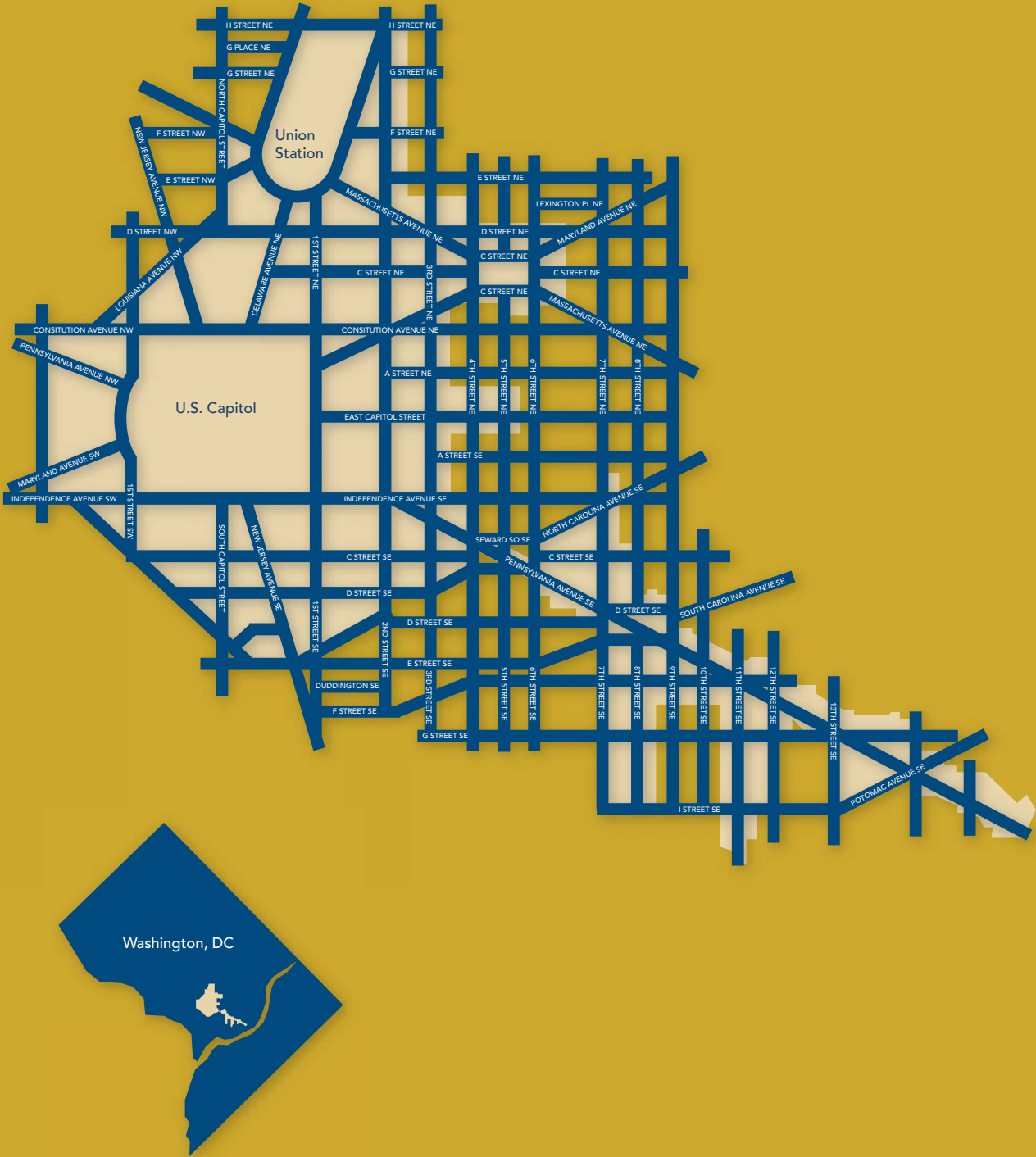




CAPITOL HILL BID

2016
Annual Report

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 focused on maintaining and beautifying Capitol Hill's commercial streets and sidewalks and supporting local businesses by creating a clean and vibrant environment. From marketing and community events, to streetscape improvements and economic development, the Capitol Hill BID has contributed to the vitality and quality of life on The Hill since its inception in 2003.

There are currently a total of ten BIDs throughout the District of Columbia that have had an important impact on the renaissance of our Nation's Capital. Although the Capitol Hill BID is not the largest BID by the numbers, it has established a leadership position in the community and was the first to pilot important initiatives such as public space recycling and work-rehabilitation programs.

