NOHO NY FOREST AVENUE VILLAGE ALLIANCE WOODHAVEN FORDHAM ROAD SUTPHIN BOULEVARD HUB/3RD AVENUE SUNNYSIDE SHINES BED-STUY KINGSBRIDGE STEINWAY STREET SOUTHERN BOULEVARD QUEENS PLAZA WHITE PLAINS ROAD 86TH STREET/BAY RIDGE JAMAICA CENTER BAY RIDGE/5TH AVENUE DOWNTOWN FLUSHING BRIGHTON BEACH BAYSIDE VILLAGE CHURCH AVENUE 82ND STREET COURT-LIVINGSTON-SCHERMERHORN 180TH STREET DUMBO 165TH STREET EAST BROOKLYN WASHINGTON HEIGHTS FLATBUSH AVENUE 161ST STREET FLATBUSH-NOSTRAND JUNCTION UNION SQUARE FULTON STREET TIMES SQUARE GRAHAM AVENUE GRAND STREET MADISON AVENUE KINGS HIGHWAY LOWER EAST SIDE METROTECH LINCOLN SQUARE MONTAGUE STREET GRAND CENTRAL MYRTLE AVENUE BROOKLYN FLATIRON/23RD STREET NORTH FLATBUSH FIFTH AVENUE PARK SLOPE/5TH AVENUE FASHION CENTER PITKIN AVENUE EAST MIDTOWN SUNSET PARK ALLIANCE DOWNTOWN 125TH STREET COLUMBUS/AMSTERDAM 34TH STREET BRYANT

Fiscal Year 2008 Annual Report Summary

64 Business Improvement Districts . . .

PARK 47TH STREET FORDHAM ROAD BRYANT PARK HUB/3RD AVENUE COLUMBUS AVENUE SOUTHERN BOULEVARD COLUMBUS/AMSTERDAM JEROME GUN HILL ALLIANCE DOWNTOWN EAST MIDTOWN DUMBO FASHION CENTER FULTON STREET FIFTH AVENUE METROTECH FLATIRON/23RD STREET COURT-LIVINGSTON-SCHERMERHORN GRAND CENTRAL BRIGHTON BEACH LINCOLN SQUARE BAY RIDGE/ 5TH AVENUE LOWER EAST SIDE MONTAGUE STREET MADISON AVENUE GRAND STREET KINGS HIGHWAY TIMES SQUARE NORTH FLATBUSH NOHO NY VILLAGE ALLIANCE PARK SLOPE/5TH AVENUE WASHINGTON HEIGHTS PITKIN AVENUE 165TH STREET 180TH STREET GRAHAM AVENUE 82ND STREET FLATBUSH-NOSTRAND JUNCTION BAYSIDE VILLAGE EAST BROOKLYN DOWNTOWN FLUSHING SUNSET PARK JAMAICA CENTER MYRTLE AVENUE QUEENS 34TH STREET QUEENS PLAZA FLATBUSH AVENUE STEINWAY STREET WHITE PLAINS ROAD SUNNYSIDE KINGSBRIDGE SUTPHIN BOULEVARD 86TH STREET/BAY RIDGE WOODHAVEN HUDSON SQUARE

Michael R. Bloomberg
Mayor

Small Business Services

AND COUNTING . . .
IN 2008 BIDS GENERATED $104 MILLION IN REVENUE; SERVED OVER 3,200 BLOCK FACES IN NEW YORK CITY AND OVER 16,000 RETAIL BUSINESSES; EMPLOYED OVER 530 SANITATION WORKERS AND OVER 360 SECURITY WORKERS.

Dear Friends:

New York City's Business Improvement District (BID) program continues to grow. The largest network of BIDs in the U.S. now includes 64 organizations. Additionally, nearly a dozen BIDs are currently in the planning process. This Annual Report Summary, which compiles the financial and programmatic impacts of New York City's BIDs in Fiscal Year 2008, demonstrates that these organizations continue to grow because they are an important catalyst of economic development in our City.

