



















We are pleased to present the annual report of the Flatiron/23rd Street Partnership Business Improvement District (BID) for Fiscal Year 2009. The work of the BID, now in its third year of operation, continues to grow as it serves the needs of the community, and we are ever-thankful for the wonderful individuals, private sector partners and government agencies that support our efforts. FY09 saw a continuation of initiatives that the BID launched

in prior years, such as the Clean Streets, Public Safety, Marketing and Social Service programs. The BID continues to build upon these and increase its services in the district. This year marked the introduction of "Intersections: A BID Series Focused on Information, Ideas and Our Community," which will expand on the BID's previous efforts to bring relevant topics to our members through a series of informative events to be held throughout the year. FY09 also marked the debut of the BID's Public Improvement Program.

The past year has brought about many challenges in the City, but we have also witnessed many exciting projects and signs of growth here in the Flatiron district. As this report illustrates, the neighborhood continues to undergo development in several key areas, including the restaurant and hospitality sector, residential use, commercial office space, and the public realm. Flatiron has or is welcoming several new hotels and 12 eating establishments have opened since last summer, with some noteable newcomers soon to join them. The continuing expansion plus the current roster of over 40 restaurants that cater to all tastes and budgets make the area a premier dining destination. Residential use continues to grow with redevelopment and new development, bringing in new residents and families who are as committed to the neighborhood as we are. Our commercial core also continues to be strong, with businesses large and small calling Flatiron home, while significant new projects are coming to fruition, most notably the renovation of 200 Fifth Avenue, a building with a diverse and storied past.

We have also seen, and will continue to see, major enhancements to the public realm throughout the neighborhood. The creation of the public plazas, a New York City Department of Transportation initiative in which the BID is a partner, marks a vast improvement over the pre-existing conditions at the iconic intersection of Broadway, Fifth Avenue and 23rd Street. From the moment the plazas were opened in August 2008, Flatiron residents, workers and visitors all flocked to the new spaces, which serve as a refuge in the midst of this bustling neighborhood. In FY09, the BID not only took on a new role in maintaining the public plazas, but also released its Master Plan for Streetscape and Beautification Projects, the first round of which are being implemented through the Public Improvement Program. BID members have seen new trees, flowers and plantings enhancing and beautifying the district from one end to another.

While we face new challenges, we are hopeful about the inherent strengths of this great neighborhood and the BID's many new initiatives, and we are fully committed to our mission of making this a great place to live, work, learn, own a business, shop and visit.

Sincerely,

Gregg Schenker, Chairman Jennifer Brown, Executive Director

An Enduring Destination











It has been a while since the Flatiron district's Gilded Age, when the Prince of Wales took tea at the Fifth Avenue Hotel and Diamond Jim Brady tucked into a saddle of mutton at Delmonico's, but there is convincing evidence that the current culinary and hotel elements of the area are unmistakably restoring the neighborhood to its former glory.

It was the pioneering efforts of restaurateurs like Danny Meyer of the Union Square Hospitality Group that turned the Flatiron district and its environs into one of New York City's top dining destinations. In 1985, Meyer opened Union Square Café, signaling a new era of fine dining, and in 1994, he added Gramercy Tavern. In the late 1990s, his Eleven Madison Park and Tabla helped put Flatiron on the culinary map. He added Blue Smoke in 2002, and two years later, the Shake Shack opened in Madison Square Park. In 2006, Marlon Abela opened A Voce with its haute Italian cuisine, while Stephen P. Hanson of B.R. Guest put his footprint in Flatiron with Dos Caminos Park, Primehouse New York and, just outside the district, Wildwood BBQ.

From upscale restaurants with world-famous chefs to more modestly priced bistros, exciting new eateries continue to make their entrance, and more are planned for the near future. Flatiron also houses two major cooking schools, the Natural Gourmet Institute and the Institute for Culinary Education.

At the same time, the number of new or refurbished hotels in the neighborhood continues to grow, lending further impetus to a rebirth of the district and a reminder of what once made the area a lure for visitors from all over. More than a century ago, Madison Square was the center of New York's social life, boasting an armada of splendid hotels that catered not only to the city's political, financial and cultural elite, but also to visitors from abroad. In its day, the legendary Fifth Avenue Hotel, a wonder in white marble at the corner of 23rd Street, played host to nine U.S. presidents. Its neighbors included such distinguished hostelries as the Albemarle, Hoffman House, Worth House, the Brunswick, Sturtevant House and Gilsey House.

For much of the 20th century, new hotels were a rarity in the area, but in recent times there has been a burst of activity. The Carlton underwent major refurbishing while smaller hotels like the Hotel Giraffe, the Gershwin Hotel and a Comfort Inn sprang

up. Last year, a Wyndham Garden Hotel opened on 24th Street. Just outside the boundaries of the BID, the venerable Gramercy Park Hotel put on a fresh face, as did the Hotel Roger Williams.

Within the last year, two newcomers on Broadway in the high 20s were developed by GFI Hotels, whose \$200 million investment will help revitalize that long-neglected area. The Ace (formerly the Breslin Hotel) on 29th Street is brand new and the NoMad, one block south, is planned for next year. Over at Park Avenue South and 29th Street, the Gansevoort Park Hotel is under construction, and on Madison Avenue and 27th Street, the old Madison Hotel is being transformed by Desires Hotels into the MAve.

As for restaurants, Flatiron is now a lure for some of the country's top chefs. Chicago's Charlie Trotter will make his New York City debut with a dining room at One Madison Park, the spire that's nearing completion at the foot of Madison Avenue. Alain Allegretti, formerly of Le Cirque, opened his signature restaurant last year on 22nd Street. Ken Friedman and April Bloomfield of Spotted Pig and John Dory fame will run the Breslin, the new dining spot at the Ace, while Stephen Starr of Morimoto and Buddakan will operate the NoMad's dining area and bar. Tony May's elegant San Domenico, a fixture on Central Park South for years, will open on 26th Street, opposite Madison Square Park, under the name SD26.

All of this activity—this remarkable proliferation of new hotels and restaurants—adds up to an irrefutable conclusion: an exciting, vibrant Flatiron has reclaimed its place as one of the City's premier destinations. It is once again a magnet for visitors from all over, and an attraction for all New Yorkers.

