

**GRAND CENTRAL
PARTNERSHIP**

**ANNUAL
REPORT**

2011

A REVIEW OF THE YEAR

THROUGH THE GRAPHIC REPRESENTATION

OF OUR OPERATIONAL STATISTICS

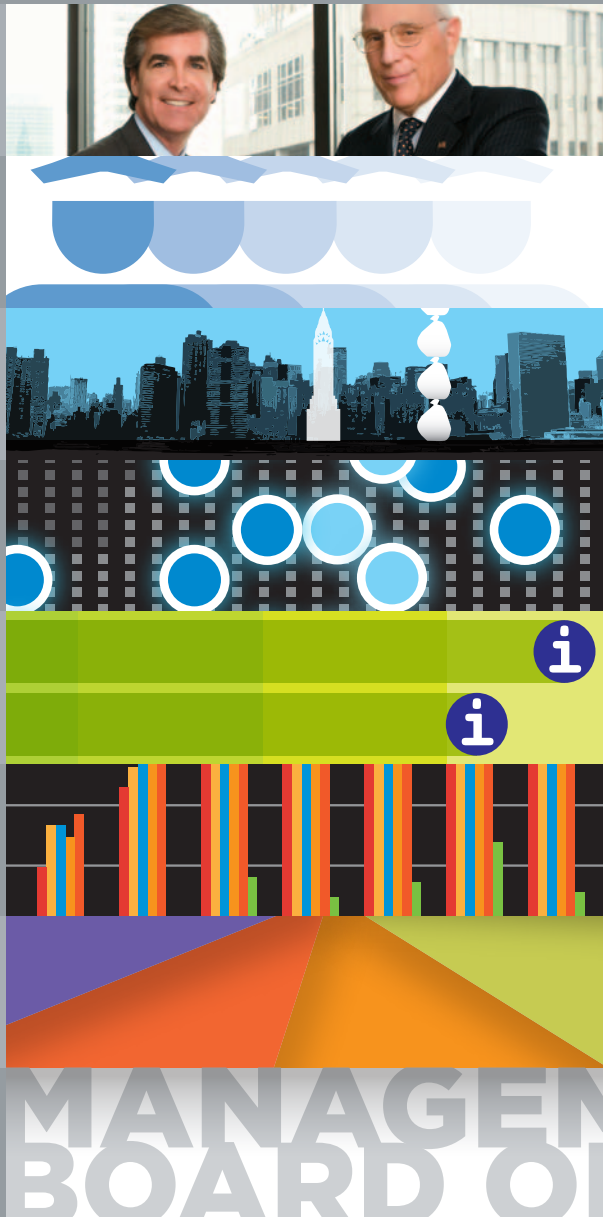
AND ONGOING

DATA COLLECTION

The Grand Central Partnership (GCP) manages one of the world's oldest, busiest, and largest business improvement districts on behalf of the Grand Central District Management Association. GCP serves a 70-square-block area in Midtown Manhattan surrounding Grand Central Terminal, the landmark transportation hub and destination. A nonprofit organization, GCP is now in its third decade of delivering supplemental public safety, sanitation, capital improvements, maintenance, horticultural displays, business support, and visitor services. Financed by special assessments on the area's commercial properties, GCP operates under a renewable contract with the City of New York.



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Message from the Chairman and President/CEO

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As we reflect back on 2011, it is evident that it was yet another year full of hard work and commitment on the part of our workforce, as they kept pace with the hustle and bustle of our 24-hour urban center to ensure a safe, clean, and enjoyable neighborhood for workers, residents, and visitors alike. Relying on operational statistics to gauge our progress and success, we continued to achieve our annual goals, meeting and even surpassing expectations, all the while pursuing new ways to plan for and guide our endeavors at district-wide enhancement.

Gathering meaningful data and then using that data to assess our efforts is a fundamental business strategy the Grand Central Partnership uses day-in and day-out to measure its effectiveness and productivity. While data collection is relatively simple, ensuring that the information is routinely, thoroughly, and accurately analyzed has enabled the company to measure desired outcomes, optimize employee performance, and gain valuable insights into possible ways to improve essential services and programs.

Whether we are tracking the number of customers to our website, counting attendees at a GCP-sponsored event, or deciding which part of the neighborhood our Public Safety Officers should patrol, providing our management team with reliable and timely information has helped them to make faster and smarter business decisions, track service delivery and evaluate our success at achieving our core business objectives, all while striving to maintain the high standards that our stakeholders have come to expect.

The Grand Central neighborhood is among New York City's most vibrant hubs — a bustling center of commercial activity by day, a destination for fun, culture, and delicious meals at night. Having just celebrated our 23rd anniversary, GCP is prouder than ever of what we have accomplished and we are filled with excitement over the ambitious initiatives still to come.

We present this 2011 annual report with the hope that you will enjoy the distinctive and informative graphs and charts that tell a compelling story of our achievements this past year, and the positive impact we continue to make on the Grand Central neighborhood.



Peter S. Kalikow
Chairman



Alfred C. Cerullo, III
President/CEO



PUBLIC SAFETY

In 2011, GCP's Public Safety team, managed by expertly trained and highly experienced field supervisors, logged more than 83,000 patrol hours assisting the New York City Police Department (NYPD) and other law enforcement agencies in preventing, responding to, and reporting illegal activity throughout the district. In addition to providing quick response to nearly 1,605 requests for assistance (such as traffic incidents, fire safety issues, and crowd control), our officers maintained a high standard of service to the neighborhood by disseminating important information

