

ANNUAL REPORT 2008

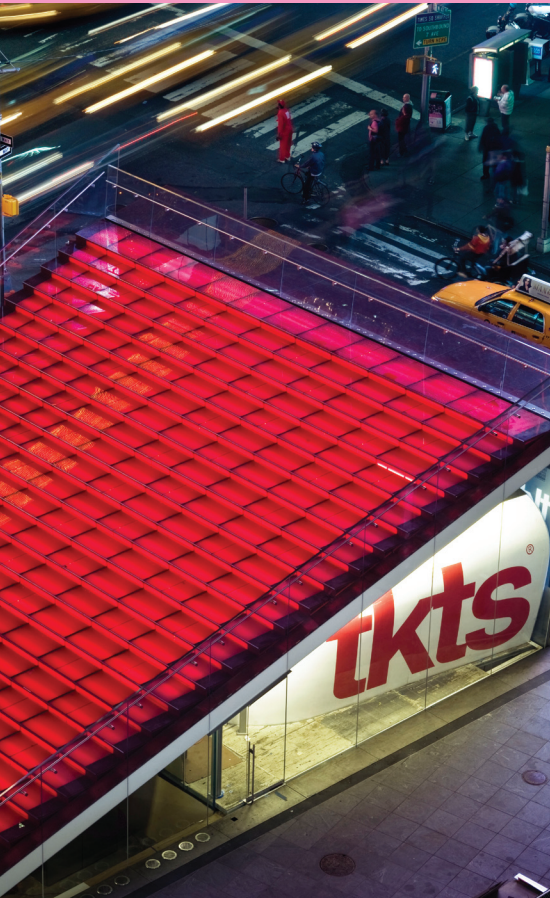


TIMES
SQUARE
ALLIANCE

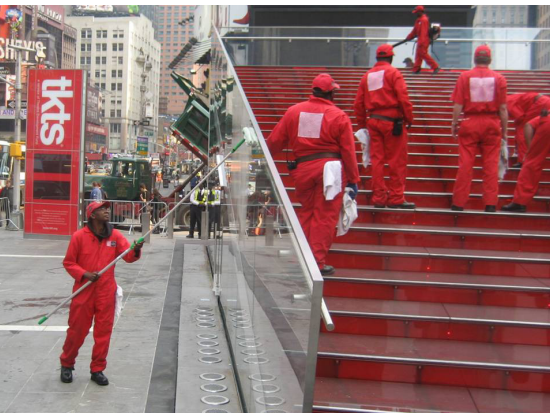
TIMESSQUARENYC.ORG
1560 Broadway, Suite 800
New York, NY 10036
P 212.768.1560
F 212.768.0233

Image: Emilie Wamsteker

ANNUAL REPORT



The reimagined Father Duffy Square, part of a new vision for Times Square's public spaces (p.4). Below, Alliance sanitation staff maintain the brand new ruby-red glass structure.



Dear Friends of Times Square,

Since 1993, the Times Square Alliance has worked to improve the district for the millions of people who come to Times Square each year. While we continue to focus on the core public safety and sanitation services that were so vital in those early years, our mission has grown to include serving the multifaceted needs of a diverse, ever-changing neighborhood.

Amid an uncertain economic climate, the Alliance remains committed to doing everything we can to ensure that Times Square is the destination of choice not only for tourists, but also for those who live and work in New York, by supporting local businesses, promoting tourism, and maintaining Times Square's role as an unparalleled hub for creative professionals and exciting entertainment.

New Yorkers, and the world, seem to agree. Millions of New Yorkers and tourists still look to Times Square as an icon of New York City, and as a gathering place for people from around the world - a diverse, cutting-edge town square for the 21st century.

This year we heralded the opening of the award-winning Duffy Square and TKTS booth, a shimmering icon of light and glass that is at once a place to relax and take in the lights of Times Square, as well as purchase discounted tickets to the best live entertainment anywhere. The innovative all-glass structure stands at the forefront of new engineering technologies, launching a new vision for the future of Times Square as a world-class public space.

Our annual New Year's Eve celebration, broadcast to an estimated audience of over one billion viewers around the globe, still brings the warmth and excitement of shared celebration and renewal to a cold December evening. We also manage to keep cool in the summer, with the serene Mind Over Madness Yoga and the local flavor of Taste of Times Square keeping our neighborhood front and center and providing fun for all.

We thank you for your continued support of our efforts and encourage you to partake of the best that Times Square has to offer and stay tuned for what promises to be an exciting year!

Sincerely,

Tim Tompkins
President

Michael Stengel
Chairman



New Year's Eve 2009 welcomes wishes of hope and happiness from around the world (left), unveils a brand new Waterford crystal ball (center), and hosts top musical acts like Jonas Brothers (right, p.16).

PUBLIC SAFETY

With overall crime down 7.4% and violent crime down 32% since 2007, the Alliance's public safety division expanded its scope and mission to focus on quality-of-life issues in Times Square. In addition to providing a visible presence to ensure the safety and security of the half-million people that pass through Times Square daily, Public Safety Officers focus on providing information to visitors, observing and reporting streetscape conditions, and coordinating with City agencies to ensure corrective action.

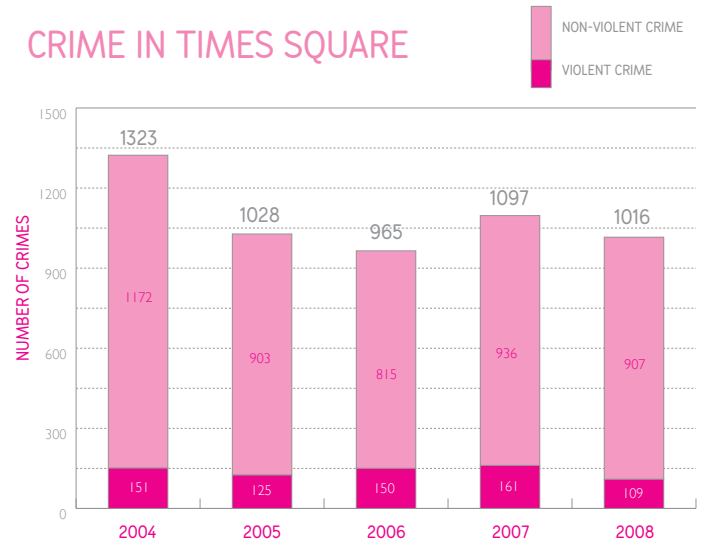
With the opening of the new Duffy Square, the security division began providing 24-hour coverage on Times Square's iconic new public space. During the day, Public Safety Officers ensure that visitors and ticket-buyers enjoy the best seats on Broadway in a safe and welcoming environment. Alliance PSOs also conducted monthly surveys to monitor business activity and gather feedback from tenants in the district.

The Alliance works closely with the New York City Police Department and has weekly meetings to coordinate efforts to address security and quality-of-life issues as soon as they arise. This year several of our Public Safety Officers were given enforcement powers by the New York City Police Department and will be trained as Special Patrolmen. Members of the Public Safety Division were also trained by the NYPD's Counter Terrorism Division on the latest trends in terrorism.

This year, in order for our stakeholders to be able to report conditions in the district, the Alliance launched Street Watch.



CRIME IN TIMES SQUARE



Source: NYPD: Midtown South and Midtown North and Times Square Alliance Violent crime includes assault, robbery, rape and murder

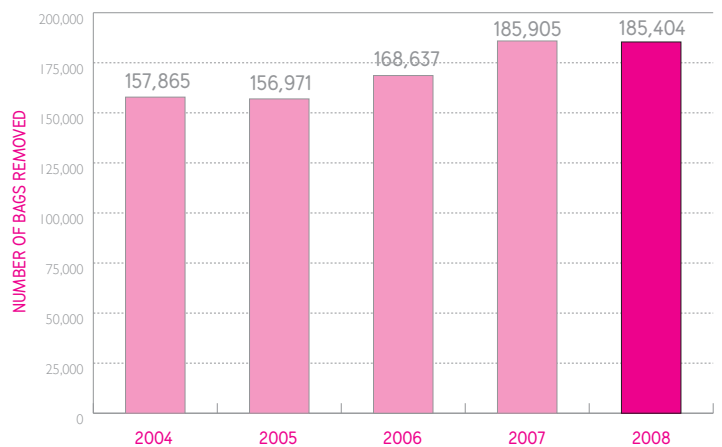
Anyone has the ability to report a problem or condition via e-mail, to StreetWatch@timesquarenyc.org. The Alliance security division will either address the issue directly or refer the problem to the appropriate agency.

SANITATION

The Times Square Alliance fields a full-time sanitation staff of 36 and, in partnership with Project Renewal and Midtown Community Court, recruits a part-time staff of 15 employees in search of valuable work experience. The staff removed over 180,000 trash bags, accounting for roughly 1,613 tons of garbage, above and beyond the bags collected by the City of New York's sanitation services.

In addition to keeping the district's streets and sidewalks free of loose garbage, stickers, and graffiti the Alliance sanitation staff undertook a new responsibility in 2008 – to maintain a world-class level of cleanliness on Duffy Square's glass staircase and granite plaza.

