

► Mount Vernon Triangle Community Improvement District ◀

FISCAL YEAR 2013 ANNUAL REPORT
OCTOBER 1, 2012 - SEPTEMBER 30, 2013



MOUNT
VERNON
TRIANGLE DC

Mount Vernon Triangle is experiencing dynamic growth and development in the office, residential and retail sectors. Today, it enjoys one of the densest concentrations of residents in Washington, DC with 3,691 residential units existing or under construction. Supporting this strong residential presence and adding vibrancy to our daytime streets, the 56 city block fronts defining the Mount Vernon Triangle Community Improvement District (MVT CID) also contain 1.7 million square feet of office space and more than 40 retailers. New office construction includes the Association of American Medical Colleges headquarters building and Arnold & Porter's new 601 Massachusetts Avenue building. Residential buildings recently delivered and under construction include Lyric, Meridian II, m.flats, and 460 New York Avenue. In addition, our restaurant & retail offerings continue to grow with the recent additions of Alba Osteria,

Le Pain Quotidien and Silo. FY 13 also marked the completion of the K Street Streetscape, which created a walkable MVT main street with outdoor seating and well-landscaped tree boxes.

This strong development activity in MVT is being matched by organic and energetic neighborhood connections and community initiatives. Mount Vernon Triangle is benefitting from visionary planning, public and private sector investment, a rich neighborhood history and strong community-minded participation by its stakeholders.

In FY 13 and as we entered FY 14, we witnessed the Mount Vernon Triangle neighborhood fulfilling its development potential, community focus, and its historically significant placement within the City. From the enthusiastic and watchful care of our eight-person Clean Team crew working daily from 7:00 am to 3:00 pm, to the safe environment created by our dedicated MPD officers, Mount Vernon Triangle streets are cleaner, safer and more inviting than ever. We strengthened our commitment to economic development, communications and education,

appearing at industry forums, leading WalkingTown tours, producing events, connecting our schools and places of worship to the community and greatly expanding our marketing channels in order to reach audiences of all types. Our relationship with the District Government and its agencies is strong and our presence in the community impactful. Our mission is to continue to make strides in all of these areas and to manage new development and change thoughtfully and proactively.

The MVT CID celebrates its tenth anniversary in 2014. The CID, residents, businesses, churches, property owners and other stakeholders have made significant progress toward achieving the vision of the neighborhood established in the 2003 Action Agenda. The CID has played a critical role in the growth and development of the neighborhood to date and will be essential to the neighborhood's ongoing success in the years ahead.

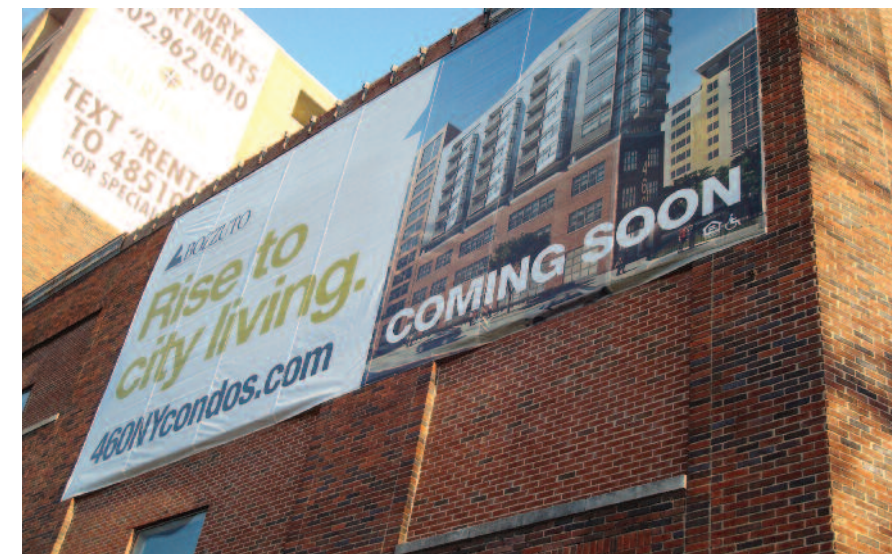
Sincerely,

Dr. Joseph Evans
Chairman of the Board
Mount Vernon Triangle CID

Claire Schaefer Oleksiak
President
Mount Vernon Triangle CID



455 Massachusetts Avenue



Condos at 460 New York Avenue



The Mount Vernon Triangle Community Improvement District is a nonprofit organization established to enhance the overall quality of life for residents, businesses, visitors, employees and property owners in the Mount Vernon Triangle neighborhood in the East End of downtown Washington, DC.

