

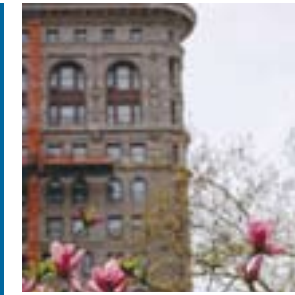


Flatiron 23rd Street Partnership

2007
Annual Report
The First Year
in Numbers
and Images

The Flatiron/23rd Street Partnership Business Improvement District (BID) is a not-for-profit organization formed in 2006 by property owners, businesses, residents, and others with a stake in the community. The Partnership joins the ranks of 56 BIDs throughout New York City that focus on community improvements and economic development at the neighborhood level.

The Bid is Born



22,000
WEBSITE HITS

425
BAGS OF REFUSE
COLLECTED ON
AVERAGE EACH DAY



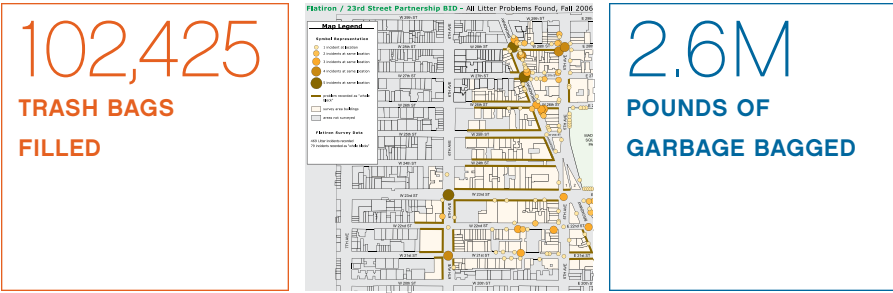
On July 1, 2006, the Flatiron/23rd Street Partnership Business Improvement District (BID) officially joined the ranks of 56 Business Improvement Districts throughout New York City that focus on community improvements and economic development at the neighborhood level. With a \$1.6 million assessment budget and an area encompassing roughly 38 blocks and 20 million square feet of commercial space, the Partnership is among the top 10 BIDs in the City in terms of size of district, budget and number of businesses.

The first order of business for the Partnership was to hire staff and secure office space. Jennifer Brown was appointed the BID's Executive Director in the summer of 2006 by a search committee comprised of members of the BID Steering Committee. Ms. Brown began work on August 10, 2006. Timothy Cohen, who had been Program Manager at the 23rd Street Association, and, as such had been working on BID start-up activities, officially began as Deputy Director on September 1, 2006. On October 2, 2006, Scott Kimmins came on board as Director of Operations. Full time staffing was completed with the hiring of Scott Lamkin as Office Assistant in May 2007.

In its first weeks, the BID was generously provided office space by the 23rd Street Association at 200 Fifth Avenue, but in late summer found its own space at 27 West 24th Street. In early September 2006, the BID moved in. Although office furniture had been donated, there was much else to do: purchasing office equipment; setting up computer, financial, and filing systems; establishing bank accounts, payroll services and insurance policies; writing policies and procedures; and attending to all other details necessary to a new organization. In early 2007, the BID received notice from the IRS that it had been approved as a 501(c)3 tax-exempt organization.