Mayor Michael R. Bloomberg recognizes the role BIDs play in improving economic conditions and quality of life in their respective commercial districts. Since becoming Mayor in 2002, the number of BIDs has grown by 45%—the highest growth of any similar time period. In March 2009, Mayor Bloomberg signed the Bed-Stuy Gateway BID in Brooklyn into law marking the 20th BID created under his leadership.

As we reflect on the past year and the economic challenges facing the City, it is clear that BIDs will play an important role in ensuring our commercial districts remain strong and build upon the economic growth that has been experienced over the past years. As the Annual Report Summary makes clear, BIDs provide valuable services to the businesses, residents, workers and tourists that visit their districts each day.

BIDs continue to grow not just in number, but also in capacity, as is evident in many of the individual Annual Reports submitted to the Department of Small Business Services. These organizations are constantly improving sanitation and security services, implementing innovative partnerships in marketing their districts, providing new forums for public events that draw neighbors and visitors alike, and enhancing the City's streetscape through beautification and capital improvements.

Similar to the diversity of the neighborhoods they serve, New York City's BIDs have a wide range of budgets and capacity. I hope that this report will provide a window

into the impacts that BIDs of all sizes make on the economic development of our City.

I have learned over the years that successful programs are the result of many good people and organizations who come together to make a difference. I would like to thank the City's network of BID leadership, Board of Directors and staff, for their continued work to improve New York City's neighborhoods. In addition, I would like to thank the elected officials from all levels of government who work with the BIDs and assist and support them in their efforts. A special thanks to Deputy Mayor Bob Lieber who is constantly encouraging us to take the Agency to great heights. Finally, I have had the privilege of working with an incredibly dedicated, smart and committed group of employees that work under the leadership of Deputy Commissioner David Margalit and Assistant Commissioner Jeremy Waldrup. They are the ones working day-in and day-out paying attention to the details and advocating for the BIDs. We look forward to working with the BIDs in the coming year to make New York City an even better place.

Sincerely,

Robert W. Walsh
Commissioner

BID ANNUAL REPORT SUMMARY FISCAL YEAR 2008

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The Pond at Bryant Park' s 2007-2008 season attracted more than 2.8 million visitors and 238,300 skaters to New York City's first and only free-admission ice skating rink.

FY '08 Total Revenues*

LESS THAN $250,000 (20)
180th Street
East Brooklyn
Montague Street
Pitkin Avenue
White Plains Road
North Flatbush
Church Avenue
Forest Avenue
Graham Avenue/ Woodhull
165th Street
Brighton Beach
Sutphin Boulevard
Grand Street
82nd Street
Columbus-Amsterdam
Woodhaven
Kingsbridge
Flatbush-Nostrand Junction
Jerome Gun Hill
Sunset Park

$250,000 - < $500,000 (13)
86th Street Bay Ridge
Kings Highway
Steinway Street
Long Island City
Myrtle Avenue Queens
Flatbush Avenue
Myrtle Avenue Brooklyn
Bay Ridge 5th Avenue
Downtown Flushing Transit Hub
HUB/Third Avenue
47th Street
Columbus Avenue
NoHo NY

$500,000 - < $1,000,000 (8)
DUMBO
Court-Livingston-Schermerhorn
Fordham Road
Washington Heights
125th Street
Jamaica Center
Lower East Side
Village Alliance

$1,000,000 - < $5,000,000 (8)
Union Square Partnership
Fulton Street Mall
Flatiron/ 23rd Street Partnership
Madison Avenue
East Midtown Partnership
Lincoln Square
Fifth Avenue
Metrotech

OVER $5,000,000 (6)
Fashion Center
Bryant Park
34th Street Partnership
Grand Central Partnership
Alliance Downtown
Times Square Alliance

*BIDs that reported in FY 08; listed in order of budget size

FY 08 Annual Reports Summary

New York City is home to the largest network of Business Improvement Districts (BIDs) in the United States, with 64 BIDs serving neighborhoods across all five boroughs. A BID is a public / private partnership in which property and business owners elect to make a collective contribution to the maintenance, development and promotion of their commercial district. For over three decades, BIDs have helped revitalize neighborhoods and catalyze economic development throughout the City.