The MVT CID is considered to be one of Washington DC's best examples of a mixed-use community. The Mount Vernon Triangle is a welcoming, authentic, and centered neighborhood that mirrors Washington DC's unique mix of historic and modern buildings, longtime and new residents, diverse cultures, restaurants, and experiences. The MVT CID was the first Business Improvement District in DC to include residential and commercial properties. The MVT CID provides services for the neighborhood that include:

- Clean, safe and landscaping teams
- Public realm maintenance and enhancements
- Economic development, marketing, and communications
- Advocacy and education with decision makers
- Planning and transit enhancements
- Community building and special events

Mount Vernon Triangle is at the heart of the city—both geographically and culturally. Its boundaries include 56 city block fronts bordered by Seventh Street to the west, Massachusetts Avenue to the south, New York Avenue to the north and New Jersey Avenue to the east.

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In FY13, the MVT CID had an eight-person Clean Team that worked seven days a week from 7:00 am to 3:00 pm to improve the overall cleanliness and safety of the Mount Vernon Triangle neighborhood. The Clean Team is responsible for picking up trash and debris from the sidewalks and streets, emptying trash cans, removing graffiti, stickers, and handbills, providing landscape maintenance for parks and tree boxes, and identifying deficiencies in the public realm to report to the District Government. In FY 13, the Clean Team collected approximately 204,000 pounds of trash in 5,100 bags. They also removed 78 graffiti tags, 114 posters, and 128 stickers. MVT CID's Clean Team members come to us from the Central Union Mission (previously named Gospel Rescue

Mission) Ready to Work transitional job program. The program supports formerly homeless men and women by providing them with job training, case management, financial literacy, spiritual counseling, business etiquette, and technology skills. The work readiness program helps Ready to Work employees obtain jobs upon completion of the program. Since 2007, over 100 men and women have gained valuable work experience at the Mount Vernon Triangle CID and have successfully completed the Ready to Work program.

We would like to extend a special thank you to the District's Department of Small and Local Business Development for the BID Litter Cleanup Grant of \$87,000 that helps supplement funding of the Clean Teams.



The Mount Vernon Triangle Clean Team's presence on the street provides an extra set of eyes and ears to deter crime. In addition, the MVT CID works closely with the Metropolitan Police Department (MPD) to keep the streets of Mount Vernon Triangle safe for residents, workers, and visitors. The monthly Property Manager Committee meetings are an opportunity for open communication between MVT stakeholders and the MPD. Since August 2007, the MVT CID has participated in the MPD Reimbursable Detail Program which allows the MVT CID to contract for additional police patrols. In FY 13, the MVT CID had two additional police patrols from 11:00 pm to 5:00 am on Friday and Saturday nights. In FY 13, crime decreased by 19% in the MVT CID compared to FY 12 and the MVT CID was the Washington, DC BID/CID with the lowest overall crime.

The MVT CID strives to support and to interact in a productive way with those who are homeless in our community. In July 2013, the number of homeless gathering daily at Cobb Park increased dramatically. A smaller number of people were sleeping in the park overnight. Security concerns were heightened due to the rapidly increasing numbers of people in the park. Working with MPD, the MVT CID, along with residents, representatives from the Mayor's office and Pathways to Housing, participated in community-initiated meetings and developed a plan to (i) improve both safety and security in the community and (ii) increase the level of services for the homeless in the Mount Vernon Triangle. This community response greatly improved the situation for all concerned.