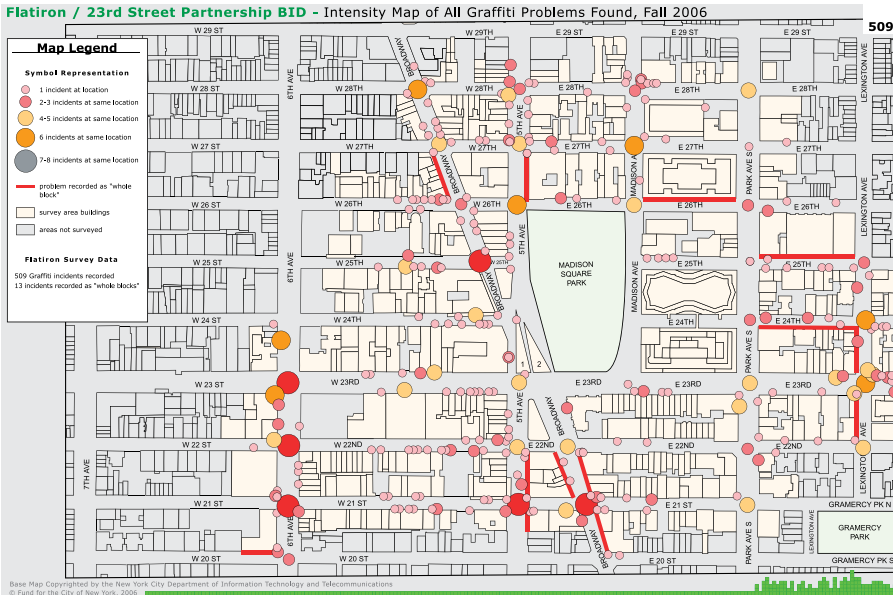
In its first year, the BID's Board of Directors formed a number of committees to address specific programs, initiatives and issues, including Executive, Finance, Governance, Nominating, Social Services, Marketing and Streetscape/Capital Projects. Additional committees will be created over time.





Neighborhood Assessment

One of the BID's first initiatives was to partner with the Fund for the City of New York to conduct a comprehensive ComNET (Computerized Neighborhood Environment Tracking) survey to assess neighborhood conditions. Using ComNET handheld computers, BID staffers made a preliminary assessment of litter and graffiti conditions throughout the district in the fall of 2006 to use as a baseline prior to the launch of the Clean Streets Program. That assessment was tremendously helpful in identifying hot spots for litter and graffiti conditions and will assist the BID over time in gauging the success of its programs. In December 2006 and January 2007, part-time staffer Mort Sheinman, a new hire provided by ReServe, surveyed all street-level businesses in the neighborhood,



collecting contact information that would provide the data for an electronic mailing list as well as a directory on the BID website and would later be used in creating a map of the district. In March 2007, using three teams of individuals provided by ReServe, the BID completed its ComNET survey of the neighborhood, assessing a myriad of other conditions such as cracked sidewalks, broken streetlights and uncapped fire hydrants. The BID continues to use the survey on an ongoing basis, reporting conditions and working with city agencies to address major issues. Maps depicting the pre-BID sanitation and graffiti conditions can be viewed on the BID's website at www.discoverflatiron.org.

Clean Streets Program



43GAL
OF PAINT USED TO
MAINTAIN STREET
FURNITURE



The sanitation situation in the district was one of the driving forces in the creation of the BID. On November 1, 2006, armed with brooms, litter bags, shovels and determination, the BID's Clean Team swept into action, and the results were immediate. Easily identified in their uniforms and caps with the distinctive Flatiron Partnership logo, the Clean Team has been on the job seven days a week, regardless of weather, keeping the district as free of litter and graffiti as possible. The team is provided through an outside contract with Atlantic Maintenance, which supplies all the workers and equipment necessary to carry out the mission.

The Clean Team—15 cleaners and two supervisors who work in overlapping shifts—sweep every block and service every trash receptacle within the BID. Garbage is collected in Partnership-branded bags. The Clean Team handled an average of 400 bags per day during the winter and 550 bags a day in the warmer months. The team also scrapes bills and stickers off lampposts, mailboxes, street signs and other fixtures and removes graffiti throughout the district on a continual basis. During FY2007, the Clean Team painted nearly 600 fixtures, including mailboxes, traffic lights, lampposts and fire hydrants.

One night each week, a special crew removes graffiti, power-washes problematic areas, and addresses other conditions as needed throughout the district. The team attended to over 525 conditions on the overnight shifts from the launch of the program on November 1, 2006 through June 30, 2007.

In addition to servicing nearly 150 city trash receptacles throughout the district, the Clean Team also services the 116 custom BID receptacles that were placed in the district in 2007.



