

CONVENTION AND ENTERTAINMENT FACILITIES

Description and Mission

The Houston City Council approved the consolidation of the City's Convention & Entertainment Facilities Department into the Houston Convention Center Hotel Corporation, effective July 1, 2011, in order to improve the coordination of the City's convention and entertainment services by bringing various entities responsible for generating and spending City hotel occupancy tax ("HOT") revenues under one governing body. In connection with the Consolidation, the Hotel Corporation reconstituted and renamed itself as the "Houston First Corporation," which assumed the primary roles and responsibilities of the department. To accomplish this, the Hotel Corporation amended its bylaws and articles of incorporation to broaden its authority to accomplish its expanded duties and responsibilities. The Corporation has the authority to exercise all rights and privileges of a Texas nonprofit corporation and, as a governmental unit within the meaning of Chapter 101 of the Texas Civil Practice Remedies Code, its operations are governmental and not proprietary functions. The Corporation is governed by the board of directors appointed and approved by the Mayor and the City Council.

The Corporation (a) leases all previously existing department facilities and department-managed facilities; (b) operates, manages, maintains, develops, and redevelops those existing facilities; (c) has been assigned and now administers all of the department's obligations and responsibilities, as well as, its revenue budgeted as part of the department's budget, including, but not limited to, municipal HOT receipts, license fees, and concession revenues; and (d) as the City's agent, collects, administers, and audits HOT funds in accordance with terms of City ordinances. The City has entered into an Interlocal agreement with the Corporation, whereby the Corporation will lease all existing department facilities and department-managed facilities. The Consolidation Interlocal Agreement's initial term expires on December 31, 2026, but will be extended automatically until June 30, 2041, unless canceled by either party on or before June 30, 2026.

FISCAL YEAR 2021 BUDGET

Fund Summary

Fund Name : C&E - Facility Operating Fund
Business Area : Convention & Entertainment
Fund No./Bus. Area No. : 8601 / 4200

	<u>FY2020 Current Budget</u>	<u>FY2020 Estimate</u>	<u>FY2021 Budget</u>
Beginning Fund Balance	43,511,915	43,511,915	43,937,084
Current Revenues	100,606,404	91,154,155	76,239,110
Total Available Resources	<u>144,118,319</u>	<u>134,666,070</u>	<u>120,176,194</u>
Maintenance and Operations	294,470	341,318	358,800
Debt Services	103,360,922	88,938,668	73,972,625
Other Interfund Transfers	1,449,000	1,449,000	1,449,000
Total Expenditures	<u>105,104,392</u>	<u>90,728,986</u>	<u>75,780,425</u>
Planned Ending Fund Balance	<u>39,013,927</u>	<u>43,937,084</u>	<u>44,395,769</u>
Total Budget	<u><u>144,118,319</u></u>	<u><u>134,666,070</u></u>	<u><u>120,176,194</u></u>



FISCAL YEAR 2021 BUDGET

Business Area Budget Summary

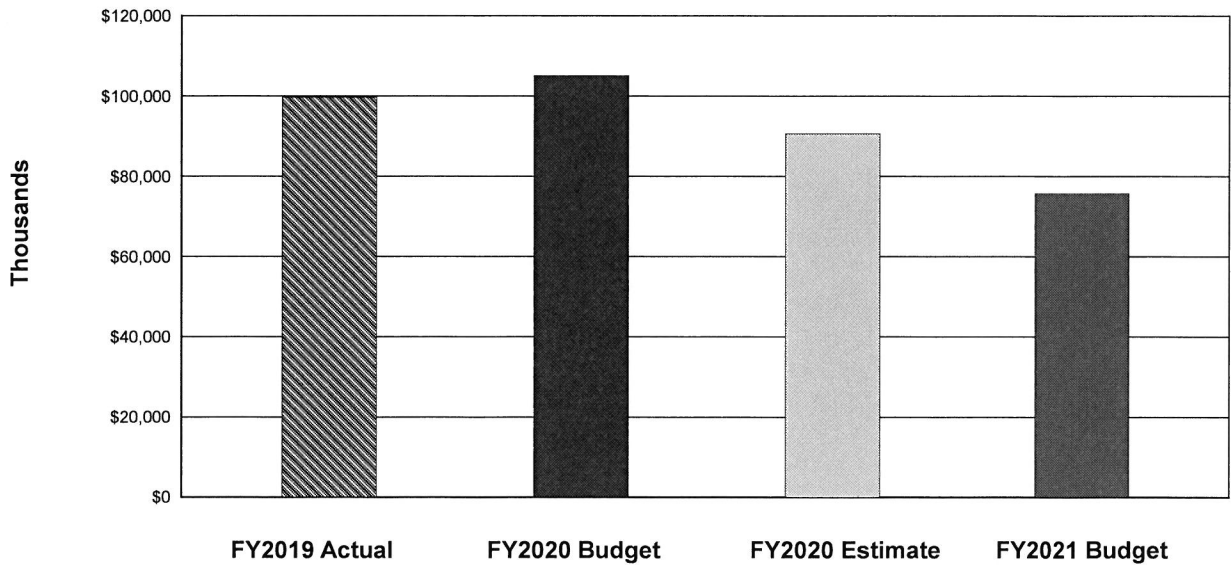
Fund Name : C&E - Facility Operating Fund
Business Area : Convention & Entertainment
Fund No. /Bus. Area No. : 8601 / 4200