◆ Clockwise from the top:
Fifth Avenue Hotel, ca. 1880;
rendering of the Gansevoort
Park Hotel; a class at the
Institute of Culinary Education;
rendering of the NoMad
Hotel; Shake Shack in Madison
Square Park.

▶ Michael Rawson is President of GFI Hotels, a subsidiary of GFI Development Co., which, together with other equity partners, is investing \$200 million in two new hotels—the Ace and the NoMad—on Broadway in the high 20s, an area he calls "the last undiscovered neighborhood in

Manhattan." "It's in the center of things, surrounded by Madison Square, Gramercy, Chelsea, Times Square and Midtown South," he says. "It's part of the Madison Square North Historical District, so it's got all these wonderful buildings and this is a great opportunity for us to develop some of them."



A Master Pan







Public space has been part of the Flatiron district since at least the latter part of the 18th century, when an area called the Parade Ground extended from 23rd Street to 34th Street, and from Third Avenue to Seventh Avenue.

Over the years, urbanization encroached upon the dimensions of that space, gradually reducing it to what is now Madison Square Park. Last year, however, for the first time in centuries, public space in the Flatiron district expanded, a profound development in the neighborhood's renaissance and one in which the Flatiron/23rd Street Partnership BID played a vital role.

The debut last August of the public plazas at the intersection of Broadway, Fifth Avenue and 23rd Street added 41,700 square feet of new public space flanking the west side of Madison Square Park and the east side of the Flatiron Building. It was one of the largest non-park public space initiatives launched by the Bloomberg administration, working in conjunction with the Flatiron Partnership and the Madison Square Park Conservancy—a project that graphically illustrates the importance of public-private partnerships and their impact on the public realm.

"Projects like these are turning our streets and sidewalks into destinations in and of themselves," said Janette Sadik-Khan, Commissioner of the City's Department of Transportation (DOT), which worked closely with the BID in implementing the plazas.

The concept of a partnership between public agencies and private interests had taken root in the area in the late 1990s, when community members formed the Campaign for the New Madison Square Park and raised \$6 million in public and private funds to redesign the park, transforming it from a neglected, unsavory space into a dynamic urban oasis. The Madison Square Park Conservancy, established in 2002, maintains and operates the park and presents the many free cultural activities and events that make it such an attraction.

The improved park sparked a renewed economic interest in the area. When the Flatiron Partnership was formed in 2006, it generated even more momentum, quickly launching programs that brought about immediate streetscape improvements, initiatives such as the establishment of a Clean Team and a Safety Team and the installation of branded banners and trash receptacles. Last fall, the BID moved beyond these initial programs. The time had come for a cohesive, overall strategy, a Master Plan for Flatiron.

To that end, the BID engaged Starr Whitehouse, landscape architects and planners, to come up with such a blueprint. Starr Whitehouse had already worked with the Partnership on the new public plazas and was no stranger to the area.

"Our goal," said Stephen Whitehouse, a partner in the firm, "was to first assess what the elements of the public realm were, whether they were working and what they contributed to the district, then to put together a full program for the next five to 10 years. In addition, we wanted to prioritize that program so we could guide investments in street improvements."

Interviews were conducted with various groups, including the BID's Streetscape Committee, which represents area businesses and district stakeholders; historians; the Community Board; and with the two New York City agencies that would be intimately involved: DOT and the Department of Parks and Recreation.

The result is a plan based, in part, on a "street hierarchy" that was determined by pedestrian traffic, vehicle use and street width. It is a multi-phase strategy for streetscape improvements that gives priority to more heavily used streets. All future projects, it should be noted, are contingent upon budget availability, approval by the BID Board of Directors and the appropriate New York City agencies and Community Boards.

Phase 1 of the plan—horticultural initiatives that extend original BID projects—is already under way. Phase 2, slated for completion over the next three years, includes such elements as signage, bike racks, paving and lighting; Phase 3, planned for implementation three to five years from now, would include the Park Avenue South infrastructure; Phase 4 proposals are long-term, touching on matters such as bumpouts, awnings and permanent public plazas.

As Flatiron faces the future, it does so with a solid framework for investments aimed at beautifying the district and addressing and enhancing such crucial matters as neighborhood identity, pedestrian safety and economic vitality.

- ◆ Counterclockwise from the top: The intersection at 23rd Street, Fifth Avenue and Broadway in the 1880's; before the public plazas; and today.
- Mark Maynard-Parisi of the Union Square Hospitality Group is Chairman of the Partnership's Streetscape and Capital Improvement Committee. "Our role in the Master Plan was

to help define what we felt was important and unique about the district," he said. "That included the diversity of experience here, the mix of quiet residential streets, bustling plazas, a world-class park, some of the world's most architecturally iconic buildings, great shopping and restaurants. We wanted to keep the elements that

make Flatiron what it is, but to enhance them. Hence, the hanging baskets, the plaza plantings, the beautification of the Park Avenue South malls, the trees. In being an advocate for the neighborhood to larger government agencies, we help streamline a process that could be onerous to the average business owner."



Open for Business











The buildings that ring Madison Square are world-famous because of their beauty and their architectural provenance, but rarely do they enter into any contemporary discussion of the world's tallest skyscrapers. Yet, a century ago some of those buildings were contenders for the title of highest in the world.

One of them—the 700-foot-high MetLife Clock Tower, which was completed exactly 100 years ago—held that honor for four years.

In a very concrete way, the Clock Tower is a highly visible symbol of why the Flatiron district has been a home for commercial enterprises since the late 1800s and has gained strength in that area ever since. Even today—when a rising residential presence makes the community more diverse than ever—Flatiron remains an attractive home for many kinds of businesses. They are just different kinds of businesses than once dominated the area.

Back in the 1870s, when the district boasted a large number of men's social organizations such as the Knickerbocker Club, the Lotus Club, the Union Club and the Coaching Club, many mercantile and business interests followed. In 1880, the first electric elevator made its appearance and tall buildings began to rise. Many remain. With their millions of square feet of space, they were filled with spacious lofts and were ideal for light manufacturing.

At the same time grand department stores were thriving along Fifth and Sixth Avenues in an area that became famous as the Ladies Mile. Light manufacturing was the *leitmotif* of the district for many years and continues to be conducted in the neighborhood, although not nearly on the scale it once enjoyed. Today's Flatiron has become the setting for small businesses and entrepreneurs in a multitude of professional industries, from design and finance to technology and research. In the 1990s, there was such an influx of technology-related enterprises that the area became known for its own version of Silicon Alley.

