

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 into 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 diversify 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.
- 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.
- 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 banding.
- Complete long-term destination development.
- Strengthen, grow, and broaden the visitor and hospitality economy.
- Increase resiliency through reserves replenishment.

FISCAL YEAR 2025 BUDGET

Business Area Program Summary

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

Budget By Program (\$ in thousands):

Program	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Administration Services	115,885	1,642	111,827	371	123,525	383
Debt Service and Interfund Transfers	0	115,549	0	110,818	0	122,703
Total	115,885	117,191	111,827	111,189	123,525	123,086

FTEs by Program:

Program	FY2023 Actual		FY2024 Estimate		FY2025 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

FISCAL YEAR 2025 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: Government that Works

(\$ in thousands)

Fund	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
C&E - Facility Operating Fund	115,885	1,642	111,827	371	123,525	383

Staffing:

Fund	FY2023 Actual		FY2024 Estimate		FY2025 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	FY2023 Actual	FY2024 Target	FY2024 Estimate	FY2025 Target
Expenditures Adopted Budget vs Actual Utilization	105%	98%	103%	98%
Revenues Adopted Budget vs Actual Utilization	114%	100%	106%	100%

FISCAL YEAR 2025 BUDGET

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	FY2023 Actual		FY2024 Estimate		FY2025 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
C&E - Facility Operating Fund	0	115,549	0	110,818	0	122,703

FISCAL YEAR 2025 BUDGET

Business Area Budget Summary

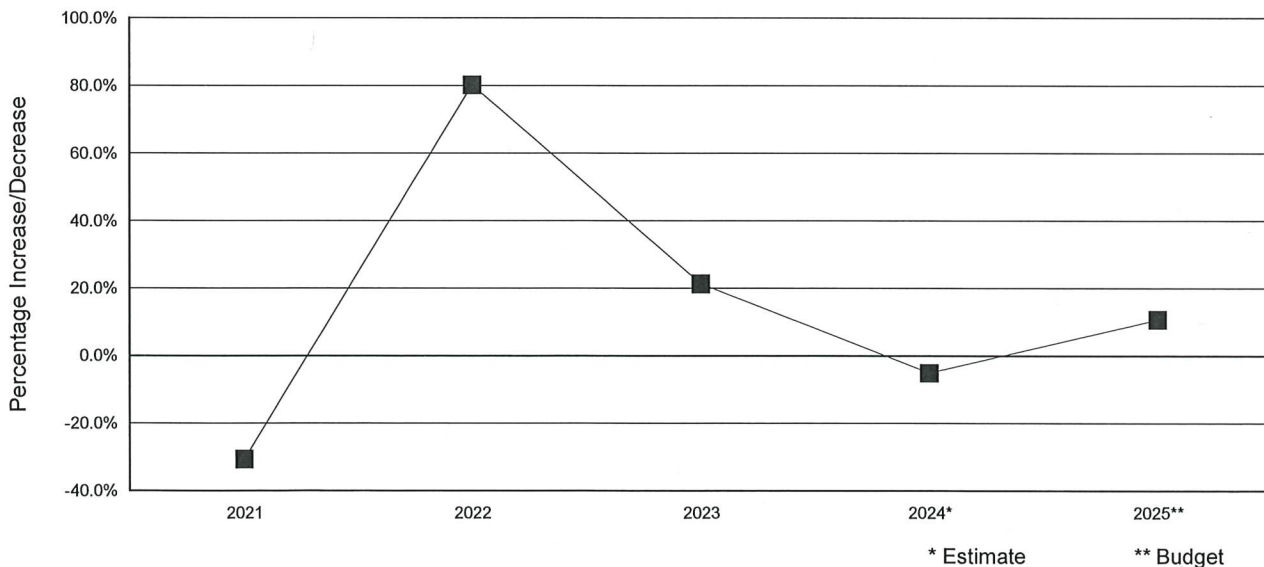
Fund Name : C&E - Facility Operating Fund
 Business Area : Convention & Entertainment
 Fund No. /Bus. Area No. : 8601 / 4200

		FY2023 Actual	FY2024 Current Budget	FY2024 Estimate	FY2025 Budget
Expenditures	Personnel Services	1,542,163	252,478	252,478	257,591
	Other Services and Charges	92,248	110,150	110,150	117,000
	Total M & O Expenditures	1,634,411	362,628	362,628	374,591
	Debt Service & Other Uses	115,556,828	110,826,561	110,826,561	122,711,416
	Total Expenditure	117,191,239	111,189,189	111,189,189	123,086,007
Revenues		115,884,833	105,718,670	111,826,680	123,525,261
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 FY2025 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**



FISCAL YEAR 2025 BUDGET

Business Area Revenues Summary

Business Area : Convention & Entertainment

Business Area No. : 4200

Category	FY2023 Actual	FY2024 Current Budget	FY2024 Estimate	FY2025 Budget
Charges for Services	10,398,544	10,368,670	9,903,673	11,066,143
Interest	341,225	350,000	505,000	800,000
Miscellaneous/Other	291,583	0	291,583	291,583
Other Tax	104,853,481	95,000,000	101,126,424	111,367,535
Grand Total	115,884,833	105,718,670	111,826,680	123,525,261