BAGS REMOVED BY ALLIANCE SANITATION



Source: Times Square Alliance

Alliance sanitation staff distribute over 25,000 balloons, hats, and scarves to revelers in Times Square on New Year's Eve. ▼

99.7%

Average "Acceptable" rating of Times Square sidewalks in 2008, according to the Mayor's Office of Operations Sanitation Scorecard



POLICY, PLANNING & DESIGN



TRANSFORMING TIMES SQUARE: FATHER DUFFY SQUARE AND THE NEW TKTS BOOTH

On October 16, 2008, Mayor Michael R. Bloomberg and partners from the Times Square Alliance, Theatre Development Fund (TDF), and the Coalition for Father Duffy Square commemorated the opening of the new Father Duffy Square and TKTS booth. The glowing red glass staircase and new, wider plaza establish a truly great gathering place in the heart of the world's most dynamic stage. At a time when tourism is an ever-more important segment of the City's economy, Duffy Square creates yet another reason for people to visit the Crossroads of the World to see great design and great theater.

The transformation of Duffy Square was made possible by support from public sector leadership and private donations. The Alliance and its partners thank Mayor Michael R. Bloomberg and Speaker Christine C. Quinn, along with former Speaker Miller, Representatives Nadler and Maloney, Assembly Member Gottfried, and a host of City agencies, including the Departments of Cultural Affairs, Design & Construction, Parks & Recreation, Small Business Services, and Transportation, as well as the Economic Development Corporation, and New York City Transit, for their generous support for this project.

Mayor Michael R. Bloomberg addresses the dedication of Father Duffy Square (right); Commissioners Kate Levin, Adrian Benepe, Rob Walsh, David Burney, Janette Sadik-Khan watch the proceedings (below).



AN ICON AMONG ICONS

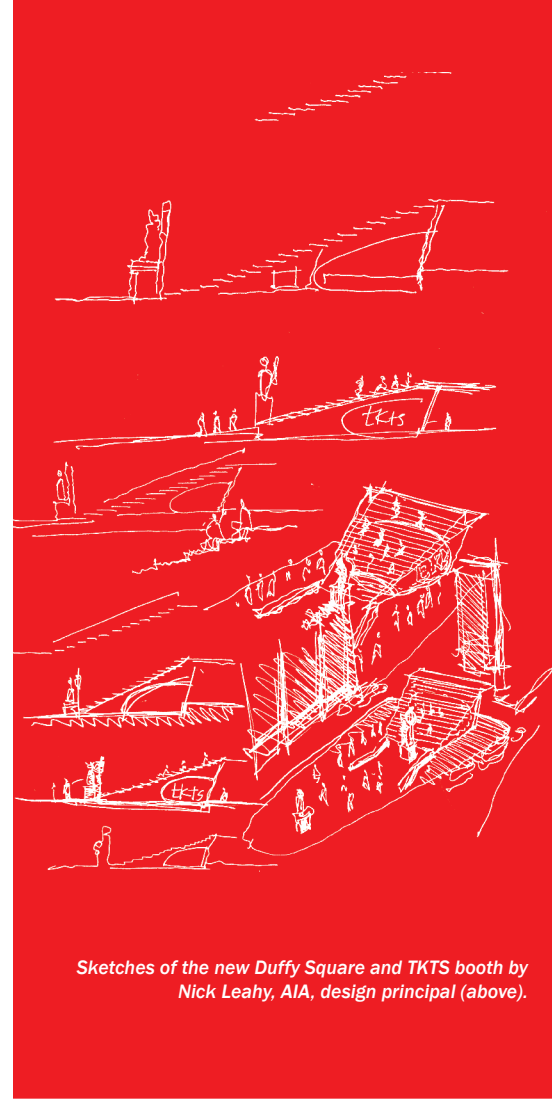
In 1973, when Times Square was in its darkest days, the creation of the original TKTS booth by City Hall, TDF, and the theatre industry was a crucial first step in the revitalization of Times Square. The rebuilding of Duffy Square marked a similar starting point in making the world's best-known public space a showcase for world-class design and improvements to the pedestrian environment.

As part of the millennial celebration, TDF and the Van Alen Institute held an international competition for a new design for the TKTS booth and the surrounding plaza. The winning concept, by John Choi and Tai Ropiha of Australia, stood out above the nearly 700 other entries because of its ability to integrate the many elements of the square. As designed by Perkins Eastman, engineered by Dewhurst MacFarlane & Partners, and constructed by D.Haller, Inc., the glowing glass staircase creates an instant international icon.

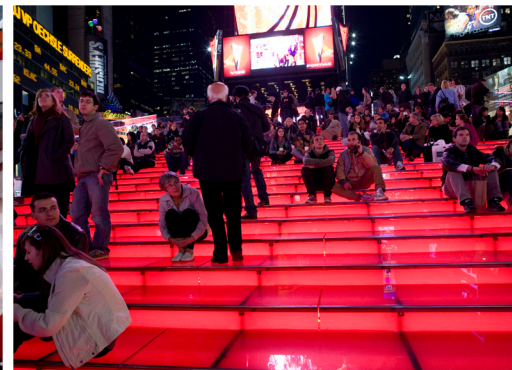
The new plaza, doubling usable pedestrian space, enables visitors to experience the entirety of Times Square on a grand scale. The design unites the plaza, glass staircase, and booth to provide a much-needed refuge from the surrounding visual cacophony. The structure is built entirely from glass, placing it at the forefront of glass technology. Red glass steps supported on glass stringers and spanning between glass load-bearing walls are illuminated from within by red LEDs.

The overall effect is dramatic – a shimmering, floating carpet of color and light. The TKTS booth itself is a free-standing, custom-fabricated fiberglass shell that sits beneath the steps, visible through the glass side walls of the structure. Together these new elements have transformed the heart of the Times Square district while raising the bar for public space in New York City.

The new Duffy Square affords visitors the opportunity to relax on the plaza, purchase discounted theater tickets, or see the bright lights of the Great White Way in an unparalleled setting.



Sketches of the new Duffy Square and TKTS booth by Nick Leahy, AIA, design principal (above).



“The new Duffy Square and TKTS booth exemplify the energy and creativity with which we welcome visitors to the City. Times Square is known around the globe as the greatest stage for theater, the best place to celebrate the new year and ‘the crossroads of the world,’ and these improvements will make the Times Square experience even greater.

Thanks to the public-private partnership that made this project possible, New Yorkers and visitors alike have space to relax in the middle of the electric excitement of Times Square.”

Mayor Michael R. Bloomberg

ACCOLADES FOR DUFFY SQUARE

New York Times, Oct. 16, 2008

“Those who make it to the top — and it seems to be the natural instinct of just about everyone to make that beeline — will be rewarded by a kinetic panorama: the perfect picture-postcard angle on the colossal sluice of entertainment, commerce and humanity that has bedazzled Americans and bemused foreign visitors for more than a century.”

“Atop the New TKTS Booth, Ruby-Red Stairs With a View of the Great White Way,” David Dunlap

New York Magazine, Dec. 15, 2008 2008 Year in Culture Best in Architecture

THE YEAR IN CULTURE

ARCHITECTURE



Our
New Front
Stoop

Every evening, a few minutes before curtain, the scarlet stairs above the new TKTS booth offer the best view of the Times Square migrations—high enough to rise above the herd, low enough to absorb the hum. It took \$19 million, nine years, and an endless supply of recrimination to build the fiberglass shell for the discount-tickets booth and the glass bleachers above, but the result looks like a sudden stroke of theater. During the day, the structure, designed by the Australian architects John Choi and Tai Roipha, together with Perkins Eastman, mutes its glamour and functions as a communal stoop. No ticket necessary—anyone can find a glossy place to rest in the middle of the frantic bow tie. In the evening, the staircase dons a bit of magic. Floor lights come on, giving off a red glow that gathers the bobbing taillights of passing traffic and flatters tired features. Then the steps become an outdoor stage, hosting a perpetual pageant of passersby. The unwitting cast sweeps down onto an expanded plaza, parts around the statue of Father Duffy, and sashays onto Broadway. The red stairs have democratized that great privilege of the stars: the dramatic entrance.

60 NEW YORK DECEMBER 15, 2008

PHOTOGRAPH COURTESY OF THEATER DEVELOPMENT FUND



BEST PUBLIC SPACE
TKTS BOOTH
New York City. Designed by Perkins Eastman; concept by Choi Roipha.
In the heart of Times Square, amid the thronging crowds, neon lights, urgent billboards, and animated video screens—the cacophony of capitalism—the TKTS Booth has become a remarkable pedestrian destination, a small island of relative calm. Glowing red steps form the roof of the discount Broadway ticket outlet, an elevated grandstand from which to watch the world go by. Broadway at W. 47th St.; tdf.org.

FROM THE FRONT
>>> “THE TKTS BOOTH INVENTS PUBLIC SPACE WHERE THERE WAS NONE BEFORE.”
—MICHAEL BIERUT

New York Times, Oct. 20, 2008

“Strange place for an oasis, but a stretch of crimson steps rising from Times Square has become just that — a stairway to nowhere smack in the middle of everything.”

