



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

Item Creation Date:

Houston First Corporation Calendar Year 2022 Budget

Agenda Item#:

Background:

SPECIFIC EXPLANATION:

As the COVID-19 pandemic continues to be an ongoing factor, Houston First must focus on recovery and resilience as we return to "normal." We must remain vigilant in our pursuit of our primary responsibility at Houston First—to promote Houston as one of the greatest cities of the world. We will continue to measure our success based on core value creation, our primary tool for creating success in 2022.

As we stay committed to our core responsibilities, we will continuously monitor the global landscape so we can adjust to emerging market conditions and uncover new possibilities for Houston First. We must accelerate progress and maximize opportunities while managing our fiduciary responsibilities.

In 2021, we outperformed our original budget projections by nearly \$28 million due to favorable revenue performance, disciplined spending and cash management as well as relief from the federal government. Despite the unprecedented challenges caused by COVID-19, Houston First has continued to meet its commitments making important contributions that benefit the City, the arts community, and a number of other organizations.

In addition to supporting the day to day operations of HFC, the CY 2022 budget includes the following expenditures, paid directly to or on behalf of the City:

- **\$15.826 million** of current hotel occupancy tax revenue to fund the City's arts-related contracts
- **\$1.521.5 million** lease payment to the City
- **\$470,000** to the City for protocol services
- **\$425,000** to the City for the promotion of business travel and hotel occupancy, as the City determines appropriate
- **\$242,500** to the City for traffic control services within the Central Business District and around Avenida Houston
- Payment on the City's behalf of **\$1,617,880 million** to Discovery Green and **\$1.1 million** to the Hobby Center for the Performing Arts

Operational highlights include:

- **Build on success of Top Chef Houston by the continued promotion of Houston as an attractive destination for TV & film**
- **Celebrate grand opening of Lynn Wyatt Square for the Performing Arts**
- **Increase investment in Mexican market to return Houston as the top destination for Mexican travelers by 2023**
- **30 plus Citywide conventions booked.**

This item was presented at the December 7, 2021 meeting of the Budget & Fiscal Affairs Committee.

The Houston First Corporation recommends approval of HFC's calendar year 2022 budget.

DocuSigned by:

Michael Heckman

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Michael Heckman, President & CEO, Houston First Corporation