

**Highlights and
Achievements**

2006

2007

Overview

The Flatiron/23rd Street Partnership Business Improvement District (BID) was formed on July 1, 2006, joining the ranks of the 55 Business Improvement Districts throughout New York City that focus on community improvements and economic development at the neighborhood level. With a \$1.6 million budget, encompassing roughly 38 blocks and including over 20 million square feet of commercial space, the Partnership ranks among the top ten BIDs in the City in terms of size of district, budget, and number of businesses.

The effort to create the BID was spearheaded by the Board of Directors and staff of the 23rd Street Association, a not-for-profit membership organization with a nearly 80-year history in the Flatiron district and surrounding neighborhoods. Public officials, including the New York City Department of Small Business Services, local elected officials, and the local community boards also contributed to this effort.

In January 2006, the BID's Steering Committee began its official duties, which included an extensive search for an Executive Director, executing a certificate of incorporation, preparing by-laws and a first year operating budget, securing an independent auditor/accountant, and other critical tasks. The District Plan, which was published in 2004, guides the BID in terms of its programmatic goals and mission, and the BID by-laws guide its policies and practices.

BID Operations

The first order of business for the Partnership was to hire staff and secure an office from which to conduct business. Jennifer Brown was hired as the BID's Executive Director in the summer of 2006 by a search committee comprised of members of the Board of Directors; Ms. Brown began work on August 10, 2006. Timothy Cohen, who had been the Program Manager at the 23rd Street Association, and as such had been working on BID start-up activities throughout 2006, officially started as the Deputy Director on September 1, 2006. Scott Kimmins began on October 2, 2006 as the Director of Operations. The BID's full time staffing was complete with the hiring of Scott Lamkin as Office Assistant in May of 2007.

In the early weeks, the BID was generously provided office space at the 23rd Street Association office at 200 Fifth Avenue, but in late summer secured its own space at 27 West 24th Street. The BID moved into the space in early September, and proceeded to find furniture (most of which was generously donated by area property owners), purchase office equipment, set-up computer, financial, and filing systems, secure bank accounts, payroll services and insurance policies, write policies and procedures, and all of the other details that are necessary for 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 December of 2006 and January of 2007, the BID's new part-time staff member, Mort Sheinman, conducted a comprehensive survey of all street-level and second floor businesses in the district. By conducting this survey, the BID was able to obtain accurate contact information for all of the area businesses to use for communication efforts and to

list on the BID website and the forthcoming neighborhood map. Additionally, the BID has secured the assistance of a Baruch College student to help design an internal database, which will be utilized to continuously update contact and other important information on all BID district properties and businesses.

The BID's 22-member Board of Directors has 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

The BID worked with the Fund for the City of New York to implement the first stage of a comprehensive ComNET (Computerized Neighborhood Environment Tracking) survey. In October of 2006, BID staff used ComNET handheld computers to assess litter and graffiti conditions throughout the district, to use as a baseline assessment prior to the launch of the Clean Streets Program. The baseline assessment proved to be tremendously helpful in identifying hot-spots for litter and graffiti conditions and will assist the BID over time in gauging the success of our programs. Several maps depicting these conditions can be viewed on the BID's website at www.discoverflatiron.org.

In March of 2007, using three teams of individuals provided through ReServe, the BID conducted the remainder of the ComNET survey, which assessed a myriad of other conditions throughout the district. The BID has and will continue to utilize the results of the survey to report conditions and work with city agencies to address major issues. The most prevalent conditions recorded during the second part of the ComNET survey related to sidewalk, fire hydrant, and curb conditions, including but not limited to: broken and cracked sidewalks, caps missing from hydrants, and broken or missing curb cuts.

Clean Streets Program

The sanitation situation in the BID district was one of the driving forces in the creation of the BID. The BID launched its comprehensive Clean Streets Program on November 1, 2006, and the improvements were immediately noticeable. The program is provided through an outside contract with Atlantic Maintenance, which supplies all of the workers and equipment necessary to keep the district clean and graffiti-free on an ongoing basis.

