



Change, Opportunity & Social Responsibility

CAPITOL HILL BUSINESS IMPROVEMENT DISTRICT
ANNUAL REPORT 2008



Capitol Hill BID President Patty Brosmer with clean team award winner Willie Taylor.

Executive Committee

- Chairman of the Board/ Treasurer*
Paul Pascal, Esq.
- Vice President*
Don Denton
- Secretary*
Joan Malkowski Jones
Lang LaSalle
- Chair, Administrative Committee*
Mr. Bob Braunohler
Louis-Dreyfus Properties
- Chair, Beautification Committee*
Mark Holler
Ginkgo Gardens
- Chair, Transportation Committee*
Ms. Susan Perry

Board Members

- David Ball
Union Station Redevelopment Corp
- Dennis P. Bourgault, Esq.
Chateau Animaux
- John Boyle
Marty's Restaurant
- Edwin Copenhaver
Frager's Hardware
- Ken Golding
Stanton Development Corporation
- Deb Hardy Havens
Capitol Associates, Inc.
- Dale Lowery
CaseTech, Inc.

- Ms. Katherine Porter Page
Bernstein Management Corporation
- Ms. Carol Quillian
- Bill Rouchell
Maison Orleans Bed & Breakfast
- Mr. Phillip Truluck
The Heritage Foundation

Ex-officio Members

- Marge Francese
Office of The Hon. Tommy Wells
- Julia Christian, Exec.
Director CHAMPS
- Ken Jarboe
- Louis Wassel
Barracks Row Main Street
- 1D1 Inspector
Metropolitan Police Department
- Judy Wood

Staff

- President*
Patty Brosmer
- Director of Operations*
Andrew Lee
- Program Manager*
Nina Liggett

The Capitol Hill Business Improvement District is a non-profit management organization funded by commercial property owners. The BID maintains some five linear miles within our legislated boundaries and enhances basic City services by providing hospitality/safety services, public space maintenance of the entire area, and destination marketing to provide a clean, safe and vibrant environment.

OVERVIEW

There are approximately 510 commercial properties and 600 businesses within the BID. The BID was incorporated in 2000 and began services in the spring of 2003.

Our mission is to make Capitol Hill as clean, safe, friendly and beautiful as possible given our budgetary parameters and to be as socially responsible in every way we can. The Capitol Hill BID acts as a catalyst, working with business, community, and city partners (such as other DC BIDs) to promote positive change in our nation's capitol.

In the 6 years since our inception Capitol Hill has experienced a healthy rise in reputation, a quantifiable decrease in overall crime and resurgence as a place to shop, dine, work and live. It was chosen as one of the 10 Great Neighborhoods in America by the American Planning Association in 2008.



FROM THE PRESIDENT

Dear Capitol Hill BID Member,

When our BID was just a twinkle in founding president George Didden's eye, many skeptics looked at the numbers and said it couldn't be done. Capitol Hill's commercial landscape was far less dense and far more spread out than the other three existing BIDs at the time. The 81 block faces would only yield \$450k a year to start and providing services to the some 5 linear miles would be a challenge.

The founding Board hired me in late 1999 as a consultant to help determine IF indeed it could be done. After much research, and strategic thinking we determined: YES WE CAN. And, we determined that by being socially responsible and providing opportunities to the homeless and under-employed, we could effectuate the positive change we were seeking for Capitol Hill. We dared to dream that we might even be able to do it better.

A key component to making it work would be partnering with a work program for homeless and formerly incarcerated individuals. In a time when it was viewed as risky to have such a population working in our public spaces, our founding board took the view that it would be an absolute WIN/WIN.

Thanks in large part to the success of the BID, our original budget has grown from \$450k to

over \$1.2 million in FY 2009. Our scope of services and our ability to provide the optimal level of services has grown accordingly as well.