2,000
PERSONS
ASSISTED



Public Safety Program



The BID Public Safety Program was launched on June 1, 2007. The officers are provided through an outside contract with American Commercial Security Services (ACSS), one of the largest private security firms in the country. The Public Safety Team — two shifts with two officers each plus a working supervisor, all in uniforms with the BID logo — patrols the district 7 days a week. They are responsible for the following:

- Reporting quality of life concerns, such as illegal vending and other violations to proper authorities.
- Documenting and communicating neighborhood conditions to the NYPD 13th Precinct on a regular basis.
- Serving as neighborhood ambassadors by greeting, providing directions and assisting the public as needed.

- Reporting and responding to emergencies (traffic accidents, personal injuries, etc.) and reporting safety issues (traffic lights not working, potholes, etc.) to the responsible agencies.

- Interacting with and providing support to property owners, property managers, building personnel and merchants.

In the first month of the program, BID Public Safety Officers documented or addressed more than 100 conditions throughout the district. The most prevalent were homelessness and vendor concerns and the most common problem they documented was graffiti. The Public Safety team also assisted hundreds of individuals with directions, as well as tending to persons in need of medical attention.

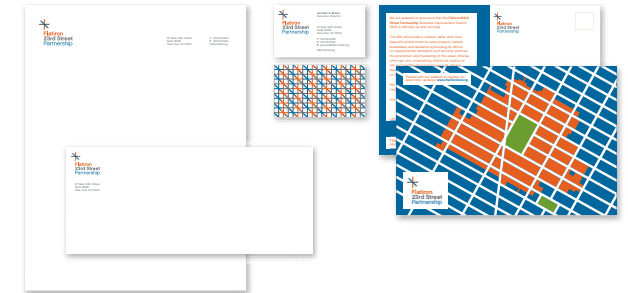
Marketing Initiatives and Events



The BID's marketing initiatives serve two main purposes. First, the BID seeks to communicate with its members through a variety of means, to market its own programs and services and to share information of interest to our members. Second, the BID seeks to market and promote the neighborhood, its businesses and places of interest.

BID Logo and Branding

The first marketing initiative was to create a logo and branding. Working with Pentagram, an internationally renowned design firm that is headquartered within the district, the BID selected the “intersection” design, which depicts in a fresh and clean way the neighborhood's major intersection, where Fifth Avenue and Broadway crisscross at 23rd Street.



BID Website

In the fall of 2006, a temporary website was launched at www.flatironbid.org to provide basic information about the BID during its start-up phase. The official website, www.discoverflatiron.org, was launched in early April 2007. It provides comprehensive information about BID programs and services, a listing of neighborhood events, articles about the area's rich history, links to past newsletters and media coverage, and a complete directory of local businesses, including links to the websites of those businesses. At the end of FY2007, the BID added links in the business directory to allow visitors to the site to make reservations at area restaurants via OpenTable.com. The BID website received over 22,000 hits in FY2007.





Monthly Electronic Newsletter

In December 2006 the BID launched its monthly electronic newsletter, “The Intersection,” which provides information about BID programs, neighborhood events, announcements of new businesses, and opportunities of interest to the BID community. “The Intersection” now has more than 11,200 subscribers.

Launch Cards



In the fall and early winter of 2006 the BID sent out a mass mailing of “launch cards” announcing its formation to the community and held a “Celebrate Flatiron Partnerships” launch event at the Prince George Hotel, sponsored by Common Ground Community. Over 150 people celebrated the BID’s formation and networked with other members of the community.

“Meet the BID” Breakfast Forums

In February and March of 2007, the BID continued to reach out to members of the district, hosting a series of “Meet the BID” breakfast forums for property owners and major tenants, restaurant and hospitality businesses, and retailers/other small businesses. These forums, hosted by Cipriani 23rd Street, provided an opportunity for property owners and businesses to meet the BID staff and board members, to learn more about BID programs and initiatives, and to provide input and ask questions.



Discover Flatiron for the Holidays

As part of the “Discover Flatiron for the Holidays” program, the BID launched a special series of holiday walking tours in December 2006, highlighting seasonal points of interest in the area such as the former location of the Lionel Train Company showroom and the site of the nation’s first public outdoor holiday tree lighting. The BID also was a sponsor and helped promote the Madison Square Park Conservancy’s annual tree-lighting ceremony at Madison Square Park.