“Broadway Has a Big New Hit, and You Don’t Need a Ticket,” Cara Buckley

Travel and Leisure March 2009

◀ Best New Public Space

AWARDS:

American Institute of Architects NY
Design Merit Award – 2009

2009 Lumen Citation for the Integration of Light,
Architecture and Signage by the New York Section

NYC Art Commission Award for Excellence – 2007

American Planning Association - William Whyte Award

TOWARD A NEW PUBLIC REALM

The renovation of Duffy Square is just the first piece of a larger vision for the continued transformation of Times Square. The Times Square Alliance proposes to use physical, management and programming improvements to address Times Square's core pedestrian, public space and perception problems; nurture its creativity, energy and edge; and create a world-class public space representing the best of New York.

We anticipate that Green Light for Midtown, the City's pilot project to pedestrianize several blocks of Broadway beginning in summer 2009, will provide an opportunity to test the best ideas in public space programming and management.

PHYSICAL IMPROVEMENTS THAT FEATURE WORLD-CLASS DESIGN

Use Duffy Square, with its first-rate design and doubling of usable pedestrian space, to shift New York's public realm paradigm and raise expectations for the rest of Times Square.

Implement a planned streetscape reconstruction of the Bowtie with the City, which will feature first-rate design and respond to multi-faceted demands on Times Square as a public space with diverse users.

MANAGEMENT IMPROVEMENTS

Establish special regulations and processes throughout the district that will set specific criteria and procedures for any temporary or permanent use of Times Square.

Create a more integrated management structure that builds on the example of the Mayor's Office of Citywide Events Coordination and Management and improve multi-agency links.

PROGRAMMING IMPROVEMENTS

Continue to allow a limited number of large-scale marquee events that serve the City's interests, but minimize adverse impact.

Nurture small-scale, original public art and performance so that the district will emerge as a constantly changing gallery of exciting yet non-intrusive public art and performance.



PUBLIC ART

L to R: *Facing Florida*, by Kai McBride; *Nature Matching System*, by Tattfoo Tan; *Love banner* by Worldstudio.



With the completion of the new Duffy Square, Times Square is poised for a transformation into a world-class public space. Part of that transformation includes innovative programming and public art to activate open spaces or underutilized facades.

In 2008 the Alliance launched a coordinated public art program, beginning with two pilot projects to engage creative New Yorkers and cultural tourists and invite passers-by to observe, enjoy, and discuss unique public art installations.

The Alliance hired Glenn Weiss, a public art and planning specialist with experience running public art programs in south Florida and Seattle, to oversee the program. With the generous support of a grant from the Rockefeller Foundation, the Alliance will create an advisory board of local stakeholders and experts from the art and design communities to oversee a two-year effort that showcases cutting-edge and interactive art.

This summer, in partnership with the Port Authority of New York and New Jersey

and the Fashion District, the Alliance sponsored Tattfoo Tan's *NMS: Nature Matching System*, a mural on display at the Port Authority Bus Terminal that invited Eighth Avenue and 42nd Street to take their "daily dose of color."

October witnessed the arrival of *Facing Florida*, a series of photographs by Kai McBride of small-business advertising from the Sunshine state. With the support of Tishman Hotels, the mural was on display on a construction fence at Eighth Avenue and 44th Street.

8th ave



On the heels of its action plan for the continued development and improvement of Eighth Avenue, the Alliance extended its efforts to attract the attention of New York's top retailers. In June, the Alliance

welcomed over 100 tastemakers and key players in the real estate community to a breakfast preview of MUJI, which set a new standard for quality retail on Eighth Avenue. The event featured remarks by the President of MUJI USA, Ltd. Mr. Hiroyoshi Azami, as well as Mary Anne Gilmartin of Forest City Ratner.

This winter, the Alliance engaged World Studio to develop a new identity for Eighth Avenue in midtown. The Alliance is prepared to launch a broad outreach

campaign to announce to hip retailers, neighborhood brokers, and New York consumers that Eighth Avenue is an attractive destination for the best that New York has to offer.

The area's unparalleled foot traffic, creative professionals, and neighborhood feel are helping to diversify and improve the retail mix on this exciting and expanding corridor.



New retail at the New York Times Building (L to R: Schnipper's Quality Kitchen, MUJI, and Dean & DeLuca) brought a fresh mix of good food and good design to Eighth Avenue in 2008.

THE NATION'S ELECTRONIC TOWN SQUARE

For over a century, Times Square has been a gathering place for New York and the nation, to celebrate important public events, including the triumphant and dramatic end of World War II. The neighborhood's annual New Year's Eve festivities carry on that tradition of Times Square as America's preeminent "town square."

Throughout Times Square's history, it has served as a canvas for innovation in disseminating information and displaying images, from the first news tickers during the early 20th century to ground-breaking HD super-signs at the dawn of the new 21st century.

America turned its eyes and tuned in its television sets to Times Square for the most important public events of 2008, including the Democratic and Republican national conventions, and the historic election of Barack Obama on November 4th. New Yorkers and visitors from around the world gathered to watch speeches and follow election returns in the largest "living room" in the country,

and in the company of thousands of onlookers. Events of historic national and civic significance create a spontaneous community and energy in New York's most iconic public space.

Times Square is not only a place for civic theater, but for entertainment and sports as well. The New York Giants' victory over the New England Patriots in the Super Bowl brought thousands of fans to celebrate together, much like baseball fans gathered to celebrate the city's World Series victories in the 1940s and '50s.

Further enforcing the nature of Times Square as a democratic public space, the Metropolitan Opera of New York continued its outreach to a broader audience by hosting an evening of free opera to launch their 2008-2009 season. With new innovations in technology and the Alliance's work for the continued improvement of the public realm, the neighborhood will welcome the coming together of diverse peoples for years to come.



New York Giants fans celebrate the team's Super Bowl XLII victory over the New England Patriots. ◀

Thousands of New Yorkers descended upon Times Square to watch the presidential election returns on Nov. 4th. ▶

For the third consecutive year, opera fans gathered in Times Square for a free simulcast of the Metropolitan Opera's opening night production. ▼



REAL ESTATE, RETAIL & DEVELOPMENT



RETAIL

NEW

1. TKTS
2. MUJI
3. Walgreen's
4. NYC & Co. Info Center
5. Dean & DeLuca
6. Schnipper's Diner
7. Inakaya Grill
8. The Body Shop
9. Aspen Social Club at Stay Hotel
10. Sanrio Hello Kitty
11. Fossil
12. Cafe Groppi
13. Brasserie 1605
14. Qdoba Mexican Grill
15. Europa Cafe
16. Tony Mora Boots
17. Avanti Nails
18. Phantom of Broadway
19. Subway
20. Europa Cameras

COMING SOON

21. Forever 21
22. American Eagle Outfitters
23. Sephora
24. Montenapo
25. BBQ Restaurant
26. Crumb's Cupcakes
27. New Lunch Spot

CLASS A

COMMERCIAL LEASING

1. 7 Times Sq: 177,993 SF
(Pryor Cashman Sherman & Flynn, LLP; A.T. Kearney, Inc.; Hiscock & Barclay; Riemer & Braunstein, LLP; Super Derivatives Inc.; New Castle Funds)
2. 620 Eighth Ave: 106,678 SF
(British Telecom; First Solar, Inc.; Flanders Investment & Trade; Autonomy Corp.)
3. 5 Times Sq: 95,436 SF
(Comcast Cable Corporation)
4. 810 Seventh Ave: 85,642 SF
(Longacre Fund Management, LLC; Ion Media Networks, Inc.; NY Convention & Visitors Bureau Inc.)
5. 1515 Broadway: 64,788 SF
(Wurk Environments, LLC)
6. 1 Bryant Park: 51,919 SF
(Akin Gump Strauss Hauer & Feld LLP; MIRAE Asset; Apex Capital Management; Generation Investment Management LLP)
7. 1633 Broadway: 51,855 SF
(Mitsubishi UFJ Securities)
8. 4 Times Sq: 34,927 SF
(Omnicom Group, Inc.)
9. 135 W 50th St: 28,541 SF
10. 1500 Broadway: 27,659 SF
(Hewitt Associates; Dynamic Credit Management)

-  Hotel Development
-  Commercial Development
-  Commercial Leasing
-  Residential Development
-  New Retail
-  Planned Development

COMMERCIAL DEVELOPMENT

A. 11 Times Square
Commercial
1.1 Million SF

B. 20 Times Square
Port Authority Bus Terminal Tower
Commercial
1.3 Million SF

C. 740 Eighth Avenue
Boston Properties / Related Companies
Commercial
850,000 SF

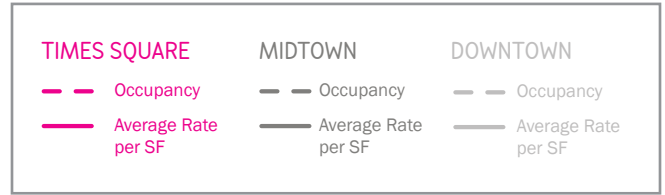
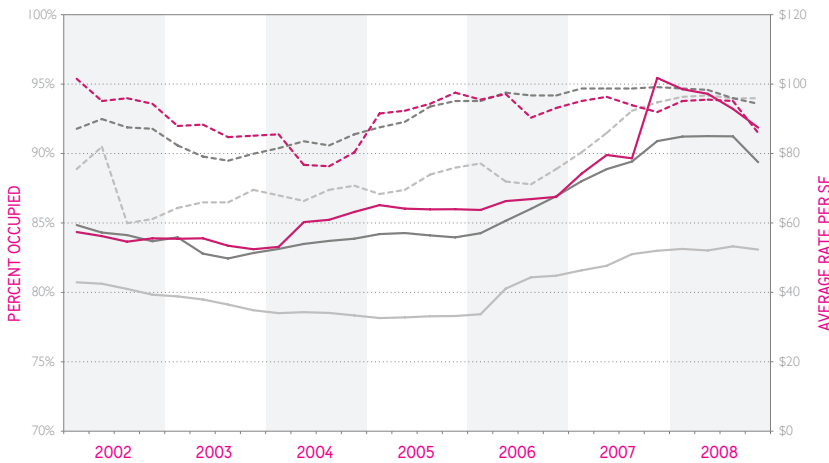
D. 140 West 42nd Street
Commercial