Where once there were photography studios, graphic artists and printers, now there are ad agencies, architects and publishers. At least two buildings—41 Madison Avenue and 230 Fifth Avenue—serve as headquarters for home accessories and gift items. The Madison Avenue building, also known as the New York Merchandise Mart, opened in 1974. It contains 23 floors of showrooms from more than 80 leading manufacturers of tableware, housewares and gift products. The 230 Fifth Avenue building is also called the New York Market Center and was

once known as the "lighting building" because it was home to so many companies in that industry. Today, it is filled with more than 200 showrooms that offer a range of product categories, including home textiles, gifts, kitchenware, tabletop items, furniture and toys.

The neighborhood's attraction to communications companies and other white-collar businesses is vividly illustrated by what's happening right now at 200 Fifth Avenue. That building, like the MetLife Clock Tower, was completed in 1909, when the area began buzzing with commercial activity. Originally called the Fifth Avenue Building, it became the center of the toy industry in the years following World War II and was known as the International Toy Center. Today, the landmark property is being converted into Class A office space and almost half of its 800,000 square feet has been leased to Grey Group, a global communications giant that is making Flatiron its new world headquarters.

The move by Grey is graphic evidence of why the neighborhood is such a desirable part of the Midtown South commercial market: It provides easy access to public transportation; Penn Station and Grand Central Terminal are within a short stroll; it presents more diverse retail and restaurant amenities than ever; and its real estate rates generally offer more value than those in Midtown.

Grey will not be the only major corporation to call the district home. New York Life and Credit Suisse have long served as anchors in the area. New York Life, the nation's oldest and biggest mutual life insurance company, has been headquartered at Madison Avenue and 26th Street since 1928. Credit Suisse, the financial services giant, moved to Madison Avenue and 23rd Street in 1996, when it leased 1 million square feet of space in another iconic Flatiron structure, the giant Metropolitan Life Building.

Whether large or small, and regardless of what products or services they offer, businesses of all kinds continue to find that Flatiron has the ambience, the accommodations and the amenities that nurture success.

► What has made the Flatiron district so attractive to businesses for so many years?

nesses for so many years?
Gregg Schenker, Chairman of the Flatiron BID and Co-Managing Partner of ABS Partners
Real Estate, says it's a combination of factors, including access to transportation, the quality of the buildings and "the fact

that people live, work and learn in this vibrant community."
"As for location," he points out, "you not only have a great transportation infrastructure here, a convergence of subway and bus lines, but the area itself is a melting pot. You have businesses, you have schools, you have a growing residential

population and activity day and night. People work here, they live here, they come here for the restaurants. There is an amazing level of creativity and great access to talent. Creative people want to be here. And that creates a winning combination."



Coming











The Flatiron district is once again a place that many people are calling home.

While it might be difficult to pinpoint the precise moment the area began to change, this much is clear: the addition of thousands of new apartments in recent years has resulted in a rapid rise of new residents and transformed the neighborhood from primarily commercial to truly mixed-use. Since 2000, some 6,340 new units came on line in and around the district, 3,600 of them between 2005 and now.

In many ways, this residential rebirth is a reminder of what Flatiron used to be. Back in the 19th century, when the area around Madison Square was graced by popular theaters and first-rate hotels, the neighborhood was also distinguished by elegant homes that belonged to the pillars of New York society and commerce. Edith Jones was brought up at 14 West 23rd Street and when she married Teddy Wharton in 1885, it was at a church two blocks away... the Schieffelins and the Iselins, two of New York's most powerful families, lived in brownstones just north of Madison Square Park... the Jerome Mansion at 26th Street and Madison Avenue was home to financier Leonard Jerome, whose daughter Jennie became the mother of Winston Churchill (see photo, opposite page, top)... Theodore Roosevelt was born and raised in a brownstone at 28 East 20th Street.

Shortly after the turn of the century, the district became predominately commercial. It remained that way for about 100 years, and then things began to change. A combination of new apartment buildings and conversions from commercial use resulted in a new Flatiron, one where the difference between then and now is literally the difference between day and night.

As recently as 15 or 20 years ago, the end of the workday brought a stark change to many streets of the neighborhood, turning them dark and deserted. Today, Flatiron radiates energy at all times. Certain side streets, once empty and foreboding after sundown, now glow with new places to live and new businesses to support a growing community.

The new housing stock that has sprung up throughout the neighborhood, from high-rises soaring over Sixth Avenue to new buildings that include some of the City's most luxurious accommodations, are only part of the picture. Construction of additional apartment buildings is ongoing.

Perhaps the most eye-catching new residence in the area is One Madison Park, the 60-story, glass-encased tower nearing completion at the foot of Madison Avenue. Topped by a triplex penthouse, it will be backed by a sibling at 23 East 22nd Street, a dramatic 22-story structure to be built in an unusual stepped-cantilever pattern. Both buildings will share a Rem Koolhaas-designed lobby, as well as a Charlie Trotter restaurant, wine storage facilities and a screening room.

Other significant additions to the residential roster in the last several years include the Grand Madison (formerly the Gift Building) at Fifth Avenue and 26th Street, a century-old structure converted to 194 condominium apartments; 15 Madison Square North, just east of the Grand Madison, which converted the top 12 floors of the 20-story building into condos; and Sky House, a 55-story glass-and-brick tower at 11 East 29th Street, with 133 units.

Sixth Avenue in the 20s and the streets just off it have seen a rush of new high-rises: the Vanguard Chelsea, the Chelsea Stratus, the Caroline, the Chelsea Landmark, the Capitol at Chelsea, the Archstone Chelsea, and 777 Sixth Avenue.

Flatiron's residential growth has been accompanied by the appearance of such home-oriented businesses as Gracious Home, Home Depot, Bed Bath & Beyond, the Container Store, Huffman Koos, Best Buy and P.C. Richards.

In addition, there are new child-friendly businesses and services: day camp facilities and play spaces and more stores where families can stock up on items such as kids' clothing, strollers and furniture. There are cultural attractions like Mad. Sq. Kids, the free summer entertainment series for children in Madison Square Park, and the TADA! Youth Theater.

