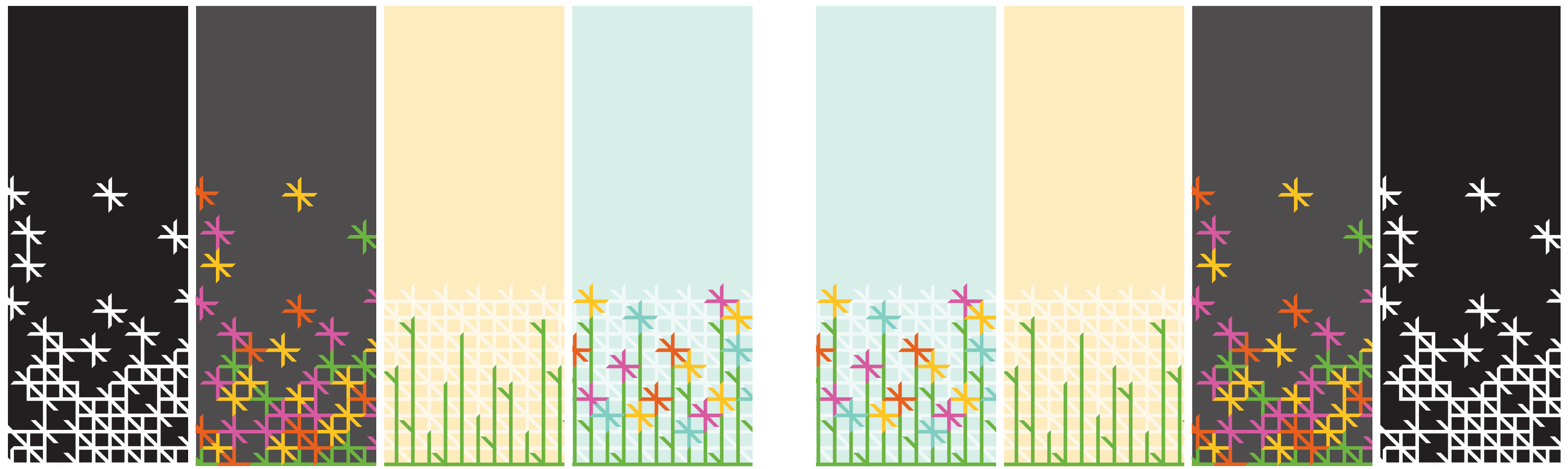




Flatiron 23rd Street Partnership

2008
Annual Report
The Second Year
in Four Seasons





I'm pleased to present to you the second Annual Report of the Flatiron/23rd Street Partnership Business Improvement District (BID). This report illustrates the year-round work of the BID that makes our neighborhood a wonderful place to work, live and visit.

Now in its second year of operation, the BID continues to provide quality service to the neighborhood seven days a week, four seasons a year through a variety of initiatives. In addition to the Clean Streets and Public Safety Programs already in place, new efforts that were launched in FY2008 include the wide distribution of the first Discover Flatiron Map and Guide and the implementation of a homeless outreach program.

Although the district has lost some notable tenants in recent months, the neighborhood continues to grow, with more than 20 new retailers, service businesses and eating establishments making Flatiron their home since last summer. Residential and commercial development continues throughout the district, contributing to the vitality of this mixed-use community and promising additional growth and opportunities for businesses, workers, residents and visitors alike.

On behalf of the BID Board of Directors and staff, I would like to offer a special thanks to the property owners, businesses, residents, community organizations and public officials whose ongoing commitment to the neighborhood allows it to continue to thrive. The BID is proud to have you as partners in our efforts.

We look forward to continuing — and expanding — our programs and services to the Flatiron District over the next year.

Sincerely,

Jennifer Brown
Executive Director

Clean Streets Program

In FY2008, the BID continued to enhance the district through its Clean Streets Program that operates seven days a week, year-round, in rain, shine, snow or sleet. The program is provided through a contract with Atlantic Maintenance Corporation.