The Clean Team works seven days per week, from 7 a.m. to 7 p.m., sweeping every block within the BID district and servicing over 120 cans throughout. Initially, the team worked from 7 a.m. to 7 p.m. Monday through Friday and 9 a.m. to 5 p.m. Saturdays and Sundays. To address the needs of the district more fully, the weekend hours were then revised to 7 a.m. to 3 p.m., and have now been expanded in the warmer months to a full 12-hour shift to address seasonal increases in litter and sanitation conditions. The Clean Team crew bags the garbage in Partnership-branded bags, securing roughly 400 bags per day of refuse. The Clean Team is also scraping bills and stickers off lampposts, mailboxes, street signs, and other fixtures and removing graffiti throughout the district on a continuous basis. To date, the team has painted 193 lampposts in the neighborhood,

nearly all of them, and overall has painted nearly 600 fixtures, including mailboxes, traffic lights, lampposts, fire hydrants, etc. One night per week, a specialized crew removes graffiti and power-washes problematic areas throughout the district. The team has addressed over 500 conditions on the overnight shifts since the launch of the program.

Public Safety Program

Scott Kimmins, the BID's Director of Operations, is a 20-year veteran of the NYPD's 13th Precinct, which covers the Flatiron district. He has an in-depth knowledge of the neighborhood and in particular of the public safety and quality of life concerns affecting the district. Since he started, Scott has served as the "eyes and ears" of the BID, addressing quality of life issues such as homelessness, illegal vending and unsecured trash. He coordinates on a regular basis with the 13th Precinct on issues of importance to the district.

Under his supervision, the BID Public Safety Program was launched on June 1, 2007. The program is 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 patrols the district 7 days per week, with shifts of two officers plus a working supervisor. They are responsible for the following:

- Reporting quality of life conditions, 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.

Marketing Initiatives and Events

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

BID Logo and Branding

The first marketing initiative of the BID was to create a logo and branding for the organization. Working with internationally recognized design firm Pentagram,

headquartered in the BID district, the BID Marketing Committee selected the “intersection” design, which depicts in a fresh and clean way the major intersection of the BID district at 23rd Street, 5th Avenue, and Broadway. The logo and branding design was approved by the BID Board of Directors in September 2006.

Communication and Outreach Efforts

In the fall of 2006, the BID launched a temporary website at www.flatironbid.org to provide basic information about the BID to its members. Other communication efforts that took place in the fall and early winter of 2006 included a mass mailing of the BID “launch card” announcing our formation to the community and a launch event held at the Prince George Hotel, sponsored by Common Ground Community. In an effort to continue to reach out to the members of the district, in February and March of 2007 the BID hosted a series of “Meet the BID” breakfast forums for property owners/major tenants, restaurant and hospitality businesses, and retailers/other small businesses. These forums, hosted by Cipriani 23rd Street, provided an opportunity for the businesses to meet the BID staff and members of our board, to learn more about BID programs and initiatives, and to provide comments and ask questions.

In December 2006 the BID launched its monthly electronic newsletter, “The Intersection,” which provides information on BID programs, neighborhood events, new business announcements, and opportunities of interest to the BID community. “The Intersection” is expertly prepared in-house by Deputy Director Timothy Cohen.

The BID’s official website was launched in early April 2007, providing comprehensive information on BID programs and services, a listing of neighborhood events, links to past newsletters and media coverage, and a complete directory of local businesses, including links to those businesses’ websites. The website can be accessed via www.flatironbid.org and www.discoverflatiron.org.

Neighborhood Marketing

In terms of the second major goal of the BID’s marketing efforts – to promote the neighborhood and its many attractions - the BID has undertaken a number of initiatives in addition to the website. To further these efforts, the BID became a member of NYC & Company, the City’s official tourism organization, to assist in the promotion of BID initiatives and major events in the district to a broad audience of visitors. Membership also allows the BID to place materials in NYC & Company visitor centers.

In December 2006, as part of the “Discover Flatiron for the Holidays” program, the BID launched a special holiday walking tour series, highlighting points of interest in the area, and in particular seasonal points of interest such as the former location of the Lionel Train Company showroom and the site of the nation’s first outdoor holiday tree lighting. The BID also sponsored the annual tree lighting ceremony at Madison Square Park, provided by the Madison Square Park Conservancy.

The holiday walking tour program was so successful that the BID launched an ongoing walking tour program in April 2007, which is offered free to the public every Sunday at 11 a.m. The tour program has been advertised on a variety of free listing sites, and a promotional card has been distributed to area hotels, buildings, and the NYC & Company Visitor Center.

