

# 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 additional HOT and parking revenues.
- 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.
- Increase visitation to Houston with focus on domestic, Mexico, and other international markets.

### Long Term Goals

- Continue to emphasize and focus on our efforts to attract conventions, meetings, and tradeshows to Houston.
- Support and expand the cultural arts offerings for Houstonians and visitors.
- Promote and expand the new unified Houston branding.
- Complete long-term destination development.
- Strengthen, grow, and broaden the visitor and hospitality economy.
- Increase resiliency through reserves replenishment.

**FISCAL YEAR 2024 BUDGET**

**Business Area Program Summary**

**Business Area: Convention & Entertainment**

**Bus. Area No : 4200**

**Budget By Program (\$ in thousands):**

Program	FY2022 Actual		FY2023 Estimate		FY2024 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Administration Services	91,279	354	102,419	371	105,719	439
Debt Service and Interfund Transfers	0	96,245	0	111,500	0	107,745
<b>Total</b>	<b>91,279</b>	<b>96,600</b>	<b>102,419</b>	<b>111,871</b>	<b>105,719</b>	<b>108,184</b>

**FTEs by Program:**

Program	FY2022 Actual		FY2023 Estimate		FY2024 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Administration Services	0.0	0.0	0.0	0.0	0.0	0.0
Debt Service and Interfund Transfers	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total:</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**FISCAL YEAR 2024 BUDGET**

**Business Area Program Detail**

**Business Area : Convention & Entertainment**

**Bus Area No. : 4200**

**Administration Services**

**Description:**

Provides budget management and accounting for health benefits retirees, facility, parking, and hotel occupancy tax (HOT) revenues.

**Goal:**

Ensure timely recording of revenues and expenditures for the department.

**Mayor's Priority:** Sound Financial Management

(\$ in thousands)

Fund	FY2022 Actual		FY2023 Estimate		FY2024 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
C&E - Facility Operating Fund	91,279	354	102,419	371	105,719	439

**Staffing:**

Fund	FY2022 Actual		FY2023 Estimate		FY2024 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
C&E - Facility Operating Fund	0.0	0.0	0.0	0.0	0.0	0.0

**Performance Measure:**

Performance	FY2022 Actual	FY2023 Target	FY2023 Estimate	FY2024 Target
Expenditures Adopted Budget vs Actual Utilization	112%	98%	100%	98%
Revenues Adopted Budget vs Actual Utilization	138%	100%	100%	100%

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**FISCAL YEAR 2024 BUDGET**

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**Business Area Program Detail**

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**Business Area : Convention & Entertainment**

**Bus Area No. : 4200**

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**Debt Service and Interfund Transfers**

**Description:**

Budget allocations included in this section reflect debt service payments and/or interfund transfers.

**Goal:**

To effectively manage debt service payments and interfund transfers.

**Mayor's Priority:** Other

(\$ in thousands)

Fund	FY2022 Actual		FY2023 Estimate		FY2024 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
C&E - Facility Operating Fund	0	96,245	0	111,500	0	107,745

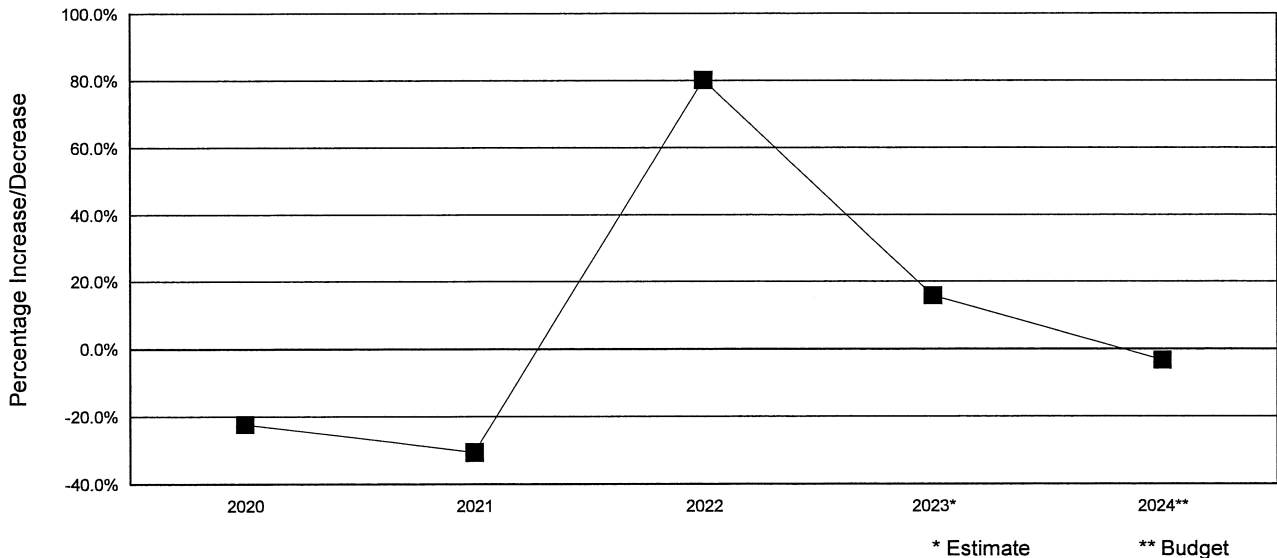
**FISCAL YEAR 2024 BUDGET**

**Business Area Budget Summary**

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

		FY2022 Actual	FY2023 Current Budget	FY2023 Estimate	FY2024 Budget
Expenditures	Personnel Services	237,700	257,291	257,291	313,556
	Other Services and Charges	116,344	107,000	107,000	117,000
	Total M & O Expenditures	354,044	364,291	364,291	430,556
	Debt Service & Other Uses	96,245,480	111,506,453	111,506,453	107,753,460
	Total Expenditure	96,599,524	111,870,744	111,870,744	108,184,016
Revenues		91,279,218	102,030,035	102,419,426	105,718,670
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	<p>o The FY2024 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 travel. This increase is comprised of primarily leisure travelers and about 50% of the business travelers compared to pre-pandemic.</p>				

**C&E - Facility Operating Fund  
 Convention & Entertainment  
 Year over Year Expenditure Change**



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**FISCAL YEAR 2024 BUDGET**

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**Business Area Revenues Summary**

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**Business Area : Convention & Entertainment**

**Business Area No. : 4200**

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<b>Category</b>	<b>FY2022 Actual</b>	<b>FY2023 Current Budget</b>	<b>FY2023 Estimate</b>	<b>FY2024 Budget</b>
Charges for Services	8,357,328	9,113,452	9,352,843	<b>10,368,670</b>
Interest	125,438	125,000	275,000	<b>350,000</b>
Miscellaneous/Other	291,583	291,583	291,583	<b>0</b>
Other Tax	82,504,869	92,500,000	92,500,000	<b>95,000,000</b>
<b>Grand Total</b>	<b><u>91,279,218</u></b>	<b><u>102,030,035</u></b>	<b><u>102,419,426</u></b>	<b><u>105,718,670</u></b>