The Department of Small Business Services (SBS) works with the 64 BIDs in New York City, as well as those BIDs in planning, by providing assistance, oversight, and acting as a City government liaison on behalf of the BIDs.

The purpose of this report is threefold: to summarize the impact that BIDs have made across New York City; to provide transparency to BID stakeholders regarding the generation of BID revenues, allocation of spending and priorities; and to promote best practice sharing among BID management.

The impact of BIDs across the City is evident. BIDs serve over 3,200 block faces in New York City and include over 16,000 retail businesses. In Fiscal Year 2008, BIDs generated over $104 million in revenue and invested over $98 million in services in their districts. They removed over 30,000 graffiti incidents and added over 1,600 pieces of furniture to the City's streetscape. BIDs also play the important role of marketing and promoting the City's small businesses in their districts through partnerships, advertising and special events. During the same time period, BIDs held over 640 public events that drew an estimated 2.7 million attendees.

BIDs fund these services through a special assessment, as well as through grants, contributions and other sources of income. SBS analyzed financial data for 55 BIDs that were in operation and submitted annual reports for Fiscal Year 2008. Annual operating budgets range from $53,000 to over $18 million.

Given that there is such a wide range in budget size and recognizing the significant operational differences between smaller and larger organizations, SBS divided BIDs into five categories based on budget size. This allows SBS and BID stakeholders to compare Fiscal Year 2007 and Fiscal Year 2008 financial data and to better understand trends in revenue generation and expense allocations for similar sized organizations.

In addition to submitting budget information, BIDs were asked to describe the programs and services they provide in their respective districts and their priorities for the coming year. While this report does not capture every activity and event of each individual organization, it does provide a snapshot of the impact that BIDs have on the everyday lives of those who live, shop, work, and visit some of the most vibrant neighborhoods in New York City.

BIDs that will begin operations after FY 2008:

BID	Borough	Approved Budget
161st Street	Bronx	$190,000
Sunnyside Shines	Queens	$300,000
Bayside Village	Queens	$81,000
Southern Boulevard	Bronx	$200,000
Park Slope/5th Ave	Brooklyn	$300,000

BID	Borough	Approved Budget
Belmont	Bronx	$340,000
Fulton Street	Brooklyn	$300,000
Hudson Square	Manhattan	$2,500,000
Bed-Stuy Gateway	Brooklyn	$675,000