The great change in Flatiron is especially noticeable when people leave work and head for home. Not long ago, most of that traffic was the flow of people leaving the neighborhood. Today, thousands of others are returning to it.

They are coming home to Flatiron.

Mick Athanail, a BID board member and a Vice President of Corcoran Group, has lived in the Flatiron district since 1996. Asked why he chose it and how he has seen it change, he said: "I liked the location, which was convenient to transportation. I liked the restaurants. And I liked Madison Square Park. It wasn't the jewel it is today, but I could see the potential. The growth of the residential

population has made Flatiron into a real neighborhood. I remember sitting in the back of taxis where they had maps of Manhattan posted and this was just a gray box on the map, a no-name area without an identity. Now, everyone knows Flatiron. They talk about the cultural attractions, the physical beauty of the area, the Ladies Mile—which is unique. People from all over the world come

here and take our walking tours. The residential growth has brought in more restaurants, it's increased property values and the spurt of development validates the whole district. It's made Flatiron more of a neighborhood and more of a destination."













Clean Streets Program

One of the core programs contributing to the success of the BID has been the ability to improve the physical environment by addressing the area's sanitation needs. Since 2006, the BID's Clean Streets Program has had a tremendous impact on the district in a most visible and tangible way.

Seven days a week, year round, starting at 7 a.m., the Clean Team scours the district from one end to the other, sweeping sidewalks and curbsides, clearing puddles, scraping bills and stickers, shoveling snow and emptying almost 200 custom BID and City trash receptacles. Through FY09 the Clean Team has handled over 164,000 trash bags weighing in at just over 2,000 tons; painted over 600 fixtures and pieces of street furniture and removed over 12,000 stickers, flyers and illegal advertisements.

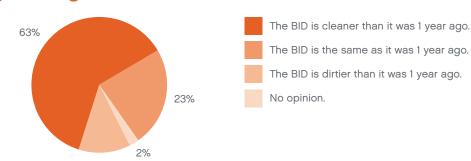
A specialized maintenance worker cleans and paints during the warmer months, while an overnight crew power-washes graffiti and other special conditions once a week, year round. These specialized workers, doing their jobs long after most other folks have gone home, have addressed over 600 special conditions to date in FY09.

The herculean effort of these men (and one woman) in blue have earned the district's streets a consistently high rating several years in a row on the Mayor's Office of Operations city streets scorecard and was rated "good" or "excellent" by over 90% of the BID's Community Survey respondents. This represents a 25% increase over last year's approval ratings on the BID survey.

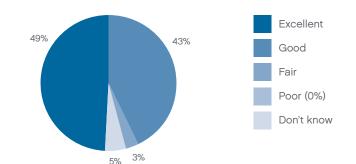
The BID recently assigned cleaners to set up the chairs and tables in the new public plazas each morning, maintain the area's cleanliness during the day and lock up and secure the furniture each evening. That program will be continued into FY10.

2008 BID COMMUNITY SURVEY: CLEAN STREETS

Overall, 63% of respondents perceive the district to be cleaner than it was one year ago.



For the respondents aware of the BID's Clean Streets Program (71.3%), over 90% rate the impact on the district as good or excellent.



CLEAN STREETS PROGRAM

Scott Kimmins, Director of Operations

FY09 DIRECT EXPENSE BUDGET \$532,941

CONTRACTOR

Atlantic Maintenance Corporation, \$515,000 FY09

CLEAN TEAM

Adel (Benny) Ben Brika and Mousa Diouf, Supervisors

HOURS OF OPERATION

November 1 – March 31: 7 a.m. to 7 p.m., Monday through Friday and 7 a.m. to 3 p.m., Saturday and Sunday; April 1 to October 31: 7 a.m. to 7 p.m., seven days a week, with extra crew members in the mornings, afternoons, evenings and on weekends, plus a specialized maintenance worker three days a week.





Public Safety Program

A On many occasions, the Public Safety Team assists the NYPD and FDNY in emergency situations, providing support, crowd control and traffic direction

One of the core measurements of any BID's success is its Public Safety Team. The Partnership's program is now in its second full year of operations. As the Flatiron district grows, attracting more visitors, residents and workers, the job of providing a safe and welcoming environment is paramount.

Keeping a watchful eye on the district and providing information and assistance, the seven members of the BID's Public Safety Team patrol every part of the district seven days a week. The Public Safety Officers (PSOs) serve a critical role by observing, reporting and addressing various quality of life and safety conditions and by acting as neighborhood ambassadors, providing directions and assistance to thousands of Flatiron district visitors.

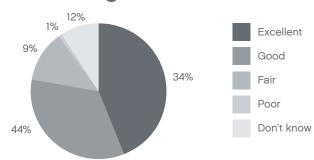
The PSOs continue to serve an equally vital role in communicating with business and property owners on behalf of the BID. They distribute important information on subjects ranging from upcoming BID events to public safety and emergency conditions. The Public Safety Team acts as the eyes and ears of the BID, informing management and the appropriate authorities of situations and conditions affecting the district.

FY09 saw the Public Safety Team document or address over 7,000 conditions in the district, the most common being bicyclists on sidewalks and flyers on street fixtures. The Team also provided information, directions or other types of assistance to over 15,000 requests. The second year of operations for the Public Safety Team earned a rating of "good" or "excellent" by over 75% of the BID survey respondents, a 50% increase in this positive rating from the prior year's Community Survey, when the program was only several months old.

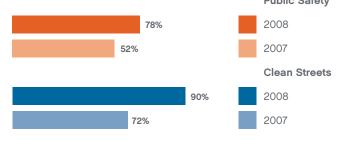
Additionally, in FY09 the Public Safety Team assumed the important task of patrolling the newly created public plazas in the heart of the district, ensuring that the spaces are enjoyable for all. In FY10 the Public Safety Team will continue to walk the beat, providing a watchful eye and an open ear.

2008 BID COMMUNITY SURVEY: PUBLIC SAFETY

Approximately 78% of respondents rate the impact of the Public Safety program in the district as good or excellent.



In the 2007 BID Community Survey, 52% of respondents rated the Public Safety Program as good or excellent and 72% rated the Clean Streets program as good or excellent in 2008. Those numbers increased to 78% and 90%, respectively.



