HUDSON SQUARE CONNECTION

Annual Report 2013

A Message from The Chair and The President

In 2009, when the Hudson Square Connection was established as the 64th Business Improvement District (BID) in New York City, we announced our ambitions to make Hudson Square an environmentally, socially and economically sustainable neighborhood. Last year, in Fiscal Year 2013 (July 1, 2012-June 30, 2013), we saw those ambitions continue to be realized in tangible and exciting ways.

In March our former industrial district was rezoned to allow new housing, cultural institutions, schools and more retail and open space for everyone. Over the next few years, we will become a vibrant 24/7 neighborhood, befitting our location on Manhattan's lower west side.

As part of our neighborhood renaissance, the City is joining with the Hudson Square Connection to fund our $27 million streetscape plan, *Hudson Square Is Now*. In the budget adopted by the City in June 2013, the Bloomberg administration contributed $2 million and our Council member Speaker Christine Quinn provided $1.2 million dollars in funding. Along with our matching funds, the City money will jumpstart our efforts to plant up to 300 trees, improve sidewalk drainage and create new and improved open spaces along with improved seating, lighting and public art. The first 40 trees will be in the ground by the end of 2013! The plans have been widely covered by local media, on Captivate screens and at lots of neighborhood events. If you missed learning about it, Edelman also produced a great video of the whole plan that you can see on our website at *HudsonSquareBid.com*.

And while we're making our dreams come true, we continue to provide the Hudson Square community with "in the meantime activities."

New pedestrian plazas and a new seating area are helping to change the focus of the entrance to the Holland Tunnel to be a place for people, not just cars. The quiet refuge we've created on Hudson between Broome and Watts (aka *Freeman Plaza West*) even has some giant toys to help shake loose the imagination in all of us. For the third year, the Duarte Square development site (aka *LentSpace*) was loaned to us by Trinity Real Estate so that food trucks and lunchtime entertainment provided by the Connection and the Lower Manhattan Cultural Council, gave thousands of Hudson Square workers a lunchtime break during the warm months. The Hudson Square Music & Wine Festival behind City Winery entered its fourth year of after work fun with a record breaking crowd of over 1,000 attendees on the first night alone.

With our fast-growing creative community – now more than 40,000 strong - it's not for nothing that Hudson Square won the *Curbed Cup 2012 Neighborhood of the Year* award. And we're just getting started! Working together, as a community, we can preserve the neighborhood vibe we love while making sure Hudson Square is always a place that puts people first. We are pleased to share with you our Fiscal Year 2013 Annual Report.

Sincerely,

Laura Walker
Chair

Ellen Baer
President

Retail In Hudson Square

An eclectic selection of new retailers opened their doors in Hudson Square this year, adding new places to eat, shop, and browse. Eateries included Westville and Dig Inn. Two new galleries, Longhouse Projects and Hotel Particular joined the neighborhood as well as Andrianna Shamaris, an organic furniture store. Essen Slow Fast Food and TD Bank are slated to open in the coming months.

In spring 2013 we created a retail map of Hudson Square to showcase our growing retail environment. Available as a take-away and virtual version, the map includes restaurants, galleries, salons, shops, local transportation (including the new Citi Bike Share stations), and fun facts to share about the neighborhood. Pick one up and pass along to visitors and friends of Hudson Square!

Office In Hudson Square

The Hudson Square office market continued to be one of the tightest real estate markets in NYC, with 8.5 million assessed square feet, an estimated 40,000 employees, and over 1,000 companies- 55% of which are considered creative industries. New creative workers filled our spaces including a ground level office for TED conferences, the PepsiCo marketing team, and the Nick and Artie Lange Show's studio. Large lease signings included Two Sigma Investments, Regus, and the renewal of iN DEMAND and New York Magazine. This year the bio-tech industry expanded with the addition of the New York Genome Center and Medidata Solutions.