HOTEL DEVELOPMENT

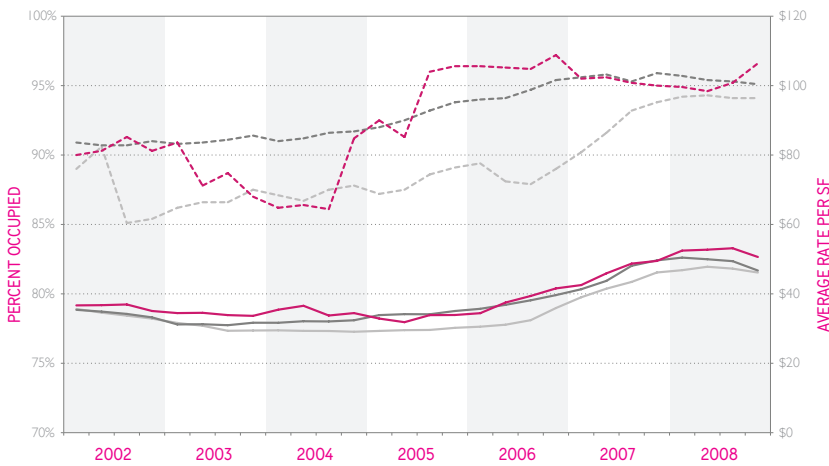
E. InterContinental
New York Times Square
Hotel
600+ Rooms

COMMERCIAL REAL ESTATE

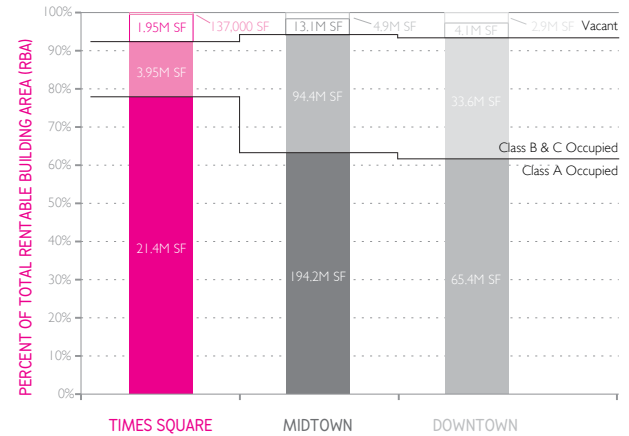
CLASS A OCCUPANCY AND AVERAGE RATES



CLASS B & C OCCUPANCY AND AVERAGE RATES



2008 REAL ESTATE INVENTORY

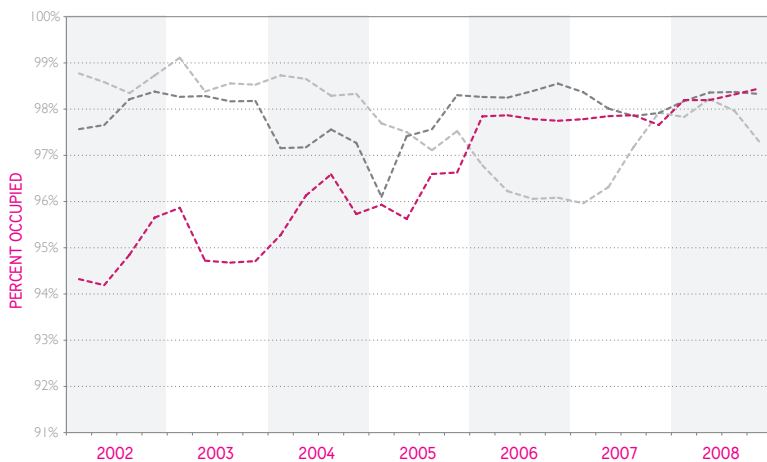


Despite sharp nationwide downturns in commercial real estate in 2008, Times Square properties continued to command high rents and maintain high occupancy rates compared to previous years. Although the Times Square market suffered the pressures of a receding economy, demand for prime office space dipped much less significantly than commercial space throughout the country, where Class A vacancy rates climbed to over 14%. Class A office space, which comprises over 85% of the total inventory of rentable space in Times Square, commanded average rates of over \$90/SF in 2008.

The opening of the Bank of America Tower at One Bryant Park and the soon-to-be-completed 11 Times Square signal that Times Square remains a center for top creative, law, and financial firms. On Eighth Avenue Pritzker Prize-winning architect Richard Rogers unveiled a stunning new design for a tower at the Port Authority Bus Terminal, 20 Times Square, and plans remain in place for the eventual development of new 850,000 SF tower by Boston Properties at 45th Street.

Times Square and Eighth Avenue attracted some of New York's most exciting new retail in 2008, including MUJI's flagship American outpost in the New York Times Building. The return of Walgreens to 1 Times Square linked Times Square's past to its present, heralding the arrival of the district's largest LED mega-sign on one of its most historic buildings.

RETAIL



Source: CoStar Group, Inc.

Times Square figures include commercial properties within BID boundaries; Downtown and Midtown figures based on CoStar submarkets. Average rates include direct and sublet figures.

KEY INDICATORS

TIMES SQUARE INFORMATION CENTER

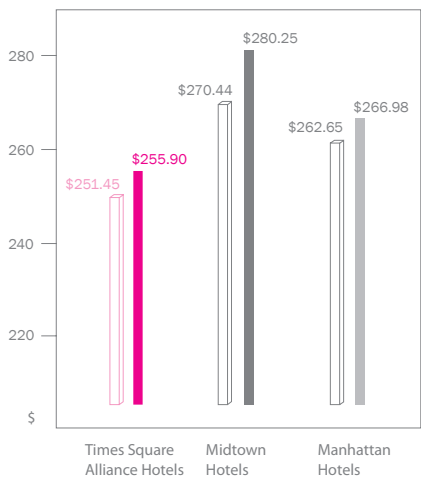
TOTAL NUMBER OF VISITORS



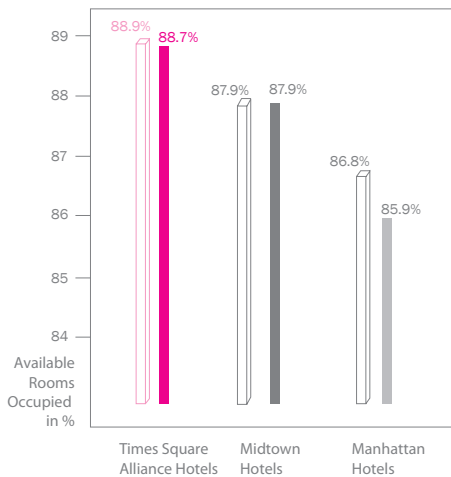
*Decreases due to construction/closing of Duffy Square

HOTELS

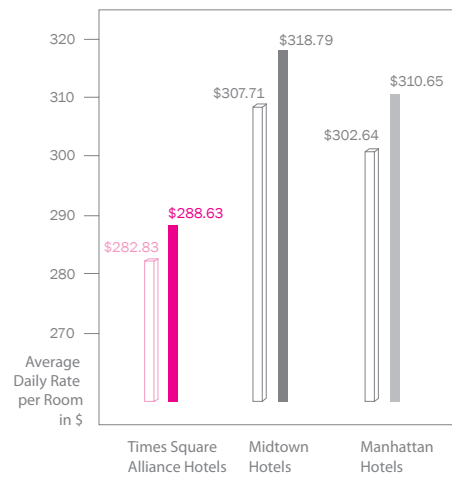
REVENUE PER AVAILABLE ROOM (REV PAR)