PUBLIC SAFETY PROGRAM

Scott Kimmins, Director of Operations

FY09 DIRECT EXPENSE BUDGET

\$235.084

CONTRACTOR

American Commercial Security Services (ACSS), \$230.000 FY09

PUBLIC SAFETY OFFICERS

Severiano Gonzalez (Supervisor), Michel Melendez (Assistant Supervisor), Moises Gonzalez, Lennox James, Samuel Ortiz, James Polanco

HOURS OF OPERATION

Monday through Friday, 9 a.m. to 7 p.m., Saturday and Sunday, 10 a.m. to 6 p.m.











Social Services Program

In FY09, the BID continued its efforts to address quality of life issues throughout the district.

THE KEY WORD, SAYS JEFF RABINOVICI, IS TRUST,

Rabinovici is a 30-year-old Program Director with Urban Pathways, the human services agency with which the Flatiron Partnership launched its Homeless Outreach program in December 2007, Although he's been with Urban Pathways for only four months, he's worked with the homeless for about 10 years. He says there is a great advantage in being associated with the Flatiron Partnership.

In addition to the Parthership's funding and assistance, there is the matter of perception, Rabinovici points out.

"When we identify ourselves to clients [the homeless] as part of the Urban Pathways-Flatiron team, it's important for us to emphasize the word 'Flatiron,'" he says. "It engenders trust."

Trust is vital, he adds, because without it, it's almost impossible to provide the kind of help the homeless need.

"Our clients know that Flatiron's concern is basically to assist the homeless people in the neighborhood, not to fill quotas, or to be concerned with numbers, graphs and charts," he says. "We're able to work with clients at their pace, to really treat them as individuals and not as numbers. There's no fear of meeting monthly quotas,"

For Rabinovici, that seenario provides time. For the homeless, it provides trust.

SOCIAL SERVICES PROGRAM

Jennifer Brown, Executive Director; Scott Kimmins, Director of Operations

FY09 DIRECT EXPENSE BUDGET \$100.000

CONTRACTOR

Urban Pathways, \$100,000

▼ BID Director of Operations Scott Kimmins with the homeless outreach team, Jeff Rabinovici and Ken Washington, below; Kimmins with members of the East Side Alliance on a district walk, bottom.

HOMELESS OUTREACH

Through a contract with Urban Pathways, a Midtown-based nonprofit organization, homeless individuals in the district are regularly engaged, in the hopes of providing them with assistance and housing options. A two-person team canvasses the district 20 hours a week, talking to the homeless, assessing individual needs and providing referrals to treatment programs, shelter and other forms of assistance. To date, the homeless outreach team has engaged hundreds of individuals, and 26 placements have been made.

EAST SIDE ALLIANCE

During FY09, the BID continued its participation in 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 clinics and surrounding communities and to proactively address illegal activity and quality of life conditions. Throughout the year, East Side Alliance participants, under the direction of the Manhattan District Attorney's office, meet regularly to discuss the efforts of the Alliance. While the NYPD has continued to be vigilant regarding illegal activities, area methadone clinics have successfully warned or discharged numerous patients who have committed drug crimes or other quality of life disturbances within the Alliance catchment area. The regular sharing of information and ongoing assessment of conditions through these efforts has led to a noticeable improvement within the Flatiron district.



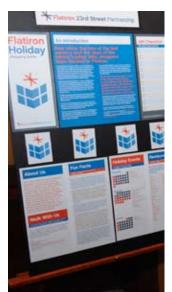


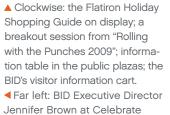




Marketing & Communications

The BID's marketing and communications efforts continued full force this year, with several new initiatives aimed at promoting the district and informing and educating members and the general public about the BID and the Flatiron district.











MARKETING & COMMUNICATIONS

Eric Zaretsky,
Director of Marketing
& Economic
Development; Scott
Lamkin, Program
Associate; Mort
Sheinman, Special
Projects

FY09 DIRECT EXPENSE BUDGET \$214.704

GRAPHIC DESIGN AND BRANDING Pentagram

WEBSITE DESIGN

Robert Dweck Design

MAP DESIGN Michael Hertz

Associates

DIGITAL MARKETING

Flatiron Partnerships 2008.

The BID utilizes various methods to better communicate with its members and other interested stakeholders. Through a digital marketing approach, an unlimited number of individuals can be reached at a relatively low cost.

Website

The BID continues to update and maintain its website, a valued and vital component of the marketing program. During FY09, the site underwent some tweaking to make it more user-friendly. It also added new features such as the District Deals page, on which BID businesses and organizations can announce news and special sales or deals. The website also regularly updates information about BID programs and special reports, data, news and events about the district at large.

Newsletter

The highly regarded and widely read monthly e-newsletter continues to be an indispensable tool through which the BID communicates with stake-holders. The newletter is distributed to an e-mail list of more than 12,000 people, offering information about the BID, its members and its new businesses. There is also news about noteworthy BID and community events, as well as lively and revealing stories about the neighborhood's colorful history.

Facebook

Will you be our friend? The Flatiron Partnership entered the world of digital social networking in FY09 by creating its own Facebook page. Meant to supplement but not replace the BID's website, the Facebook page is another way the BID can communicate with and hear from the community it serves. In addition to information about the BID

itself, the Facebook page includes pictures of BID programs and events, a video of the public plazas and a calendar of events.

PROGRAMMING & EVENTS

As an organization that seeks to bridge the public, nonprofit and private sectors as well as the residential and business communities, the BID engages partner organizations to jointly produce events and programs to educate and inform the public about important issues as well as to provide a medium in which the many stakeholders of the Flatiron district can interact.

2008 Speaker Series

The BID and TD Bank continued their partnership in 2008 by holding two Speaker Series events. In October, New York City Councilwoman Rosie Mendez spoke on issues affecting the district. In November, guests from Con Edison and the New York City Economic Development Corporation talked about energy efficiency practices and programs in which BID members can take part.

Intersections

In 2009, the BID included the Speaker Series and other programming and events under a program entitled "Intersections: A BID Series Focused on Information, Ideas and Our Community." The first Intersections event was in February, in partnership with Baruch College, TD Bank and the NYC Department of Small Business Services. The event, "Rolling with the Punches: Small Business Survival for 2009," was an overwhelming success. More than 125 guests attended the forum, held at Baruch College's Newman Conference Center. Attendees were treated to a panel discussion, moderated by NY1's Annika Pergament, on the state of the economy



and its impact on small businesses, followed by breakout sessions that addressed specific issues faced by business owners in the current economic climate.