The Capitol Hill BID's signature program is Ready, Willing and Working (RWW), which employs more than 50 individuals who were once homeless or formerly incarcerated. The program, founded in 2008, provides top-quality street cleaning services not only in Capitol Hill but, through contracts, a range of Main Street Programs and BIDs throughout the city. RWW not only provides sustainable employment to these team members but supportive services that touch every aspect of their lives.

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

2016 Capitol Hill Board of Directors

Chairman of the Board

Don Denton
Coldwell Banker Real Estate

Vice President

Carol Quillian
Property Owner

Secretary

Michael Phillips
The UPS Store

Treasurer

John Gordon
National Capital Bank

Immediate Past Chairman

Paul Pascal, Esq.
Pascal, Weiss & Hirao, P.C.

Board Members

Hamood Abutaa, Capitol Hill Exxon
John Boyle, Property Owner
Bob Braunohler, Property Group
Partners
Ken Golding, Stanton Development
Corporation
Jesse Heier, Jade Fitness
Mark Holler, Ginkgo Gardens
Gary Jankowski, Coldwell Banker Real
Estate
Brad Johnson, Johnson Law Group
Eric Korsvall, The Heritage
Foundation
Susan Perry, Consultant
Bill Rouchell, Maison Orleans
Vincent Sgueo, Bernstein Management
Philip Smith, Captel
Beverly Swaim-Staley, Union Station
Redevelopment Corporation
Robert Weinstein, Architrave, P.C.
Architects

Ex Officio

Betsy Poos, CHAMPS—Capitol Hill
Chamber of Commerce
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
Michelle Valeri, Marketing Director
Arnold Lee, Director of Field Operations



Capitol Hill BID Executive Committee

Seated left to right: Michael Phillips,
John Gordon, Carol Quillian,
Don Denton

Standing left to right: Patty Brosmer,
Susan Perry, Paul Pascal



LETTER FROM THE PRESIDENT

Dear Members and Friends of the Capitol Hill BID,

I am pleased to present the 2016 Annual Report of the Capitol Hill Business Improvement District (BID) and to announce that the state of the BID is has never been better! As you take this look back on the highlights and accomplishments of our thirteenth 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.



2016 was quite a year for our country and also for the Capitol Hill Business Improvement District (BID). To call it "Historic" would not be an exaggeration! The BID's revenue increased by over \$1 million from the previous year and our net assets grew from \$95k to more than \$281k in 2016. We raised all clean team starting salaries to at least the DC living wage and our total staff grew from 35 to nearly 50. We also took home our fifth International Downtown Association Merit Award — our third in Leadership and Management for successfully growing our Ready, Willing & Working program to serve other BIDs and Main Streets. As you will see in the financial section of the report, the BID is fiscally sound and has received its 13th consecutive "clean" audit.

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. Fourteen years later, 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 original goals laid out by our founding members.

If history sometimes repeats itself, we will strive to continue the successes we've enjoyed while working to create new successes. Together we will continue to make great things happen on Capitol Hill!

Patty Brosmer



CLEAN, SAFE & BEAUTIFUL

The BID continues to be 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 2016, the Clean Team collected 1,540 tons of trash, over 138 tons of recyclables and removed 702 graffiti taggings from public space on The Hill.

2016 Highlights

- The BID received a Merit Award in the Downtown Leadership and Management category from the International Downtown Association for its work and initiatives related to its project titled, "Clean Team Grows Beyond the Boundaries." The project showcased how the BID contracts its Clean Team Services to other BIDs and Main Streets through the Ready, Willing & Working program.



- Our ambassadors assisted 45,040 people at our weekend information tent at the Eastern Market Metro plaza in FY 2016.
- The BID's landscaping team 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 maintained 30 public space planters along 8th Street, SE with seasonal plantings.
- The landscaping crew planted petunias in the 23 pole baskets along Barracks Row. The petunias were replaced with mums in the fall.
- Teams planted new beautiful topiaries in the large street planters along Barracks Row.



- For the 13th year in a row, Our Clean & Hospitality Teams helped out at the Capitol Hill Classic 10K in Stanton Park. Our Hospitality Ambassadors handed out bottled water to runners while our Clean Team picked up trash and emptied trash receptacles.





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 2016, BID safety and hospitality ambassadors performed 241 homeless assists. This number includes periodic visits to serve meals at the soup kitchen, located at the Washington City Church of the Brethren (337 North Carolina Avenue, SE).