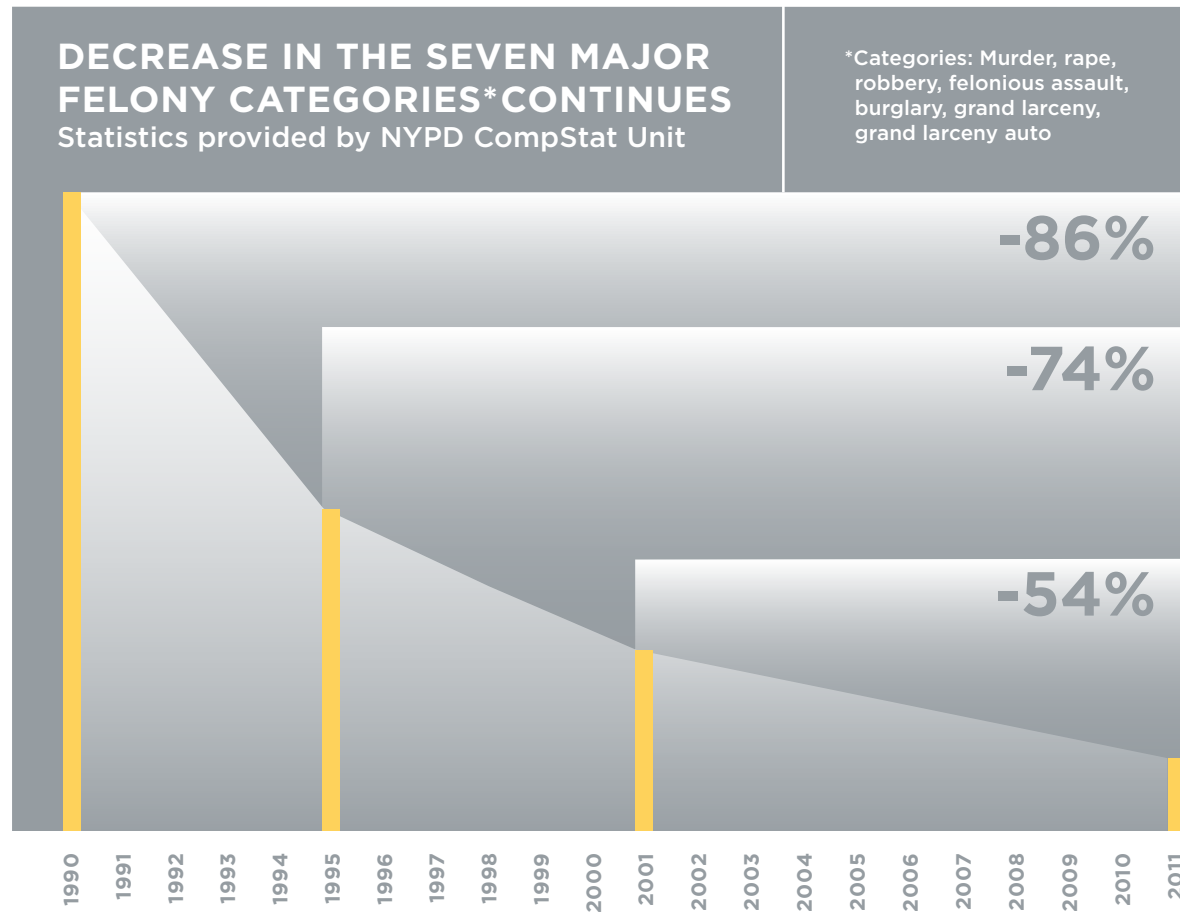
to neighborhood tenants, offering assistance to passersby on the street, and manning two taxi queue locations just outside of Grand Central Terminal.

GCP continued its partnership with the NYPD in making use of cutting-edge technology to increase their watchfulness. GCP-owned streetlight poles are used to host cameras as part of the NYPD's anti-crime and anti-terrorism initiatives. This partnership not only aids the NYPD in keeping New York City safe as a whole, but also makes GCP's sidewalks the subject

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Public safety officers responded to **1,605** requests for assistance in 2011

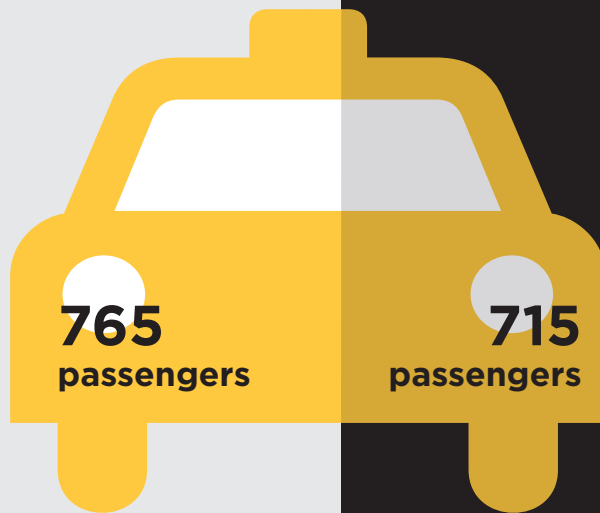


of round-the-clock attention; a comforting feeling in a high-profile and heavily trafficked business hub. We also maintained our participation in the NYPD “Paid Detail” program whereby an off-duty uniformed police officer accompanies Public Safety personnel on patrols around the neighborhood to be on the lookout for criminal activity and quality-of-life infractions.

The Public Safety division also continued its participation in a homeless referral network that streamlines GCP’s homeless assistance and outreach

efforts in the neighborhood. Under this program, staff is trained by professionals from the Grand Central Neighborhood Social Services Corporation (GCNSSC) on proper client evaluation and referral procedures, increasing the success with which homeless individuals, or others in need, are provided immediate assistance. With the help of GCNSSC and other homeless service providers contracted by New York City, GCP officers referred 179 requests for assistance using this system.

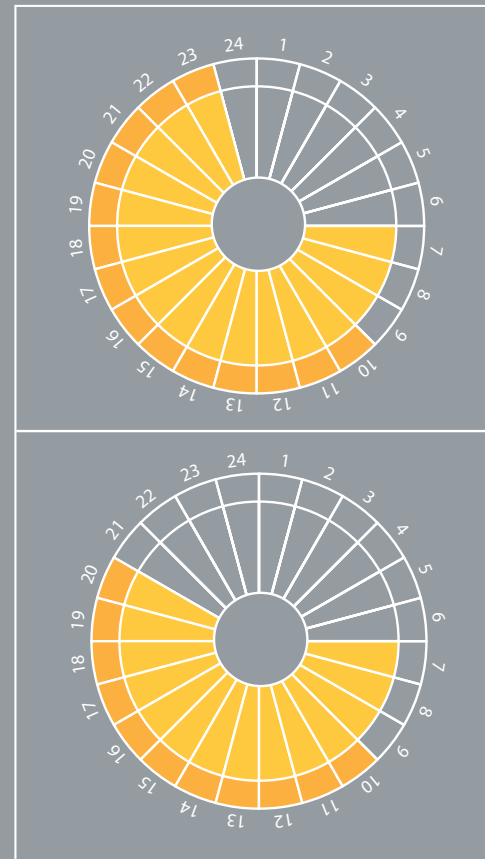
AVERAGE NUMBER OF PASSENGERS SERVED DAILY: 1,480



Day

Night

HOURS OF SERVICE DAILY: TAXI STANDS



■ WEEKDAYS ■ WEEKENDS

SANITATION

In 2011, GCP's "Clean Team" spent yet another year polishing the neighborhood streets and sidewalks to a high gleam. As in years past, the team provided service from 6am to midnight, 4 days a week, and from 6am to 8pm, 3 days a week, to keep a handle on the refuse and debris left behind in a neighborhood where the sheer magnitude of traffic into and out of the area means *lots* of trash. During the year, we hauled more than 200,000 bags of trash (representing 3,515 tons of trash) out of the neighborhood — and that's not counting the commercial waste handled by private carters.

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Our Sanitation squad is quantitatively evaluated on their success at achieving cleanliness by a system of ratings developed and issued by the Mayor's Office of Operations. As part of this ratings process, every quarter, New York City officials evaluate over five dozen neighborhoods throughout the five boroughs for both street and sidewalk cleanliness, looking at criteria like litter, overflowing trash receptacles, refuse-free street gutters, prevalence of graffiti, and commercial waste conditions. GCP takes great pride in reporting that, in 2011, we received cleanliness ratings of 100% for sidewalks and 99.4% for streets. That's the equivalent of a five-star review, and we salute our staff and our private-sector partners for their commitment to spotlessness.