The Capitol Hill BID Board of Directors has always been keenly aware that the decisions we make on how to spend the tax dollars we receive says a lot about who we are as an organization. I have always been proud to be a part of this organization – one that values quality and social responsibility over convenience. In many cases we've taken the road less traveled in an effort to make a bigger impact on the lives of our workers and our community.

In the summer of 2007 when we discovered disturbing information about the mis-treatment of the workers in the program with whom we were contracting for our maintenance services, we quickly moved to address and correct the problems with the organizations management. Unfortunately conditions did not improve and our board again made bold decision to cancel our contract and go "in-house."

We hired 11 men from the former program – and following the successful model of the New York-based Ready, Willing & Able program, assisted them with acquiring transitional housing, provided supportive services like case management, relapse prevention, and financial management. Nearly one year later, 60% of our original crew are still clean, sober, employed and no longer homeless.

Seeing that such a program could benefit the entire city, the BID created a separate 501c3 charitable organization called "Ready, Willing & Working" (RWW) and is raising private and government funding to fully emulate New York's success. In the end, the Capitol Hill BID will contract with RWW resulting in reduced maintenance costs and enhanced services for the men who choose to enter the program.

This year we added a 401 k plan with matching employer contributions to enhance the lives of our workers. Our Clean and Safe team members are grateful for the BIDs commitment to continually adding benefits and enhancing their work environment and they show it in their commitment to their work and the sense of pride they have in the BID areas they serve.

Even with the additional programs and employee benefits, we were able to further cut the percentage of our budget allocated to Administrative Services. For the first time in the BIDs history, that number is below 15% of the total budget.

After six exciting and productive years on the job I can say without reservation that the Board's decision to hire me as the BIDs executive director changed my life. I will be forever grateful for the opportunity they have afforded me. The BID is not just my employer but it's my way of life. I've become a part of the community we sought to create: a place where businesses thrive, families grow, and visitors gather from all over the world – a clean and safe neighborhood with a hometown charm.

Now, it is my pleasure to present you with the annual report of the Capitol Hill Business Improvement District for FY 2008. In the pages that follow, I believe you will see more than just the facts and figures that quantify our daily work, but the heart and soul of a board, staff, and members who are committed to making Capitol Hill shine.

Thank you for the opportunity to serve you.

Patty Brosmer

CHANGE, OPPORTUNITY, AND SOCIAL RESPONSIBILITY

Change is all around the Capitol Hill Business Improvement District. In response to a shifting economic climate we are adjusting our services to increase our financial efficiency, though our core values still remain. It is our prerogative at the BID to enhance the business community visually, environmentally, and commercially.

Beautification

- Maintain 400 tree boxes throughout the BID with seasonal plantings
- Plant and maintain 18 light pole baskets on Barracks Row
- Pulled and prevented weeds throughout the BID area
- Maintained two circle gardens at Eastern Market Metro Plaza
- Mowed Eastern Market Metro Plaza when needed

In 2008, Mark Holler, Chairman of the Beautification Committee formed a sub-committee dedicated to producing a five-year plan aimed at maximizing the beautification dollars by customizing the seasonal plantings throughout the BID. Focusing on tree baskets and light pole hangings, they are achieving intricate visual improvements,



and revolutionizing the area with self-sustaining greenery. These efforts will keep our labor costs low and habitually conserve water throughout the year.

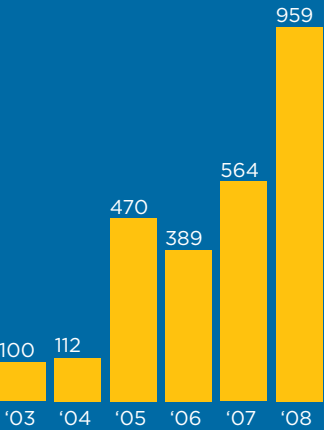
Barracks Row Main Street, as well, awarded the BID with a supplemental cleaning contact that provides new responsibilities and opportunity to three formerly homeless men, charged with keeping the 8th Street Corridor clean and inviting to the public during peak use hours and addressing additional landscaping projects.