	FY2019 Actual	FY2020 Current Budget	FY2020 Estimate	FY2021 Budget
Expenditures	Personnel Services	237,925	194,570	241,418
	Other Services and Charges	98,161	99,900	99,900
	Total M & O Expenditures	<u>336,086</u>	<u>294,470</u>	<u>341,318</u>
	Debt Service & Other Uses	99,338,491	104,809,922	90,387,668
	Total Expenditure	<u>99,674,577</u>	<u>105,104,392</u>	<u>90,728,986</u>
Revenues	97,383,048	100,606,404	91,154,155	76,239,110
Staffing	Full-Time Equivalents - Civilian	0.0	0.0	0.0
	Full-Time Equivalents - Classified	0.0	0.0	0.0
	Full-Time Equivalents - Cadets	0.0	0.0	0.0
	Total	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	Full-Time Equivalents - Overtime	0.0	0.0	0.0

Significant Budget Changes and Highlights

- o The FY2021 revenues have decreased significantly due to Coronavirus Disease 2019 (COVID-19) impact to the operations of Houston First for Hotel Occupancy Tax (HOT) and Parking revenues.
- o The FY2021 Budget includes return of inventory of hotel rooms after Hurricane Harvey, as well as remittance of HOT revenue from Airbnb and HomeAway that were not included in previous budgets.
- o FY2021 Budget includes funding for electronic equipment installed at the Parking Garages which will reinstate pricing tiers for contract, daily and event parking.

**C&E - Facility Operating Fund
 Convention & Entertainment
 Expenditure Summary**



FISCAL YEAR 2021 BUDGET

Division Summary							
Fund Name : C&E - Facility Operating Fund							
Business Area : Convention & Entertainment							
Fund No. /Bus Area No. : 8601 / 4200							
Division Description	FY2019 Actual		FY2020 Estimate		FY2021 Budget		
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$	
C&E - Convention Center Group 420001 A multi-pupose facility that hosts national conventions, trade shows, consumer shows, corporate meetings and religious meetings.	0.0	29,551,076	0.0	28,114,007	0.0	28,973,522	
Theater District Facilities 420002 The Theater District is home of the Houston Symphony, Society for the Performing Arts, Houston Grand Opera, Houston Ballet and Miller Outdoor Theatre as well as several downtown parks, the Theater District Parking Garage, and the City surface Lots C and H.	0.0	72,404	0.0	100,167	0.0	98,338	
C&E - Support Services Group 420005 Responsible for the administration of the City's Interlocal Agreement with Houston First Corporation (HFC), primarily the pledged hotel occupancy tax (HOT), parking revenues, and debt-related expenses.	0.0	70,051,097	0.0	62,514,812	0.0	46,708,565	
Total	0.0	99,674,577	0.0	90,728,986	0.0	75,780,425	

FISCAL YEAR 2021 BUDGET

Business Area Revenues Summary

Fund Name : C&E - Facility Operating Fund
Business Area : Convention & Entertainment
Fund No./Bus. Area No. : 8601 / 4200

Category	FY2019 Actual	FY2020 Current Budget	FY2020 Estimate	FY2021 Budget
Charges for Services	10,655,128	11,409,821	9,087,572	11,872,527
Interest	357,915	405,000	375,000	400,000
Miscellaneous/Other	291,583	291,583	291,583	291,583
Other Tax	86,078,422	88,500,000	81,400,000	63,675,000
Grand Total Revenues	<u><u>97,383,048</u></u>	<u><u>100,606,404</u></u>	<u><u>91,154,155</u></u>	<u><u>76,239,110</u></u>