothingButOctober* on social media to generate excitement for the team.



- **Hill-O-Ween** — The BID participated in the community’s annual Hill-O-Ween event outside of Eastern Market. Our hospitality ambassadors handed out candy to trick-or-treaters while the clean team helped clear trash and ensure that the area stayed clean during and after the event.
- **The 8th 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.

- **Decorative Holiday Snowflakes converted to LED lighting** — In the fall of 2014, the BID’s casual labor team worked diligently to remove all of the old incandescent light bulbs and wiring from the decorative snowflakes and replaced it with LED rope lighting. The results are beautiful and the new LED lights will last five to seven years. Using LED lighting has saved over \$3,000 in energy costs in the month of December 2014 compared to December 2013! The old, incandescent snowflakes generated 12,000 watts while the new LED snowflakes generate only 35 watts (*right*).



A New Tradition is Born — The Inaugural Capitol Hill Community Menorah Lighting

Over 200 community members attended The Inaugural Capitol Hill Menorah Lighting to celebrate the first night of Hanukkah and begin a new annual tradition in the neighborhood. The BID and Hill Havurah co-sponsored the menorah lighting, which took place right next to “Big George.” The 9-foot outdoor menorah was dedicated to BID Past Board Chairman Paul Pascal for his dedication to the mission and vision of the Capitol Hill BID since 2003 as a board member and his seven years as Chairman from 2007-2014. Families and community members gathered in the plaza, enjoying hot chocolate and coffee served by our “men in blue” as well as jelly doughnuts and potato latkes, which are traditional foods served during Hanukkah.



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. 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 east of the Anacostia River.

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.



The DC Circulator is planning to launch a new route on the National Mall in March 2015; the route is slated to originate and end at Union Station. The BID will help publicize the launch of this new route and continue to promote the neighborhood Circulator routes throughout the year, including the additional service hours for Washington Nationals baseball games. The neighborhood Circulator routes are marketed 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 a 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. Since 2008, maintenance service areas have expanded beyond Capitol Hill to Adams Morgan, Barracks Row, and as of October 1, 2014, Capitol Riverfront. RWW currently provides work opportunities to over 30 formerly homeless and incarcerated individuals.

2014 Highlights:

- The International Downtown Association recognized the BID with a Downtown Merit Award for our work and initiatives related to the Ready, Willing & Working program. The program—Ready, Willing & Working—A Solution to Homelessness and Public Space Management—was among 10 qualified entries in the category of Downtown Leadership and Management.
- Secured new maintenance service contract with the Capitol Riverfront BID for clean and hospitality supplementary services which began on October 1, 2014. The new contract allowed RWW to hire 12 team members, providing them with a full benefits package and supportive services.
- Renewed DSLBD supplementary contracts with Barracks Row Main Street and the Adams Morgan Partnership BID.
- RWW received a \$2,000 Community Grant from the Capitol Hill Community Foundation in November.
- One of Capitol Hill's newest restaurants, Medium Rare, offered to fry turkeys for free at their restaurant on Thanksgiving morning. In return, they asked patrons to make a contribution to RWW.

- The Capitol Hill BID and RWW hosted a “Dine and Donate” event at Trattoria Alberto on August 26th (**right**). The event was held to celebrate the BID's IDA Award as well as raise funding for RWW. Diners got to enjoy Trattoria Alberto's delicious Italian cuisine and a portion of their tab was generously donated to RWW.
- The Seventh Annual Magic & Miracles benefit was held on December 4th at The Atlas Performing Arts Center and featured WAMU 88.5FM Talk Show Host Kojo Nnamdi as Master of Ceremonies. Guests enjoyed food from top local restaurants, live music by Synchronicity, a silent auction and a moving presentation featuring Kyle Bagbey's story — RWW's 2012 intern who died of an overdose in January 2014. To view the video, visit: <http://vimeo.com/113962076>



For more information about our Ready, Willing & Working program, visit rwwdc.org.

The 7th Annual Magic and Miracles Benefit for Ready, Willing & Working





Spotlight on India Person, Capitol Hill BID Hospitality Ambassador Since 2003

India Person, also known throughout Capitol Hill as the BID's only "woman in blue," began her position as a safety and hospitality ambassador in 2003. India had prior experience in building security, but sought a permanent position where she could interact with people on a daily basis.



"I first found out about the BID when I saw an ad in the newspaper for the ambassador positions," India said. "The job description talked about working outdoors and interacting with people and businesses on Capitol Hill. It sounded fun and exciting, especially since I grew up here." India interviewed with BID President Patty Brosmer and then-Operations Director Ray Cammas in September 2003, but they

weren't able to hire her full-time and begin her training until that December.