Community meeting about homelessness



L to R: Officer Leaty, Sergeant Littlejohn, and Officer Charles



78% of survey respondents in September 2013 reported that they perceive the MVT as "clean" or "very clean".

“ The MVT CID Clean Team is always taking care of our neighborhood. I especially appreciate the care they give to the daffodils we all helped plant and make our neighborhood beautiful. These men and women always have a smile and a very warm 'hello' for everyone. ”

Marge Maceda, ANC 6E05 Commissioner

On June 1st, 2013, the K Street streetscape was officially dedicated with a ribbon cutting ceremony at the intersection of 5th and K Streets, NW. The 15-month, \$7 million K Street Streetscape project has transformed the quality of the street and the neighborhood. K Street is now a walkable MVT main street with 50 foot sidewalks, outdoor seating, well-landscaped tree boxes of 12 to 24 feet wide, decorative pavers and brick detailing, and a town center plaza area at the intersection of 5th and K Streets with 16 foot round planters at each corner of the intersection.



K Street Festival



K Street Ribbon Cutting

“ This project represents another successful collaboration between DDOT and the community to create a new revitalized streetscape. The new sidewalks, streetlights, and green areas create a welcoming atmosphere for residents and visitors to enjoy all the amenities that Mount Vernon Triangle has to offer. ”

Terry Bellamy, Director of DDOT at K Street ribbon cutting

In FY 13, DDOT announced completion of the Union Station to Georgetown Premium Transit Alternative Analysis (AA) Study, a comprehensive analysis of alternatives to provide high quality transit for this important east-west corridor. Alternative 1, which consists of a streetcar system running primarily along K Street, NW, New Jersey Avenue, NW, and H Street, NW, was ultimately selected as DDOT's recommended alternative. This route will bring streetcars directly through the Mount Vernon Triangle neighborhood. The completion of this study marks an important step in DDOT's streetcar plans. With the completion of this study, DDOT will now proceed to the environmental review and approval process, which will be followed by design, stop selection and construction.

The MVT CID promotes the neighborhood and its stakeholders by bringing to the attention of the media and others in the business community the considerable attributes of the Mount Vernon Triangle neighborhood. Our marketing goal is to promote economic development – attract businesses, retailers, and residents – and keep residents and workers fully informed of happenings in their community. In the first half of FY 13, the MVT CID produced three quarterly printed newsletters. Beginning in August 2013, the MVT CID converted the newsletter to an electronic format which is now published on a monthly basis and reaches 1,373 stakeholders as of May 2014. Printed copies of the newsletter are distributed to property managers to post in common areas. The MVT CID also choreographs media coverage of numerous events and activities during the year and uses social media to promote local businesses and celebrate achievements in the neighborhood.