OCCUPANCY

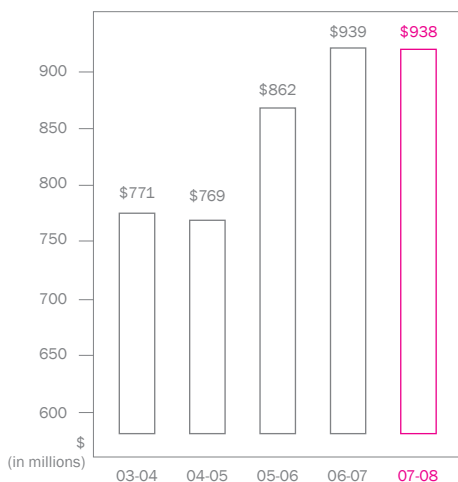


AVERAGE ROOM RATES

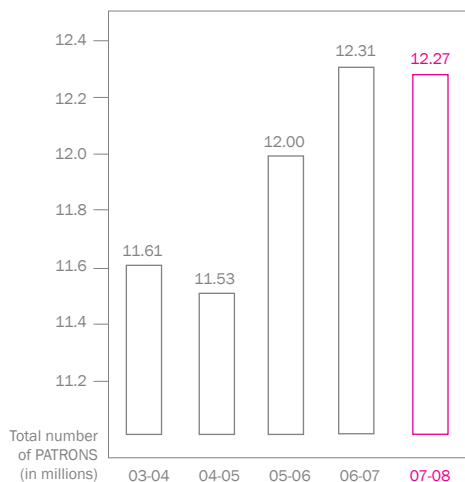


BROADWAY

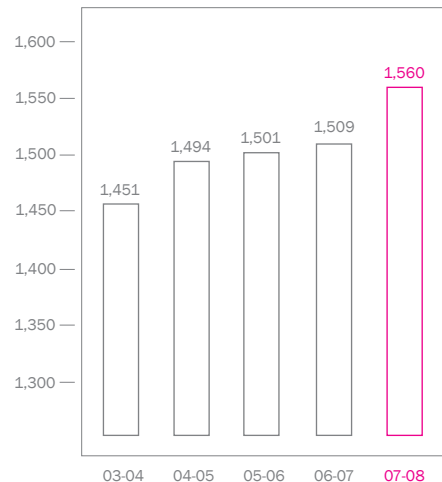
GROSS (IN MILLIONS)



ANNUAL ATTENDANCE



PLAYING WEEKS*



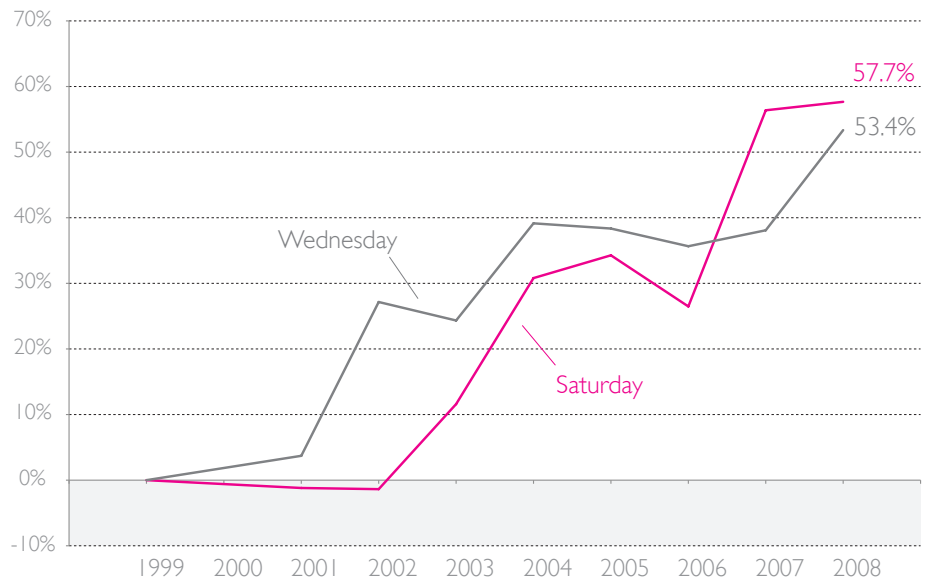
*Playing Weeks are calculated by counting the number of weeks each show ran in a given year, and then adding up each show's subtotal to determine the overall number of weeks of performance logged by all shows.

PEOPLE IN TIMES SQUARE

Since 1999, the Times Square Alliance has retained Philip Habib & Associates to conduct biannual pedestrian counts at over 20 locations through the district, in order to better understand peak hours and locations of crowding and meet the needs of area businesses looking for high foot traffic. As Times Square has grown into a premier destination for tourists and businesses, the number of people counted at each location has grown sharply, over 50% overall, and in some locations as much as 152%. The Alliance also counts pedestrians walking in the street, in an effort to address the safety risks posed by overcrowding. We have recorded a 509% increase since our first in-street counts in 2003.

In 2006, the Alliance commissioned PHA to develop a methodology for counting the total number of people that pass through the Times Square Bowtie in a 24-hour period, including pedestrians, vehicular passengers, and bus passengers. The study was conducted again this April, and counted nearly 500,000 people.

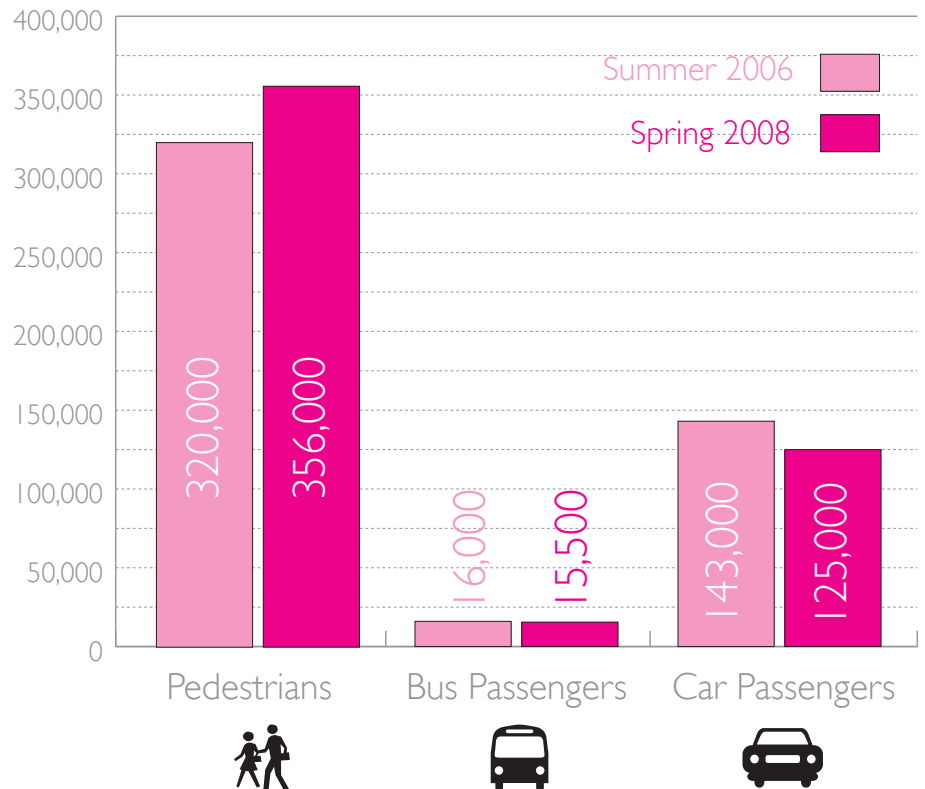
PERCENTAGE GROWTH IN PEDESTRIAN COUNTS AGGREGATE OF SELECTED LOCATIONS, SUMMER 1999-2008



Source: Philip Habib & Associates, Inc.
Figure represents total of individual counts conducted at 14 sidewalk locations throughout the Times Square Alliance district from 8:30 A.M. to Midnight.



TOTAL TIMES SQUARE BOWTIE 24-HOUR TRAFFIC, 2006-2008

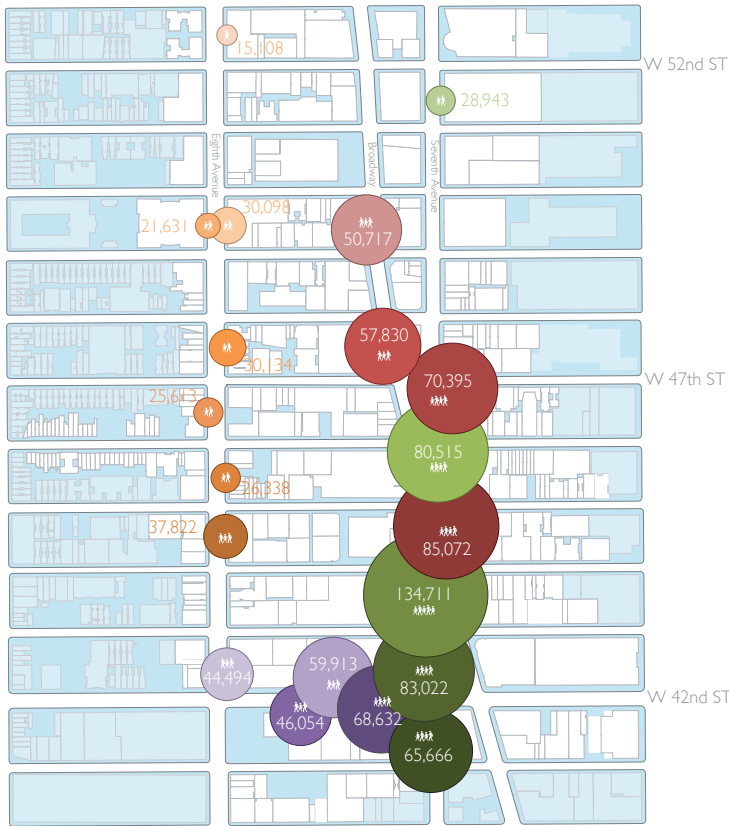


Source: Philip Habib & Associates, Inc.
24-hour gated counts conducted Friday August 4th, 2006 and Friday April 18th, 2008 in the area bounded by Broadway, Seventh Avenue, 42nd and 47th Streets, beginning at 8:00 A.M.