In May and June of 2009, the BID welcomed two of the district's elected officials with two Intersections Speaker Series events at TD Bank. City Council Speaker Christine C. Quinn spoke in May about small business assistance programs put forth by the City Council. Manhattan Borough President Scott Stringer addressed various issues affecting the district and the City at large at the June event.

Meetings & Gatherings

In November 2008, the BID's third annual holiday cocktail reception and networking event, Celebrate Flatiron Partnerships, was enjoyed by over 150 guests. The Executive Director and Board Chairman updated guests on the Partnership's initiatives while attendees enjoyed catering by Blue Smoke and received copies of the first Flatiron Holiday Shopping Guide. In June 2009 the BID's third annual meeting was conducted at Baruch College where attendees heard about the successes of the past year, learned more about upcoming projects, and voted for board members.

Walking Tour

The BID's free weekly walking tour reached several milestones in FY09. The 1,000th attendee took the tour during the summer of 2008 and in March of 2009 the 100th walking tour welcomed nearly 30 participants. The tour was launched in April 2007 and is given every Sunday at 11 a.m., rain or shine, by a team of three rotating guides. So far, it has entertained and informed over 1,600 participants from 35 states and more than 30 countries. The tour is promoted on the BID's website and newsletter,

on rack cards distributed to locations throughout the City and by various organizations such as NYC & Company, the American Institute of Architects, the New York Times and Time Out New York.

SPONSORSHIP PROGRAM

In addition to the BID's assessment revenue, the BID seeks to supplement its budget and provide for various projects by soliciting sponsorship funds from area businesses and property owners.

The Sponsorship Program provides area property owners and businesses with the opportunity to demonstrate their commitment to the neighborhood while promoting their business and supporting the BID.

Sponsors get logo placement on streetlamp banners, custom trash receptacles and ash urns as well as on the Discover Flatiron Map. In FY09 several items were added to the previous year's offerings, including sponsorship of beautification projects such as the Park Avenue South Malls.

A new program, the "Friends of the Flatiron Partnership—Marketing Affiliate Program," was launched in FY09 and aims to expand the BID's marketing program to businesses outside the district. Non-BID businesses can take advantage of the various marketing and communications efforts by paying an annual fee. To date, businesses such as Tekserve, a local Apple specialty store on 23rd Street, the Hotel Roger Williams on Madison Avenue, and the Ace Hotel on 29th Street and Broadway have become Friends of the Flatiron Partnership.



COLLATERAL & PRINT COMMUNICATION

Traditional methods of promoting the BID and the district's many amenities are a valuable component of the marketing and communications program.

Discover Flatiron Map

The popular Discover Flatiron Map was updated for 2009 and now includes more businesses located above street level. The Public Safety Team regularly distributes the maps to area properties, businesses and visitors. The map is also provided to area hotels, residences, schools and NYC & Company visitor centers. Nearly 47,000 updated maps have been distributed in FY09.

Flatiron Holiday Shopping Guide

A special limited edition Flatiron Holiday Shopping Guide was introduced in FY09 to promote the neighborhood's diverse shopping destinations. The guide included a map of area retailers and a list of dining establishments, plus a calendar of holiday events, interesting Flatiron district facts and information about the BID. The limited edition printing of 12,000 guides was distributed throughout the district in November and December of 2008.

Information Cards and Special Distributions

Custom designed and branded folders with the Discover Flatiron Map, the annual report, information cards with important numbers and the walking tour rack card and brochure are given to new businesses and other individuals or organizations with which the BID comes into contact. Custom designed postcards are regularly used to announce new programs or events and notify business and property owners of important information.















Public Improvement Program

Enhancing the physical environment and appearance of the district is a priority for the BID. Physical improvements are sought and implemented in a number of ways through the Public Improvement Program, which introduced several new initiatives during FY09.

2008 BID COMMUNITY SURVEY: PUBLIC IMPROVEMENT PROGRAM

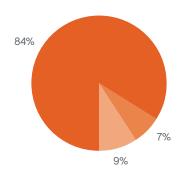
Streetscape & Capital Improvements

When asked to rate potential district improvement projects, respondents chose street lights and trees, tree pit plantings, guards and flower baskets as their top choices. The rankings are as follows:

No1 Street lights No2 Trees, tree pit planting & guards, flower baskets No3 Historic signage, wayfinding and street signs No4 Bike racks No5 Awning & canopy enhancement No6 Park Avenue South mall landscaping & maintenance No7 Custom paving No8 Overall district façade design guidelines No9 News boxes

Public Plazas

The public plazas at the intersection of 23rd Street, Broadway and Fifth Avenue, a new addition to the district by the NYC Department of Transportation, have been a major success. Asked whether they liked or disliked them, respondents gave the plazas an 84% approval rating.





Some form of art, culture, or entertainment ranked first (50) among amenities, events, or services respondents would like to see in the plazas. Food-related services followed (38). Shopping or other retail opportunities were also mentioned (14).

PUBLIC IMPROVEMENT PROGRAM

Jennifer Brown, Executive Director; Scott Lamkin, Program Associate

FY09 DIRECT EXPENSE BUDGET \$271.675

LANDSCAPE CONTRACTOR

Frank Bulfamante & Sons

LANDSCAPE ARCHITECT

Starr Whitehouse



PUBLIC PLAZAS

A highlight for the Partnership and the neighborhood in FY09 was the creation of the new public plazas at the intersection of Broadway, Fifth Avenue, and 23rd Street. Once a confusing traffic and pedestrian corridor with barren traffic triangles, the area now boasts some 41,700 square feet of new public space, courtesy of a Department of Transportation (DOT) initiative, in which the BID is a partner.