- 54 total transactions
- 42 new tenants
- 719,062 total square feet of transactions
- 5.4% vacancy rate*

*Excludes 330 Hudson Street which was still under construction in Fiscal Year 2013

* Percentages derived from number of companies

Development In Hudson Square

Development is booming in Hudson Square. A redevelopment of 101 Avenue of the Americas was completed in the spring of 2013 and 330 Hudson Street opened in the fall of 2013, delivering two new Class A office spaces. In addition, plans for new and repurposed properties continue to unfold throughout the neighborhood. Highlights include:

82 KING STREET
CURRENT USE: Warehouse
FUTURE USE: 150 unit condominium building

74 CHARLTON
CURRENT USE: Development site
FUTURE USE: High-end rental or condominium project up to 181,535 square feet

525 GREENWICH STREET
CURRENT USE: Under construction
FUTURE USE: 124 room hotel with a 90 seat restaurant

100 VANDAM STREET
CURRENT USE: Vacant lot
FUTURE USE: 84 unit residential building

100 VARICK STREET
CURRENT USE: Vacant lot
FUTURE USE: 30 story condominium building

15 RENWICK STREET
CURRENT USE: Vacant building
FUTURE USE: 44 unit boutique condominium building

231 HUDSON STREET/ 2 RENWICK STREET
CURRENT USE: Vacant lot
FUTURE USE: Two boutique hotels, eight and nine stories each

DUARTE SQUARE, 2 HUDSON SQUARE
CURRENT USE: Development site, temporarily known as "LentSpace"
FUTURE USE: Public plaza, a new residential tower, and a 444-seat elementary school

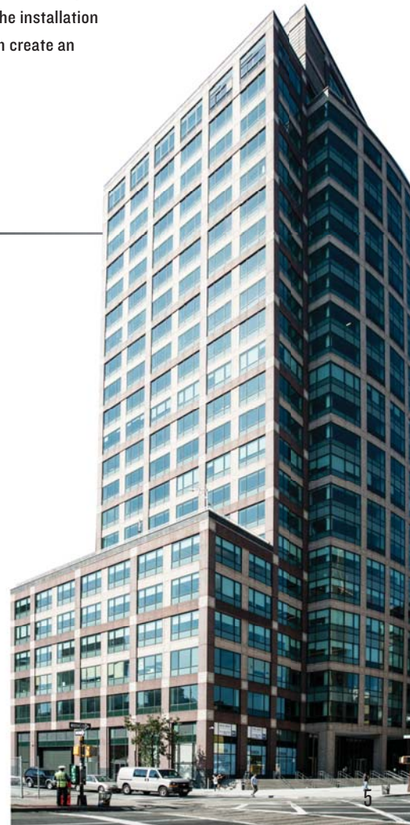
Photo © BBG-BBGM, Architectural Design by BBG-BBGM

330 Hudson Street

A former 8 story warehouse built in 1910, 330 Hudson Street has undergone a dramatic transformation. Now a 16 story Class A office building that seamlessly integrates Hudson Square's industrial architecture with modern glass wrapped floors, the building appeals to the tech and creative industries. Following a $133 million renovation, the building opened in the fall of this year, complete with new retail opportunities and a large courtyard. Creating a sustainable environment, the building is LEED Gold Core & Shell pre-certified, and new trees and greenery around the property were done in conjunction with the Connection. Designed by ESI Design, the lobby performs as a gallery space, enlivened through the installation of high and low resolution LED media walls which create an exciting entry for visitors and tenants alike.