The Clean Team operates in six-month seasonal cycles to accommodate the increased level of activity in warmer months. During the fall and winter, the team provides services from 7 a.m. to 7 p.m. Monday through Friday, and 7 a.m. to 3 p.m. on weekends. From April 15 through October 15, the Clean Team operates from 7 a.m. to 7 p.m. seven days a week, with additional crew members working the afternoon/evening shifts and on weekends. As part of these efforts, the Clean Team services all of the city trash receptacles and custom BID receptacles throughout the district.

During the warmer months, the team has a specialized maintenance worker to handle painting, graffiti and other special conditions. In addition, an overnight

shift performs large graffiti-removal and power-washing, as well as dealing with other conditions as they arise. The overnight shift has addressed over 1,150 conditions to date during FY2008.

The team handles an average of 375 bags a day during the winter and 525 bags a day during the warmer months, and also scrapes bills and stickers off lampposts, mailboxes and other fixtures on a continuous basis. During FY2008, the Clean Team painted nearly 400 fixtures, including mailboxes, traffic lights, lampposts and fire hydrants.

On an annual basis, the team's 15 cleaners and two supervisors spend over 36,000 service hours sweeping every block, securing trash in Partnership-branded trash bags, removing graffiti, painting fixtures and power-washing surfaces.

The Flatiron/23rd Street Partnership BID rated an average of 99 out of 100 percent in FY2008 on street and sidewalk cleanliness as per the City of New York's scorecard ratings of BIDs.





Public Safety Program

The Public Safety Team began its first full year of operation in FY2008, after the program launched on June 1, 2007. The program is provided through a contract with American Commercial Security Services.

The Safety Team, led by two supervisors, patrols the district in BID uniforms seven days a week, observing, reporting and addressing a myriad of conditions such as illegal vending, homelessness, safety concerns, adherence to city rules and regulations and other quality-of-life concerns. The Public Safety Officers frequently serve as neighborhood ambassadors, providing directions and information to the thousands who visit the district each year. They also interact with, and provide support to, local property owners and businesses by distributing important information to them as necessary and addressing their needs and concerns on a daily basis. The Safety Team responds to emergency

conditions when necessary and performs a variety of duties, including traffic coordination and emergency response assistance.

The Safety Team patrols the district in BID uniforms 7 days per week.

In FY2008, the Safety Team documented or addressed over 3,000 conditions to date. The most common conditions were bicyclists on the sidewalks, flyers on street fixtures and homelessness/panhandling. The Team also reported a number of conditions to the proper agencies and authorities, the most prevalent being inoperative or damaged street fixtures. The Public Safety Team also responded to nearly 10,000 requests for directions or assistance to date in FY2008.



Marketing and Communications

WEBSITE

The BID's website, discoverflatiron.org, recorded its first full year of operation in FY2008. The website provides many useful tools for the BID community, including a listing of neighborhood events, links to past newsletters and media articles, and a directory of all ground-floor businesses, with links to their respective websites. Through a partnership with Open Table, visitors to the site can also link directly to this restaurant-reservations site for participating establishments in the district. Services and programs provided by the BID, as well as important reports and data, can also be viewed.

MONTHLY NEWSLETTER

The BID's monthly online newsletter, "The Intersection," continues to be well received by its more than 14,500 subscribers. Neighborhood events, BID programs, the history of significant buildings, profiles of area non-profit organizations, and new business openings

The BID's monthly newsletter continues to be well received by its over 14,500 subscribers.

are regularly featured. "The Intersection" introduced two additional features in FY2008: reports about non-ground-floor businesses ("Second Stories"), and articles concerning matters of historic or cultural interest that had their origins in the district ("Flatiron Flashbacks").