Revenue & Spending

BID Revenue Sources

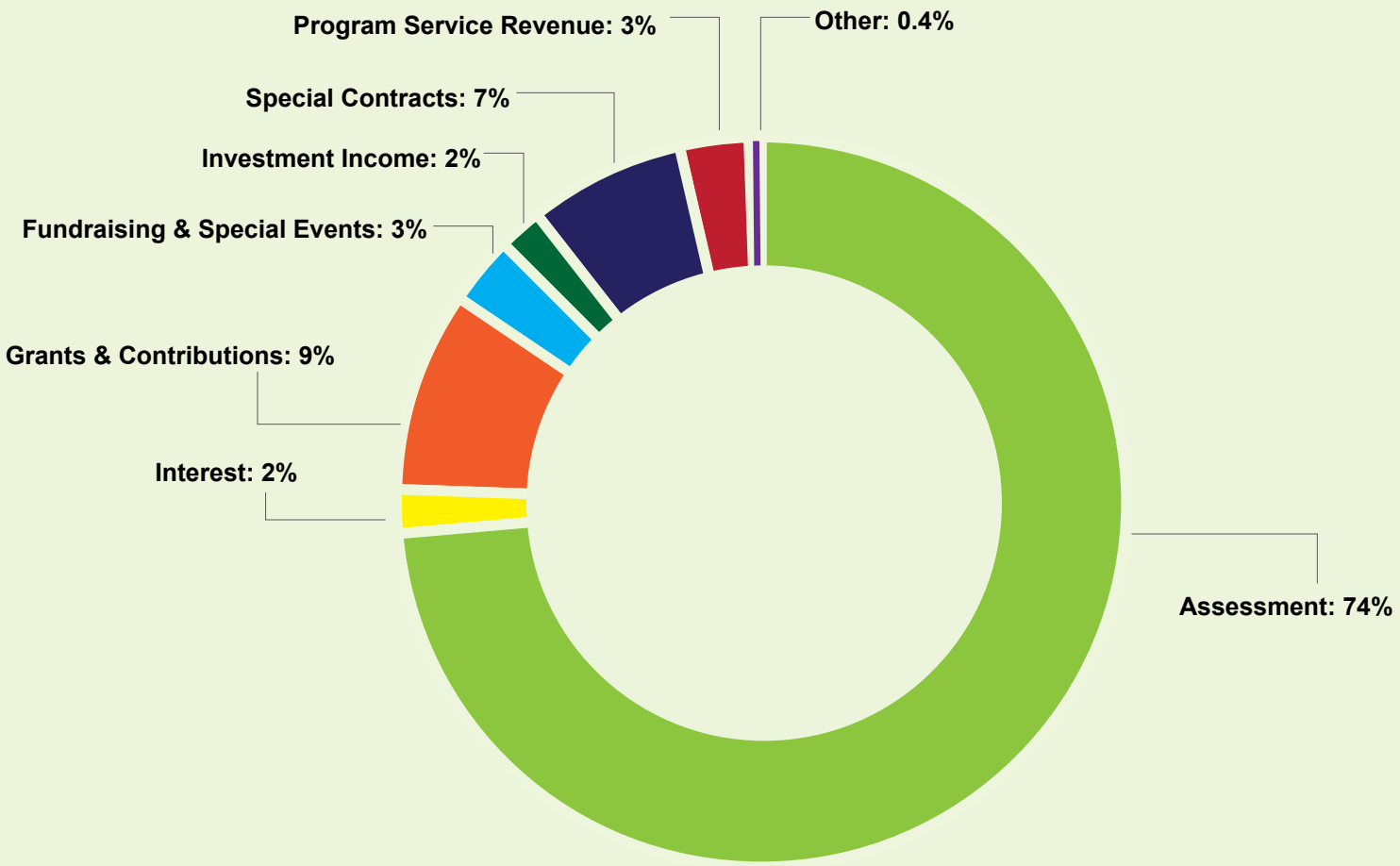
In Fiscal Year 2008, BIDs generated over $104 million in revenue, a 4% increase from Fiscal Year 2007. BID programs and services are mostly underwritten by a special assessment collected from the property owners in the defined boundaries of the district. BIDs supplement this revenue with funds from grants, special contracts, investment income, fundraising, and program services. In Fiscal Year 2008, 74% of BID revenue, or $76.7 million, came from assessments, a slight increase from Fiscal Year 2007 when 72% of revenue was generated from assessments. This year, apart from assessments, the largest sources of revenue were grants and contributions (9%) followed by special contracts (7%). Generally, as BIDs grow in size, the assessment as a percentage of total revenues decreases as larger BIDs have more diverse revenue sources.