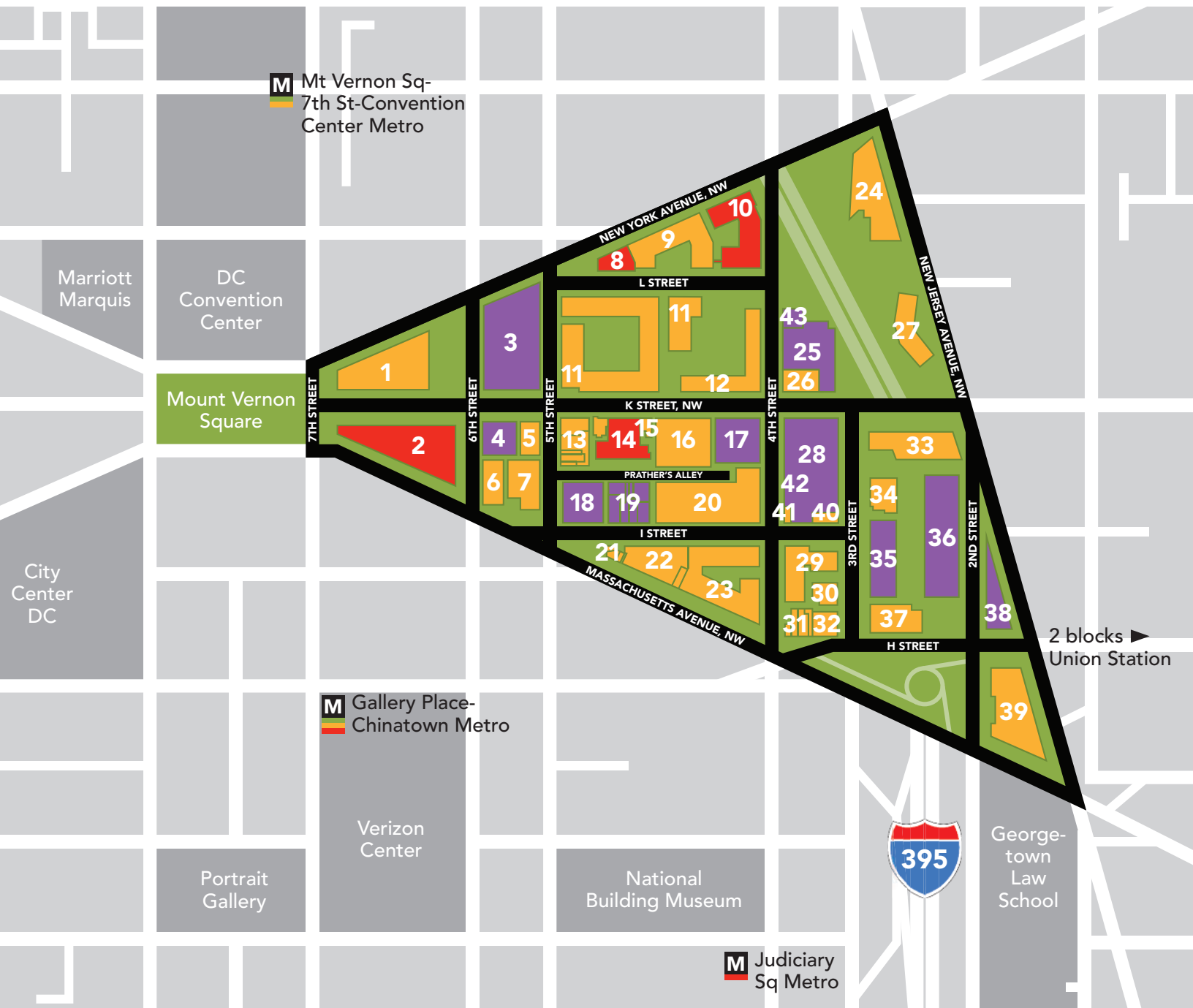
At the end of FY 13, the MVT CID began work on a new website and logo design. Feedback was sought and obtained from the community regarding successes, remaining challenges, culture, history, opportunities and priority of needs. The feedback was obtained through input from the Marketing Committee and through direct interviews with stakeholders

representing all sectors of the community. An online survey also provided thoughtful and comprehensive feedback from the community. One of the primary goals of the new website was to offer easy-to-navigate maps to locate restaurants and retailers as well as residential and office building developments. The site was also designed to enable quick access to newsletter articles, allow for the promotion of events, and provide a broader array of information resources, all with simplified navigation and photo-rich content. In conjunction with the launch of the website initiative, the MVT CID began work on a new logo design for the first time since

the formation of the CID in 2004. The new logo design is bold, colorful and reflective of the growing sophistication of the Mount Vernon Triangle community as we mark our tenth anniversary in 2014.