DISCOVER FLATIRON MAP AND GUIDE

Widespread distribution of the Discover Flatiron Map and Guide began in November 2007. The map and guide is disseminated to visitor centers and hotels throughout the city. The BID Public Safety Team has taken the lead in distributing the maps to area properties, businesses and visitors. The map literally provides a picture of the area, complete with local thoroughfares, businesses, subway stations, bus lines, parking facilities and major architectural attractions, while the flip side reveals a comprehensive guide to businesses and services throughout the district. Of the 75,000 maps originally produced, more 50,000 have been distributed in FY2008.

2008 SPONSORSHIP PROGRAM

The BID's sponsorship campaign offers an opportunity for area property owners and businesses to show their commitment to the neighborhood and to support the Clean Streets Program and marketing efforts. Sponsors may place their logos on custom litter receptacles or neighborhood banners, or advertise on the Discover Flatiron Map and Guide. Income from the 2008 program has totaled more than \$120,000 to date, which will provide for additional custom cans and banners throughout the district. The 2008 program will also provide funds to offset the reproduction costs of the Discover Flatiron Map and Guide. Sponsorship opportunities are available on an annual basis.

2008 ANNUAL MEETING

On June 12, 2008 the BID conducted its second annual meeting for its members at Cipriani 23rd Street. In addition to providing detailed information about its second year of operations, Executive Director Jennifer Brown discussed plans for the future, including public improvement projects aimed at beautifying and enhancing the district. The meeting provided an opportunity for property owners, businesses, residents and other interested parties to learn more about the BID's initiatives and to network with one another.



**DISCOVER FLATIRON
NEIGHBORHOOD WALKING TOUR**

Launched in the spring of 2007, the free 90-minute walking tours of our historic district continue going strong every Sunday at 11 a.m. The rich history of the neighborhood, brought to life by a rotating trio of extraordinarily knowledgeable tour guides, has been presented to nearly 800 people from at least 26 countries and almost 125 cities in the U.S. and Canada. The tour is featured on a variety of websites and in local newspapers. In addition, promotional rack cards are distributed regularly to area hotels and visitor information centers throughout Manhattan.

**CELEBRATE FLATIRON
PARTNERSHIPS**

The BID launched the holiday season and commemorated its first year with a celebratory cocktail party on November 28, 2007 that drew some 175 guests, including business leaders, residents, property owners and city officials. The event, Celebrate Flatiron Partnerships, was co-hosted by Common Ground Community and the setting was the magnificently restored Prince George Ballroom at 15 East 27th Street. BID Co-Chairmen Robert Frankel and Gregg Schenker (pictured below left) offered welcoming remarks, and BID Executive Director Jennifer Brown (pictured below right) cited the successes of “a full year of service,” from the launch of the Clean Team in November 2006 to the debut of the Discover Flatiron Map and Guide.



Community Survey

Members of the community have given a strong stamp of approval to the Flatiron Partnership's programs, rating them as major successes. That was one of the key findings gleaned from the BID's first community survey, in which respondents were asked to comment on various Flatiron Partnership projects launched or contemplated during its first year of operation. The survey was conducted in the fall of 2007 and was distributed electronically and sent via hard copy along with the BID's first Annual Report. Nearly 500 people responded, ranging from commercial property owners to business owners to residents. Some of the highlights:

Of the respondents familiar with the BID's Marketing Program, which includes the online newsletter, website, walking tours and Discover Flatiron Map and Guide, nearly 90 percent rated it "good" or "excellent." Participants were also asked what types of events they would like to see more of, and a strong interest was voiced in networking events and a speaker series.

Almost 80 percent of respondents knew about the Clean Streets Program, with nearly three-fourths calling it "good" or "excellent."

Of all the services provided by the BID, street and sidewalk sweeping rated highest in importance, followed by graffiti removal.

