

# 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 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 2023 BUDGET**

**Fund Summary**

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

	<b>FY2022 Current Budget</b>	<b>FY2022 Estimate</b>	<b>FY2023 Budget</b>
Beginning Fund Balance	46,743,434	46,743,434	<b>36,978,349</b>
Current Revenues	66,073,451	84,597,270	<b>102,030,035</b>
Total Available Resources	<u>112,816,885</u>	<u>131,340,704</u>	<b>139,008,384</b>
Maintenance and Operations	348,092	348,083	<b>364,291</b>
Debt Services	92,492,813	92,492,822	<b>109,985,003</b>
Other Interfund Transfers	1,521,450	1,521,450	<b>1,521,450</b>
Total Expenditures	<u>94,362,355</u>	<u>94,362,355</u>	<b>111,870,744</b>
Planned Ending Fund Balance	<u>18,454,530</u>	<u>36,978,349</u>	<b>27,137,640</b>
Total Budget	<u><u>112,816,885</u></u>	<u><u>131,340,704</u></u>	<b><u><u>139,008,384</u></u></b>



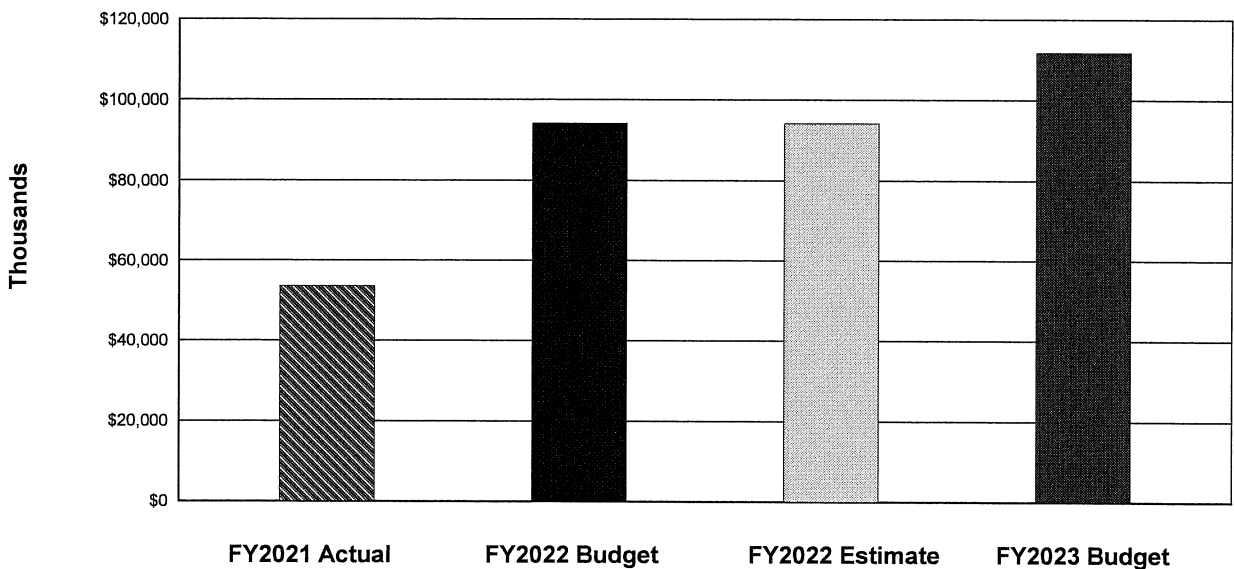
**FISCAL YEAR 2023 BUDGET**

**Business Area Budget Summary**

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

		FY2021 Actual	FY2022 Current Budget	FY2022 Estimate	FY2023 Budget
Expenditures	Personnel Services	220,221	250,002	249,797	<b>257,291</b>
	Other Services and Charges	90,553	98,090	98,286	<b>107,000</b>
	Total M & O Expenditures	<u>310,774</u>	<u>348,092</u>	<u>348,083</u>	<b><u>364,291</u></b>
	Debt Service & Other Uses	53,315,395	94,014,263	94,014,272	<b>111,506,453</b>
	Total Expenditure	<u>53,626,169</u>	<u>94,362,355</u>	<u>94,362,355</u>	<b><u>111,870,744</u></b>
Revenues		53,995,613	66,073,451	84,597,270	<b>102,030,035</b>
Staffing	Full-Time Equivalents - Civilian	0.0	0.0	0.0	<b>0.0</b>
	Full-Time Equivalents - Classified	0.0	0.0	0.0	<b>0.0</b>
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	<b>0.0</b>
	Total	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<b><u>0.0</u></b>
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	<b>0.0</b>
Significant Budget Changes and Highlights	<p>o The FY2023 revenues are projected to increase due to higher Hotel Occupancy Tax (HOT). The slowdown of the Coronavirus Disease (COVID-19) and vaccine availability have resulted in a gradual return of the travel. This comprise of primarily leisure travelers and about 50% of the business travelers compared to pre-pandemic.</p>				

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



**FISCAL YEAR 2023 BUDGET**

<b>Division Summary</b>							
<b>Fund Name : C&amp;E - Facility Operating Fund</b>							
<b>Business Area : Convention &amp; Entertainment</b>							
<b>Fund No. /Bus Area No. : 8601 / 4200</b>							
<b>Division Description</b>	<b>FY2021 Actual</b>		<b>FY2022 Estimate</b>		<b>FY2023 Budget</b>		
	<b>FTEs</b>	<b>Costs \$</b>	<b>FTEs</b>	<b>Costs \$</b>	<b>FTEs</b>	<b>Costs \$</b>	
<b>C&amp;E - Convention Center Group 420001</b> A multi-pupose facility that hosts national conventions, trade shows, consumer shows, corporate meetings and religious meetings.	0.0	30,398,383	0.0	22,230,994	0.0	29,759,158	
<b>Theater District Facilities 420002</b> 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	87,557	0.0	102,991	0.0	106,081	
<b>C&amp;E - Support Services Group 420005</b> 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	23,140,229	0.0	72,028,370	0.0	82,005,505	
<b>Total</b>	<b>0.0</b>	<b>53,626,169</b>	<b>0.0</b>	<b>94,362,355</b>	<b>0.0</b>	<b>111,870,744</b>	

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**FISCAL YEAR 2023 BUDGET**

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**Business Area Revenues Summary**

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

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<b>Category</b>	<b>FY2021 Actual</b>	<b>FY2022 Current Budget</b>	<b>FY2022 Estimate</b>	<b>FY2023 Budget</b>
Charges for Services	6,100,142	7,156,868	7,437,501	<b>9,113,452</b>
Interest	155,201	125,000	125,000	<b>125,000</b>
Miscellaneous/Other	291,583	291,583	291,583	<b>291,583</b>
Other Tax	47,448,687	58,500,000	76,743,186	<b>92,500,000</b>
<b>Grand Total Revenues</b>	<b><u>53,995,613</u></b>	<b><u>66,073,451</u></b>	<b><u>84,597,270</u></b>	<b><u>102,030,035</u></b>