PEDESTRIAN COUNTS SUMMER 1999 - 2008

SEVENTH AVENUE

WEDNESDAY, AUGUST 13, 2008



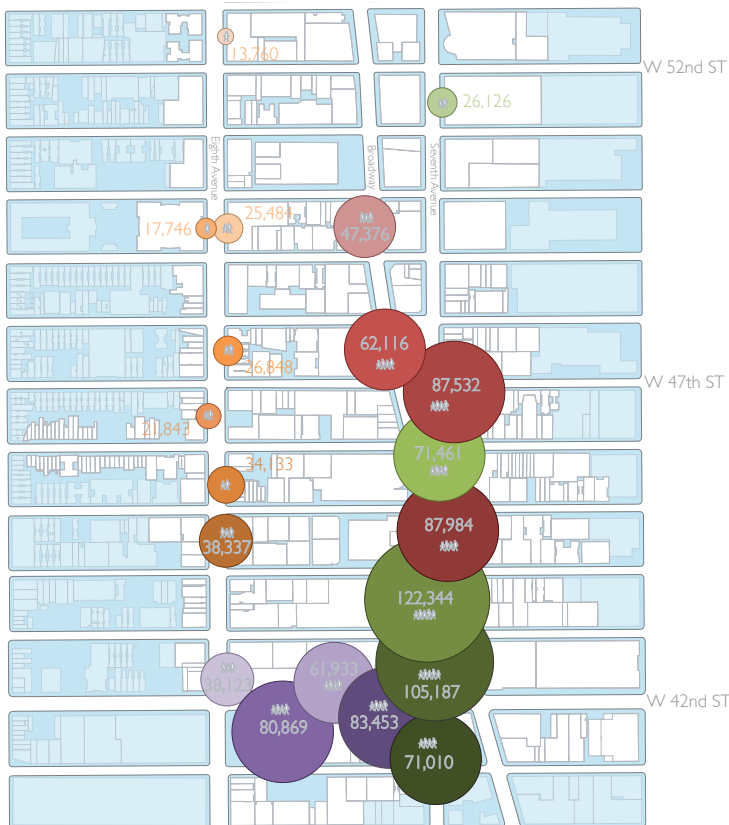
WEDNESDAYS

2008
2007
2006
2005
2004
2003
2002
2001
1999

	42ND (SW CORNER)	42ND-43RD (WEST)	44TH (SW CORNER)	45TH-46TH (EAST)	52ND-53RD (EAST)
2008	65,666	83,022	134,711	80,515	28,943
2007	56,900	93,682	87,503	74,923	26,582
2006	43,380	79,534	57,538	71,133	21,962
2005	53,467	73,573	91,856	66,501	20,658
2004	41,625	76,620	66,520	55,114	20,234
2003	39,977	109,787	69,884	50,148	17,441
2002	36,305	68,531	71,163	70,533	19,793
2001	24,131		47,925	48,899	15,153
1999	29,653		51,125	52,906	20,065

% CHG 1999-2008 +121% +21% +164% +34% +42%

SATURDAY AUGUST 8, 2008



SATURDAYS

2008
2007
2006
2005
2004
2003
2002
2001
1999

	42ND (SW CORNER)	42ND-43RD (WEST)	44TH (SW CORNER)	45TH-46TH (EAST)	52ND-53RD (EAST)
2008	71,010	105,187	127,445	71,461	26,126
2007	60,992	90,699	119,429	72,100	28,245
2006	32,447	78,508	56,634	77,658	16,990
2005	40,699	92,403	58,478	74,039	21,319
2004	32,538	79,333	67,059	52,951	19,274
2003	31,159	69,576	63,687	52,681	17,106
2002	30,059	65,220	47,686	80,219	16,199
2001	27,909		54,859	57,945	15,776
1999	32,700		51,419	58,391	15,690

% CHG 1999-2008 +116% +62% +148% +22% +67%

BROADWAY

42ND STREET

EIGHTH AVENUE

44TH-45TH (EAST)	46TH-47TH (WEST)	47TH-48TH (WEST)	50TH (SW CORNER)	7TH AVE (SW CORNER)	7TH-8TH AVES (SOUTH)	7TH-8TH AVES (NORTH)	8TH AVE (NE CORNER)	44TH-45TH (EAST)	45TH-46TH (EAST)	46TH-47TH (WEST)	47TH-48TH (EAST)	49TH-50TH (WEST)	49TH-50TH (EAST)	52ND-53RD (EAST)
85,072	78,632	57,830	50,717	68,632	46,054	59,913	44,494	37,822	26,338	25,613	30,134	21,631	30,098	15,108
70,653	57,950	57,869	43,823	69,929	40,617	50,634	43,648	33,405	35,006	31,291	25,561	18,879	25,933	15,448
102,740	56,384	50,598	42,541	44,804	49,208	37,807	29,576	28,347		21,083		18,298		12,540
60,312	45,042	40,090	37,235	56,070	37,830	43,294	33,946	29,549		21,651		14,733		10,403
66,662	43,274	57,587	34,529	50,607	58,546	43,590	36,076	28,767		18,746		12,734		10,973
55,488	47,135	45,450	32,019	52,836	43,157	40,020	31,932	26,220		20,344		12,786		8,503
44,129	40,212	37,022	31,966	48,208	41,206	40,292	28,425	28,240		19,251		17,095		10,069
		35,761	34,193	46,080	37,932	35,046	20,828	20,865		16,699		12,929		8,710
		30,242	32,113	22,567	40,375	25,385	20,326	21,581		17,693		14,019		10,865
+93%	+96%	+91%	+58%	+204%	+14%	+136%	+115%	+76%	-25%	+44%	+18%	+54%	+16%	+39%
+35%	+102%	+68%	+49%	+199%	+108%	+33%	+183%	+89%	+17%	+37%	+19%	+43%	+12%	+56%
87,984	98,560	62,116	47,376	83,453	80,869	61,933	38,123	38,337	34,133	21,843	26,848	17,746	25,484	13,760
103,885	79,167	77,241	47,320	79,677	55,890	61,544	39,762	33,548	29,121	28,257	22,906	17,884	22,659	13,409
125,825	57,893	48,006	35,280	47,380	52,080	44,538	26,190	28,434		17,091		12,473		10,022
99,994	85,759	48,519	34,292	53,899	71,935	41,756	34,862	28,142		19,521		13,049		10,295
56,683	61,361	40,540	37,785	59,428	78,729	53,342	36,354	41,213		17,957		12,170		8,726
68,346	41,805	41,962	27,948	43,333	46,462	45,876	31,662	25,127		14,709		9,622		7,907
64,936	48,639	35,314	25,390	52,018	43,976	36,325	28,291	23,007		14,547		9,943		8,131
		37,588	26,975	63,249	38,930	46,522	44,357	22,703		16,323		9,086		7,840
		36,917	31,687	27,896			13,450	20,311		15,962		12,653		8,830

Source: Philip Habib & Associates, Inc. Counts conducted from 8:30 A.M. to Midnight.



MARKETING & EVENTS

Times Square is more packed than ever with cutting-edge companies, blockbuster performances playing to an increasingly diverse audience, chic innovative restaurants, striking modern design and architecture and distinctive new retail destinations. This unique mix of creativity and commerce, energy and edge, have made Times Square a true representation of the diversity of New York, and an international icon.

The Times Square Alliance shows off the neighborhood with a series of high-profile events and programs, ranging in demographic appeal, all with a Times Square attitude that makes them distinctive and memorable.

JOY YOGA



NEW YEAR'S EVE 2009

The 2009 New Year's Eve celebration continued a grand Times Square tradition begun in 1904. This year's celebration expressed the night's creativity and energy in new and different ways with a cutting-edge entertainment party attended live by over a million people and watched by more than a billion worldwide. Last year saw the debut of a brand new brighter and more energy-efficient New Year's Ball, double the size of the previous version, with enhanced color capabilities and state-of-the-art LED lighting effects. The new ball will be a year-round attraction above Times Square, in full public view January through December.

Top pop culture music artists performing live in Times Square on New Year's Eve this year included The Jonas Brothers, Ludacris, Taylor Swift and Lionel Richie. Katie Couric, Anderson Cooper, Ryan Seacrest, Carson Daly, Raul de Molina and others were on hand to help count down to the new year. President Bill Clinton and Senator Hillary

Rodham Clinton joined Mayor Michael Bloomberg in pressing the ceremonial button to lower the ball at midnight.

A host of sponsors supported the 2009 event, including Nivea Lip Care, 3 Musketeers Mint, Pepsi, Panasonic, Waterford Crystal, Philips and Snapple.

This year saw the continuation of two new New Year traditions begun in 2007. First, the public was invited to share personal goals, dreams and wishes on a piece of confetti on our Wishing Wall. These wishes were collected at the end of the year, and added to the confetti that fluttered down onto the streets of Times Square at midnight on New Year's Eve.