In the spring of 2007, the BID began work on its first neighborhood guide and map, which will be released during the summer of 2007. The map will include a directory of businesses and prominent points of interest in the BID district and will be distributed to large commercial and residential buildings, area hotels, and NYC & Company visitor centers.

Sponsorship Programs

In early 2007, the BID launched its first sponsorship program, offering area property owners and businesses the opportunity to support the Clean Streets Program and marketing efforts through the purchase of branded custom litter receptacles, neighborhood banners, and advertising on the first neighborhood map. Income from the inaugural program totaled nearly \$145,000 and has provided for the purchase of 60 trash receptacles and 49 banners. The banner program was launched on June 1, 2007, and the trash receptacles will be placed throughout the district in July 2007. Revenue from the 2007 program will also offset the design costs for the neighborhood map. Sponsorship opportunities will be available on an annual basis during the spring of each year.

Social Services

The BID's District Plan calls for the implementation of social service programming focused on homeless outreach in the district. Since its inception, the BID has had ongoing discussions and interaction with various agencies and homeless outreach providers, including the Department of Homeless Services (DHS), Common Ground Community, Urban Pathways, and Bowery Residence Committee, in order to better understand homeless efforts in the district. BID staff members have accompanied outreach providers in the district, and have independently reached out to homeless individuals, offering referrals to area shelters, soup kitchens, and service providers.

The BID formed a Social Service Committee to determine how best to allocate BID funds for homeless outreach efforts. One of the major factors affecting decisions on the allocation of funds has been what is happening with homeless outreach and programming at the citywide level. In early 2007, DHS announced that it would revamp the way homeless outreach is provided citywide by issuing a Request for Proposals (RFP), which would result in a single outreach provider for each borough. Aggressive targets will be put in place in order to meet the Mayor's goal of reducing chronic homelessness by two-thirds by 2009, and an emphasis will be placed on permanent housing solutions. In April 2007, the Department of Homeless Services announced that a consortium of organizations led by Goddard Riverside and including Common Ground Community and Urban Pathways, among others, will be responsible for Manhattan outreach. BID staff recently met with Urban Pathways, which will be responsible for outreach in the BID area seven days per week, and will convene the Social Service Committee to discuss how to proceed with the BID's own programming given this new development.

Additional Neighborhood Improvements

In addition to the programmatic areas of sanitation, public safety, marketing, and social services, the BID will pursue additional neighborhood improvements, including streetscape and capital improvements. The BID also works on an ongoing basis with various City agencies and other officials to address quality of life concerns and potential improvements to the district.

Streetscape and Capital Improvements

The BID formed a Streetscape/Capital Projects Committee to discuss and prioritize potential projects. Projects that are under discussion include streetscape and beautification projects such as tree plantings, hanging planters, sprucing up the Park Avenue South malls and the traffic triangles at 23rd Street and Broadway, wayfinding systems and more. The BID is also exploring longer-term capital projects such as lighting initiatives, custom newsracks, and a visitor kiosk.

Ongoing Quality of Life Concerns

The BID will continue to address a variety of quality of life and public safety concerns throughout the district on behalf of its members. The BID, in coordination with the Madison Square Park Conservancy, 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 of New York Department of Transportation conducted an assessment of the lighting conditions along that block and found it to be deficient. As a result, DOT will enhance the lighting later this year.

The BID has been coordinating efforts with 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 to address quality of life concerns and illegal activity along 23rd Street and adjacent neighborhoods. A task force of these groups has been meeting regularly and significant progress is being made toward addressing these issues.

The BID regularly provides educational materials and information to local businesses regarding City regulations, in particular those businesses that are improperly placing large amounts of trash on the sidewalks and engaging in other activities that violate City regulations. The BID's mission with respect to these efforts is to assist local businesses in understanding City regulations and how to avoid getting violations, while making the neighborhood more pleasant and enjoyable for all. The BID also frequently reports conditions to 311 regarding a myriad of issues, including broken pay phones, malfunctioning traffic lights, broken lampposts and street fixtures, and other conditions that impact the area. The City has been very responsive with respect to these conditions and the BID will continue in these efforts on behalf of its members.

Budget and Finances

The BID ends its first fiscal year with a very strong financial position, as a result of not being fully operational for the full fiscal year, and also due to competitive pricing for its existing contracts.