Historic Neighborhood Walking Tour

The holiday walking tours were so successful that the BID launched an ongoing walking tour program in April 2007. It is offered free every Sunday at 11 a.m. Hundreds of visitors, ranging from area residents to tourists from afar, have enjoyed the program since its inception. The tours have been advertised on a variety of free listing sites and promotional cards have been distributed to area hotels and buildings, and visitor information centers throughout Manhattan.



575
WALKING TOUR
ATTENDEES

11,200
MONTHLY
NEWSLETTER
SUBSCRIBERS

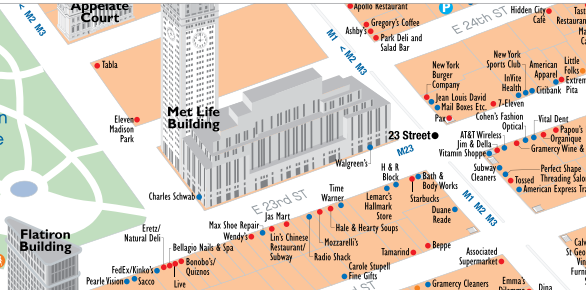


Sponsorship Program

In early 2007, the BID launched its inaugural sponsorship campaign, offering area property owners and businesses an opportunity to support the Clean Streets Program and marketing efforts through branded custom litter receptacles, neighborhood banners, and advertising on the neighborhood guide. Income from the inaugural program totaled over \$160,000 and has allowed for the purchase of 71 custom trash receptacles and 50 banners. The 2007 program also provided funds to offset the design and production costs of the Discover Flatiron Guide. Sponsorship opportunities are available on an annual basis.

Inaugural Annual Meeting

The BID welcomed over 140 members and guests at its first annual meeting on June 14, 2007. The meeting, held at Cipriani 23rd Street, was enlivened by guest speakers Scott Stringer, Borough President of Manhattan, and Robert Walsh, Commissioner of New York City’s Department of Small Business Services. In addition to the re-election of the BID’s founding board members, three new board members were elected, special awards were given to all board members who have served since the BID’s inception, and Outstanding Service Awards were presented to two members of the BID’s Clean Team.



Discover Flatiron Guide

In FY2007, the BID began working with an outside design firm on the first Discover Flatiron Guide, for release in fall 2007. The guide will include a map of the area as well as a comprehensive list of businesses and points of interest, and will be distributed throughout the neighborhood and beyond.

Ongoing Quality of Life Concerns



The BID will continue to address a variety of quality of life and public safety concerns. In FY2007, in coordination with the Madison Square Park Conservancy, the BID lobbied to increase the lighting along 26th Street between Fifth and Madison Avenues and to address public safety concerns and other conditions along the north side of Madison Square Park. At the BID's request, the City's Department of Transportation assessed lighting conditions along that block and found them to be deficient. As a result, DOT will enhance the lighting in 2007.

The BID is a member of the East Side Alliance, a coordinated effort that includes the Manhattan District Attorney's office, the New York State Office of Alcoholism and Substance Abuse Services, the Union Square Partnership, the 13th and 9th Precincts and area methadone clinics. The Alliance

was established in 2007 to address quality of life concerns and illegal activity along 23rd Street and nearby neighborhoods.

The BID regularly serves as a resource to local businesses and properties by providing educational materials and information regarding City regulations, especially if those businesses are engaging in activities that might violate such regulations. The BID's mission regarding these efforts is to assist property owners and local businesses in understanding City regulations and how to avoid violating them, while making the neighborhood more pleasant for everyone. The BID also makes frequent 311 calls about non-working pay phones, malfunctioning traffic lights, broken lampposts and street fixtures, potholes and other problems.

116

**CUSTOM LITTER
RECEPTACLES
PLACED**



In addition to its permanent sanitation, public safety, and marketing campaigns, the BID will pursue additional programs and neighborhood improvement projects in FY2008 and beyond. The BID works on an ongoing basis with various City agencies and other organizations to address quality of life concerns and potential improvements within the district.