BID Expense Allocation

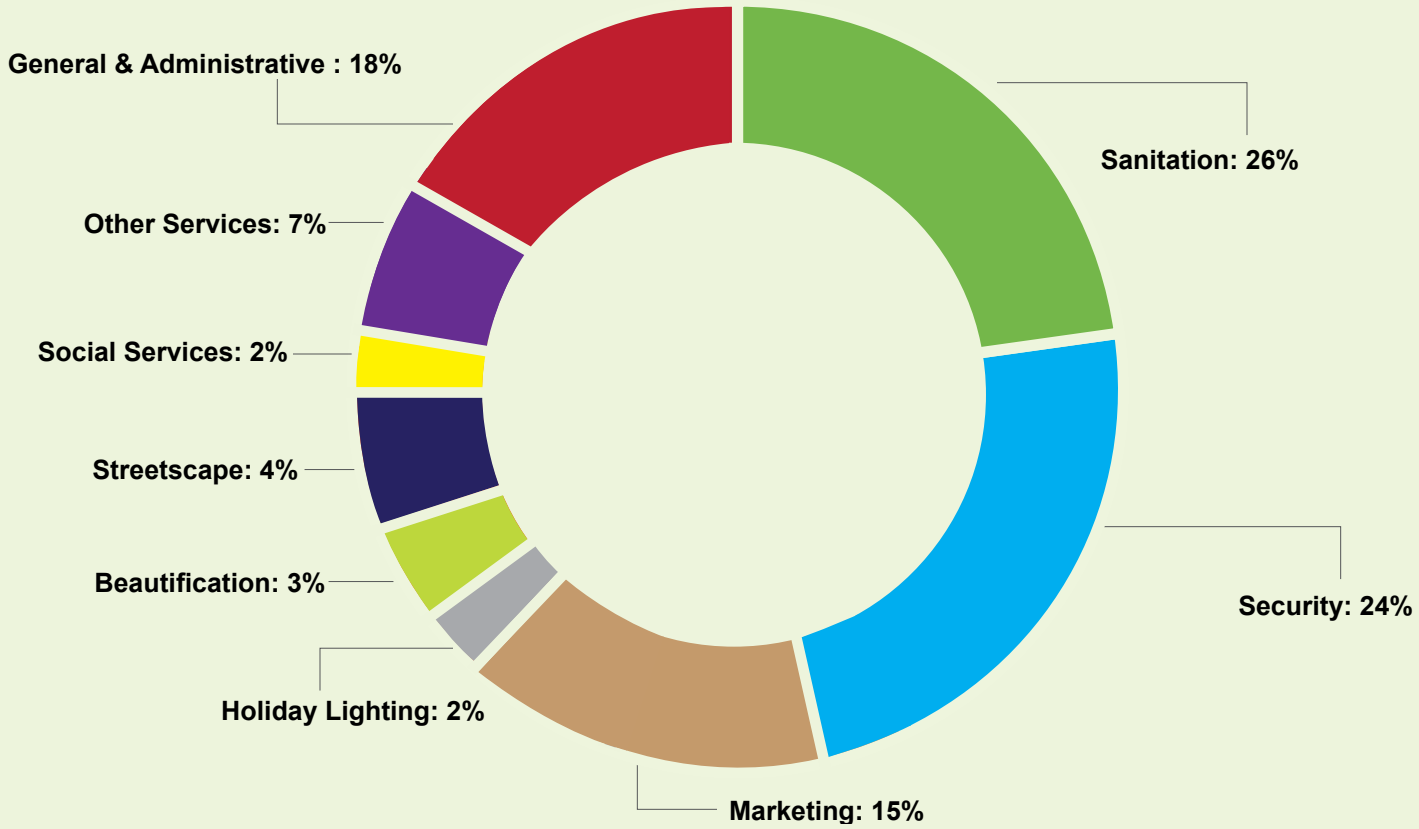
BIDs spent over $98 million in services and improvements for their districts in Fiscal Year 2008, compared to $90 million in Fiscal Year 2007. The $8 million spending increase is primarily due to spending related to the recent completion of Duffy Square, a capital project sponsored in part by the Times Square Alliance. For the purpose of this report, total expenses of all BIDs, over $98 million, are broken down into over $15 million in capital expenses and over $83 million in operating expenses. In line with the "clean and safe" mission of BIDs, sanitation (26%) and security (24%) were the two largest spending categories, representing 50% of the total operating expenses. General & administrative (G&A) costs, which include payroll and office expenses that are not already captured in a program expense such as marketing or sanitation, represented 18% of operating expenses. Marketing was the fourth largest operating expense category and represented 15% of operating expenses.

The Church Avenue BID in Brooklyn rebranded the district by creating a stationary suite, a holiday shopping guide, a newsletter, website, and holiday lights that featured the BID's new logo and colorful images of the district.

BID Revenue Sources



BID Operating Expenses*



*Includes over $83 million that BIDs spent on program services and G&A but does not include the $15 million that BIDs spent on capital improvements in FY 2008.

BID Programs At A Glance

Keeping Districts Clean

Providing sanitation services for the districts is a core mission of all BIDs. In Fiscal Year 2008, sanitation was the largest program expense on average, representing 26% of operating expenses across all BIDs. Sanitation encompasses different supplemental services including street and sidewalk cleaning, graffiti and sticker removal, and trash pick up. BIDs also provide seasonal services such as power washing streets during warmer months and snow and ice removal during the winter months. All BIDs have a sanitation program that includes employing in-house sanitation crews or sub-contracting to a vendor that provides these services.