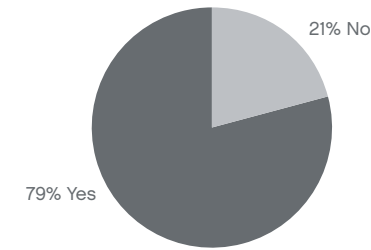
Although fewer respondents knew about the Public Safety Program, which was relatively new at the time of the survey, the majority of those who were familiar with it rated it "good" or "excellent."

Landscaping and beautification projects rated highest among potential neighborhood improvements, with approximately 71 percent of respondents rating these types of projects as "very important."

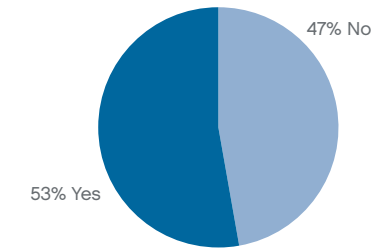
Street and sidewalk sweeping rated highest in importance, followed by graffiti removal.

Awareness of BID Services

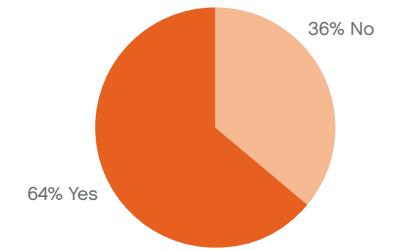
Are you familiar with the Flatiron Partnership's Clean Streets Program?



Are you familiar with the Flatiron Partnership's Public Safety Program?

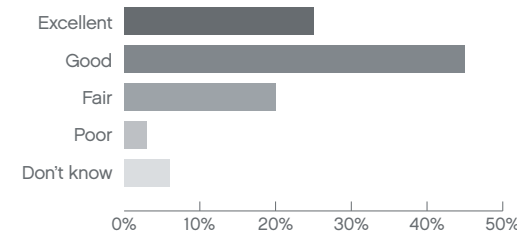


Are you familiar with the Flatiron Partnership's Marketing Program?

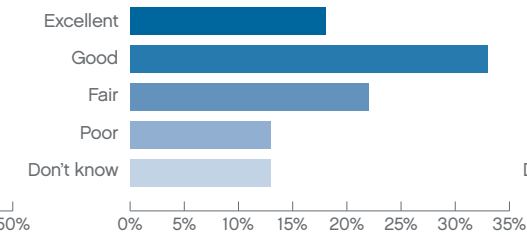


Satisfaction of BID Services

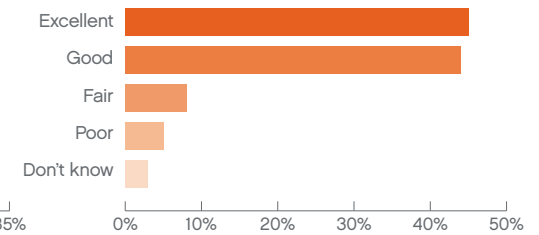
How would you rate the impact of the Clean Streets Program on the neighborhood?