A project Susan Perry and our Transportation Committee has been working on for several years is finally coming to fruition. The bright red Circulator buses will be coming to the Hill route extending from Union Station to the Navy Yard/Stadium Metro. This new transit opportunity will essentially replace the N-22 bus route with a quicker, more frequent, and more efficient route.

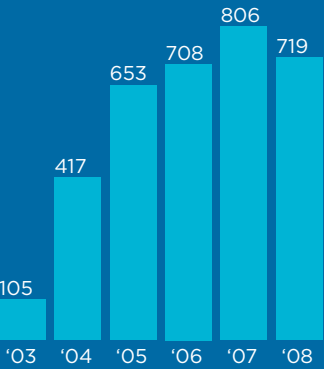


Operations Report

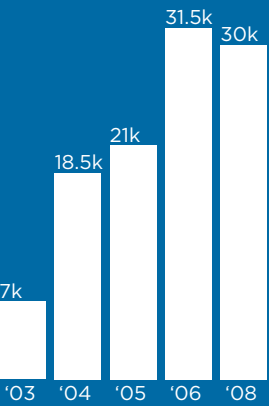
CHBID Spent 120 hours removing gum from city sidewalks and spread hundreds of bags of rock salt and removed snow during inclement weather



Graffiti Tags Removed



Rubbish Collection in tons



Ambassador Contacts



Capitol Hill BID: Public Space
Recycling Program Bin Locations
237 Pennsylvania Avenue, SE
409 8th Street, SE
Corner of 13th Street
and Pennsylvania Avenue, SE
650 Pennsylvania Avenue, SE
236 Massachusetts Avenue, NE
Corner of 7th and
Pennsylvania Avenue, SE



By managing sophisticated marketing campaigns and outdoor events that attract visitors, the BID continues to facilitate the promotion of Pennsylvania Ave, Eastern Market and Barracks Row. An opportunity that came to us in 2008 was advertising space afforded by the City on newly installed bus shelters, enhancing our reputation as a metro accessible destination. These visual references coupled with the incoming Circulator route bodes well for future and existing residents and businesses on Capitol Hill.

Additionally, we are making vigorous efforts in the arena of the World Wide Web, and BID members have a great opportunity to market their goods and services to the world by managing their information on our website. Members are encouraged to utilize our website and blog often, the interactive maps will help site visitors find you on the streets and on the web, as well as give you a forum to actively communicate and provide feedback to the BID.

Marketing Capitol Hill as a Destination
Continued “The Hill is Alive” Campaign
Second Annual George Didden III
Holiday Tree Lighting to bring the
community together and to celebrate
the holiday season on The Hill
Sponsored and participated in
“Capitol Hill Oktoberfest on Barracks
Row” for a second year

Economic Development

Funded a “Capitol Hill Profile Sheet”
through DC Economic Partners

Partnered with other District of
Columbia BIDs on Center City Action
Agenda and other collaborative efforts

Youth Empowerment for Success

Our continued partnership with the District
of Columbia Superior Court, Social Services
Division, National Parks Central and East,
and various are Police Departments has
made the Y.E.S. a successful program for
youth offenders to learn valuable leadership
and teamwork skills as well as give back to
their community in a positive way.

In 2008 we helped dozens of young men
and women to complete their court-ordered
community service while learning that work
can be a life-enhancing experience, not just
a way to earn a paycheck and party on the
weekends.