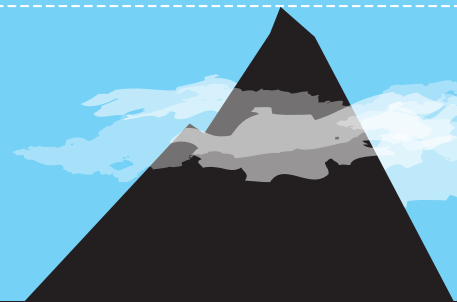
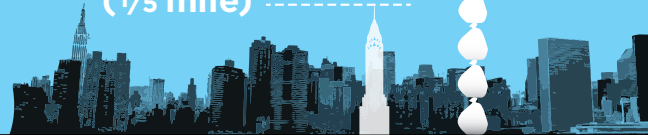
203,686
bags of trash
were collected in 2011,
which would reach
into the atmosphere
116 miles

**Weather
Balloon:
25 miles**

**Commercial
Airliner:
6.5 miles**

**Mt. Everest:
5.5 miles**

**Chrysler
Building:
1,050 feet
(1/5 mile)**





3,515 tons of refuse removed

125,000 man-hours of cleaning time

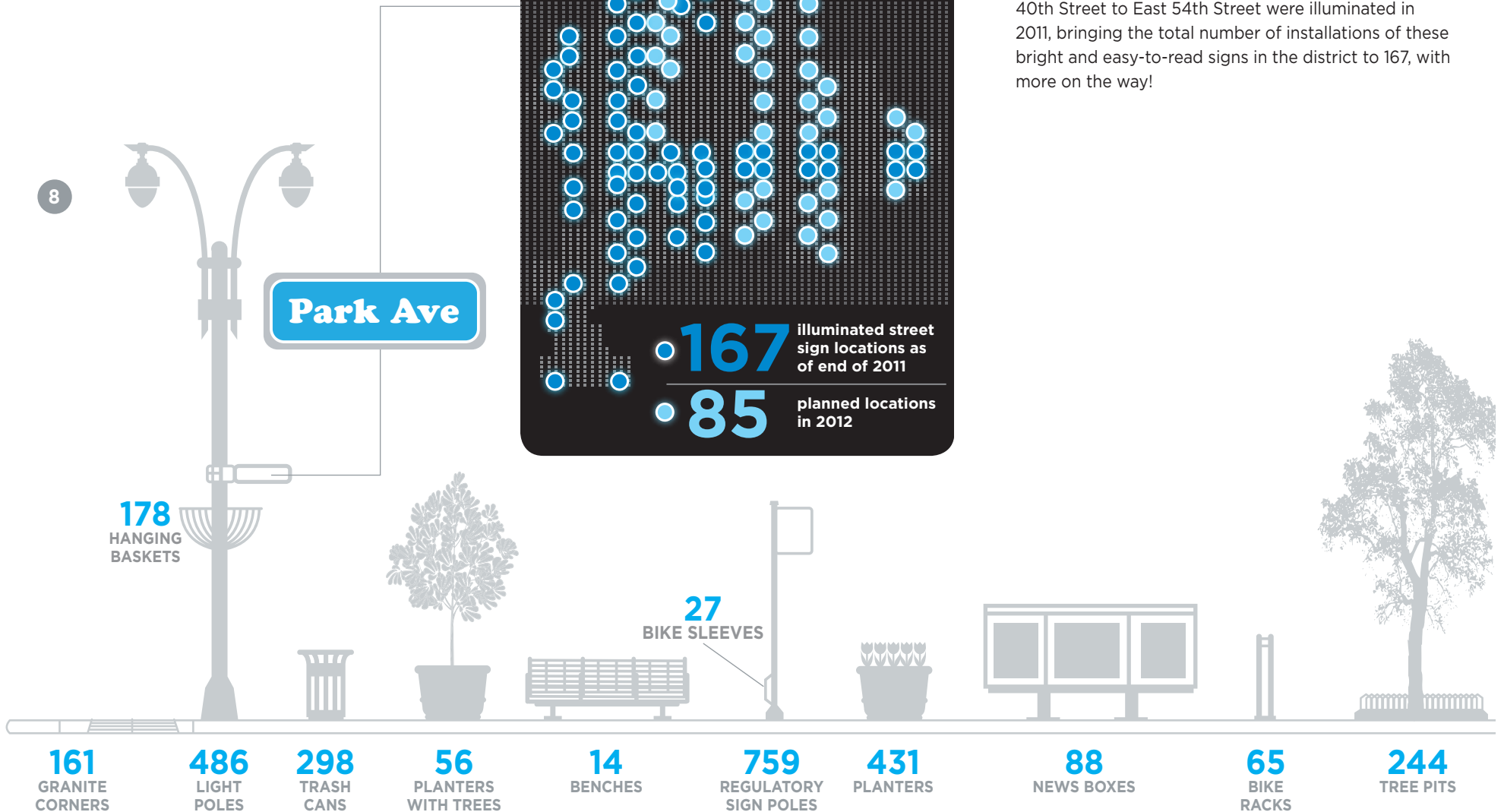
100% rating for sidewalk cleanliness

99.4% rating for street cleanliness



7,600 instances of illegal stickers, posters, and graffiti cleaned

CAPITAL IMPROVEMENTS AND MAINTENANCE

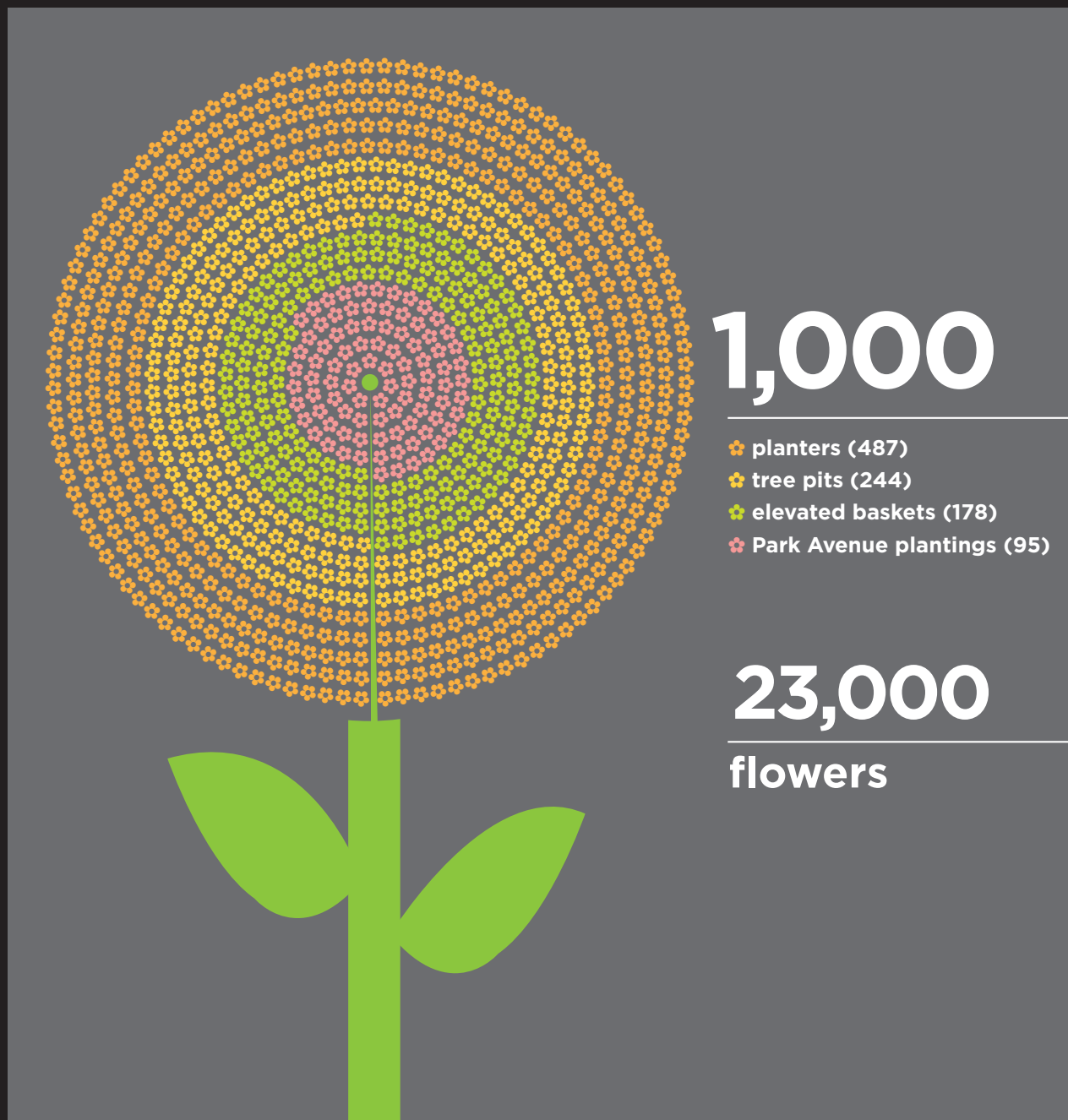


Our neighborhood's most-recognizable streetscape features are the work of our Capital Improvements and Maintenance division, responsible for maintaining assets like our signature light fixtures, planters, hanging baskets, news boxes, and tree pits. In 2011, we continued the process of replacing the standard street signs with custom LED-illuminated signs on our light poles, after having received rave reviews from the public for the initial batch of signs we installed in 2010. The intersections along Park Avenue from East 40th Street to East 54th Street were illuminated in 2011, bringing the total number of installations of these bright and easy-to-read signs in the district to 167, with more on the way!