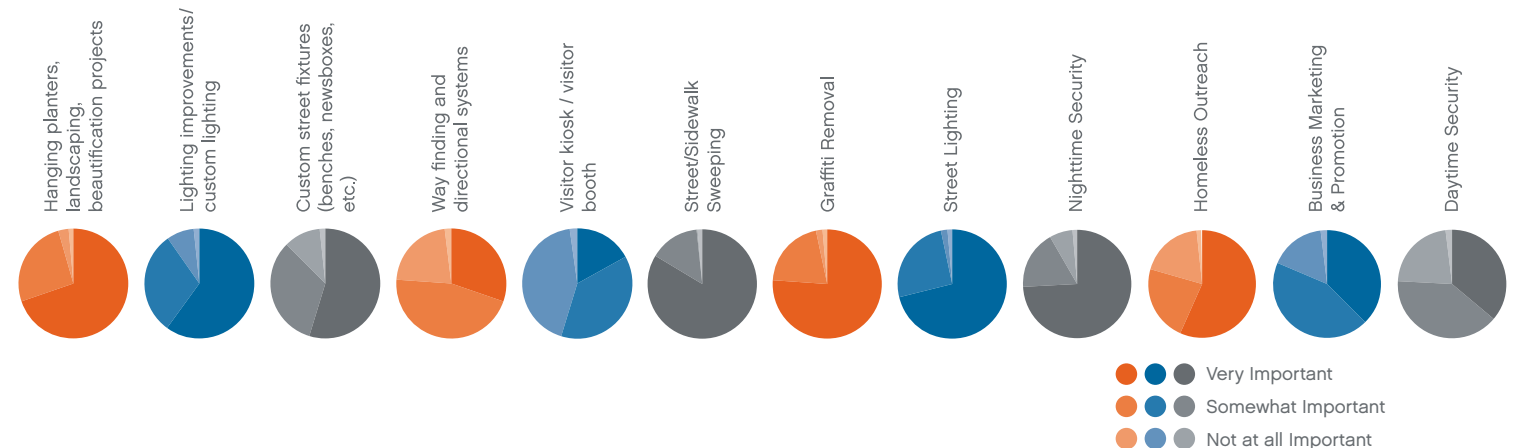
How would you rate the impact of the Public Safety Program on the neighborhood?



How would you rate the BID's current Marketing efforts?



Priorities and Interests



Business Outreach and Assistance

INFO CARDS AND SPECIAL DISTRIBUTIONS

Information about BID programs and initiatives, as well as other important subjects, is regularly disseminated to commercial and residential property managers and ground-floor businesses throughout the district. In the summer of 2007, BID staffers began to distribute a series of informational cards, including “Important Phone Numbers,” “Overview of Sanitation Regulations” (to assist businesses in understanding these rules) and “Services in the Time of Need” (for homeless individuals seeking food, shelter and clothing). BID Public Safety Officers also regularly distribute important information about the BID, such as the Annual Report and invitations to events, as well as information on City programs and assistance, such as the Ready NY for Business brochure, to properties and business establishments throughout the district.

READY NY FOR BUSINESS BREAKFAST

On November 1, 2007, in collaboration with the Union Square Partnership, the BID hosted a Ready New York for Business breakfast forum at which representatives from the New York City Office of Emergency Management and the Department of Small Business Services spoke to area property owners and businesses about emergency preparedness. Nearly 100 people attended this important event — the first of its kind held by the BID — to learn more about simple steps businesses can take to prepare for a variety of emergency situations. Pictured to the right is Ira Tannenbaum, Coordinator of Public/Private Initiatives for the Office of Emergency Management. The event was followed up by a large-scale distribution of the Ready NY brochure to district businesses.

Nearly 100 people attended the Ready NY Breakfast to learn more about the simple steps that businesses can take to prepare for a variety of emergency situations.

BID SPEAKER SERIES

On May 14, 2008, the BID and Commerce Bank co-sponsored a free breakfast meeting as part of the BID Speaker Series. The guest speaker at this event, hosted by Commerce Bank on Park Avenue South and 21st Street, was Captain Timothy Beaudette (pictured right), the new Commanding Officer of the NYPD's 13th Precinct, who discussed crime patterns and security issues in the area and answered questions from the audience.





Quality of Life Initiatives

SOCIAL SERVICE PROGRAM

The BID launched its Homeless Outreach Program in December 2007. A team of two social service professionals is provided through a contract with Urban Pathways, a midtown-based not-for-profit organization dedicated to serving and housing the homeless. The team (pictured bottom right) covers the district five days a week in alternating shifts, seeking out and engaging homeless individuals who might be in need of assistance and shelter. The shifts include early mornings, mid-day and late nights, and the team is on duty between 20 and 35 hours a week, depending on the time of year. Since the start of the program, the team has engaged nearly 200 homeless individuals in the district and transported or placed 17 individuals in shelters or housing facilities.