Triangle Times Electronic Newsletter



DEVELOPMENT SUMMARY - AS OF SECOND QUARTER 2014

MVT Development	Office SF	Residential Units	Hotel Rooms	Retail SF
Existing	1,232,799	3,002	238	238,179
Under Construction	460,000	689	0	24,576
In the Pipeline	912,000	1,136	198	74,810
Total Projected Buildout	2,604,799	4,827	436	337,565

OFFICE & HOTEL

- 1 Association of American Medical Colleges
655 K Street**
273,280 sf office; 14,346 sf retail
- 2 Arnold & Porter
601 Massachusetts Avenue**
460,000 sf office; 18,000 sf retail
Boston Properties
- 3 501 K Street**
492,000 sf office; 28,000 sf retail
Steuart Investments and Boston Properties
- 6 Hampton Inn**
228 rooms
- 18 905 5th Street (5th & I Streets)**
198 hotel rooms; 59 condos; 5,200 sf retail
Peebles Corporation & Walker Group
- 20 425 Eye Street**
361,647 sf office; 26,353 sf retail
Paramount Group, Inc.
- 22 455 Massachusetts Avenue**
230,872 sf office; 12,393 sf retail
ASB Real Estate Investments
- 28 300 K Street**
300,000 sf office; 20,000 sf retail
The Wilkes Company &
Quadrangle Development Corporation
- 37 AIPAC**
100,000 sf office
- 39 111 Massachusetts Avenue**
267,000 sf office
Douglas Development
- 40 Capital View Hostel**
10 rooms & 40 beds
- 42 901 4th Street**
120,000 sf office
The Wilkes Company &
Quadrangle Development Corporation

RESIDENTIAL

- 7 555 Massachusetts Avenue**
246 condominium units
- 8 460 New York Avenue**
63 condominium units
Bozzuto & NVCommercial
- 9 Meridian at Mount Vernon Triangle**
390 apartment units
Steuart Investments & Paradigm
- 10 Meridian at Mount Vernon Triangle II**
393 apartment units
Steuart Investments & Paradigm
- 11 CityVista**
441 condominium units at the K&L
244 apartment units at Gables City Vista
55,000 sf Safeway; 60,000 sf other retail
Gables Residential & Edens
- 12 Museum Square Apartments**
302 apartment units; 6,500 sf retail
Bush Construction Corporation
- 14 m.flats**
233 apartment units; 6,500 sf retail
Kettler

- 16 Lyric**
234 apartment units; 9,130 sf retail
The Wilkes Company &
Quadrangle Development Corporation

- 17 400 K Street**
325 apartment units; 12,000 sf retail
The Wilkes Company &
Quadrangle Development Corporation

- 19 455 Eye Street**
174 apartment units; 2,800 sf retail
Equity Residential

- 23 401 & 425 Massachusetts Avenue**
559 apartment units; 1,952 sf retail
Equity Residential

- 25 Squares 525 and 526**
120 residential units
Bible Way Church

- 27 Golden Rule Plaza**
119 senior apartment units
Bible Way Church

- 29 Madrigal Lofts**
259 condominium units
The Wilkes Company &
Quadrangle Development Corporation

- 32 The Sonata**
75 condominium units
The Wilkes Company &
Quadrangle Development Corporation

- 33 Carmel Plaza Apartments**
133 apartment units; 14,180 sf retail
Bush Construction Corporation

- 35 Square 560**
325 apartment units
The Wilkes Company, Quadrangle Development
Corporation, & Mount Carmel Baptist Church

- 43 4th & L Street Project**
133 apartment units; 6,810 sf retail
Blue Sky Housing, Paramount LLC, & Ellisdale
Development

HISTORIC BUILDINGS, CHURCHES & OTHER DEVELOPMENT

- 4 550 K Street**, Multiple owners
- 5 502 K Street**, Historic building
- 13 476 K Street**, Historic buildings
- 15 444 - 446 K Street**, Historic buildings
- 21 Historic buildings**
- 24 Bible Way Church**
- 26 311 - 317 K Street**, Historic buildings
- 30 Second Baptist Church**
- 31 311 & 313 H Street**, Multiple owners
- 34 Mount Carmel Baptist Church**
- 36 Air Rights**
100,000 sf floor plate over I-395
District of Columbia Government
- 38 151 H Street**
36,000 sf land; District of Columbia Government
- 41 Mount Vernon Triangle CID Office**