In Fiscal Year 2008, BIDs spent over $21.5 million on sanitation services. BIDs directly employed or contracted over 530 sanitation workers who logged over 1 million hours of work and covered over 3,100 block faces with supplementary sanitation services. This translates to an average of approximately $6,900 per block face spent on sanitation services in the areas served by New York City's Business Improvement Districts.

BIDs are continuing to evolve their sanitation services and are finding ways to protect the environment and keep our City clean. From solar powered trash receptacles to recycling initiatives, BIDS are working to make New York City a cleaner and greener place. In the Fall of 2008, Mayor Bloomberg announced that 18 BIDs would participate in the expansion of the City's Public Space Recycling Pilot. The program allows New Yorkers and visitors to recycle their unwanted newspapers, magazines, bottles and cans. These BIDs are partnering with the Department of Sanitation to reduce the amount of garbage generated by their districts.

A Steinway Street sanitation worker helps keep Astoria's commercial corridor clean. Sanitation is the only service to which every BID dedicates operating expenses.

The MetroTech Public Safety Officers, in close coordination with the NYPD's 84th and 88th Precincts, have helped reduce crime in the Downtown Brooklyn area.

Creating and Encouraging Safe Environments

Following sanitation, security is the next largest spending priority for BIDs overall. BIDs spent $20 million, or 24% of operating expenses, on security services in Fiscal Year 2008. Although security is a core service for BIDs overall, BIDs with budgets under $1 million do not typically allocate a significant amount of their expenses to providing this service. These organizations tend to focus their efforts primarily on collaborating with their local New York Police Department (NYPD) precinct to maintain a safe environment. Only 15 BIDs with budgets under $1 million (37%) have security budgets. Those budgets are, on average, 15% of operating expenses for those 15 BIDs. In contrast, all BIDs with budgets over $1 million provide some level of public safety service.

In Fiscal Year 2008, BIDs covered over 2,300 block faces with supplemental security services and employed over 360 public safety officers who logged over 700,000 hours. These safety personnel recorded close to 320,000 requests for assistance, which ranged from assisting a tourist with directions to responding to petty crimes and other security incidents. BIDs spent an average of approximately $8,500 per block face on security services in Fiscal Year 2008.

While many of the BIDs work closely with their local precinct, the Downtown Alliance has taken this relationship a step further by operating the Office of Public Safety in partnership with the NYPD. This partnership allows the BID security officers and the NYPD to coordinate operations under one roof. The Downtown Alliance officers, similar to those of other BIDs across the City, act as the eyes and ears of the NYPD and also report on conditions ranging from missing street signs to illegal vendors and potholes.

Drawing international praise, the Times Square Alliance's Duffy Square project is the largest capital improvement undertaken by a BID in New York City.

Marketing and Promoting Districts

Marketing is one of the most consistent categories of spending across BIDs of various budget sizes; on average, BIDs spend between 10%-16% of their operating expenses on marketing. In Fiscal Year 2008, BIDs spent a total of $12 million or 15% of operating expenses on marketing. Although most BIDs have marketing budgets, the types of promotional activities and events vary widely. Smaller BIDs tend to focus on putting together materials, such as merchant directories, to promote the district while larger BIDs invest in tourism through information kiosks, major events and walking tours. During Fiscal Year 2008, BIDs held over 640 public events that drew an estimated 2.7 million attendees.

The Myrtle Avenue Brooklyn Partnership, as part of their Home Grown and Locally Owned campaign, produced postcards that featured local business owners.

BIDs are responsible for large public events like the "River to River Festival," which brings in renowned artists from all over the globe, or a live telecast of New York City's New Year's Eve celebration seen around the world. BIDs also host community events that showcase the businesses in their district and engage local residents. Events such as Forest Avenue's "Strolls" in Staten Island bring members of the community together to walk the district and shop, to engage the community in supporting neighborhood businesses. The Lower East Side markets their district's local businesses through partnerships with newspapers that promote innovative events like Fashion Flipside, a free fashion show that featured the area's vintage and eco-friendly boutiques, gathering regional recognition of the trendy shops that are a part of the Lower East Side community.