EAST SIDE ALLIANCE

The BID is a member of the East Side Alliance, a coordinated effort between the Manhattan District Attorney's Office, the NYPD, local community organizations and area methadone clinics, to enhance communication between the clinics and the surrounding communities and to proactively address illegal activity and quality-of-life conditions. The Alliance agreement was officially signed on August 2, 2007 at the office of Manhattan District Attorney Robert Morgenthau (pictured left). Since then, regular meetings have taken place at which all parties share information on enforcement efforts as a result of the agreement, and continually discuss ways to improve clinic-related community conditions.

On May 15, 2008, the BID co-sponsored and participated in a public forum, "Methadone Clinics: Co-existing in Our Communities," to discuss the East Side Alliance's efforts

Since the start of the Social Service program, the team has engaged nearly 200 homeless individuals in the district.

to curtail illegal activity and quality-of-life issues and hear comments and answer questions from members of the community.

ONGOING CONDITIONS REPORTING

The BID reports problematic conditions to the appropriate authorities on an ongoing basis. These include potholes, malfunctioning traffic lights, large trash and debris accumulations and dangerous conditions. The BID uses the 311 system in addition to working directly with City agency representatives and others to have these conditions rectified as quickly and effectively as possible.



Public Improvement Program

MASTER PLAN FOR BEAUTIFICATION AND STREETScape PROJECTS

Another aspect of the BID's mission is to implement larger public improvement projects in the neighborhood, including beautification and streetscape initiatives. In FY2008, the BID issued a competitive Request for Qualifications to identify a landscape architectural firm to prepare a streetscape and beautification master plan for the district. Projects may include horticulture and beautification initiatives, street furniture, custom lighting, wayfinding, a visitor kiosk, and others. In early 2008 the BID selected Starr Whitehouse to begin working on the master plan, which is expected to be completed in the summer of 2008. Once the master plan is complete, the BID will identify both short-term and long-term projects

to pursue, using BID funds reserved for those purposes. If necessary, the BID will also identify and secure additional funding from outside sources.

FLATIRON TRIANGLES

The BID has been actively involved in a Department of Transportation (DOT) initiative to reconfigure the traffic and pedestrian patterns and transform the existing traffic triangles at the main intersection of Broadway, Fifth Avenue and 23rd Street into public plazas. Creating temporary public plazas (which may be in place upwards of five years) will allow the City to analyze the new traffic patterns and the use of the spaces over time, with the longer-term goal being the creation of permanent public spaces. In addition to improving current traffic and pedestrian patterns, the project will create more

The project will create more than 35,000 square feet of new public space for the neighborhood in a series of plazas.

than 35,000 square feet of new public space for the neighborhood in a series of plazas, which will include seating areas, plantings and other programming elements. Working with DOT since early 2008, the BID invited the Madison Square Park Conservancy to participate as a partner in this important project, and both organizations have been involved in discussions regarding the overall design and implementation of the new public plazas. As a maintenance partner once the plazas are created, the BID will provide ongoing cleaning, graffiti removal and maintenance, and will be responsible, along with

the Conservancy, for beautifying and programming the spaces over time. The first phase of the project is scheduled to be completed in the summer of 2008.



Budget and Finances



STATEMENT OF 2007 FINANCIAL POSITION

Assets	
Cash	\$711,709
Prepaid assets and receivables	16,643
Property and equipment	21,770
Security deposits and other	108,357
TOTAL	\$858,479

Liabilities/Net Assets	
Liabilities	\$64,524
Net assets	793,955
TOTAL	\$858,479

STATEMENT OF 2007 ACTIVITIES

Support and Revenues	
Assessment revenue	\$1,597,349
Contributions and other	157,223
TOTAL	\$1,754,572

Expenses	
Marketing	\$229,654
Safety	54,289
Sanitation	405,485
Social services	17,271
Public improvements	22,869
Administration	231,049
TOTAL	\$960,617
Increase in Net Assets	\$793,955