The conversion of the summertime Pershing Square Plaza on Park Avenue between East 41st and East 42nd Streets into a permanent year-round urban plaza made excellent progress during 2011, and is nearing the end of a lengthy approval process. A GCP vision for over two decades, the plans for Pershing Square Plaza are finally becoming reality due to GCP's participation in the city-funded NYC Plaza Program run by the NYC Departments of Transportation, and Design and Construction, and our partnership with the engineering firm, URS, and landscape architects, Quennell Rothschild Partners.

2011 also saw GCP finalize the industrial design specifications for fabricating a new generation of multi-publication news racks. Fabrication of the racks for the neighborhood will begin once the design has been approved by the Public Design Commission.

As in previous years, GCP worked closely with developers, businesses, construction firms, and the City to facilitate building construction, transportation, and roadway projects in 2011. In such instances, GCP acts as a liaison between property owners, the City, and other interested parties to make sure owners and businesses are informed of construction-related activities, and to help mitigate the effects such projects have on businesses, workers, and visitors to our neighborhood.



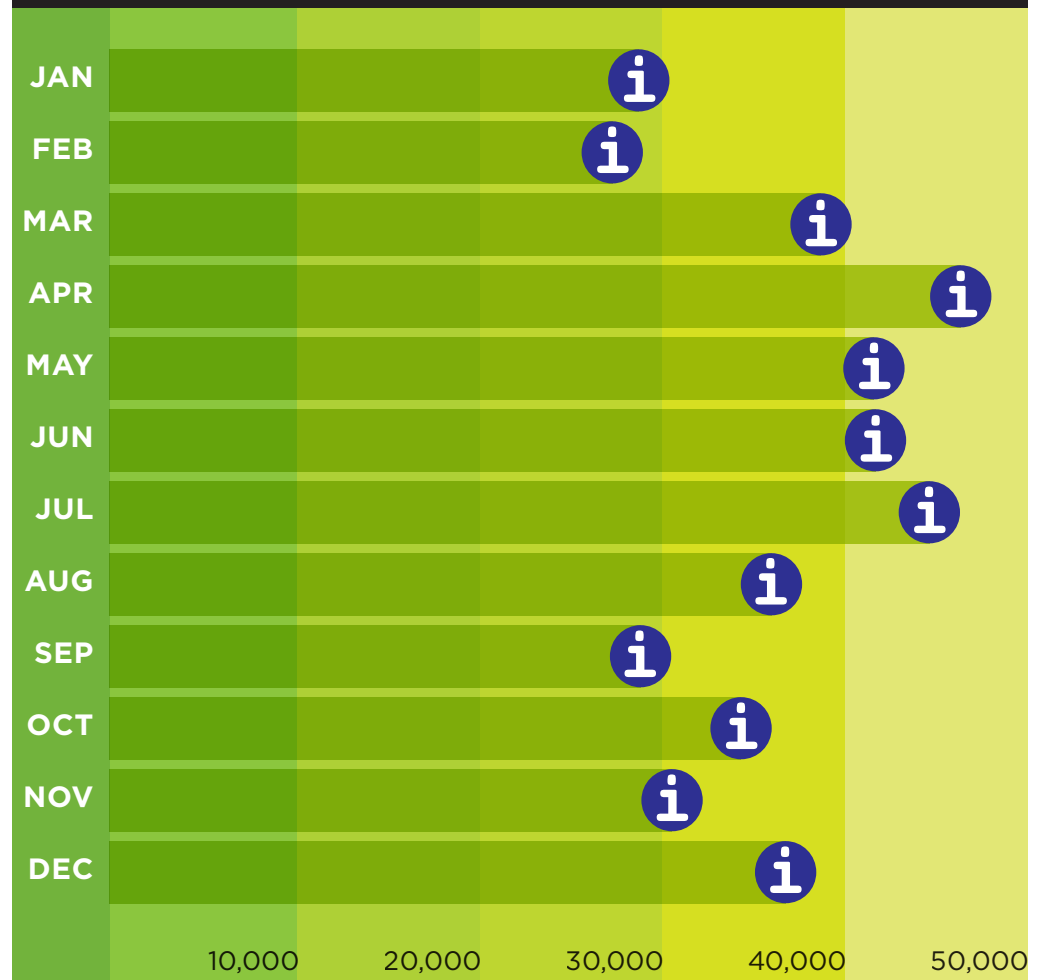
TOURISM AND VISITOR SERVICES

Our tourist greeters operate out of the **I♥NY** visitor information window on the Main Concourse of Grand Central Terminal, the Grand Central Neighborhood Alliance Office on the corner of Vanderbilt Avenue and East 43rd Street, and from a fleet of mobile sidewalk information carts.