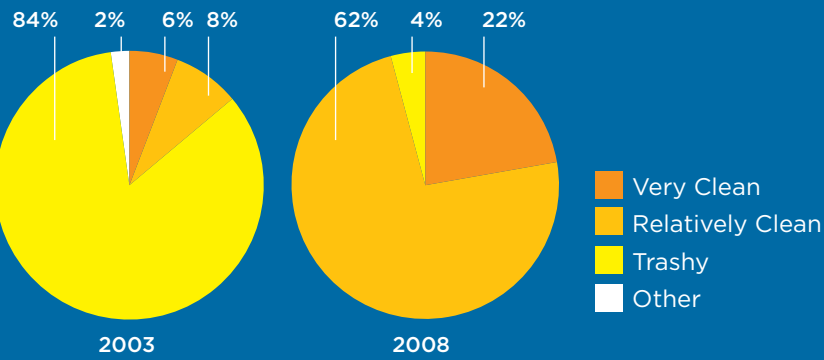
Public Spaces Recycling Program

It is everyone’s job to take care of this
planet and the CHBID is ready to accept
this responsibility. As the first Public Spaces
Recycling Program in DC we began using
our resources to promote cleaner neighbor-
hoods and energize the efforts to improve
and restore the quality of our environment.

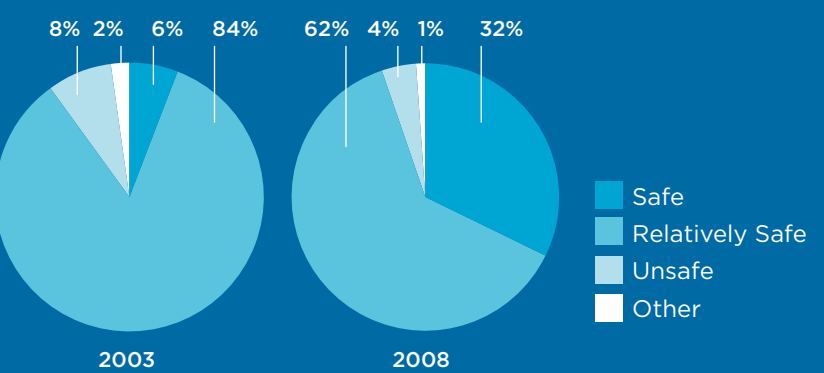
Once launched the team collected 685 bags
of recyclable products from June – Septem-
ber 2008



What is your perception of the cleanliness of Capitol Hill?



What is your perception of safety on Capitol Hill?



“... YOUR PRESENCE IS GREATLY FELT AND APPRECIATED.”

“YOU SHOULD BE EVERYWHERE IN THE CITY. YOU DO A GREAT JOB.”

Homeless Services

- Hired 13 formerly homeless individuals as our “Clean Team” and to launch a modified “Ready Willing & Working” program
- Participated in City-wide Homeless Count
- Distributed water to homeless during hot weather days
- Served lunch at Church of the Brethern every Thursday throughout the year
- Continued Anti-Panhandling “It’s OK to Say No” Campaign



Hospitality and Security

- Distributed Holiday Safety Tips for businesses and citizens
- Continued Direct connect program with First District MPD
- Distributed thousands of Capitol Hill Visitor Guides & Maps
- Assisted in the “Capitol Hill Classic” 10k Race for the 5th consecutive year



“FOR THE FIRST TIME IN FORTY YEARS, I HAVE THE KEYS TO A PLACE I CAN CALL HOME.”

Jeffery Sledge

READY, WILLING, AND WORKING

“THERE IS AN IMMENSE NEED IN WASHINGTON, DC FOR A WORK REHABILITATION PROGRAM TO SERVE THE LARGE HOMELESS AND FORMERLY INCARCERATED POPULATION. THERE HAS BEEN A GAP IN SERVICES FOR THESE INDIVIDUALS, AND OUR NEIGHBORHOODS OFTEN SEE ADVERSE EFFECTS AS A DIRECT RESULT.”

Tommy Wells, DC Council

The values and goals of the BID are infused with ideas of growth, renewal, and opportunity; truly believing that each individual deserves a chance to be a productive citizen. The men and women that work every day to keep our streets safe, clean and inviting, who find inspiration within themselves to turn their lives around, are the true motivating factors behind our rehabilitation programs.