193
**LAMPPOSTS
PAINTED**

Looking Ahead

Social Services

The BID's District Plan calls for the implementation of social service programming focused on homeless outreach. Since its inception, the BID has had ongoing discussions and interaction with various agencies and homeless outreach providers, to better understand such efforts in the district. BID staff members have accompanied outreach providers and have independently reached out to homeless individuals, offering referrals to area shelters, soup kitchens and service providers.

In FY2008 the BID will launch a homeless outreach program aimed at assisting homeless individuals within the district to leave the streets and obtain programs, services and housing to fit their needs. The program will be provided through a contract with Urban Pathways.



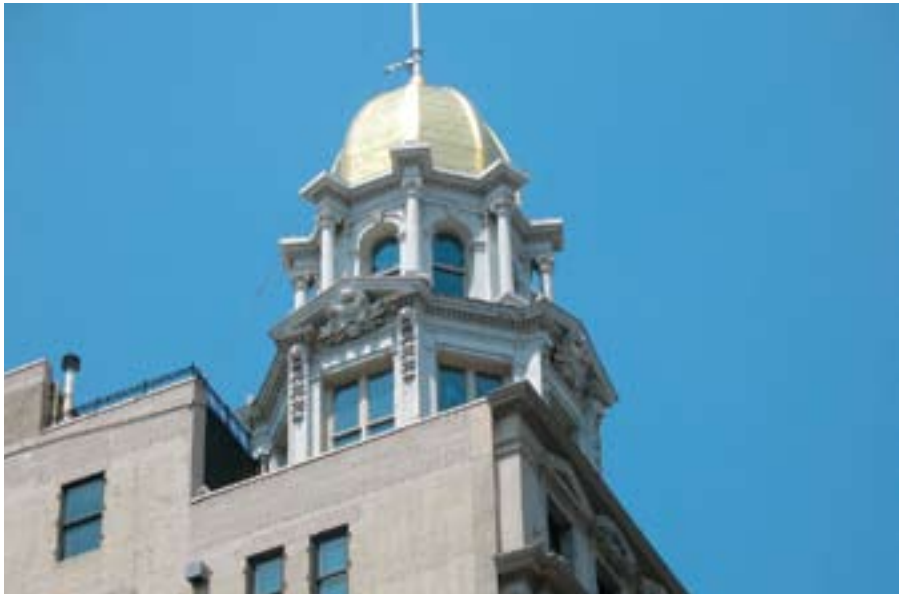
Streetscape and Capital Improvements

Streetscape, beautification and capital projects all create a distinct sense of place within a neighborhood, and the BID is looking forward to pursuing some of these initiatives. As such, a Streetscape/Capital Projects Committee has been formed to discuss and prioritize potential projects, including streetscape and beautification programs such as hanging planters; sprucing up the Park Avenue South malls and the traffic triangles at 23rd Street and Broadway; and improving way finding systems. The BID will also explore longer-term capital projects such as lighting initiatives, custom news racks, and a visitor kiosk.

At the end of FY2007, the BID encouraged property owners and businesses throughout the district to request free street trees via a City of New York program as a start to the overall neighborhood beautification desired by all.



Budget and Finances



Fiscal Year 2007 Financial Summary

As a result of launching programs throughout the fiscal year, the BID ended the fiscal year under budget in each of its major programmatic areas with the exception of marketing, due to certain start-up costs associated with those initiatives, such as branding and design services, production of the launch card, and others. As such, the BID ended its first fiscal year with a significant surplus. Going

forward, \$300,000 of this surplus will be earmarked for Operating Contingency, and the remainder will be earmarked for streetscape and capital projects and programmatic reserve. The BID expects to draw from this reserve as needed as it moves forward with additional neighborhood improvement projects.