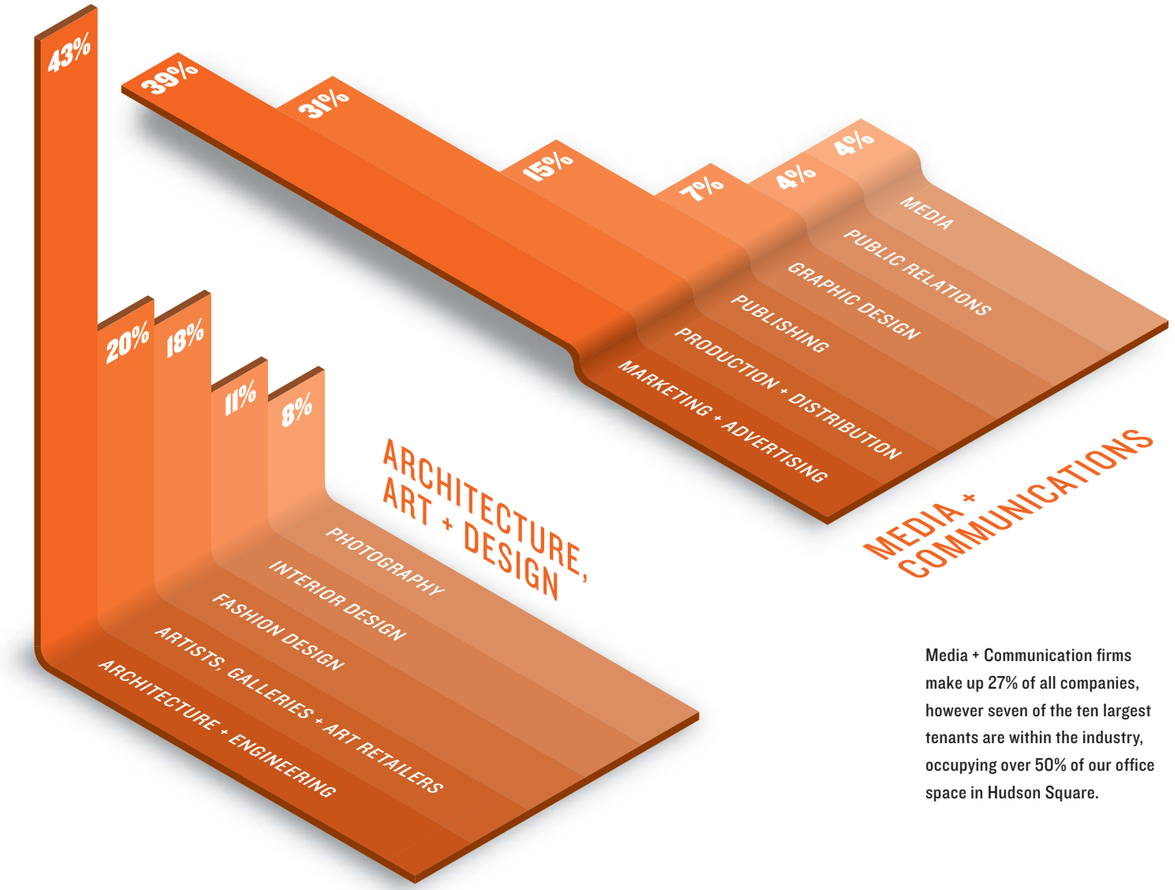
101 Avenue of the Americas

Edward J. Minskoff recently completed a $47 million redevelopment of the 23 story, 435,000 square foot Class A office building. With New York Genome Center as the anchor tenant, the new facility is equipped with high performance computing technology, sequencing and bioinformatics labs, an Innovation Center, and conference space. Visitors are greeted by a state of the art lobby, decorated with world–class art by Jeff Koons and Haruki Murikami. 101 Avenue of the Americas has achieved the highly coveted LEED EB Silver rating, boasts an urban plaza, and rooftop gardens.