As a 501 c 3 non-profit organization, Ready, Willing & Working empowers individuals to break the cycles of homelessness, welfare dependency and criminal recidivism through a residential, paid-

work rehabilitation program offering a holistic approach and supportive services that allow participants to achieve permanent self-sufficiency.

With the launch of the Ready, Willing, and Working program not only are we able to train, employ, and rehabilitate hundreds of homeless and formerly incarcerated men throughout the City, their services will benefit the entire city and will cut the BID’s maintenance costs through charitable, and government funding.

Jeffery’s Story

One such participant of the Ready, Willing, and Working program, Jeffery Sledge, has not only found permanent, steady employment, but was afforded the resources necessary to attain permanent housing.

Sledge, who joined the RWW program in the spring of 2007, has since become the Clean Team project supervisor of Barracks Row Main Street in August 2008 after being recognized for his diligence and discipline.



2008 FINANCIALS

The Capitol Hill Business Improvement District, Inc.
Statements of Financial Position—September 30, 2008 and 2007

Assets

Current Assets	2008	2007
Cash	\$7,085	\$20,139
Assessments receivable	\$100,581	\$74,031
Prepaid expenses	\$7,450	\$2,500
Total Current Assets	\$115,116	\$96,670
Total Fixed Assets—Net	\$36,391	\$44,783
Total Current Assets	\$151,507	\$141,458

Liabilities and Net Assets

Current Liabilities	2008	2007
Accounts payable	\$23,486	\$58,983
Accrued expenses	\$21,454	\$18,993
Accrued retirement contributions	\$6,164	\$0
Unearned assessment revenue	\$55,324	\$18,022
Line of credit	\$40,000	\$0
Total Current Liabilities	\$146,428	\$95,998
Net Assets		
Unrestricted net assets	(\$93)	\$39,327
Temporarily restricted net assets	\$5,172	\$6,128
Total Net Assets	\$5,079	\$45,455
Total Liabilites And Net Assets	\$151,507	\$141,453

The Capitol Hill Business Improvement District, Inc.
Statements of Activities—For the years ended September 30, 2008 and 2007

Revenue and Support

	2008			2007		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Assessment revenue	\$1,004,979	\$0	\$1,004,979	\$948,816	\$0	\$948,816
Contributions	\$36,904	\$0	\$36,904	\$27,818	\$0	\$27,818
Penalties and interest	\$30,498	\$0	\$30,498	\$16,636	\$0	\$16,636
Other revenue	\$27,692	\$0	\$27,692	\$10,000	\$0	\$10,000
Gain on disposal of fixed assets	\$0	\$0	\$0	\$3,224	\$0	\$3,224
Total Revenue & Support	\$1,100,073	\$0	\$1,001,073	\$1,006,494	\$0	\$1,006,494
Net assets released from restrictions	\$956	(\$956)	\$0	\$0	\$0	\$0

Expenses

	2008			2007		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Program services	\$973,966	\$0	\$973,966	\$843,100	\$0	\$843,100
Management and general	\$166,483	\$0	\$166,483	\$155,244	\$0	\$155,244
Total Expenses	\$1,140,449	\$0	\$1,140,449	\$998,344	\$0	\$998,344
change in net assets	(\$39,420)	(\$956)	(\$40,376)	\$8,150	\$0	\$8,150
Net assets - beginning	\$39,327	\$6,128	\$45,455	\$31,177	\$6,128	\$37,305
Net assets - ending	(\$93)	\$5,172	\$5,079	\$39,327	\$6,128	\$45,455

INDEPENDENT AUDITORS' REPORT

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, 2008 and 2007, 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, 2008 and 2007, 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.