Volunteer Clean-up

The MVT CID strives to enhance community building through special events. In FY 13, the MVT CID produced two new events: the MVT Mini Golf Hole at the National Building Museum and the K Street Streetscape Ribbon Cutting. The MVT CID participated in the “Building the Future” themed indoor Mini Golf exhibition at the National Building Museum, sponsoring a hole with Steuart Investment Company, E/L Studio and Think Make Build that reflected the triangular shape of the MVT CID boundaries. MVT CID residents, workers and stakeholders were also invited to a community night and played the course free of charge. On June 1, 2013, the MVT CID produced the K Street Streetscape festival which included the official ribbon cutting ceremony and an afternoon of music, food, a moon bounce, and other activities along K Street. In September, we supported the addition of colorful building murals by

Argentinean mural artist, Ever, as he painted the exterior walls of the Capital View Hostel. The mural reflects the artist’s idea that people create their unique reality and world by experiencing life events. In addition, the MVT CID hosted and participated in neighborhood event favorites such as:

- **Fall Pet Costume Contest**
- **Photos with Santa Claus**
- **Bike to Work Day**
- **Night Out Community Cookout with the MPD at the Golden Rule Plaza**
- **City in Bloom Lighting of City Vista for the National Cherry Blossom Festival**
- **WalkingTown Tour of Mount Vernon Triangle**
- **Education Forum at Busboys & Poets**
- **Volunteer Clean-up and Landscaping**
- **Tree Planting**



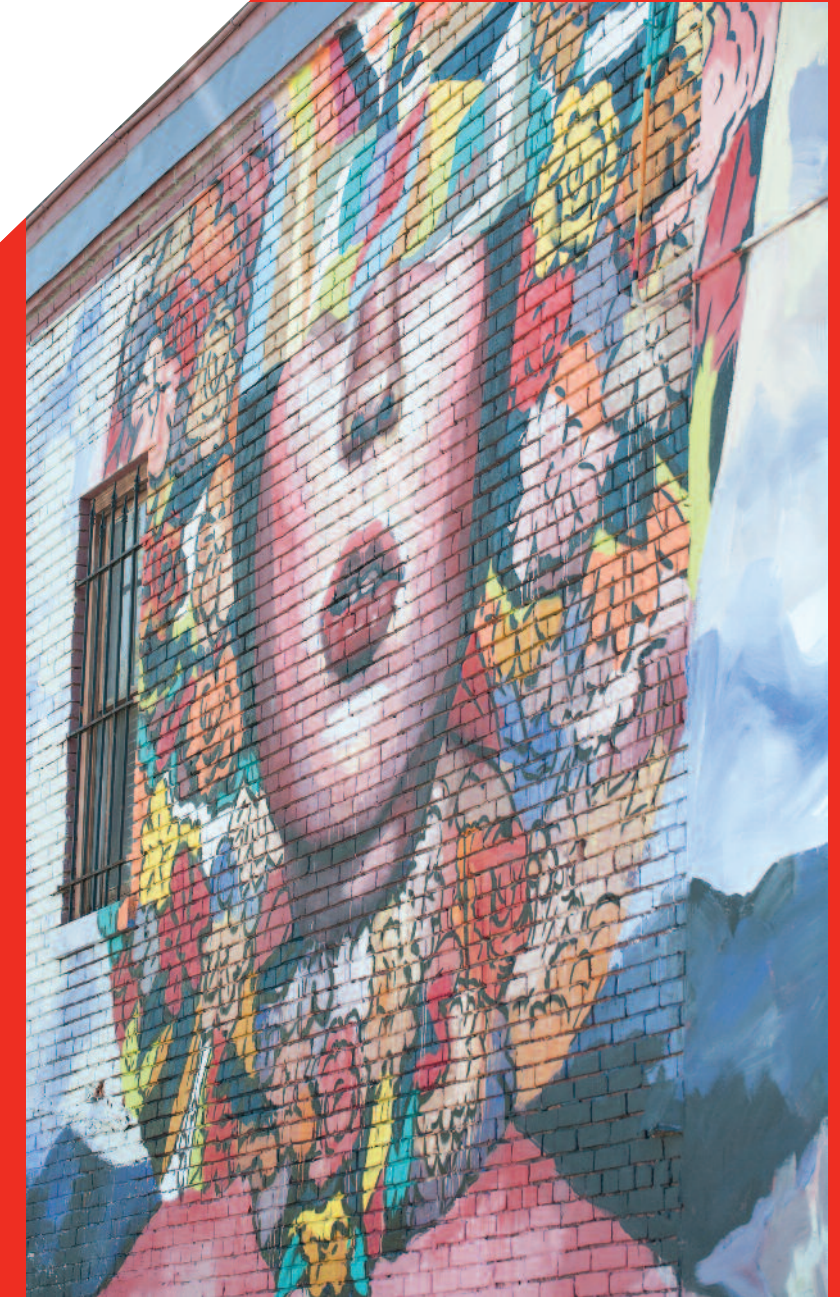
Above, L to R: Capital Bikeshare, Photos with Santa, VIDA Fitness, Kids Costume Parade