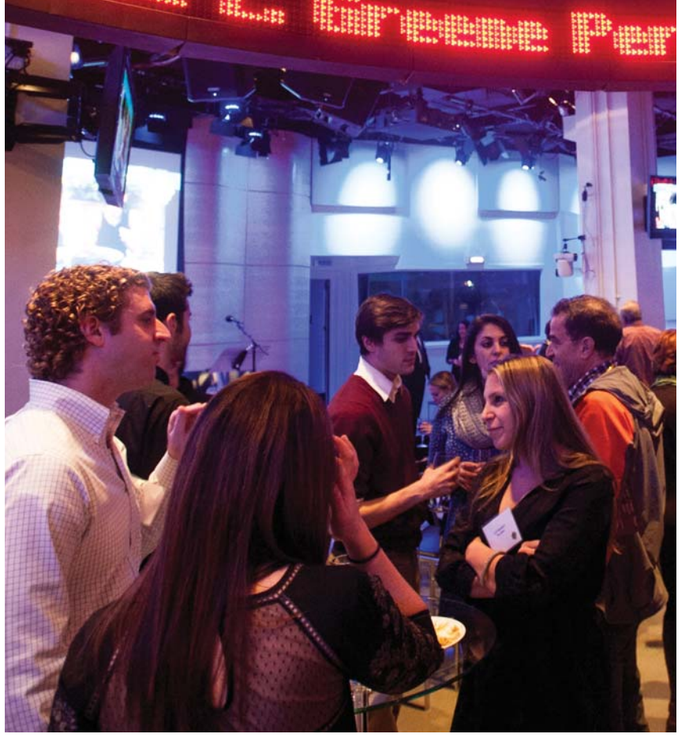


Who Works In Hudson Square

Media and production professionals, designers and entrepreneurs contribute to New York City's creative economy while working from their Hudson Square headquarters. The Connection works year-round to address the needs of these businesses and connects companies with one another, facilitating the exchange of ideas and fostering community.



Media + Communication firms make up 27% of all companies, however seven of the ten largest tenants are within the industry, occupying over 50% of our office space in Hudson Square.



Local Networking and Events

In a creative neighborhood like Hudson Square, innovation thrives from idea sharing and proximity. Annual events like the Open House, the Annual Meeting and the Human Resource Professionals' Breakfast bring together hundreds of executives, entrepreneurs and neighborhood supporters. We also offer all companies a chance to host "Town Hall" events for their employees where we discuss the neighborhood and collect feedback on the Hudson Square Connection's initiatives from the people who work here.

Business to Business

The Connection's online Business to Business Directory promotes local businesses and encourages local partnerships. Vendors can highlight capabilities and services, present a slideshow of significant work and share website and contact information. For a company in need of local work, the Hudson Square Directory is an easy place to start. Currently, you can find businesses listed in printing, graphic design, media, technology, retail and business services.

Photo © WeWork

LentSpace

A future development site just west of Duarte Square Park, LentSpace reopened for the summer season continuing our partnership with Trinity Real Estate and Lower Manhattan Cultural Council (LMCC). Workers took a break from their busy days to enjoy music and cultural performances and an array of food offerings from the various trucks on site. Building on visitor suggestions from previous years, we extended the daily hours and included food trucks five days a week.

Freeman Plaza West

On May 16th, 2013, we proudly unveiled our newest temporary public space, Freeman Plaza West, located on Hudson Street between Broome and Watts Streets. Dozens of people from the neighborhood joined us to celebrate the opening and were treated to a free lunch provided by local eatery EET and entertained with music by the Xylopholk. Since opening, Freeman Plaza West has been a big hit offering a tranquil, verdant outdoor respite with tables, chairs, umbrellas and even giant Jenga and ConnectFour games to relax the mind. The plaza, located adjacent to the Holland Tunnel, is yet another example of how New Yorkers find calm and greenery in the most unlikely places.

Pedestrian Plazas

As part of our continued efforts to make our streets places for people, we opened five pedestrian plazas with landscaped planters and granite traffic barriers last fall. The plazas not only beautify our streets, but create pedestrian refuges on Hudson and Varick Streets that improve pedestrian safety.