The New Year is a time of new beginnings, second chances, starting anew - and letting go of old baggage. In keeping with that spirit, Times Square Alliance and Countdown Entertainment invited New

Yorkers and visitors from around the world to join us for "Good Riddance Day" on December 28th where a year's worth of bad hairstyles, loathed music, fashion disasters and ill-fated romances were mashed into an unrecognizable pulp of bad karma and negative vibes - then be carted off, never to be seen again.

But it was also a year of firsts, as the gigantic 500-pound, seven-foot-tall numeral "9" that completed the New Year's Eve "2-0-0-9" sign travelled by New York Waterway ferry down the Hudson River, and then to Times Square.

This year also marked the first New Year's Eve Practice Kiss event on December 26th, when the steps of Duffy Square were filled with dozens of couples as they rehearsed for the biggest group kiss of the year - the kiss that takes place in Times Square on New Year's Eve.

SUMMER SOLSTICE: MIND OVER MADNESS YOGA

The Alliance presented the 6th Annual "Mind Over Madness Yoga", a free yoga experience in the heart of Times Square on June 21st. Yoga enthusiasts, both experienced and beginners, gathered to find tranquility and transcendence in the midst of the urban energy of the world's most commercial and frenetic place. A record-breaking 1048 participants (some traveling to Times Square from across the country to be a part of the event) and 48 partnering yoga studios joined in on this great Karmic battle between peace of mind and urban madness. Between classes, author and Yoga Journal blogger Carolyn Reiss shared yoga tips and teacher and performer Prassanna Kumar played the traditional sitar. Dancing with the Stars celebrity Carrie Ann Inaba was also on hand for one of the classes. The event saw a considerable increase in sponsorship this year, with support from SOYJOY, Snapple, Danskin, Yoga Journal, Body Shop and Yoga Mates. Total media coverage of the event resulted in an overall television viewership of over 2.6 million and print coverage reaching over 3.7 million people.



TASTE OF TIMES SQUARE

June 2nd witnessed the return of the best food and entertainment festival in New York. Attended by an estimated 20,000 food fans, the 15th Annual Taste of Times Square took over West 46th Street between Broadway and Ninth Avenue, including historic Restaurant Row. The 2008 festival showcased a record-tying 53 eateries and was highlighted by top-notch international

entertainment performing on three stages, and a swing dancing tent where attendees showed off their hottest dance moves all evening. Ticket sales were up 17% from 2007, and a survey of this year's attendees indicated that 98% intended to return in the future and dine at one of the participating restaurants.

EVENTS



DANCING AT THE CROSSROADS

On Sunday, June 8th, the Alliance, in association with Dancers Responding to AIDS, presented “Dancing at the Crossroads”, a free outdoor performance featuring more than 200 dancers from 20 dance companies presenting a program of dance as diverse as New York City itself. With styles ranging from classic and contemporary ballet to hip hop, jazz, modern and tap, set to music ranging from Stravinsky to Stevie Wonder, Dancing at the Crossroads offered something for every lover of music and dance. Admission was free and open to the public.

One of the twenty performances from Dancing at the Crossroads, which featured a diverse group of styles from around the world.



Crowds at Taste of Times Square on June 2, 2008 (Above); The five winners of Bright Lights, Big Verse, selected from nearly 700 entries, in the heart of Times Square (Below).

BRIGHT LIGHTS BIG VERSE: POEMS OF TIMES SQUARE

On June 23rd, The Poetry Society of America and the Times Square Alliance proudly showcased the work of the five winners of Bright Lights Big Verse: Poems of Times Square, the first-ever national contest for poetry inspired by Times Square. The five winners, selected from a pool of almost 700 entrants, joined distinguished poets Kimiko Hahn, Bob Holman, Tracie Morris and Philip Schultz for a free outdoor public reading at the Crossroads of the World. The five prize-winning pieces represented Times

Square experiences and impressions as disparate and diverse as their authors – from a father’s visit to the wartime Times Square of the 1940s to a family’s unlikely choice of Times Square as a place to scatter an uncle’s ashes to a poem about love, heartache, movie theaters and Ella Fitzgerald. Each poem, whether heard live at the Crossroads of the World, during media interviews covering the event, or read online, encouraged people to view Times Square in new ways, question pre-conceived notions



about the neighborhood, or consider the unique qualities that define one of the world’s most exciting urban districts.



BROADWAY ON BROADWAY

On Sunday, September 14th, 50,000 spectators swarmed into the heart of Times Square to enjoy one of New York’s great outdoor events, Broadway on Broadway. This year’s free concert, co-produced by the Broadway League and the Times Square Alliance, was hosted by Drew Lachey and featured musical numbers and appearances from almost every play and musical on Broadway, as well as sneak peeks at several upcoming shows opening in the new theatre season. For the first time, Broadway on Broadway showcased performances in full costume, most accompanied by live music courtesy of a 30-piece orchestra.

The cast of Tony-award winning Spamalot, led by pop star and host Drew Lachey.



A chihuahua dressed as presidential candidate Sen. Barack Obama competes for the title of "First Pooch" at the Times Square Dog Day Masquerade.

TIMES SQUARE DOG DAY MASQUERADE

Times Square went to the dogs on Sunday, October 19th for a fun-filled afternoon of canine camaraderie presented by the Times Square Alliance on the newly re-opened Duffy Square. Top prizes were awarded to the dogs whose costumes best evoked Times Square's past or present, including historical figures like the VJ Day Sailor and Nurse, current Times Square characters such as New Year's Eve celebrants, Broadway icons like the Phantom of the Opera, or even shady street characters from Times Square's seedy past, because, as they say, poochin' ain't easy. And since

this was an election year, 2008 Election-themed costumes were also more than welcome. This year's event attracted no less than 88 canine competitors, decked out as everything from the stars of Broadway's Grease to Vice Presidential Candidate Sarah Palin. The event also highlighted Animal Haven's Adopt-A-Pet program, which was held at the Times Square Information Center on October 22nd. With plenty of media attention, total on-air and print coverage for the event was estimated at well over 6.5 million viewers.

PROGRAMS

CROSSROADS: THE TIMES SQUARE CARD

Crossroads: The Times Square Card provides employees and residents in our area the opportunity to access valuable incentive and savings programs designed especially for them. Far more than a discount card, Crossroads is a tool that helps the Alliance reach out to restaurants, retailers and Times Square attractions as we develop special offers for employees and residents.

The Alliance distributed nearly 20,000 additional Crossroads Cards in 2008, and 42 new Neighborhood Partners joined the program to offer exclusive deals and discounts to members. In addition, 93 new businesses and organizations joined the list of Times Square companies who

distribute cards to their employees. The program was also showcased at 4 "open house" events at the headquarters of Viacom, Ogilvy & Mather and Ernst & Young. Finally, 2008 saw the debut of the first-ever Crossroads cardholder event, an exclusive breakfast and shopping opportunity at Sephora Times Square that was attended by 480 cardholders and resulted in sales figures that doubled the expectations projected for the event by Sephora.



Crossroads: The Times Square card, offers discounts at neighborhood restaurants and retailers exclusively for Times Square residents and employees.

INFORMATION CENTER

CORE SERVICES

Through the summer of 2008, the Business Development division worked with the Center staff to “spruce up” of the Information Center, including reupholstering the historic theater seats, installing stretch canvasses featuring vintage Times Square images courtesy of the New York Times, repairing much of the wall and ceiling plastering, and upgrading the lighting capabilities to enhance use of the space as an event destination; the first major test of this was for a successful New Years Eve party.

In line with our vision of the Information Center serving as a cultural center and

premier event venue in addition to providing tourist services, we have managed several ongoing promotions throughout the year as well. Led by the Broadway League, we co-host a weekly live broadcast by Sirius Satellite Radio from the Information Center. In partnership with Countdown Entertainment, we were delighted to bring back the Centennial New Years Eve Ball to its home in Times Square over the holiday season and through early 2009, together with a customized multimedia presentation celebrating the history of New Years Eve in Times Square.



BUSINESS DEVELOPMENT

The primary goal of Business Development for the Alliance is to maximize the strategic, mission, and financial value from our assets, and to work in conjunction with other departments to create partnerships and programs in order to do so. Much of the year was spent assessing the potential value of these assets (such as the Information Center; original content; third-party owned materials based on Times Square; and service provision)

and examining the potential to build partnerships to implement projects both locally and globally.

Business Development activities have also included developing original retail merchandise for our gift store featuring historic Times Square images; encouraging manufacturers to develop and include Times Square themed products in their catalogs (such as jigsaw puzzles and apparel) and exploring the potential for tourist related products such as green screen photography in the Information Center. We already have in process several trademark applications to protect some of our unique original content associated with events, and are in talks with several potential partners to develop merchandise and publications around our emerging and growing collateral.