Throughout 2008, DOT, the BID and the Madison Square Park Conservancy planned for and implemented the project by placing 40 tables, 120 chairs, 30 umbrellas and seven trash receptacles for public use. Some 170 planters and 43 granite blocks serve as traffic barriers in addition to enhancing the aesthetic of the spaces. On September 5, 2008, at a ceremony presided over by Mayor Michael R. Bloomberg and DOT Commissioner Janette Sadik-Khan, the public plazas were officially opened (see photo opposite page). The rationalization of traffic patterns and reclamation of roadbed for use as open space have created a safe and welcoming destination for residents, workers and visitors, who use the plazas every day to engage in a variety of activities: meeting friends, enjoying a bite to eat, taking photographs of the famous Flatiron

Building and other architectural highlights of the neighborhood, or simply engaging in good oldfashioned people-watching.

The BID manages and maintains the new plazas, which extend from 22nd to 24th Streets, through an agreement with DOT. The Clean Team opens and closes the plazas each day (weather permitting), maintains the tables, chairs and umbrellas, and keeps the spaces clean. The Public Safety Team regularly patrols the plazas to provide assistance as necessary. The BID also maintains the horticultural elements by providing beautiful seasonal plantings and maintenance of the planters on an ongoing basis through a contract with the landscape firm Frank Bulfamante & Sons.

Early public response to the plazas has been overwhelmingly positive. Respondents to the Community Survey gave them an 84% approval rating. The BID looks forward to further enhancing the spaces through amenities such as subconcessions and public art.

MASTER PLAN FOR STREETSCAPE AND BEAUTIFICATION PROJECTS

The Master Plan for Streetscape and Beautification Projects, prepared by landscape architecture firm Starr Whitehouse, was approved by the BID's



Board of Directors in September 2008. The Master Plan, presented in four phases to be implemented over time, includes shorter-term projects aimed at greening the district, as well as larger infrastructure projects such as lighting and paving. Specific projects in the Master Plan will be implemented depending on budget availability, approval by the BID Board of Directors, appropriate City agencies and other relevant authorities. The full Master Plan is available on the BID website (www.discoverflatiron.org).

Implementation of Phase 1 of the Master Plan began during FY09 and includes a series of BID-directed initiatives such as Park Avenue South Mall beautification, a hanging flower basket program, and custom tree-pit guards and tree-pit plantings, in addition to joint initiatives related to existing City programs such as additional street trees and new bike racks and bike shelters.

Phase I Beautification Projects Greening the District

Park Avenue South Mall Beautification

The enhancement of the Park Avenue South Malls from 21st to 28th Streets began in 2009. Through a contract with Frank Bulfamante & Sons, the malls will be meticulously maintained on a regular basis and a seasonal planting program will see them bursting with flora such as tulips, daffodils, blue salvia and prelude white begonias during spring and summer, with additional plantings in fall and winter.

Hanging Flower Basket Program

In the spring of 2009 the BID implemented a hanging flower basket program. Twenty-four flower baskets with seasonal plantings have been installed on lampposts along 23rd Street from 3rd Avenue to 6th Avenue and in and around the public plazas.

Tree Pit Guards and Plantings

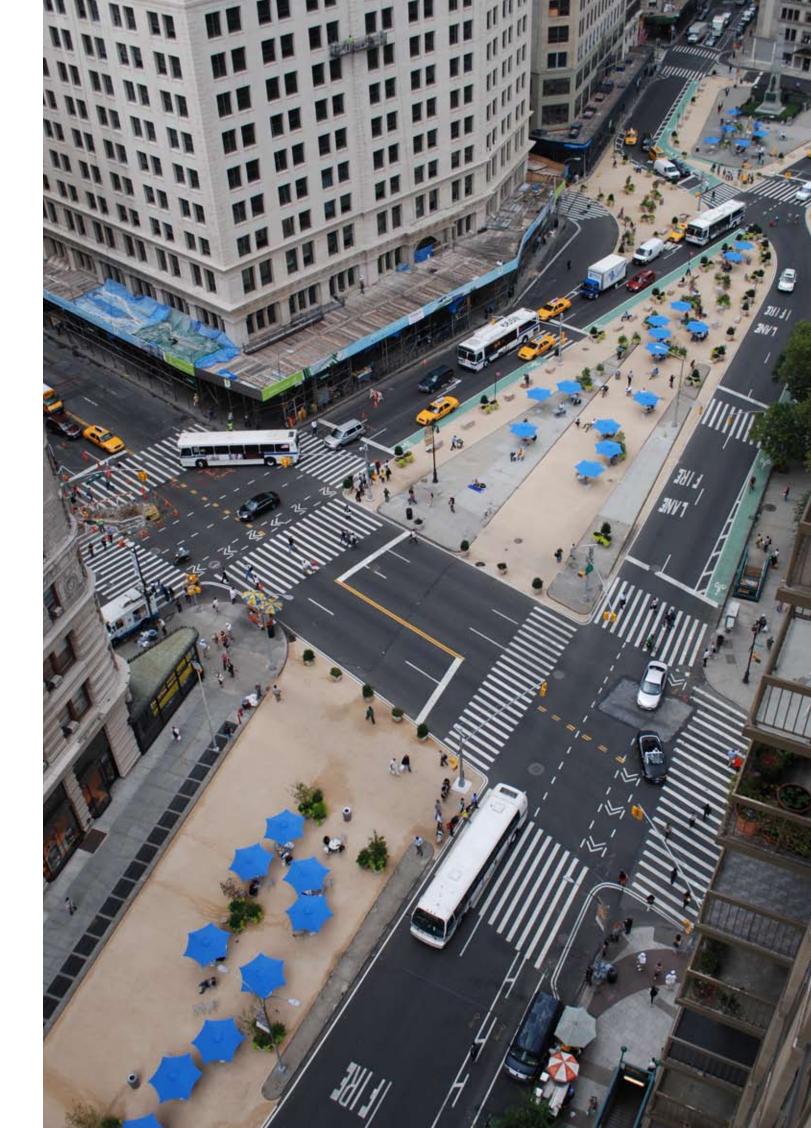
The BID has implemented another project at street level that will further beautify and enhance the streetscape and the pedestrian experience. Twenty-seven custom tree-pit guards with the Partnership logo have been installed along 23rd Street from Third Avenue to Sixth Avenue. In some cases, the existing tree pits have been widened to create a uniform look along the corridor and to provide additional room for plantings. Seasonal plantings will be maintained in the tree pits from spring through fall.

Street Trees and Bike Racks

The BID continued its participation in the MillionTreesNYC initiative by coordinating tree requests from property owners, businesses, and residents throughout the district. In FY09, 12 new trees were planted, with more to come. The BID has taken the same approach to the CityRacks program, whereby new bike racks can be requested at no cost. Twenty-three new bike racks were requested in FY09 and to date 10 have been installed.

