

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 efforts to collect additional HOT and parking revenues and find ways to further diversity and increase our revenues.
- Complete Phase I of the South GRB Convention Center expansion and development of the Convention District.
- Continue booking convention business into the new George R. Brown South Expansion.
- Continue efforts to activate the Avenida area and encourage the successful transformation of the Convention 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 tradeshow to Houston.
- Complete Phases II & III of both the GRB Convention Center and the Convention District development.
- 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.

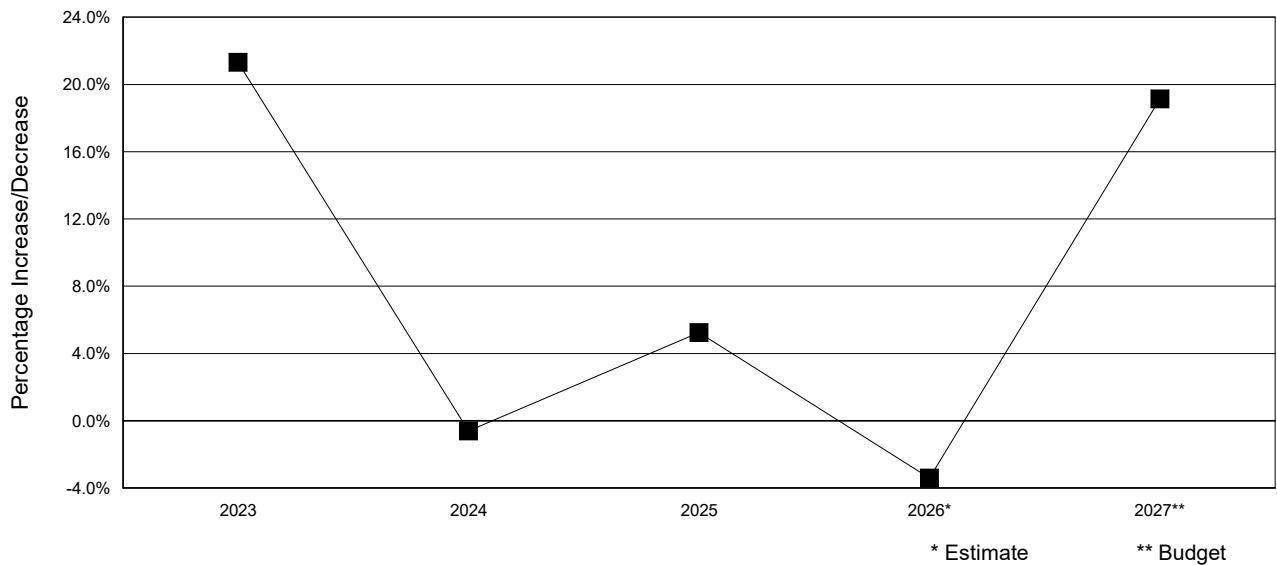
FISCAL YEAR 2027 BUDGET

Business Area Budget Summary

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

		FY2025 Actual	FY2026 Current Budget	FY2026 Estimate	FY2027 Budget
Expenditures	Personnel Services	(892,863)	247,073	247,073	247,073
	Other Services and Charges	111,698	112,000	112,000	136,200
	Total M & O Expenditures	<u>(781,165)</u>	<u>359,073</u>	<u>359,073</u>	<u>383,273</u>
	Debt Service & Other Uses	123,373,837	133,279,940	118,063,584	140,701,348
	Total Expenditure	<u>122,592,672</u>	<u>133,639,013</u>	<u>118,422,657</u>	<u>141,084,621</u>
Revenues		123,411,738	133,814,568	118,142,487	141,333,348
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	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	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 FY2027 revenues are projected to increase due to increased pledged revenues associated with the 2026 GRB Expansion Project bonds.				

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



FISCAL YEAR 2027 BUDGET

Business Area Revenues Summary

Business Area : Convention & Entertainment

Business Area No. : 4200

Category	FY2025 Actual	FY2026 Current Budget	FY2026 Estimate	FY2027 Budget
Charges for Services	11,141,048	11,054,418	11,119,849	22,915,111
Interest	787,401	520,000	897,624	520,000
Miscellaneous/Other	291,583	291,583	291,583	5,323,634
Other Tax	111,191,706	121,948,567	105,833,431	112,574,603
Grand Total	123,411,738	133,814,568	118,142,487	141,333,348

FISCAL YEAR 2027 BUDGET

Business Area Program Summary

Business Area: Convention & Entertainment

Bus. Area No : 4200

Budget By Program (\$ in thousands):

Program	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Administration Services	123,412	-23	118,142	368	141,333	392
Debt Service and Interfund Transfers	0	122,616	0	118,055	0	140,693
Total	123,412	122,593	118,142	118,423	141,333	141,085

FTEs by Program:

Program	FY2025 Actual		FY2026 Estimate		FY2027 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

Total may reflect slight variances due to rounding.

FISCAL YEAR 2027 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	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
C&E - Facility Operating Fund	123,412	-23	118,142	368	141,333	392

Staffing:

Fund	FY2025 Actual		FY2026 Estimate		FY2027 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	FY2025 Actual	FY2026 Target	FY2026 Estimate	FY2027 Target
Expenditures Adopted Budget vs Actual Utilization	100%	98%	89%	98%
Revenues Adopted Budget vs Actual Utilization	100%	100%	88%	100%

FISCAL YEAR 2027 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	FY2025 Actual		FY2026 Estimate		FY2027 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
C&E - Facility Operating Fund	0	122,616	0	118,055	0	140,693