From these locations, GCP tourist greeters provide directions, offer suggestions for dining and shopping, and serve as ambassadors of the Grand Central neighborhood to visitors from across town or around the world. In 2011 alone, our staff fielded almost 460,000 inquiries for assistance, helping to make sure everyone got the most out of their time in the Grand Central neighborhood.

Tourism staff handles customer inquiries each day from 8:30 am to 6:30 pm.

**GCP tourist greeters fielded
458,183 requests for
assistance in 2011**

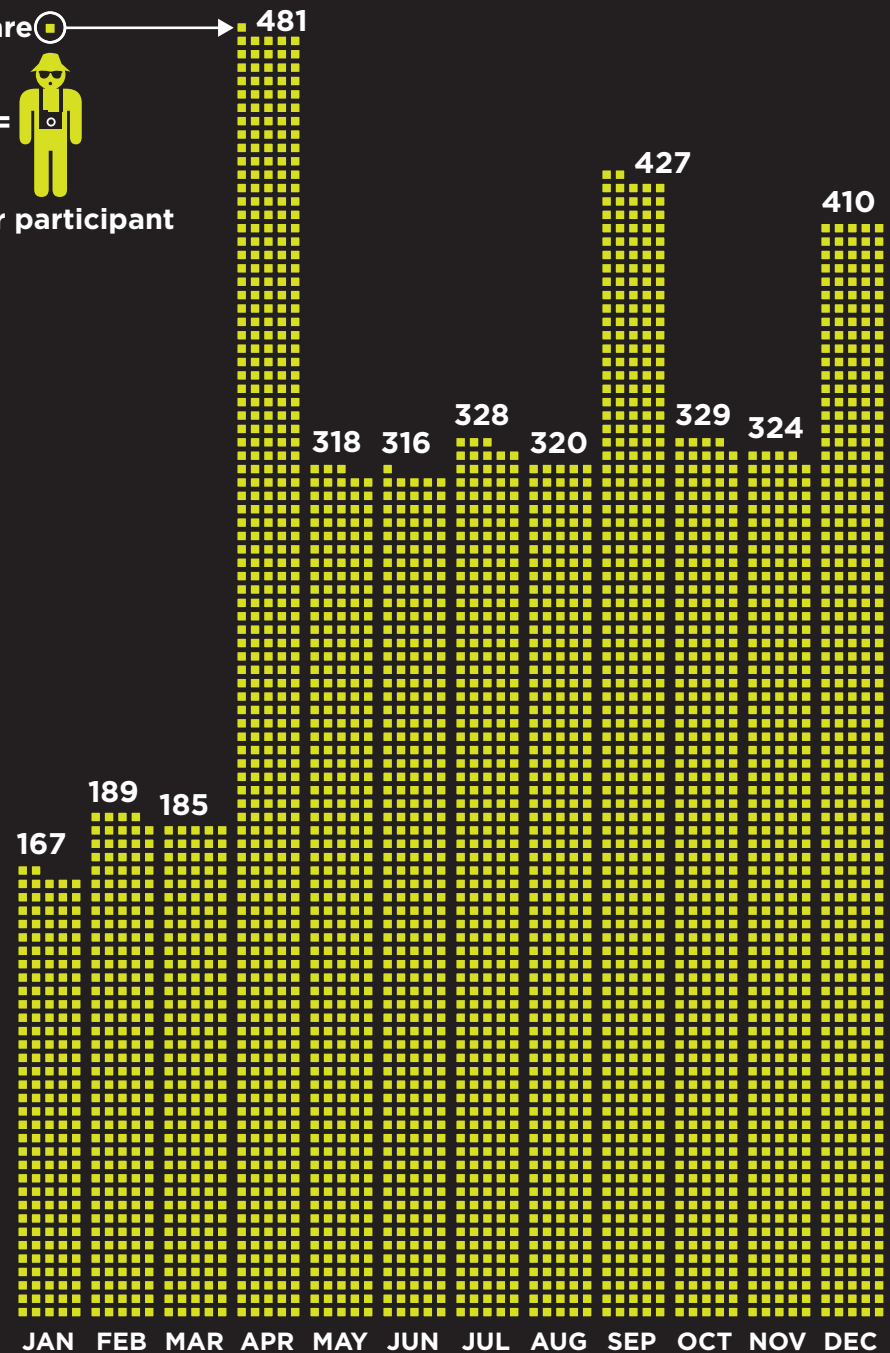


In 2011, visitors from all over the globe took the **GRAND TOUR**, a guided free tour of the Grand Central neighborhood. Every Friday, throughout the year, hundreds of people joined us for this informative and fascinating tour.

Each square =



= 1 tour participant



CORPORATE AFFAIRS

The Corporate Affairs department, among its many responsibilities, provides meaningful assistance and support to local stakeholders in a variety of ways intended to bolster the success of their businesses. Staff collects useful categorical data on retail businesses and their patrons, produces special events to showcase the neighborhood, and helps to promote the neighborhood's retail offerings via our newly redesigned e-newsletter (news@gcp) and website. We also utilize available resources to communicate the availability of retail spaces to a widespread audience, disseminate information on governmental programs of potential benefit to area businesses, and assist tenants and visitors in finding the goods and services they need, right here in the Grand Central district.