Additional Phase I Planning Lighting the District

In FY09, the BID began planning for another project outlined in the Master Plan—distinctive lighting. Working with Starr Whitehouse and DOT, the BID prepared a preliminary project scope to replace the existing cobra head fixtures with a distinctive new lamppost design that would enhance the streetscape. The BID has begun requesting funds from local elected officials for the first phase of the project, which would focus on 23rd Street. Future phases would include additional parts of the district.









Myles Schwartz
FirstService Williams
Real Estate

Rockrose Development

Joseph Miller

Corporation

Jane Gural Senders Newmark Knight Frank

Class B: Commercial Tenants

Clint Blume 23rd Street Association

Lois Eida Lois Lane Travel

Frederick Locker Locker, Greenberg & Brainin, PC

Mark Maynard-Parisi Union Square Hospitality Group

Class C: Residential Tenants

Joseph B. Rose Robin Sen

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, Manhattan Borough President

Honorable Christine C. Quinn, New York City Council Speaker

Class E: Community Boards and Non-Profit Organizations

Community Board 4 J.D. Nolan, Chairperson

Community Board 5 Maxine Teitler/Gayle Serle

Community Board 6 Lyle Frank, Chairperson

Baruch College Jim Lloyd

EXECUTIVE STAFF

Jennifer Brown, Executive Director

Scott Kimmins, Director of Operations

Eric Zaretsky, Director of Marketing & Economic Development

Scott Lamkin, Program Associate

Mort Sheinman, Special Projects (part-time)

2009 AWARD RECIPIENTS

Outstanding Service Award

Public Safety Officers: Michel Melendez & Moises Gonzalez

Clean Team: Namory Toure & Sebabi Bawa Eratei

Chairman's Award

Nicholas Athanail

Partnership Award

Baruch College

SPONSORS (AS OF JUNE 2009)

Sponsors \$20,000+

FirstService Williams Real Estate

Sponsors \$10,000+

ABS Partners Real Estate
Meringoff Properties

Sponsors \$5000+ GFI Development/ NoMad Hotel

Housing & Services Inc.

Newmark Knight Frank

Sponsors \$500+

Buchbinder & Warren

Hill Country

Institute of Culinary Education

Jazz Standard

Kiame Princess Marion

Madison Green Condominium Association

Monday Properties

Natural Gourmet Institute

New York Health & Racquet Club

Pan Am Equities

Swann Auction Galleries Wilhelmina Models

Friends of the Flatiron Partnership

Ace Hotel

Hotel Roger Williams

Tekserve

CREDITS

Changing Face of Flatiron written by: Mort Sheinman

Photographs by: Scott Lamkin, Mort Sheinman and Eric Zaretsky

Pg 2: Fifth Avenue Hotel photo courtesy of the Miriam Berman Collection

Pg 4: Madison Square rendering courtesy of the Miriam Berman Collection

Pg 6: Flatiron Building photograph by Irving Underhill

Pg 8: Jerome Mansion photograph courtesy of the New York Life Insurance Company

Design: Pentagram

Budget and Finances Fiscal Year 2010







as of 6/30/10





Statement Of Financial Position	2008	2007	
Assets			
Cash	1,009,082	711,709	
Prepaid assets and receivables	17,381	16,643	
Property and equipment	14,399	21,770	
Security deposits and other	84,157	108,357	
Total	1,125,019	858,479	
Liabilities/Net Assets			
Liabilities	82,255	64,524	
Net Assets	1,042,764	793,955	
Total	1,125,019	858,479	
Statement of Activities	2008	2007	
Support and Revenues			
Assessment revenue	1,600,000	1,597,349	
Contributions and other	180,091	157,223	
Total	1,780,091	1,754,572	
Expenses			
Marketing	282,104	229,654	
Safety	275,380	54,289	
Sanitation	573,313	405,485	
Social services	65,781	17,271	
Public improvements	72,718	22,869	
Administration	261,986	231,049	
Total	1,531,282	960,617	
Increase in net assets	248,809	793,955	

Summary of Financial Statements dated September 29, 2008, prepared by Skody Scot & Company CPAs PC. A copy of the complete audited financial statements is available upon request.

Approved Draft Budget FY10	Admin.	Marketing	Public Satefy	Sanitation	Social Services	Public Improvements	2010 Budget Total	2009 Budget Total
			<u> </u>			<u> </u>		
Assessment revenue Contributions		120,000		5,000		15,000	1,600,000 140,000	1,600,000 140,000
Interest income		120,000		5,000		15,000	10,000	20,000
Total Revenue							1,750,000	1,760,000
Program Expenses								
Personnel costs								
Total salaries and payroll taxes	66,444	118,883	53,024	53,067	13,738	68,158	373,310	364,336
Health & other benefits	7,673	8,309	2,982	2,982	1,107	7,989	31,041	29,275
Total personnel costs	74,115	127,192	56,005	56,048	14,844	76,147	404,350	393,610
Direct expenses								
Outside contractors	1,000	26,000	220,000	488,985	50,940	115,000	901,925	902,000
Program equipment	0	_	1,000	10,000	_	5,000	16,000	28,025
Program supplies	0	32,200	-	1,000	_	15,000	48,200	48,145
Project expenses	-	139,525	-	_	_	50,000	189,525	178,220
Total direct expenses	1,000	197,725	221,000	499,985	50,940	185,000	1,155,650	1,156,390
Total Program Expenses	75,115	324,916	277,005	556,033	65,784	261,147	1,560,000	1,550,000
	4.8%	20.8%	17.8%	35.6%	4.2%	16.7%	100%	-,,
Total general operating							190,000	190,000
Total expenses							1,750,000	1,740,000
Contingency							0	10,000
Excess revenues over expenses							Ö	10,000
		Capital &						
	Operating	Spec. Projects	Total					
Surplus as of 6/30/09	400,000	550,000	950,000					
Operating Reserve (per SBS 3 mo's)	(400,000)	•	(400,000)					
Use of capital reserves		(100,000)	(100,000)					
Current year excess revenue	-	_	_					
Available for operations or capital								
Available for operations of capital								

450,000

450,000