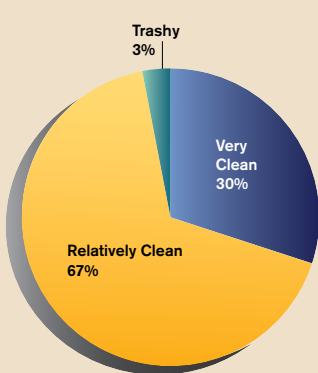


Recycling Initiatives

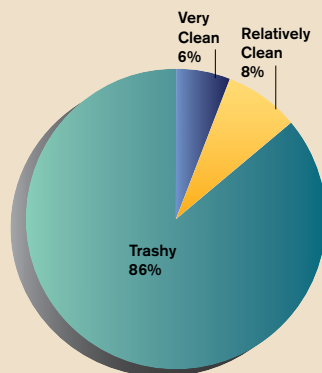
The BID collected over 138 tons of recyclables from the blue receptacles stationed within the BID's boundaries in 2016. The BID also partnered with the District's Department of Public Works and added 5 new recycling receptacles. By continuing to increase the presence of recycling on Capitol Hill, the BID hopes to see a continual increase in recycling and a steady decline in the amount of rubbish collected by our teams.

Perceptions of Cleanliness

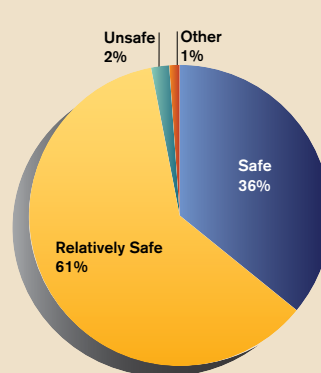
Perceptions of Safety



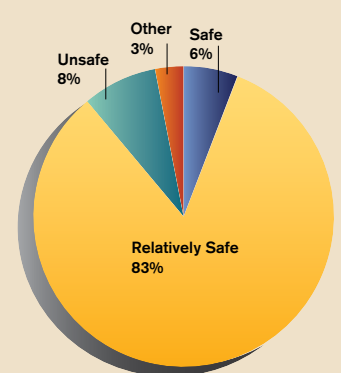
2016



2003



2016



2003



MARKETING CAPITOL HILL

In addition to creating a clean and safe business district, the BID also promotes Capitol Hill as a premier destination to shop, dine, work and live. In 2016, the BID continued its efforts of 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 a world-class destination.

2016 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 Capitol Hill BID hosted a Pit Stop at the Eastern Market Metro Plaza on Friday, May 20th. Over 300 registered participants stopped by to pick up their official BTWD t-shirt and enjoy refreshments and prizes from local sponsors including Peregrine Espresso, District Doughnut, Capitol Hill Bikes, Harris

Teeter, Jade Fitness and McCormick Paints.

- **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 I ♥ Capitol Hill Brandanas and magnets along with beads and candy to parade spectators.
- **The BID e-newsletter got a facelift** in July with a clean, fresh look. Service switched from Open Moves to MailChimp, which is more cost-effective and has a simpler interface.



- **2016 Capitol Hill Banner Design Contest** — In October, the BID and the Capitol Hill Art League (CHAL) collaborated on a contest to give artists in the Art League a unique opportunity to celebrate community through art. The competition was to design all-weather banners that will be hung throughout the neighborhood in 2017. We received some fantastic entries and ended up choosing four designs that truly captured the theme — "It's all here on the Hill!"

The BID and CHAL hosted a silent auction at the 2017 Annual Meeting where all artists who entered had a chance to auction off their piece. The proceeds were split between the artists and Ready, Willing & Working.

The winning designs: "Hill Icons" by Tara Hamilton (top left), "Effervescence Hill" by Rindy O'Brien and Elizabeth Eby (top right), "Chilly Day at Eastern Market" by Linda Norton (bottom left), and "Capitol Hill in Living Color" by Kay Fuller (bottom right).





of the 10th anniversary of the tree lighting.

- **The 3rd Annual Capitol Hill Community Menorah Lighting** — The community gathered on December 26th for The 3rd Annual Community Menorah Lighting. The BID and Hill Havurah co-sponsored the event, which took place right next to “Big George.” The 9-foot outdoor menorah is 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. Attendees enjoyed hot chocolate and coffee served by our “men in blue” as well as jelly doughnuts and potato latkes from Ted’s Bulletin. Council-member Elissa Silverman hosted the evening and the community was led in song by children from The Yavneh Jewish Education Program and Gan Shalom Preschool.

Above: Fourth of July Parade.
Left: Banner design winners.