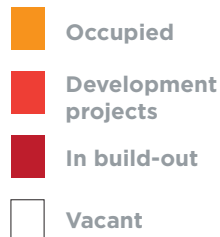
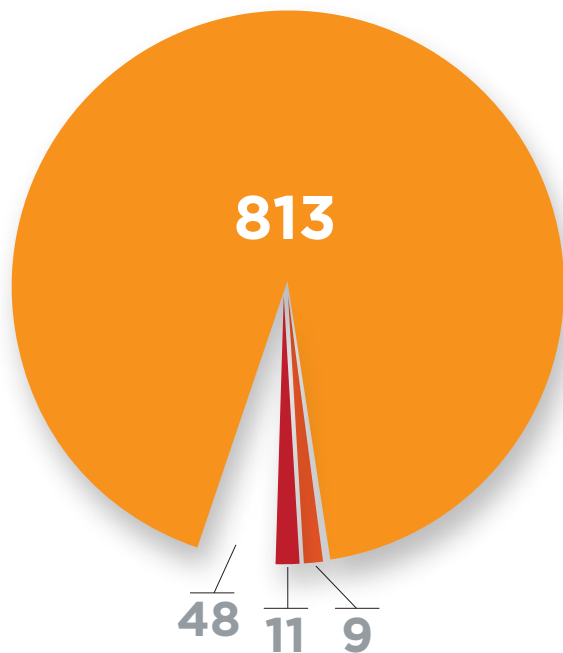
Neighborhood Marketing and Promotion

In 2011, we launched a totally reworked and refreshed e-newsletter that is highly attractive, interactive, and helps to drive traffic to our website, with its continually updated listings of everything happening in the neighborhood. Both the website and the newsletter have received a steady stream of positive feedback since they were launched, and we've seen an uninterrupted rise in visits to the website, as well as an escalation in requests from stores to have their sales, promotions, events, and openings included in our weekly advertising rundown, as word spreads of our new "word-spreaders".

Since GCP's new website launched in January of 2011, traffic has increased **646%.**



Retail space snapshot December 2011



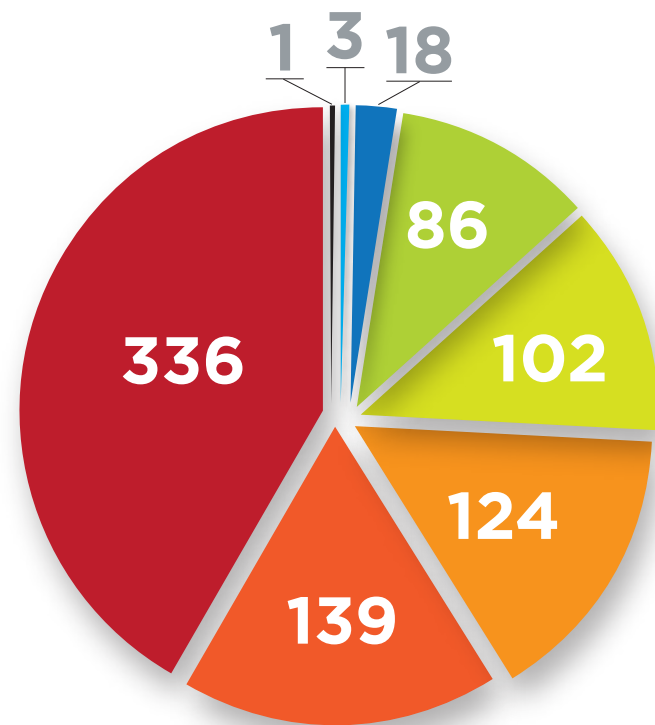
**RETAIL
VACANCY RATE:
5.6%**

Tracking Retail Occupancy

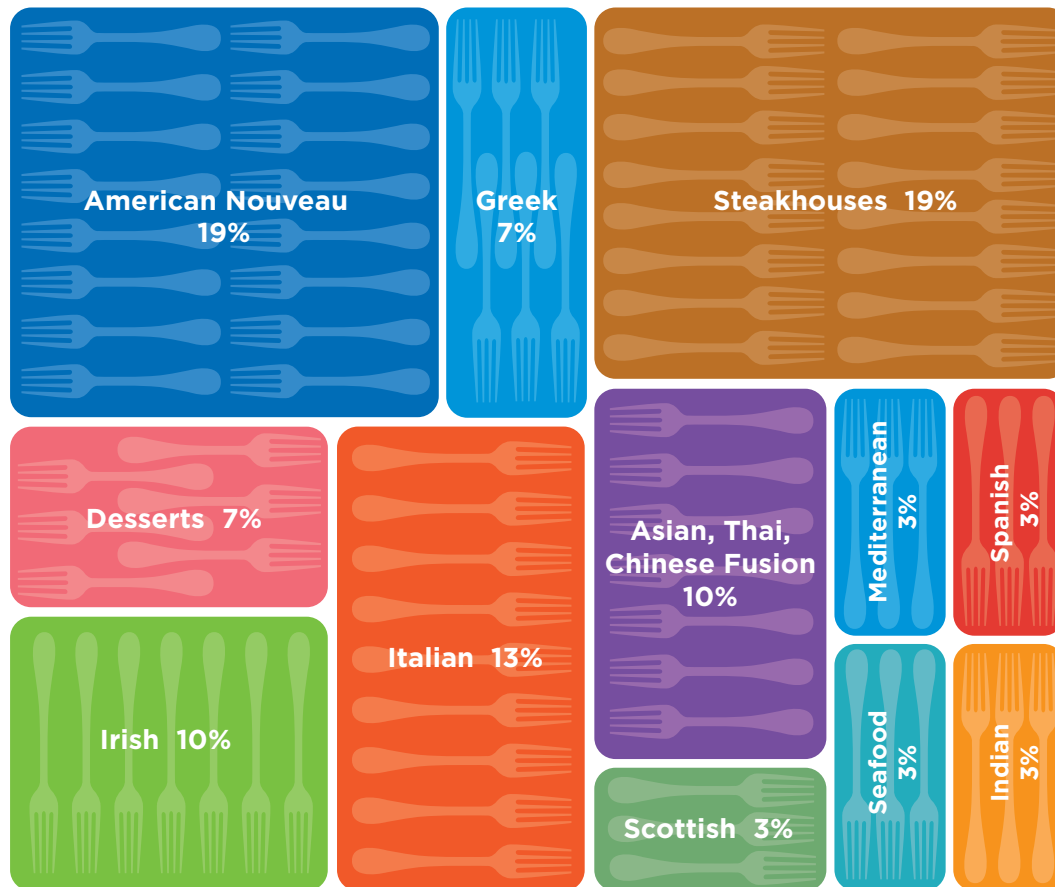
We continued to perform monthly surveys of street-level storefront businesses in the district, giving us a picture of leasing activity over time and allowing us to begin forecasting leasing trends. Also, in 2011, we expanded our survey reporting to include industry categories, such as Personal and Professional Services, Financial Services, and Apparel and Accessories, which permits us to track leasing trends by type of business.



Retail occupation by category December 2011



Grand Gourmet—The Flavor of Midtown® 800 attendees, 32 participating restaurants, more than a dozen represented cuisines:



Special Events Production

Once again the spring season serves as the backdrop to GCP's signature annual restaurant showcase event, *Grand Gourmet — The Flavor of Midtown®*. Grand Gourmet has become a major marketing tool for us as we highlight the area's world-class restaurant, bar, and lounge scene, now a far cry from the not-so-distant days when the Grand Central neighborhood was merely "9 to 5".

In 2011, we again teamed with corporate sponsors and property owners to promote their businesses and real estate at the free lunchtime concerts presented in our annual summer outdoor concert series, *Look, Listen, Lunch*. The concerts took place at four outdoor plazas, injecting the sounds of rock, jazz, salsa, and dozens of other musical genres into the summertime air. Like Grand Gourmet, the concert program has grown to where we now boast a devoted fan base at each venue around the neighborhood.