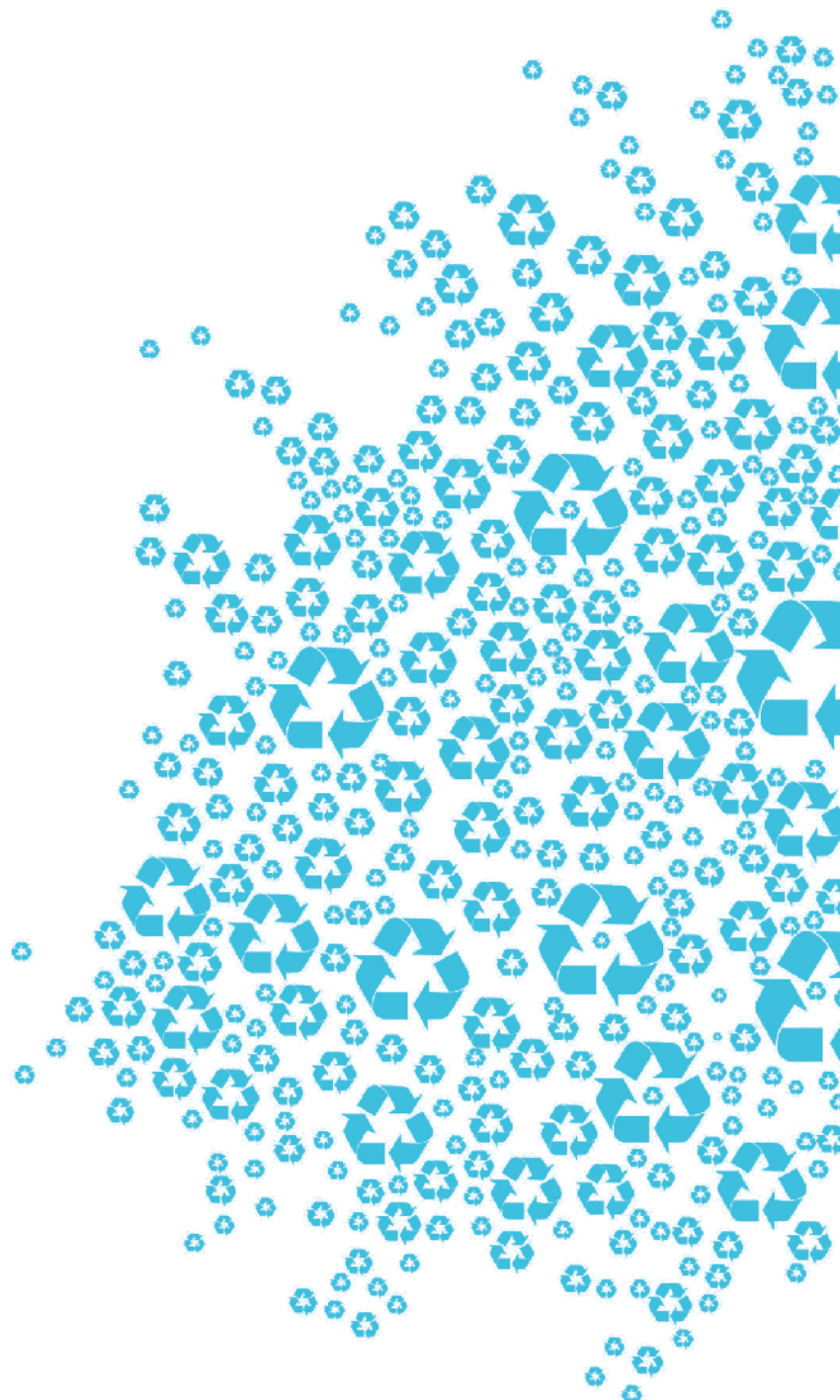
Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 11 - 12 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been 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 6, 2009
Timonium, Maryland

CONSIDER THE ENVIRONMENT. CONSIDER OUR FUTURE.



CAPITOL HILL BID
Area of Operation



BUSINESS IMPROVEMENT DISTRICT

Capitol Hill

CAPITOL HILL BUSINESS IMPROVEMENT DISTRICT
30 MASSACHUSETTS AVENUE, NE | WASHINGTON, DC 20002
CAPITOLHILLBID.ORG