- **The 10th 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, Capitol Hill Arts Workshop’s Suzuki Strings and The Washington Youth Choir sang holiday carols while the “men in blue” served hot chocolate and doughnuts. Commemorative ornaments were given out in honor



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. The BID also holds a seat on the DC Surface Transit (DCST) board.

Capital Bikeshare began its presence with a just a few small stations on The Hill in 2010 and since has seen a significant impact in the way people travel around Washington. Today, Capital Bikeshare offers eleven stations within the BID's boundaries, which at maximum capacity can dock over 188 bikes, providing an innovative and environmentally-friendly way to get around and explore Capitol Hill.

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 its commitment to social responsibility through the management of Ready, Willing & Working (RWW); a solution to homelessness and criminal recidivism in Washington. Since 2008, maintenance service areas have expanded beyond Capitol Hill to Adams Morgan, Barracks Row, Capitol Riverfront and Southwest DC. RWW currently provides work opportunities to over 50 formerly homeless and incarcerated individuals.

2016 Highlights:

- Renewed Clean Team contracts with Barracks Row Main Street and the Adams Morgan Partnership BID.
- RWW received two \$2,500 Community Grants from the Capitol Hill Community Foundation in May and November.
- Produced four short videos highlighting RWW's history, impact, growth and supportive services.
- Ashley Schapitl, graduate student, produced a Strategic Communications Plan as her Master's Thesis that we have implemented throughout the year. Objectives include raising awareness of the program, increasing RWW's social media footprint and increasing advertising.
- Updated RWW website with new capabilities – responsive design (works across all devices), page dedicated to Magic & Miracles, fresh, modern look and newsletter sign-up.



- RWW partnered with &pizza for their Buy One, Give One Campaign in October. For every pizza purchased during &pizza's opening weekend, the company donated one pie to RWW.
- The 9th Annual Magic & Miracles benefit was held on November 30th 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 the Herb Scott Jazz Quartet, a silent auction and the premiere of RWW's latest video, The American Dream. To view the video, visit: <https://youtu.be/lqCGiiCbWqI>



HOMETOWN HERO!

The DC Chamber of Commerce held its 2016 Annual Meeting & Chairman's Inaugural Breakfast at the Walter E. Washington Convention Center on December 14th, 2016. The meeting brought together nearly 500 influential executives and decision makers from the DC business community to network and celebrate the successes of 2016, while looking forward to the promise and potential of 2017.

Ready, Willing & Working's Director of Operations, Andrew Lee, was honored with the 2016 Hometown Hero Award for his passion and devotion to providing life-changing employment opportunities to formerly incarcerated and homeless individuals through the RWW program. The award presentation included a screening of RWW's latest video, "The American Dream," which features Andrew and President of the DC Chamber of Commerce, Vincent Orange.

Andrew joined the Capitol Hill BID/RWW in 2004 as a member of the Clean Team and worked his way up to become second-in-command as the Director of Operations in 2008. He has helped countless men turn their lives around to become productive members of society. Congratulations, Andrew — we are so proud to have you on our team!



SPOTLIGHT ON WILLIE TAYLOR

Willie Taylor was 14 years old when he first started doing drugs. At age 17, he stole something for drugs for the first time. He was in and out of jail, homeless and hungry for much of his life. The last time he went to jail, he was 38 years old and came out ten years later. When he was paroled he knew he had to make some serious changes in his life.

One night at a shelter, Willie saw a man dressed in blue, pushing a bucket. Willie asked him what program he was in and the man told him about what is now the *Ready, Willing & Working* program. That was nearly nine years ago. Fast forward to 2016 - Willie is still here today. "Pushing my bucket on the streets of Capitol Hill has taught me patience and responsibility," Willie said. "Working is a confidence builder. I'm not living off the city — I'm working for the city."

Not only is Willie still employed with *Ready, Willing & Working*, but he has built an amazing life for himself and his beautiful wife. Back in 2008, Willie moved from transitional housing into his very own apartment. After a few



more moves, he was introduced to an elderly couple, Joe and Marie Freeman, who had an apartment available in the building that they owned. Without hesitation, Willie signed the lease and moved into the building. The couple took a liking to Willie and treated him like their son.

After a few years, Mr. and Mrs. Freeman became ill and it was now Willie's turn to take care of them. Mr. Freeman sadly passed away and as his last request, asked Willie take care of Marie. Willie was happy to keep his promise and did everything he could to take care of Mrs. Freeman, carrying her up and down the stairs each day, driving her to doctor's appointments, etc. When Marie passed away, Willie learned that the Freemans left the entire apartment building to him! He is now the proud owner and manager of the 4-unit building in Northeast.