Holiday Lights

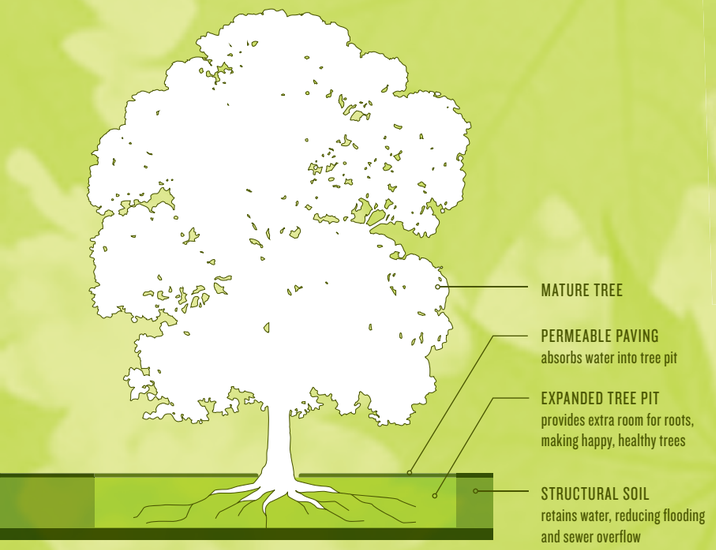
The streets in Hudson Square uniquely sparkled this winter. Shimmering snowflake lights that we designed lit up the neighborhood even during the most blustery of winter nights.

Public Art

This spring, we partnered with Compleat Sculptor and artist Gina Miccinilli to transform three of the granite traffic barriers on Varick Street between Broome and Watts Streets into sculptural art, entitled Lemniscatus. Now this pedestrian plaza is not only functional, but a work of art.

Greening + Trees

New York City's Parks and Recreation Department recently hailed Hudson Square as "a platinum model" for urban forestry and sustainability. To further this work, the Hudson Square Connection has embarked on an ambitious undertaking for the neighborhood: to plant nearly 300 trees with permeable paving and bioswales in Hudson Square over the next five years. The Hudson Square Connection has been busy implementing Phase I of its tree planting program. This fall, we expect Hudson Square's streets to be lined with nearly 40 new trees with expanded tree pits, tree guards, permeable paving, and structural soil. Working with the Department of Parks and Recreation, Department of Transportation, and nine different property owners, we selected the first round of sites that are dispersed throughout the neighborhood.



1 GINKGO

Ginkgo biloba

APPEARANCE: upright, irregular open
COLOR: bright green, changes to bright yellow in the fall
WHERE THEY WILL BE PLANTED: Varick Street
WHY: high tolerance to urban conditions with brilliant fall colors

2 JAPANESE ZELKOVA

Zelkova serrata

APPEARANCE: vase-shaped with ascending branches
COLOR: dark green in summer turning shades of yellow, orange, and brown in the fall
WHERE THEY WILL BE PLANTED: Canal Street
WHY: its handsome form and ability to withstand extreme urban conditions

3 PIN OAK

Quercus palustris

APPEARANCE: strong pyramidal form with lower hanging branches
COLOR: glossy dark green in summer changing to russet, bronze, or red in the fall
WHERE THEY WILL BE PLANTED: Hudson Street
WHY: a hardy, city tree providing ample shade

4 KENTUCKY COFFEETREE

Gymnocladus dioicus

APPEARANCE: vertical branches form a narrow crown
COLOR: pinkish to purplish hues change to dark green and almost dark bluish green in the summer and yellow in the fall
WHERE THEY WILL BE PLANTED: Varick Street
WHY: hard character and tendency for dappled light to filter down to the sidewalk through its leaves

5 COMMON HACKBERRY

Celtis occidentalis

APPEARANCE: upright, regular with arching branches
COLOR: medium green, becomes yellow-green in the fall
WHERE THEY WILL BE PLANTED: Varick Street
WHY: the ability to grow in windy conditions and in wet and dry soils

6 CRIMSON SPIRE OAK

Quercus robar x 'Crimson Spire'

APPEARANCE: upright, oval
COLOR: green, changing to reddish purple in the fall
WHERE THEY WILL BE PLANTED: Watts Street
WHY: majestic and regal form just off grand Sixth Avenue

THE CURBED CUP NEIGHBORHOOD OF THE YEAR: HUDSON SQUARE!
CURBED

NEW PUBLIC SPACE IS OPENED IN A MOST UNEXPECTED SPOT
WALL STREET JOURNAL

"A business improvement district Wednesday proposed a redevelopment at the mouth of the Holland Tunnel, in the high-traffic area known as Hudson Square, to create more green space and a haven for pedestrians."
–Crain's