Mural by Ever at Capital View Hostel



Above left: Annual Fall Pet Costume Contest

*Above right: MVT Mini Golf Hole
Photo courtesy of National Building Museum*



Chairman

Dr. Joseph Evans

Vice-Chairman

Ms. Mandi Wedin

Secretary

Mr. Berkeley Shervin

Treasurer

Mr. Guy Steuart

At Large

Dr. Ivory Toldson

Directors

Mr. Steven C. Boyle
Managing Director
Edens
term expires 2014

Mr. Stan Burgess
Resident
City Vista 475 K Street, NW
term expires 2016

Ms. May Chan
Resident
City Vista 475 K Street, NW
term expires 2016

Mr. Todd Dengel
Executive VP of Operations
and Business Development
MarcParc, Inc.
term expires 2015

Dr. Joseph Evans
Senior Pastor
Mount Carmel Baptist Church
term expires 2016

Ms. Ari Kushimoto
Restaurant Owner
Kushi
term expires 2014

Mr. Berkeley M. Shervin
President
The Wilkes Company, LLC
term expires 2016

Mr. Guy Steuart
Senior Vice President
Steuart Investment Company
term expires 2016

Dr. James Terrell
Reverend
Second Baptist Church
term expires 2014

Dr. Ivory Toldson
Residential Unit Owner
555 Massachusetts Avenue, NW
term expires 2016

Ms. Mandi Wedin
Vice President
ASB Real Estate Investments
term expires 2015

Mr. Gerry Widdicombe
Econ Dev Director
Downtown DC Business
Improvement District
term expires 2016

Ms. Yvonne L. Williams
Chair of the Board of Trustees
Bible Way Church of
Washington, DC, Inc.
term expires 2016

Mr. Mark S. Wood
CFM, Director of Facilities
Association of American
Medical Colleges
term expires 2015

Staff

Ms. Claire Schaefer Oleksiak
President

Mr. Leon Johnson
Director of Operations



Above, L to R: Alba Osteria, View from Lyric, 5th and I Street Park

REVENUE

FY 14 Approved Budget Revenue

Current Assessments	\$576,589
Total Assessment Income	576,589

Clean team grant	100,000
Interest income	100
Event income/sponsorships	5,000
Subtotal	105,100

Total Revenue	\$681,689
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EXPENSES

Clean, Safe, & Landscape Teams

Clean team contract	220,000
Supplies	15,000
MPD overtime	41,000
Subtotal	276,000

Marketing, Communications & Economic Development

Website	14,000
Logo, brochure, maps - design & printing	10,000
Newsletter design & printing	8,000
Annual report design & printing	7,000
Photography and supplies	2,000
Community building events	15,000
Business attraction events	4,000
Advertising	7,000
Consultant	38,500
Office enhancement	5,000
Trashcan logos	3,000
Banners	18,000
Miscellaneous	5,000
Subtotal	136,500

Management

Staff	210,000
Art grant match	-0-
Subtotal	210,000

Administrative Services

Intern	2,500
Billing/accounting fee	25,000
Insurance	7,000
Strategic planning	2,000
Audit and tax return	10,000
Legal and research	2,000
Subtotal	48,500