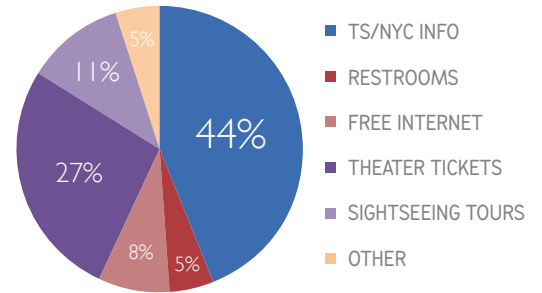
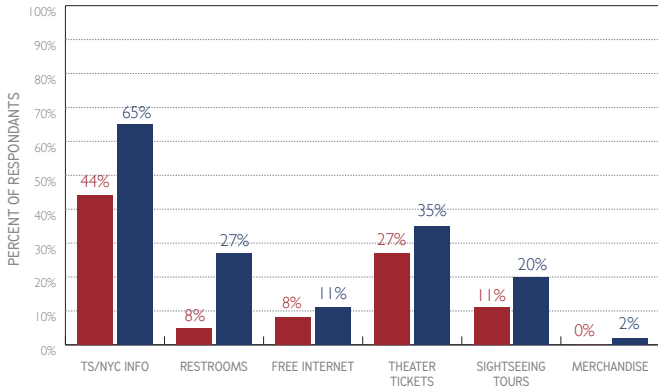
As part of the Alliance's long-term vision for the Information Center, in Spring 2008 we put out a Request for Expression of

Interest (RFEI), inviting potential partners to collaborate with us in re-envisioning the space as a state of the art venue for visitors to Times Square. Our primary requirements from partners were to continue providing tourist services, meet the Alliance's lease obligations and operating expenses, restore the space in compliance with Landmark constraints, and project our branding and mission goals through telling the story of Times Square as a unique, creative, cutting-edge destination.

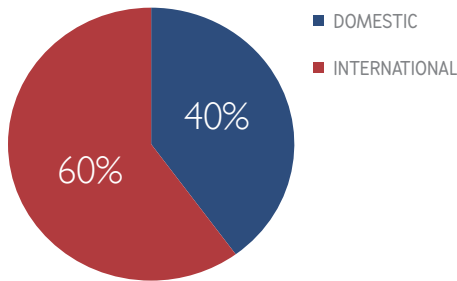
We received several compelling responses, and assembled a Selection Committee to evaluate submissions. We are currently in negotiations and close to finalizing options; we expect to present the new vision for the current space during Q1 2009.

VISITORS TO THE INFORMATION CENTER

PURPOSE OF VISIT



PLACE OF ORIGIN



90%

Visitors satisfied with their experience at the Times Square Information Center

73%

Visitors whose plans include seeing a Broadway show

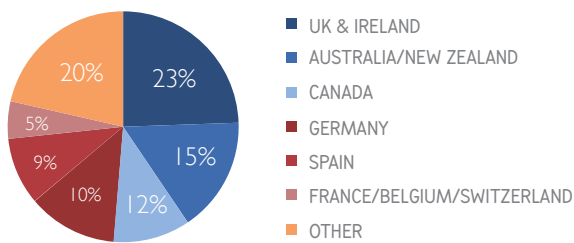
42%

Visitors staying in a Times Square hotel

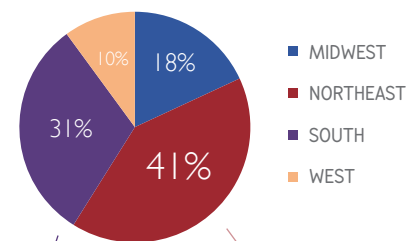
As part of our efforts to improve the quality of our service and to better understand the demographics and desires of visitors to the Times Square Information Center, the Alliance surveyed over 750 people and asked them questions about where they are coming from and why they are coming to Times Square. Proving that Times Square is still the Crossroads of the World, the surveys found that 60% of respondents traveled from a foreign country. Of those respondents, 80% hail from Western Europe, Canada, Australia and New Zealand.

Domestic visitors from the Southern and Midwestern states outnumbered visitors from the tri-state area by a two-to-one margin. The Broadway League's Broadway Concierge also brought a significant number of visitors to the Information Center, as 27% cited purchasing theater tickets as the primary reason for their visit.

INTERNATIONAL VISITORS



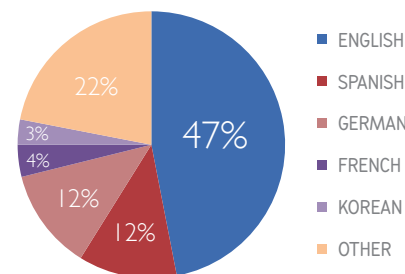
DOMESTIC VISITORS



South Region
Florida 7%
Texas 6%

Northeast Region
New York City 17%
Tri-State Area 24%

LANGUAGES SPOKEN



78%

Visitors whose native language is spoken by a Times Square Information Center tourist counselor (English, Spanish, French, and German)

55%

Visitors employed in professional or management occupations

Source: Times Square Alliance

ADMINISTRATION & FINANCE

Our Finance and Administration Department has three primary goals: to ensure excellent financial stewardship, to collect and manage information about constituents and physical conditions in the district, and to manage human resources to retain and recruit the best employees. In 2008, the Alliance redefined the VP, Finance Administration position as Chief Financial Officer, and hired Judith Rivkin.

The Alliance engaged Fiscal Management Associates LLC to conduct a fiscal infrastructure review. Our goal was to ensure that we have properly defined all fiscal processing and reporting tasks, we have the right staffing and software to complete those tasks, and we have the

best possible system of internal financial controls and board-directed oversight. FMA's report confirmed that TSA's fiscal operations are fundamentally sound, and made recommendations for streamlining of some operations and documentation of policies and procedures.

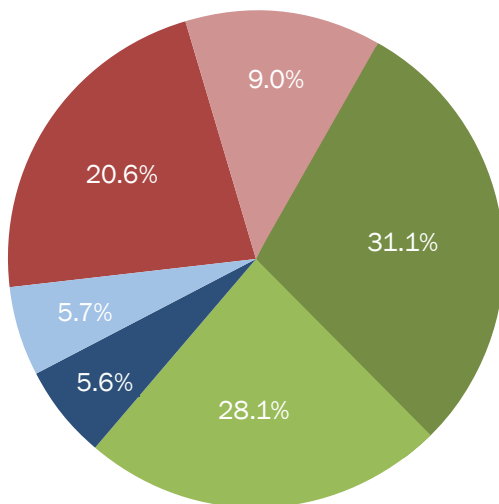
In addition to vital fiscal management and day-to-day administrative needs, the department continued to enhance its use of technology to increase productivity. We reviewed a variety of constituent relationship management systems and will be implementing a state of the art database in 2009. This will improve our ability to communicate with the range of our constituents. We also refined our

use of hand-held devices that allows our Public Safety Officers to track conditions in the district.

The Alliance's Human Resources department focused on improving the work environment in several ways. Our Employee Advisory Committee and Communications Committee enhance communication among all departments and levels. The Employee Assistance Program provides counseling and support for work/life issues. We launched a management program for sergeants in our Public Safety department. We held our first all staff family outing last summer on Governors Island.

OPERATING BUDGET

FISCAL YEAR 2008



Our annual operating budget is derived from assessment revenues collected by the City from district property owners as well as sponsorship dollars. In addition, the Alliance funds capital improvements in Times Square using a combination of funds from the City and a capital reserve established a few years ago. Each year, 3% of our assessment is allocated to the capital reserve.

**The Times Square Alliance conducts its fiscal years from July 1 to June 30.*

SPECIAL THANKS TO OUR CITY PARTNERS



*Hon. Michael R. Bloomberg
Mayor*



*Robert C. Lieber
Deputy Mayor for Economic
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*Robert W. Walsh
Commissioner, Department
of Small Business Services*



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Douglas Durst, Durst Organization
David Gilcrest, Project FIND
Mary Anne Gilmartin, Forest City Ratner
David Greenbaum, Vornado Realty Trust
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John Connolly, Actors' Equity Association
Bruce Goldner, Skadden, Arps, Slate,
Meagher & Flom LLP
Matthew Harrington, Edelman Public Relations
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Robert Kafin, Esq., Proskauer Rose LLP
Julia Levy, Roundabout Theatre Company
Thomas Lewis, Grayline NY Sightseeing
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Charlotte St. Martin, The Broadway League
George Stonbely, Spectacular Ventures*

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Council (represented by Kate Seely-Kirk)
Scott Stringer, Manhattan Borough President
(represented by Sari Bernstein)
William Thompson, Jr., NYC Comptroller's Office
(represented by David Brand)
Hon. Robert Walsh, NYC Department of Small
Business Services (represented by
Jeremy Waldrup)*

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Wally Rubin, Community Board 5
David Siesko, Community Board 5*

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*Willis Edwards III, Port Authority Bus Terminal
Robert Kaufman, Esq., Proskauer Rose LLP
Raymond Dowd, Mayor's Office of Special
Enforcement*

*** This report was designed by Jose Soegaard,
with additional design work provided by
Lara Bremer.**

COMING SOON!



The Times Square Alliance and the Fashion Center BID are partnering with the Port Authority of New York & New Jersey to present BLANK SL8, a temporary creative retail showcase opening May 2009 in the Port Authority Bus Terminal on Eighth avenue.



1560 Broadway, Suite 800
New York, NY 10036
P 212.768.1560
F 212.768.0233