HUDSON SQUARE BID SETS OUT TO RECLAIM STREETS FROM HOLLAND TUNNEL TRAFFIC.
STREETSBLOG

MEDIA TYPES CONTINUE TO STRETCH OUT IN HUDSON SQUARE
REAL ESTATE WEEKLY

"Hudson Square's business improvement district is seeing green in the future of the lower west side neighborhood."
–1010 WINS

HIP TO BE SQUARE: ONLY THING SLOWING LEASING ACTIVITY IN HUDSON SQUARE IS LACK OF SPACE
COMMERCIAL OBSERVER

"Hudson Square bested the number one seat to clinch the fake title and become the Curbed Cup 2012 Neighborhood of the Year! What helped Hudson Square win the trophy? In 2012, the neighborhood finally began the public review process for the proposed rezoning, which would allow for more development, and the Hudson Square Connection put forth plans for a public space makeover. . . . 2013 could mean be another big year for Hudson Square."
–Curbed

THE CITY'S NEXT HOT NEIGHBORHOOD.
NEW YORK OBSERVER

HUDSON SQUARE BY THE NUMBERS

13 CITYBENCHES

Hudson Square's subway ridership has increased on average **2.2%** per year over the past 5 years.

The average growth rate of people using all MTA subway stations is **1.8%**

52 TREES PLANTED SINCE 2010

VISTORS AT FREEMAN PLAZA WEST CAME FROM:
- **87%** HUDSON SQUARE
- **13%** OTHER

VISITORS CAME TO FREEMAN PLAZA WEST:
- **66%** IT WAS THE FIRST TIME
- **27%** ONCE OR TWICE A MONTH
- **7%** A FEW TIMES A MONTH

VISITORS CAME TO LENTSPACE:
- **38%** IT WAS THE FIRST TIME
- **31%** ONCE OR TWICE A WEEK
- **25%** EVERYDAY
- **6%** A FEW TIMES A MONTH

VISITORS CAME TO LENTSPACE FOR:
- **46%** FOOD TRUCKS
- **21%** SPACE TO SIT OR EAT
- **16%** MUSIC
- **16%** OTHER

VISITORS AT LENTSPACE CAME FROM:
- **55%** HUDSON SQUARE
- **18%** SOHO
- **15%** TRIBECA
- **12%** OTHER

35 NYC BIKE RACKS

3 CITIBIKE SHARE STATIONS

2012 SUBWAY RIDERSHIP DATA

	AVG. WEEKDAY	AVG. WEEKEND	ANNUAL
1 TRAIN WEST HOUSTON STREET	15,247	8,851	4,287,926
C,E TRAINS SPRING STREET	15,247	10,489	3,781,956
1,A,C,E TRAINS CANAL STREET	5,854	4,875	1,727,415

Pedestrian Traffic Managers (PTMs)

As part of our ongoing efforts to strike a balance between pedestrians and cars in Hudson Square, the Connection hired Sam Schwartz Engineering's Pedestrian Traffic Managers in 2010 as a pilot program.

Our PTMs (as we affectionately refer to them) became a part of life in Hudson Square in February of 2012. These men and women can be found braving the chaos of Varick Street during the height of rush hour in the hopes of providing a sense of calm, order and safety to a traditionally hectic pedestrian environment.

FACTS ABOUT OUR PTMs:

Six PTMs can be found

- Wednesday – Friday
- 4:00 pm – 7:00 pm
- From West Houston to Spring along Varick Street

SINCE THE PTMs HAVE BEEN IN PLACE WE HAVE SEEN:

- Blocked crosswalks reduced by 43%
- Blocked intersections reduced by 61%
- Horn honking reduced by 53%

"They are wonderful! Still congested, it's orderly and safe. Also, they are friendly, helpful (just yesterday assisting a woman with a stroller) and always have a smile for you."

- Pat, Project Renewal

"PTM's have an amazing ability to make pedestrians feel they, and not cars, are in charge."