As of April 30, 2007, the BID shows a cash position of roughly \$922,000 for the 10-month period of FY 2007. As a result of launching programs throughout the fiscal year, the BID is under budget in each of the major programmatic areas at the end of the 10-month period. The end-of-the year surplus is projected to be approximately \$750,000. Going forward, \$300,000 of this surplus will be earmarked for Operating Contingency, as per SBS guidelines, 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 we move forward in identifying streetscape and other neighborhood improvement projects.

The Fiscal Year 2008 budget was discussed and approved by the BID Finance Committee in February, approved by the Executive Committee in early April, and then approved by the full Board of Directors at its meeting on April 19, 2007.

The FY08 budget calls for the following expenditures on a percentage basis for the various programmatic areas (based on total anticipated expenditures of \$1.7 million).

- Sanitation: 32.4%
- Public Safety: 18.5%
- Marketing: 15.9%
- Neighborhood Improvements: 11.8%
- General Operating: 10.9%
- Administration: 4.7%

The following pages reflect the year-to-date budget as of April 30, 2007 and the approved Fiscal Year 2008 budget.

Flatiron/23rd Street Partnership

Financial Summary

Ten Months Ended April 2007

Financial Position

Assets

Cash	\$ 922,075
Property and equipment	23,191
Security deposits and other	132,565
Total	<u>1,077,831</u>

Equity

\$ 1,077,831

Financial Activities

	Ten Month Actual	Annual Budget
Revenues		
Assessments	\$ 1,597,349	\$ 1,600,000
Contributions and other	78,201	3,000
Total	<u>1,675,550</u>	<u>1,603,000</u>
Expenses		
Administration	47,984	90,000
Marketing and promotion	173,115	200,000
Safety	27,822	100,000
Sanitation	210,492	669,000
Public improvements	20,082	240,000
Social Services	13,530	100,000
Total program expenses	<u>493,025</u>	<u>1,399,000</u>
Management and general	104,694	204,000
Total expenses	<u>597,719</u>	<u>1,603,000</u>
Excess revenues over expenses	<u>\$ 1,077,831</u>	<u>\$ -</u>

Flatiron/23rd Street Partnership
Approved Budget
Fiscal Year Ending June 30, 2008

	Admin.	Marketing	Public Safety	Sanitation	Social Services	Public Improve.	2008 Budget Total	2007 Budget Total
Assessment revenue							1,600,000	1,600,000
Contributions		130,000		20,000			150,000	-
Interest income							40,000	3,000
Total revenue							1,790,000	1,603,000
Program Expenses:								
Payroll Costs	61,500	111,500	48,100	48,100	20,300	30,500	320,000	295,000
Payroll Tax and Benefits	15,260	24,904	8,749	8,749	4,157	6,052	67,871	57,350
Total personnel costs	76,760	136,404	56,849	56,849	24,457	36,552	387,871	352,350
Outside Contractors	1,200	52,000	250,000	435,000	74,000	75,000	887,200	734,000
Program Equipment and Supplies	2,040	81,596	8,151	58,151	1,543	88,448	239,929	72,650
Total direct expenses	3,240	133,596	258,151	493,151	75,543	163,448	1,127,129	806,650
Total program expenses	80,000 5.3%	270,000 17.8%	315,000 20.8%	550,000 36.3%	100,000 6.6%	200,000 13.2%	1,515,000 100.0%	1,159,000
General operating								
Rent and utilities							80,000	80,000
Messengers and postage							8,000	10,000
Office supplies							10,000	10,000
Office expense							8,000	22,000
Telephone							8,000	12,000
Insurance							25,000	21,000
Maintenance							5,000	5,000
Professional fees							20,000	25,000
Printing							10,000	7,500
Travel and conferences							5,000	5,000
Office support							5,000	5,750
Payroll taxes and benefits							1,000	750
Total general operating							185,000	204,000
Total expenses							1,700,000	1,363,000
Contingency							80,000	240,000
Excess revenues over expenses							10,000	0
Projected surplus as of 6/30/07								
Operating Reserve (as per SBS guidelines)		\$750,000						
Capital Reserve		(300,000)						
Current year excess revenues		(250,000)						
		10,000						
Available for future operations as of 6/30/08		<u>\$210,000</u>						