

CONVENTION AND ENTERTAINMENT FACILITIES

Description and Mission

The Houston City Council approved the consolidation of the City's Convention & Entertainment Facilities Department (CEFD) 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.

Short Term Goals

- Continue our effort to collect more HOT and parking revenues as the COVID-19 vaccine rollout continues and employees return to work.
- We will continue efforts to activate the Avenida area and encourage the successful transformation of the Convention District.
- Through Houston First, Hurricane Harvey recovery is very nearly complete. The next several years will be planning phases for mitigation work which will proceed as we build back up financial reserves to fund and work with FEMA for reimbursement.

Long Term Goals

- Continue emphasis and focus on our efforts to attract conventions, meetings, and tradeshow to Houston.
- Support and expand the cultural arts offerings for Houstonians and visitors.

FISCAL YEAR 2022 BUDGET

Fund Summary

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

	<u>FY2021 Current Budget</u>	<u>FY2021 Estimate</u>	<u>FY2022 Budget</u>
Beginning Fund Balance	51,089,190	51,089,190	51,322,873
Current Revenues	76,239,110	40,927,721	66,073,451
Total Available Resources	<u>127,328,300</u>	<u>92,016,911</u>	117,396,324
Maintenance and Operations	358,800	358,800	354,492
Debt Services	73,972,625	38,886,238	84,035,933
Other Interfund Transfers	1,449,000	1,449,000	1,521,450
Total Expenditures	<u>75,780,425</u>	<u>40,694,038</u>	85,911,875
Planned Ending Fund Balance	<u>51,547,875</u>	<u>51,322,873</u>	31,484,449
Total Budget	<u><u>127,328,300</u></u>	<u><u>92,016,911</u></u>	<u><u>117,396,324</u></u>



FISCAL YEAR 2022 BUDGET

Business Area Budget Summary

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

	FY2020 Actual	FY2021 Current Budget	FY2021 Estimate	FY2022 Budget
Expenditures				
Personnel Services	217,384	232,900	232,900	250,002
Other Services and Charges	26,398	125,900	125,900	104,490
Total M & O Expenditures	243,782	358,800	358,800	354,492
Debt Service & Other Uses	77,114,330	75,421,625	40,335,238	85,557,383
Total Expenditure	77,358,112	75,780,425	40,694,038	85,911,875

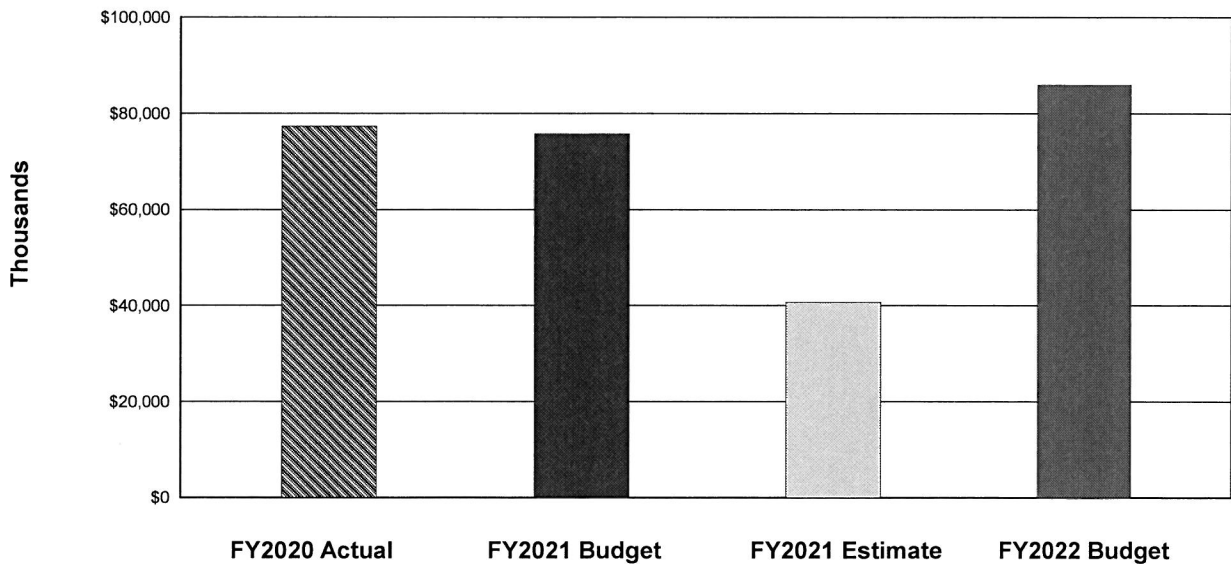
Revenues	77,436,015	76,239,110	40,927,721	66,073,451
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Staffing	Full-Time Equivalents - Civilian	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	0.0
	Total	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0

Significant Budget Changes and Highlights

o The FY2022 revenues are projected to increased due to the rollout of the Coronavirus Disease 2019 (COVID-19) vaccine and a slow return of travel (primarily leisure) for Hotel Occupancy Tax (HOT).

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



FISCAL YEAR 2022 BUDGET

Division Summary							
Fund Name : C&E - Facility Operating Fund							
Business Area : Convention & Entertainment							
Fund No. /Bus Area No. : 8601 / 4200							
Division Description	FY2020 Actual		FY2021 Estimate		FY2022 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	29,489,113	0.0	28,973,522	0.0	29,621,481	
 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	89,593	0.0	98,338	0.0	105,714	
 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	47,779,406	0.0	11,622,178	0.0	56,184,680	
 Total	0.0	77,358,112	0.0	40,694,038	0.0	85,911,875	

FISCAL YEAR 2022 BUDGET

Business Area Revenues Summary

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

Category	FY2020 Actual	FY2021 Current Budget	FY2021 Estimate	FY2022 Budget
Charges for Services	9,486,391	11,872,527	7,025,862	7,156,868
Interest	310,064	400,000	175,000	125,000
Miscellaneous/Other	291,583	291,583	291,583	291,583
Other Tax	67,347,977	63,675,000	33,435,276	58,500,000
Grand Total Revenues	<u><u>77,436,015</u></u>	<u><u>76,239,110</u></u>	<u><u>40,927,721</u></u>	<u><u>66,073,451</u></u>