Gauging Pedestrian Traffic

We put in place a technologically sophisticated, pole-mounted camera, pedestrian-counting program for the purpose of benchmarking and tracking footfall traffic in various locations throughout the neighborhood. This data is gathered in order to market the neighborhood to potential retail tenants, to assess retail performance, and to help project future service needs for our sanitation and public safety operations.

AVERAGE PEDESTRIAN ACTIVITY BY HOUR OF DAY AT FIVE COUNTING LOCATIONS AUGUST THROUGH DECEMBER, 2011

Five state-of-the-art, footfall-counting cameras are deployed at key locations in the Grand Central neighborhood:

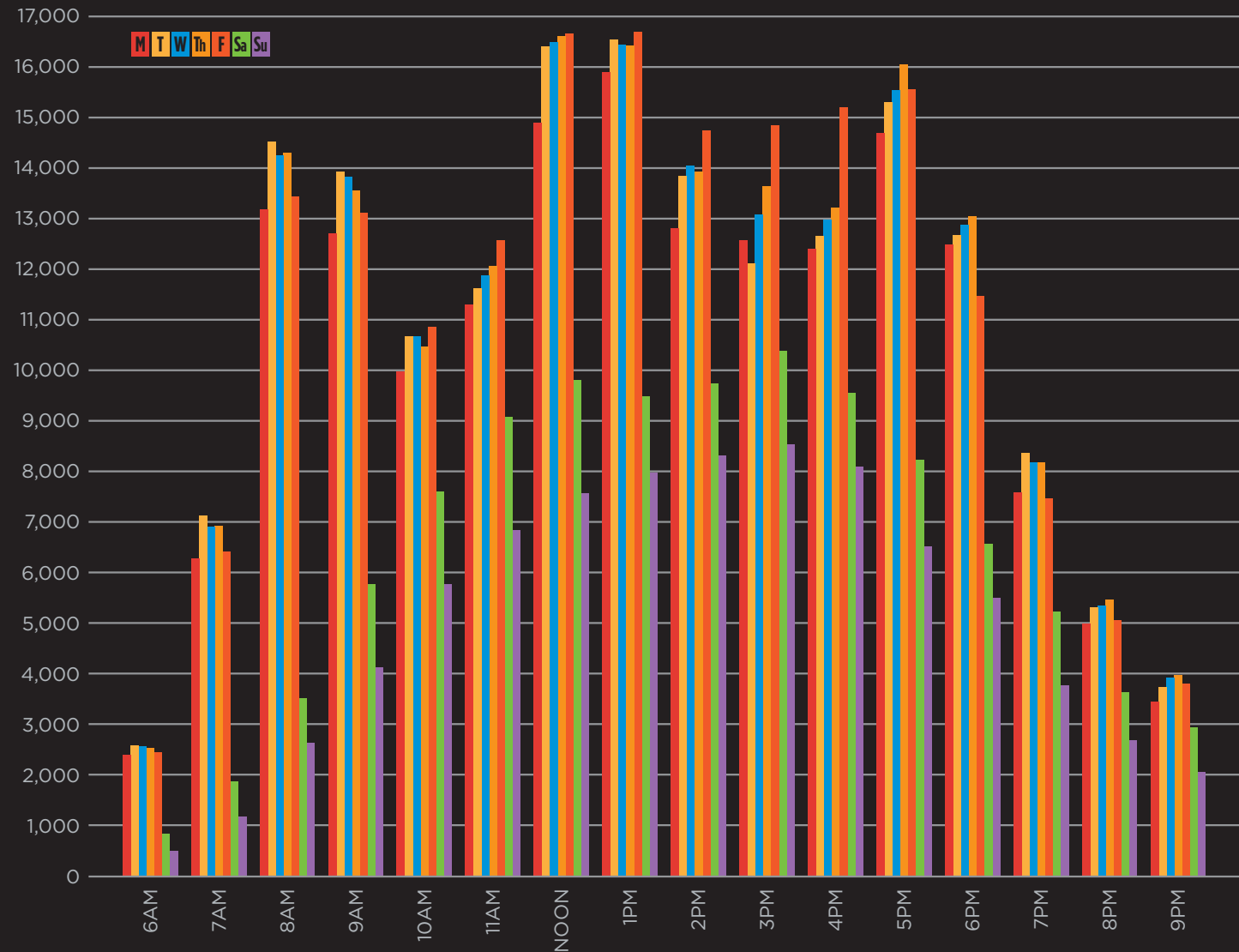
Fifth Ave & E 46th St

Fifth Ave & E 38th St

Madison Ave & E 45th St

Lexington Ave & E 43rd St

Third Ave & E 42nd St



In an average week, the number of pedestrians counted at 5th Ave & E 46th St would fill



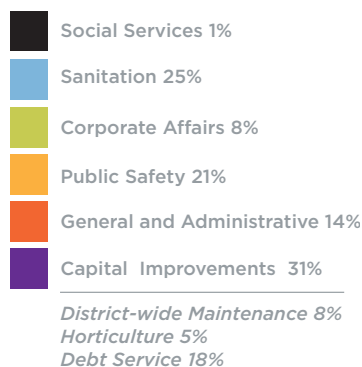
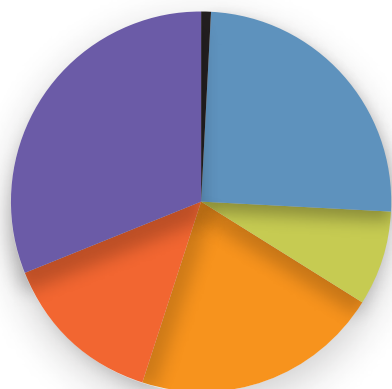
Yankee Stadiums.

Financial Statements

Grand Central Partnership, Inc. Grand Central District Management Association, Inc. Combined Statements of Financial Position

Years ended June 30, 2011 and 2010

GCP Budget Allocation by Program FY 2011



	2011	2010
Assets		
Cash and cash equivalents	\$ 903,356	\$ 1,843,500
Program revenue receivable	74,173	62,265
Investments	3,117,426	3,058,525
Prepaid expenses	352,130	276,286
Bond funds held by trustee	2,456,625	2,458,251
Property and equipment, net	15,008,522	16,342,571
Capitalized bond issuance costs, net	526,307	576,432
Security deposits	115,481	70,291
Total assets	\$ 22,553,660	\$ 24,688,121
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 498,745	\$ 496,817
Deferred income	80,380	80,380
Deferred rent	102,578	88,306
Accrued bond interest	471,000	502,625
Bonds payable	19,478,346	20,888,965
Total liabilities	\$ 20,631,049	\$ 22,057,093
Net Assets:		
Unrestricted	1,922,611	2,631,028
Temporarily restricted	—	—
Permanently restricted	—	—
Total net assets	1,922,611	2,631,028
Total liabilities and net assets	\$ 22,553,660	\$ 24,688,121