BIDs also provide direct marketing of their member businesses through various media channels. For example, the White Plains Road BID expanded their co-op Cablevision advertising program in Fiscal Year 2008. Advertising for White Plains Road businesses now appears on six Cablevision channels 52 weeks per year with approximately 2,000 spots annually. Meanwhile, the Myrtle Avenue Brooklyn Partnership, through its "Home Grown and Locally Owned" campaign, placed ads featuring area businesses in local newspapers and online. The BID also printed a series of postcards that each featured a different local business owner and included discount offerings. These postcards were placed in a local newspaper that was delivered door-to-door throughout the neighborhood.

Investing in Capital Improvements

Although BIDs invested over $15 million on capital improvements in Fiscal Year 2008, this is an expense that is more common for the larger BIDs. Only 6 BIDs with budgets under $1 million had capital improvement projects. On the other hand, 5 out of the 6 BIDs with budgets over $5 million had capital improvement projects that represented 21% of their total expenses. Times Square Alliance's Duffy Square project, featuring a prominent new TKTS booth under radiant glass steps located at the intersection of Broadway and 7th Avenue at 46th Street, represented 42% of their total expenses for Fiscal Year 2008. The Duffy Square renovation was conceived from an international design competition sponsored by the Theatre Development Fund and run by the Van Alen Institute as a project for The Mayor's Office for the Millennium that drew 683 entries from 31 countries. The new plaza increases the amount of usable pedestrian space by 115% and *Travel and Leisure Magazine* just rated Duffy Square "best public space for 2009."

Several smaller BIDs have secured funding from elected officials or City agencies to use for capital improvement projects with the agreement that the BID will provide the ongoing maintenance of the improvements. For example, the Downtown Flushing Transit Hub nearly completed their capital project in Fiscal Year 2008. The BID partnered with the New York City Economic Development Corporation to install and maintain a $6 million new streetscape project that included new sidewalks, streets and granite curbs; new benches; new decorative "Flushing globe" lamp posts; new historic signs; and a newly renovated Lippman Plaza walkway.

The new Belmont BID in the Bronx is comprised of over 350 businesses including restaurants, specialty food stores, clothing shops, mom and pop retails and convenience stores within the 'Little Italy' section of the Bronx.

Kulka Bakery, the longest standing store in the Jamaica Center BID, offers some of the best home-style cakes and pastries in Queens.

Additional Services

BIDs also provide services that focus on place-making and community outreach. These services include holiday lighting, beautification, streetscape improvements, and social services. BIDs are responsible for a variety of holiday festivities, many lighting their districts to help fill the air with cheer. In the warmer months, BID staff beautify their districts through new banners, shrubs and flowers. In Fiscal Year 2008, BIDs added approximately 2,500 new banners and 37,000 new plantings throughout the City.

A number of BIDs were also involved in social service programming in their district. These services include homeless outreach, after school programs for youth, and workforce development programs for their sanitation staff. BIDs provide these individualized services based on the needs of their district and many times collaborated with public and private organizations. For example, the Lincoln Square BID sponsored the Opening Doors and Building Bridges program. The program provided high school students with tutoring, homework assistance, SAT prep, and internship opportunities. Students also participated in recreational activities including yoga, poetry and chess. The program served an average of 120 students daily and over 2,000 students have participated in the program since 1999.

General & Administrative (G&A)

In Fiscal Year 2008, BIDs spent over $15 million in G&A, or 18% of operating expenses. While G&A represents 38% of the operating expenses for BIDs with budgets under $250,000, it represents only 15% of operating expenses for BIDs with budgets over $5 million. Larger BIDs attributed their payroll for specific services, such as marketing, to these program budgets, while smaller BIDs typically only have one or two in-house staff members whose salaries are accounted for in management and general expenses.