– Tom, W+K

Here's what some of the locals are saying about the PTMs:

"My favorite is John Mitchell. He's always smiling and is never without a kind word. I certainly hope your PTMs will continue to work in the neighborhood. It's always comforting to see them."
–Kevin

"They (the PTMs) make a huge contribution to keeping traffic smooth, I'm glad they are there! Thanks for putting them on the job."
–Nancy

"Whether I am a pedestrian or a driver trying to get into the tunnel, when they (the PTMs) are on duty I reach my destination in shorter time, relatively certain that I will not be hit by some aggressive intersection hogging driver! Thank you. They are a welcome addition to the Hudson Square area. Plus, they are extremely pleasant, have great senses of humor and keep the traffic MOVING."
– Patricia

"I would like to thank who ever came up with this idea . . . I applaud you for a job well done and please keep up the good work."
—Karen

Transportation Access

1 West Houston St & Varick St
Canal St & Varick St

A C E 6th Ave & Canal St

C E 6th Ave & Spring St

PATH Hudson St & Christopher St*

M5 6th Ave (Northbound)

M20 Varick St (Southbound)
Hudson St (Northbound)

M21 West Houston St (Westbound)
Spring St (Eastbound)

X7 X9 X10 X27 X28 West Houston St & Washington St

ACCESS -A-RIDE King St & Hudson St

PARK icon 114–122 Varick St
375 Hudson St
561–565 Greenwich St

Edison PARK FAST 272–276 Spring St**

Central PARKING 43 Dominick St
294–296 Hudson St

Pine Parking Corporation 111–115 Varick St

citi bike West Houston St & Hudson St
Spring St & 6th Ave
Duarte Park (Canal St & 6th Ave)

BIKE LANES Charlton St (Westbound)
Grand St (Eastbound)
Hudson St (Northbound)
Greenwich St (Northbound)
Washington St (Southbound)
Hudson River Park (Both Directions)

* 5 minute walk north of the district

** Includes bicycle parking

map not drawn to scale/include all streets

Transportation Facts + Figures

The Hudson Square neighborhood continues to grow. As more companies move into our buildings, more people are working and visiting Hudson Square every day. Annual ridership at Hudson Square subways this year reached over 15 million people. That's a 7% increase over the last three years!

Pedestrian Counts

The number of pedestrians on our streets is higher than ever. Comparing pedestrian counts at four intersections from May 2010 to May 2013, we found:

- 11% increase in weekday AM pedestrians
- 12% increase in weekday midday pedestrians
- 17% increase in weekday PM pedestrians
- 3% increase in Saturday midday pedestrians

Financials

Audited Financials, prepared by Skody Scot & Company CPAs PC are available upon request

Statement of Financial Position

Assets	2013	2012
Cash	$ 1,424,681	$ 1,259,214
Accounts Receivable	3,000	0
Property and Equipment	185,780	38,169
Prepaid and Other Assets	269	0
Total	**$ 1,613,730**	**$ 1,297,383**
Liabilities/Net Assets		
Liabilities	$ 88,094	$ 64,371
Net Assets	1,525,636	1,233,012
Total	**$ 1,613,730**	**$ 1,297,383**

Statement of Activities

Support and Revenues	2013	2012
Assessment Revenue	$ 1,700,000	$ 1,700,000
Program Service Revenue	7,100	0
Contributions and Interest	7,236	8,283
Government Grants	0	4,066
Total	**$ 1,714,336**	**$ 1,712,349**
Expenses		
Traffic	$ 356,356	$ 442,303
Streetscape	322,634	302,062
Marketing & Economic Development	452,420	650,019
Administration	302,020	264,615
Total	**$ 1,433,430**	**$ 1,658,999**
Increase in Net Assets	$ 280,906	$ 53,350

Membership Rolls

Members as of June 30, 2013: 98*

* An up-to-date copy of the membership rolls are available to all members upon request.