**Grand Central Partnership, Inc.
Grand Central District Management Association, Inc.
Combined Statements of Activities**

Years ended June 30, 2011 and 2010

	2011	2010
Support and Revenues:		
Assessment revenue	\$ 11,564,245	\$ 11,564,245
Program service revenue	360,574	350,489
Special event:		
Special event revenue	147,332	135,597
Less: Special event expense	(147,332)	(135,597)
Net special event income	—	—
Contributions	18,425	15,000
Pershing Square rental income, net	233,985	194,517
Interest income	244,114	299,591
Total support and revenues	12,421,343	12,423,842
Expenses:		
Program expenses:		
Public safety	2,726,534	2,780,411
Sanitation	3,349,320	3,254,944
Corporate affairs	1,078,333	948,724
Capital improvements	2,382,220	2,482,750
District-wide maintenance	1,114,617	1,185,718
Horticulture	756,830	786,547
Social services	156,615	203,564
Total program expenses	11,564,469	11,642,658
Management and general	1,565,291	1,515,109
Total expenses	13,129,760	13,157,767
Increase/(Decrease) in Net Assets:		
Unrestricted	(708,417)	(733,925)
Temporarily restricted	—	—
Permanently restricted	—	—
Increase/(Decrease) in net assets	(708,417)	(733,925)
Net assets, beginning of year	2,631,028	3,364,953
Net assets, end of year	\$ 1,922,611	\$ 2,631,028

*Audit provided by Skody Scot & Company, CPAs, P.C.
Full statements and financial notes to be provided
upon request.*

2011 BOARD OF DIRECTORS

OFFICERS

Peter S. Kalikow, Chairman
 Alfred C. Cerullo, III, President/CEO
 Steven Spinola, Secretary
 George P. Twill, Treasurer
 Peter J. Lempin, Executive Vice President
 Marc Wurzel, Assistant Secretary
 Robert J. Adinolfi, Assistant Treasurer

BOARD OF DIRECTORS

(alternate directors in *italics*)

Abramson Brothers, Inc.
 Alan B. Abramson

Association for a Better New York
 Jennifer Hensley

Bernard H. Mendik Company LLC
 Susan Mendik
Kathleen Vallerio

Booz & Company, Inc.
 S. Anthony Bianco

Boston Properties
 Andrew D. Levin

Brause Realty, Inc.
 Louis Brause

Brookfield Properties Corporation
 Dennis Friedrich

Cassidy Turley
 Robert L. Billingsley
Wendy Miller

The Durst Organization
 Douglas D. Durst
Jordan Barowitz

Fisher Brothers
 John J. Whalen

Fitzpatrick Hotel Group
 George Kurth
David Ferdinand

Fortuna Realty Group
 Morris Moinian

George Comfort & Sons, Inc.
 Peter S. Duncan
Matthew Coudert

Grand Hyatt New York
 Matthew Adams

Grande Harvest Wines
 Bruce M. Nevins

Greenberg Traurig, LLP
 John L. Mascialino
Edward C. Wallace

H.J. Kalikow & Co., LLC
 Peter S. Kalikow
Richard T. Nasti

Hospitality Holdings, Inc.
 Mark C. Grossich

Jack Resnick & Sons, Inc.
 Dennis P. Brady

Major League Baseball Properties
 Marla Miller
Eileen Buser

Malkin Holdings LLC
 Peter L. Malkin
Fred Posniak

Manchester Real Estate & Construction, LLC
 N. Richard Kalikow

MetLife
 David V. Politano

Metropolitan Transportation Authority
 Joseph J. Lhota
Hilary Ring

Milstein Properties
 Howard P. Milstein
Georgette Bennett

Monday Properties
 Anthony Westreich
Brian Robin

Newmark Knight Frank
 William G. Cohen, III
Ryan Kass

Paul Stuart, Inc.
 John Donahue
Paul Nardelli

Prudential Real Estate Investors
 William H. Anderson
Amy Ziegler

Real Estate Board of New York
 Steven Spinola
Michael Slattery

RFR Holding, LLC
 Aby Rosen

S. L. Green Realty Corp.
 Stephen L. Green
Steven M. Durels

Tishman Speyer Properties
 Michelle Adams

Twill Realty LLC
 George P. Twill

Vornado Realty Trust
 David R. Greenbaum
Gaston Silva

Wells Fargo Multifamily Capital
 Alan H. Wiener

The City of New York

Hon. Michael R. Bloomberg, Mayor

*Hon. Robert W. Walsh, Commissioner,
NYC Department of Small Business Services*

Hon. John C. Liu, Comptroller

Council of the City of New York

Hon. Christine C. Quinn, Speaker

Hon. Daniel R. Garodnick, Member

Office of the Manhattan Borough President

Hon. Scott Stringer, Borough President

Manhattan Community Board Five

Vikki Barbero, Chair

Manhattan Community Board Six

Mark Thompson, Chair

MANAGEMENT

ADMINISTRATION

Alfred C. Cerullo, III, President/CEO

Peter J. Lempin, Executive Vice President

Marc Wurzel, General Counsel

Duane Roggendorff, Director of External Affairs

Ann DeNivo, Executive Assistant to the
President & Benefits Administrator

Mavelyn Wilson, Executive Office Manager

Trina Swinson, Administrative Assistant

ACCOUNTING AND FINANCE

Robert J. Adinolfi, Comptroller/CFO

Steve Schwartz, Assistant Comptroller

Christopher Bautista, Bookkeeper

CAPITAL IMPROVEMENTS AND MAINTENANCE

Craig Kelsey, Director of Capital Projects
and Maintenance

Edgar Contreras, Assistant Project Manager

Janice Lohmann, Administrative Assistant

TOURISM AND VISITOR SERVICES

Paula Horowitz, Director of Tourism

PUBLIC SAFETY

Dave Camella, Director of Public Safety

George Hogan, Supervisor

Bright Kpeme, Supervisor

Kenneth Lind, Supervisor

Wilbert Ray, Supervisor

Harvey Rivers, Supervisor

Anthony Stuckey, Operations Coordinator

Marie Bruny, Operations Dispatcher

SANITATION

Adalberto Torres, Director of Sanitation

Ricardo Ferguson, District Coordinator

Wayde Ferguson, District Coordinator

Earl Harden, District Coordinator

Hector Lorenzo, District Coordinator

Benito Madera, District Coordinator

Bernard Williams, District Coordinator

Debbie Moorer, Administrative Assistant



GCP's latest one-page, easy-to-use neighborhood map was designed and went into print in November, 2011. It is used daily by our tourist greeters and identifies points of interest, key contacts, and transportation information.

The Grand Central Partnership District is highlighted in blue on the map.

www.grandcentralpartnership.org



www.grandcentralpartnership.org