Not only does Willie own his own apartment building and work for the Capitol Hill BID, but he also has his own landscaping business on the side. "It started out with me on my bike with a rake, cleaning yards in Capitol Hill," Willie said. "I never thought it'd grow to become this." Willie eventually got so many requests for landscaping work that he bought a Ford Ranger to help get him and his tools to and from job sites. After the Ranger served its purpose, it was time for a new truck. This past year he purchased a 2014 Ford F150 for his business.

Willie credits the Capitol Hill BID and *Ready, Willing & Working* for much of his transformation. "As a member of the Clean Team, I'm surrounded by people who want to do the same thing I do, who want to change their life," Willie said. "We feed off of each other's success. It helps me to stay focused." While the program gave Willie the tools he needed, his determination and tireless work ethic got him to where he is today.

Willie is a fantastic example that with hard work and perseverance, you can achieve anything you set your mind to. He has overcome many obstacles in his life and is an excellent role model for our Men in Blue!



FINANCIALS

Board of Directors

The Capitol Hill Business Improvement District, Inc.

We have audited the accompanying financial statements of The Capitol Hill Business Improvement District, Inc., which comprise the statements of financial position as of September 30, 2016 and 2015, 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 Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Capitol Hill Business Improvement District, Inc. as of September 30, 2016 and 2015, 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, 2016 and 2015. 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, 2016 and 2015 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 13 - 14 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

February 15, 2017



THE CAPITOL HILL BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENTS OF FINANCIAL POSITION — SEPTEMBER 30, 2016 AND 2015

ASSETS	2016	2015
CURRENT ASSETS		
Cash	\$ 93,571	\$ 126,547
Assessments and contracts receivable	310,119	265,249
Prepaid expenses and other current assets	27,160	56,366
TOTAL CURRENT ASSETS	430,850	448,162
FIXED ASSETS — NET	72,716	135,920
OTHER ASSETS		
Deposits	8,000	0
TOTAL ASSETS	\$ 511,566	\$ 584,082
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 14,239	\$ 43,480
Accrued expenses	8,299	74,647
Line of credit	0	50,000
Unearned assessment revenue	90,805	52,057
Unearned contracts income	72,000	160,285
Current portion of long term debt	15,187	36,990
TOTAL CURRENT LIABILITIES	200,530	417,459
LONG TERM LIABILITIES		
Debt	29,934	70,921
TOTAL LIABILITIES	230,464	488,380
NET ASSETS		
Unrestricted	275,930	90,530
Temporarily restricted	5,172	5,172
TOTAL NET ASSETS	281,102	95,702
TOTAL LIABILITIES AND NET ASSETS	\$ 511,566	\$ 584,082



THE CAPITOL HILL BUSINESS IMPROVEMENT DISTRICT, INC.
STATEMENTS OF ACTIVITIES — FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

2016	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Assessment revenue	\$ 1,302,408	\$ 0	\$ 1,302,408
Contributions and grants	44,280	0	44,280
Contracts income	2,046,652	0	2,046,652
Penalties and interest	38,320	0	38,320
Gain on disposal of fixed assets	25,544	0	25,544
TOTAL REVENUE AND SUPPORT	3,457,204	0	3,457,204
EXPENSES			
Functional expenses:			
Program services	3,008,391	0	3,008,391
Management and general	263,413	0	263,413
TOTAL EXPENSES	3,271,804	0	3,271,804
Change in Net Assets	185,400	0	185,400
Net Assets—Beginning of the Year	90,530	5,172	95,702
Net Assets—End of the Year	\$ 275,930	\$ 5,172	\$ 281,102
2015	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Assessment revenue	\$ 1,196,263	\$ 0	\$ 1,196,263
Contributions and grants	46,780	0	46,780
Contracts income	1,052,076	0	1,052,076
Penalties and interest	28,364	0	28,364
Gain on disposal of fixed assets	0	0	0
TOTAL REVENUE AND SUPPORT	2,323,483	0	2,323,483
EXPENSES			
Functional expenses:			
Program services	1,999,819	0	1,999,819
Management and general	250,471	0	250,471
TOTAL EXPENSES	2,250,290	0	2,250,290
Change in Net Assets	73,193	0	73,193
Net Assets—Beginning of the Year	17,337	5,172	22,509
Net Asset—End of the Year	\$ 90,530	\$ 5,172	\$ 95,702





BUSINESS IMPROVEMENT DISTRICT

Capitol Hill

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[@capitolhillBID](https://twitter.com/capitolhillBID)