BIDs' FY 08 General & Administrative Expenses
As a Percentage of Operating Expenses

BID Budget Size	Payroll	Insurance	Professional Fees	Rent/Office Expenses	Other G&A
Less than $250,000	23%	2%	4%	7%	2%
$250,000 - < $500,000	21%	2%	5%	6%	2%
$500,000 - < $1,000,000	21%	3%	2%	6%	2%
$1,000,000 - < $5,000,000	8%	1%	1%	5%	1%
Over $5,000,000	8%	1%	1%	3%	2%
ALL BIDS	10%	1%	2%	4%	2%

Moving Forward

Conclusion

The Fiscal Year 2008 Annual Reports make clear the investment that BIDs are making to impact the cleanliness, safety, and livelihood of New York City's commercial districts. The BID program is growing, as organizations continue to expand their services and challenge themselves to meet extensive and innovative goals. SBS looks forward to working with the 64 established Business Improvement Districts and the 11 in planning in the continuing effort to foster economic development in New York City.

11 BIDs in planning . . .

- Atlantic Avenue, BK
- East Broadway, BK
- Burnside Avenue, BK
- Chinatown, MN
- Flatbush/ Newkirk, BK
- Rockaway Beach 116th Street, QN
- Roosevelt Avenue/ Woodside, QN
- Utica Avenue, BK
- Victory Boulevard, SI
- Whitestone, BX
- Westchester Square, BX

The Forest Avenue BID holds a Holiday and Spring "Stroll," both which bring members of the community to the district and showcase the various stores and service businesses available on the Avenue.

SBS District Development

Robert W. Walsh
David Margalit
Jeremy Waldrup
Andrea Buteau
Beatriz de la Torre
Christopher Dorrian
Eddy Eng
Leon Fonfa
Tyler Jaeckel
Mahadya Mary
Michael Melamed
Paul Nelson
Laura Rothrock
Taylor Zhou

BID Map by Borough

Business Improvement Districts by Borough*

Bronx (8)

- 51 161st Street
- 61 Belmont
- 49 Fordham Road
- 16 HUB/3rd Avenue
- 36 Jerome Gun Hill
- 43 Kingsbridge
- 59 Southern Boulevard
- 31 White Plains Road

Brooklyn (22)

- 42 86th Street/Bay Ridge
- 55 Bay Ridge/ 5th Avenue
- 64 Bed-Stuy Gateway
- 10 Brighton Beach
- 11 Church Avenue
- 56 Court-Livingston-Schermerhorn
- 52 DUMBO
- 05 East Brooklyn
- 14 Flatbush Avenue
- 54 Flatbush-Nostrand Junction
- 01 Fulton Street Mall
- 62 Fulton Street
- 13 Graham Avenue
- 06 Grand Street
- 19 Kings Highway
- 22 MetroTech
- 40 Montague Street
- 47 Myrtle Avenue Brooklyn Partnership
- 07 North Flatbush
- 60 Park Slope/5th Avenue
- 28 Pitkin Avenue
- 33 Sunset Park

Manhattan (21)

- 21 34th Street
- 39 47th Street
- 29 125th Street
- 32 Alliance for Downtown New York
- 08 Bryant Park
- 41 Columbus Avenue
- 12 Columbus/Amsterdam
- 44 East Midtown Partnership
- 27 Fashion Center
- 25 Fifth Avenue
- 53 Flatiron/23rd Street Partnership
- 15 Grand Central Partnership
- 63 Hudson Square
- 38 Lincoln Square
- 24 Lower East Side
- 34 Madison Avenue
- 37 NoHo NY
- 23 Times Square Alliance
- 04 Union Square Partnership
- 30 Village Alliance
- 09 Washington Heights

Queens (12)

- 18 82nd Street
- 02 165th Street
- 35 180th Street
- 58 Bayside Village
- 45 Downtown Flushing Transit Hub
- 03 Jamaica Center
- 17 Myrtle Avenue
- 50 Long Island City
- 20 Steinway Street
- 57 Sunnyside Shines
- 46 Sutphin Boulevard
- 26 Woodhaven

Staten Island (1)

- 48 Forest Avenue

*Numbers correspond to BID formation order