India did not give up hope though, and contacted Patty on a weekly basis to check in and see if the BID was ready to start their ambassador training. "I loved how persistent she was, and she seemed like she'd be a good fit for our team," said Patty. "When we were ready to begin our ambassador training in December 2003, we called India right away. She knew how to engage people from the very beginning. She sees people on Capitol Hill and can tell right away if they could use her assistance with directions or just a question about the neighborhood."

Capitol Hill was a lot different in 2003 than it is today. It was dirty, unsafe at times, and many homeless individuals slept on the streets at night. India remembers how difficult it was to perform homeless counts in the BID's early days because there were so many homeless people. "Patty and a few of us would go out in the truck in the middle of the night and count all of the homeless people sleeping in the BID area. It was tough at first but we all really bonded as a team going through that experience." India remembers one homeless man in particular that she had to interact with near Bullfeathers (401 1st Street, SE) a few years ago.

"He was always panhandling in front of Bullfeathers, and you could tell that he was using drugs," India said. "I kept staying on top of him, telling him the places where he could go to get help. Finally I wasn't seeing him anymore. A few years later he ran into me on The Hill and told me he had gotten help, found a permanent job, had a great place to live and owned a motorcycle. It felt so good knowing that I helped him get back on his feet. I knew he was a good person deep down, he just needed to straighten himself out first."

Those who know India, know she loves interacting with people. It is what she likes most about her job. In particular she loves interacting with the merchants on Capitol Hill. "I get to build relationships with the businesses," she said. "As long as I keep them informed about what's going on, they keep me informed and they feel comfortable coming to me with any issues they have." India also loves the people in the community. Growing up on Capitol Hill, she never would have thought the neighborhood would be a clean and safe place for people to work, live, and visit. Now she can walk down Pennsylvania Avenue, SE, and nearly everybody knows her name. "It wasn't like that here when I was growing up," she said. "It was dangerous and dirty."



India enjoys the sense of security she has working for the BID, and how she's contributed to the improvement of the area. "We cover a huge area, but we're all like family. Everybody knows one another and takes care of one another." In addition, she feels that her job has helped her build character, and has set a good example for her 15 year old son Isaiah. "I want to show my son that you can enjoy your job and make a difference in your community," she said. India also noted, "the BID has the coolest board members. They work in the community along with us." She said, "I've never had a work environment where I was loved and rewarded for the good things that I do. I couldn't ask for a better job!"



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. (BID), which comprise the statements of financial position as of September 30, 2014 and 2013, 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, 2014 and 2013, 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, 2014 and 2013. 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, 2014 and 2013 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 audits were 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 audits 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 19, 2015

**The Capitol Hill Business
Improvement District,
Inc. Statements of
Financial Position
September 30, 2014
and 2013**

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash	\$ 53,468	\$51,749
Assessments and contracts receivable	222,702	143,741
Prepaid expenses and other current assets	22,888	20,794
TOTAL CURRENT ASSETS	299,058	216,284
FIXED ASSETS NET	80,911	58,550
TOTAL ASSETS	\$379,969	\$274,834
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$27,306	\$22,823
Accrued expenses	13,867	29,225
Line of credit	100,000	75,000
Unearned assessment revenue	69,419	91,137
Unearned contracts income	92,575	0
Current portion of long term debt	13,164	12,631
TOTAL CURRENT LIABILITIES	316,331	230,816
LONG TERM LIABILITIES		
Long term debt	20,554	35,109
Unearned contracts income	20,575	0
TOTAL LONG TERM LIABILITIES	41,129	35,109
TOTAL LIABILITIES	357,460	265,925
NET ASSETS		
Unrestricted	17,337	3,737
Temporarily restricted	5,172	5,172
TOTAL NET ASSETS	22,509	8,909
TOTAL LIABILITIES AND NET ASSETS	\$379,969	\$274,834

**The Capitol Hill Business
Improvement District,
Inc. Statements of
Activities for the Years
Ended September 30,
2014 and 2013**

2014	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Assessment revenue	\$1,159,869	\$0	\$1,159,869
Contributions and grants	38,376	0	38,376
Contracts income	455,146	0	455,146
Penalties and interest	26,397	0	26,397
Gain on disposal of fixed assets	0	0	0
TOTAL REVENUE AND SUPPORT	1,679,788	0	1,679,788
EXPENSES			
Functional expenses:			
Program services	1,412,684	0	1,412,684
Management and general	253,504	0	253,504
TOTAL EXPENSES	1,666,188	0	1,666,188
Change in Net Assets	13,600	0	13,600
Net Assets Beginning of the Year	3,737	5,172	8,909
Net Assets End of the Year	\$17,337	\$5,172	\$22,509
2013	Unrestricted	Temporarily Restricted	Total
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			
Functional expenses:			
Program services	1,278,244	0	1,278,244
Management and general	247,182	0	247,182
TOTAL EXPENSES	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





Capitol Hill Business Improvement District

30 Massachusetts Avenue, NE

Washington, DC 20002

202.842.3333

www.capitolhillbid.org

@CapitolHillBID