FINANCIAL POSITION

Assets	
Cash	\$711,709
Property and equipment	25,455
Security deposits and other	132,565
Total	869,729
Equity	869,729

FINANCIAL ACTIVITIES

	FY 2007 ACTUAL	ANNUAL BUDGET
REVENUES		
Assessments	\$1,597,349	\$1,600,000
Contributions and other	143,124	3,000
Total	1,740,473	1,603,000
EXPENSES		
Administration	\$62,987	\$90,000
Marketing and promotion	230,711	200,000
Safety	36,455	100,000
Sanitation	363,528	669,000
Public improvements	25,024	240,000
Social Services	17,371	100,000
Total program expenses	736,076	1,399,000
Management and general	134,668	204,000
Total expenses	870,744	1,603,000
Excess revenues over expenses	\$869,729	\$-

Fiscal Year 2008 Approved Budget

	ADMIN.	MARKETING	PUBLIC SAFETY	SANITATION	SOCIAL SERVICES	PUBLIC IMPROVEMENTS	2008 BUDGET TOTAL
Assessment revenue							1,600,000
Contributions		130,000		20,000			150,000
Interest income							40,000
Total revenue							1,790,000
Program Expenses							
Personnel costs							
Total Salaries and payroll costs	68,370	123,870	53,950	53,950	22,630	33,855	356,625
Health & other benefits	8,390	12,534	2,899	2,899	1,827	2,697	31,246
Total personnel costs	76,760	136,404	56,849	56,849	24,457	36,552	387,871
Direct expenses							
Outside contractors	1,200	52,000	250,000	435,000	74,000	75,000	887,200
Program equipment	540	-	6,000	58,000	500	25,000	90,040
Program supplies	1,500	50,000	1,151	151	1,043	25,000	78,845
Field location	-	-	-	-	-	-	-
Project expenses	-	31,596	1,000	-	-	38,448	71,044
Total direct expenses	3,240	133,596	258,151	493,151	75,543	163,448	1,127,129
Total program expenses	80,000	270,000	315,000	550,000	100,000	200,000	1,515,000
	5.3%	17.8%	20.8%	36.3%	6.6%	13.2%	100.0%
Total general operating							185,000
Total expenses							1,700,000
Contingency							80,000
Excess revenues over expenses							10,000
Surplus as of 6/30/07							
Operating Reserve			\$711,709				
Capital Reserve			(300,000)				
Current year excess revenues			(250,000)				
Available for future operations as of 6/30/08			10,000				
			\$171,709				

Board of Directors



CLASS A: PROPERTY OWNERS

Robert B. Frankel,
Co-Chairman
GVA Williams Real
Estate, Inc.

Gregg Schenker
Co-Chairman
ABS Partners Real
Estate LLC

Nicholas Athanail
The Stanford
Condominium

Rick Beltz
Meringoff Properties

Margaret Brady
New York Life
Insurance Co.

James Buslik
Adams & Company
Real Estate

Peter DiCapua
ATCO Properties &
Management, Inc.

Carole Dixon
Rudin Management/
41 Madison

Jane Gural Senders
Newmark Knight Frank

Joseph Miller
Rockrose Development
Corp.

Larry Oaks
Housing & Services, Inc.

CLASS B: COMMERCIAL TENANTS

Lois Eida
Lois Lane Travel

Frederick Locker
Locker Greenberg &
Brainin, PC

Mark Maynard-Parisi
Union Square
Hospitality Group

Sharon Ullman
23rd Street Association

CLASS C: RESIDENTIAL TENANTS

Joseph B. Rose
Residential tenant

Robin Sen
Residential tenant

CLASS D: PUBLIC REPRESENTATIVES

Honorable Michael R. Bloomberg
Mayor of the City of New
York (represented by
NYC Department of Small
Business Services)

Honorable Christine Quinn
Speaker of the New York
City Council

Honorable Scott Stringer
President of the Borough
of Manhattan

Honorable William C. Thompson, Jr.
Comptroller of the City
of New York

CLASS E: COMMUNITY BOARDS AND NON- PROFIT ORGANIZATIONS

Community Board 4
J. Lee Compton,
Chairperson

Community Board 5
David Siesko,
Chairperson

Community Board 6
Lyle Frank, Chairperson

Jim Lloyd
Baruch College



\$163K
RAISED THROUGH
SPONSORSHIP
PROGRAM



Staff



JENNIFER BROWN
Executive Director

TIMOTHY COHEN
Deputy Director

SCOTT KIMMINS
Director of Operations

SCOTT LAMKIN
Assistant

MORT SHEINMAN
Part-time

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