Administration

Membership/subscriptions	6,000
Meeting expense	4,000
Office supplies	7,000
Postage and delivery	7,000
Professional development	2,000
Technology (computers & phone)	8,000
Travel	1,500
Utilities	4,000
Subtotal	39,500

Reserve/Contingency

Reserve	2,000
Contingency	450
Subtotal	2,450

Total Expenses	\$712,950
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Revenue Over/(Under) Expenses	(31,261)
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Rollover of unused FY 13 funds	12,000
Board approved allocation of reserve funds	20,000

Final Revenue Over (Under) Expenses	\$739
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Construction at m.flats



STATEMENTS OF FINANCIAL POSITION

ASSETS

Current Assets

Cash	\$ 228,893	\$ 234,770
Restricted cash	21,991	7,500
Accounts receivable - net	227,284	0
Prepaid expenses	1,372	3,385
TOTAL CURRENT ASSETS	479,540	245,655

Fixed Assets - Net

22,224 18,051

Other Assets

Security deposits	1,900	1,900
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TOTAL ASSETS

\$ 503,664 \$ 265,606

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued expenses	\$ 29,775	\$ 39,723
Deferred tax assessments	57,674	29,268
TOTAL CURRENT LIABILITIES	87,449	68,991

Net Assets

Unrestricted	416,215	196,615
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TOTAL NET ASSETS

416,215 196,615

TOTAL LIABILITIES AND NET ASSETS

\$ 503,664 \$ 265,606

STATEMENTS OF ACTIVITIES

SUPPORT AND REVENUE

Assessments	\$ 809,518	\$ 622,493
Contributions	9,000	4,500
DSLBD public space funding and other grants	86,966	92,502
Noncash contributions	31,560	31,560
Other revenue	0	1,230
TOTAL SUPPORT AND REVENUE	937,044	752,285

EXPENSES AND LOSSES

Functional expenses:		
Program services	527,121	560,998
Management and general	190,323	154,785
TOTAL EXPENSES	717,444	715,783
TOTAL EXPENSES AND LOSSES	717,444	715,783
Change in Net Assets	219,600	36,502
Net Assets - Beginning of the Year	196,615	160,113
Net Assets - End of the Year	\$ 416,215	\$ 196,615

STATEMENTS OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 219,600	\$ 36,502
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,404	4,622
Provision for doubtful accounts	69,541	13,981
Changes in operating assets and liabilities:		
Restricted cash	(14,491)	(7,500)
Accounts receivable	(296,825)	116,941
Prepaid expenses	2,013	1,835
Accounts payable and accrued expenses	(9,948)	19,656
Deferred tax assessments	28,406	2,833
Net Cash Provided by Operating Activities	3,700	188,870

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of fixed assets	(9,577)	0
Net Cash Used in Investing Activities	(9,577)	0
NET INCREASE (DECREASE) IN CASH	(5,877)	188,870
CASH AT THE BEGINNING OF THE YEAR	234,770	45,900
CASH AT THE END OF THE YEAR	\$ 228,893	\$ 234,770

56 city block fronts



3,691 residential units existing/UC

22 historic district buildings



13 million in streetscape improvements on K Street & 4th Street

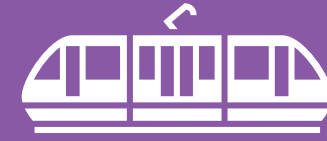


1 Safeway + 1 Ace Hardware + 1 Hampton Inn

1,434,035 pounds of trash removed by Clean Team past five years



4 Metrorail Stations serving Red, Green & Yellow metro lines



1 Streetcar line future location



Walk Score of 97

1.1 MILLION annual visitors to DC Convention Center



170 trees and 1,700 flower bulbs planted past five years

200+ events per year at VERIZON CENTER



16,724 residents within 1/2 mile



40+ restaurants and retailers



1 Spy Museum coming to Carnegie Library



3+ MILLION sf total projected office build out

4 public art sculptures/murals



MOUNT
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