FISCAL YEAR 2009 APPROVED BUDGET

	Admin.	Marketing	Public Safety	Sanitation	Social Services	Public Improvements	2009 Budget Total	2008 Budget Total
Assessment Revenue							1,600,000	1,600,000
Contributions		130,000		10,000			140,000	150,000
Interest income							30,000	40,000
Total Revenue							\$1,770,000	\$1,790,000
PROGRAM EXPENSES								
Personnel costs								
Total salaries and payroll taxes	69,503	132,630	60,137	56,260	13,365	40,681	372,576	356,625
Health & other benefits	9,511	14,066	3,279	3,173	1,018	3,928	34,975	31,246
Total personnel costs	\$79,014	\$146,696	\$63,416	\$59,433	\$14,383	\$44,609	\$407,551	\$387,871
DIRECT EXPENSES								
Outside contractors	1,000	31,000	230,000	495,000	98,500	25,000	880,500	887,200
Program equipment	500	-	5,084	25,000	-	5,000	35,584	90,040
Program supplies	486	25,875	-	500	-	21,284	48,145	78,845
Project expenses	-	157,829	-	-	-	20,391	178,220	71,044
Total direct expenses	1,986	214,704	235,084	520,500	98,500	71,675	1,142,449	1,127,129
TOTAL PROGRAM EXPENSES								
	81,000	361,400	298,500	579,933	112,883	116,284	1,550,000	1,515,000
	5.2%	23.3%	19.3%	37.4%	7.3%	7.5%	100.0%	100.0%
Total general operating							190,000	185,000
Total expenses							1,740,000	1,700,000
Contingency							20,000	80,000
Excess revenues over expenses							10,000	10,000

Total Surplus as of 6/30/08	\$1,000,000
Planned public improvement expenditures	(200,000)
Capital Reserve for future public improvements	(400,000)
Current year excess revenues	10,000
Available for future operations as of 6/30/08	\$410,000

Board of Directors and Staff

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

Margaret Brady
New York Life Insurance Co.

Rick Beltz
Meringoff Properties

James Buslik
Adams & Company Real Estate

Peter DiCapua
ATCO Properties & Management, Inc.

Carole Dixon
Rudin Management/41 Madison

Jane Gural Senders
Newmark Knight Frank

Jim Dill
Housing & Services, Inc.

Joseph Miller
Rockrose Development Corp.

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Lois Lane Travel

Frederick Locker
Locker Greenberg & Brainin, PC

Mark Maynard-Parisi
Union Square Hospitality Group

Vacant
23rd Street Association

CLASS C: RESIDENTIAL TENANTS

Joseph B. Rose
West 26th Street

Robin Sen
East 25th Street

CLASS D:

PUBLIC REPRESENTATIVES

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

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

Honorable Scott Stringer
President of the Borough of Manhattan

Honorable Christine Quinn
Speaker of the New York City Council

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

STAFF

Jennifer Brown
Executive Director

Scott Kimmins
Director of Operations

Eric Zaretsky
Director of Marketing and Economic Development

Scott Lamkin
Assistant

Mort Sheinman
Special Projects (part-time)

A special thanks to Timothy Cohen for his hard work and dedication as Deputy Director from the inception of the BID through April 2008.

2007-2008 Sponsors



ADOPT-A-BLOCK SPONSORS

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GVA Williams Real Estate

ADOPT-A-BLOCK SPONSORS

GOLD LEVEL*

ABS Partners
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Housing and Services, Inc.
Meringoff Properties
NoMad Hotel
Newmark Knight Frank
Shaeffer City
Walter and Samuels

*Receptacles, Banners, and Discover Flatiron Map and Guide

**Receptacles and Banners

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DISCOVER FLATIRON MAP

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SOCIAL SERVICE SPONSOR

Madison Green Condominium Association

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