2013

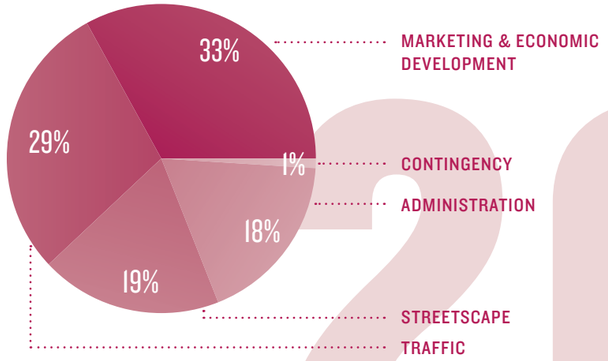
Financials

FISCAL YEAR 2014 BUDGET

Approved by Board of Directors on June 20, 2013

July 1, 2013 - June 30, 2014	Total	Administration	Marketing & Economic Development	Traffic	Streetscape
Revenues					
Assessment Revenue	$ 1,700,000				
Total	**$ 1,700,000**				
Expenses					
Program Expenses					
Contract Services	$ 771,750	$ 174,150	$ 186,600	$ 301,500	$ 109,500
Purchases & Other Expenses	151,450	26,050	101,900	0	23,500
Total Program Expenses	**$ 923,200**	**$ 200,200**	**$ 288,500**	**$ 301,500**	**$ 133,000**
Management and General	**$ 758,690**	**$ 100,351**	**$ 271,122**	**$ 190,692**	**$ 196,525**
Total Expenses	**$ 1,681,890**	**$ 300,551**	**$ 559,622**	**$ 492,192**	**$ 329,525**
Contingency	$ 18,110				
Total	**$ 1,700,000**				

FISCAL YEAR 2014 EXPENSE BUDGET



2014

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Jeffrey Sussman
Edward J. Minskoff Equities, Inc.

Kim Whitener
HERE Arts Center

Tobi Bergman
(non-voting member)
Community Board 2 Representative

EX-OFFICIO
The Honorable Michael R. Bloomberg, Mayor
The Honorable Scott Stringer, Manhattan Borough President
The Honorable John C. Liu, Comptroller
The Honorable Christine Quinn, Council Member (District 3)

Special Thanks To:

The Anchor Bar
Architecture Research Office
Beacon
Edelman
EET
HERE Arts Center
Jack Resnick & Sons
KBS
Mae Mae Café
New York City Fire Museum
New York Public Radio
Port Authority of NY & NJ
Trinity Real Estate
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About the Hudson Square Connection

Launched in July 2009, the Hudson Square Connection is completing the neighborhood's transformation into a major creative hub that is home to more than 40,000 people working in advertising, design, media, communications, technology and other creative businesses. Our district is generally bounded by West Houston Street on the north, Canal Street on the south, 6th Avenue on the east and Greenwich Street on the west. For exact boundaries of our district please see our website HudsonSquareBid.com.

Incorporated as a 501c3, not-for-profit organization, our formal name is the Hudson Square District Management Association, but we do business as the Hudson Square Connection. The district we manage is a Business Improvement District (BID) one of 67 such organizations around the city. Unlike most BIDs that focus on supplemental security and sanitation services, we provide traffic management and placemaking programs, building a connected community in a forward thinking Manhattan neighborhood. To accomplish this we are focusing on ameliorating local traffic congestion, beautifying and enlivening the streets, and re-enforcing a socially, culturally and environmentally sustainable community. Our goal is to capture the spirit and innovation that is thriving in the commercial spaces and bring that energy into the public realm.

The Connection was unanimously approved as the 64th BID in New York City by the City Council on January 28, 2009. Ellen Baer, the Connections' President, came on board in May of that year, and the Connection opened its doors on July 1st. We now have a full time staff of six; you can read our bios online.

The BID is funded primarily through the payment of an annual assessment on commercial property, with an annual budget of $1.7 million. The NYC Department of Finance disburses these funds to the BID through a contract with the Department of Small Business Services. In part, we measure the returns on this investment by the success of our businesses and the comfort and pride our workers take in this exciting community.

Hudson Square Connection

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HudsonSquareBid.com

Design: Poulin + Morris Inc.