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 entered an Interlocal agreement with the Corporation, whereby the Corporation leases 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 and find ways to further diversity and increase our revenues.
- Continue efforts to activate the Avenida area and encourage the successful transformation of the Convention District.
- Complete enabling and design work so that we can begin expansion and redesign of the convention center and district.
- 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.
- Undertake expansion and redesign of both the convention center and the convention district.
- 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.

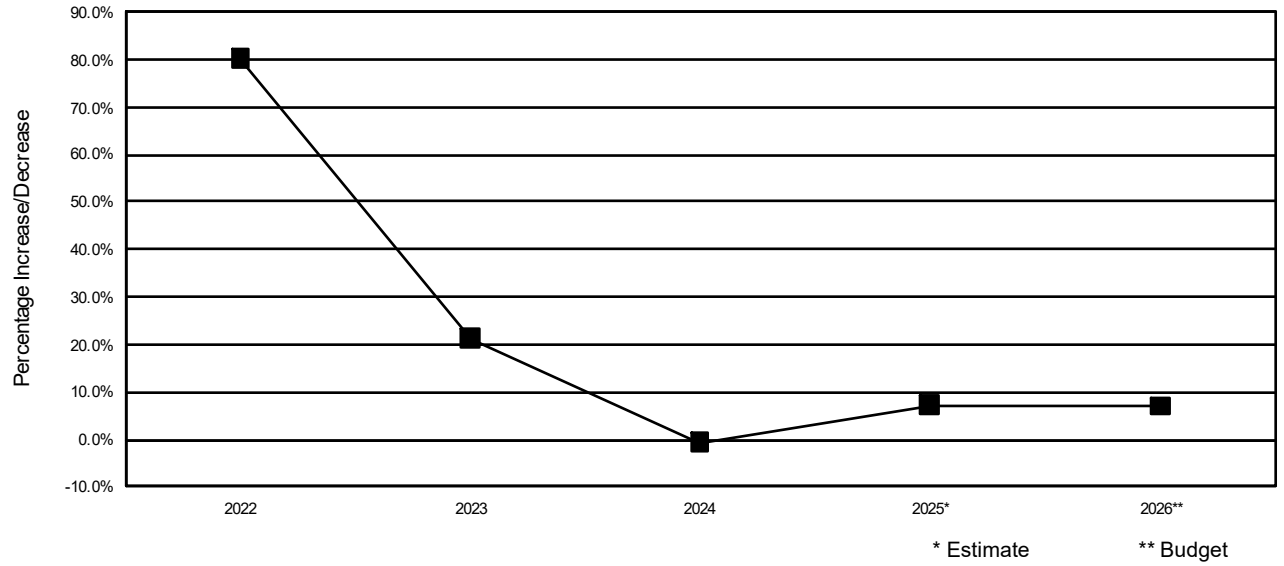
Business Area Budget Summary

Fund Name	**C&E - Facility Operating Fund**				
Business Area	**Convention & Entertainment**				
Fund No. /Bus. Area No. :	**8601 / 4200**	**FY2024 Actual**	**FY2025 Current Budget**	**FY2025 Estimate**	**FY2026 Budget**
Expenditures	Personnel Services	(698,783)	205,000	205,000	**205,000**
	Other Services and Charges	93,975	117,000	117,000	**112,000**
	Total M & O Expenditures	(604,808)	322,000	322,000	**317,000**
	Debt Service & Other Uses	117,095,267	124,497,900	124,497,900	**133,279,940**
	Total Expenditure	116,490,459	124,819,900	124,819,900	**133,596,940**
Revenues		117,534,490	123,525,261	125,465,596	**133,814,568**
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 FY2026 revenues are projected to increase due to higher Hotel Occupancy Tax (HOT). This increase is comprised of the travel and tourism sector's continued momentum.

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



Business Area Revenues Summary

Business Area : Convention & Entertainment
Business Area No. : 4200

Category	FY2024 Actual	FY2025 Current Budget	FY2025 Estimate	FY2026 Budget
Charges for Services	10,336,315	11,066,143	11,066,143	**11,054,418**
Interest	562,238	800,000	622,000	**520,000**
Miscellaneous/Other	291,583	291,583	291,583	**291,583**
Other Tax	106,344,354	111,367,535	113,485,870	**121,948,567**
Grand Total	**117,534,490**	**123,525,261**	**125,465,596**	**133,814,568**

Business Area Program Summary

Business Area: **Convention & Entertainment**
Bus. Area No : **4200**

Budget By Program ($ in thousands):

Program	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Administration Services	117,534	-596	125,466	330	133,815	326
Debt Service and Interfund Transfers	0	117,087	0	124,490	0	133,271
Total	**117,534**	**116,491**	**125,466**	**124,820**	**133,815**	**133,597**

FTEs by Program:

Program	FY2024 Actual		FY2025 Estimate		FY2026 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
Total:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

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: Government that Works

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
C&E - Facility Operating Fund	117,534	-596	125,466	330	133,815	326

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 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	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Expenditures Adopted Budget vs Actual Utilization	108%	98%	101%	98%
Revenues Adopted Budget vs Actual Utilization	111%	100%	102%	100%

Business Area Program Detail

Business Area : Convention & Entertainment
Bus Area No. 4200

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: Government that Works

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
C&E - Facility Operating Fund	0	117,087	0	124,490	0	133,271