



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/3/2024

ALL

Item Creation Date: 11/19/2023

Houston First Corporation Calendar Year 2025 Budget

Agenda Item#: 7.

Summary:

NOT A REAL CAPTION

RECOMMENDATION from Director Convention & Entertainment Facilities Department for approval of the Calendar Year 2025 Budget for **HOUSTON FIRST CORPORATION**

Background:

SPECIFIC EXPLANATION:

As the Destination Management Organization for Houston, Houston First Corporation's (HFC) responsibilities involve the development of the destination brand strategy, promoting the city worldwide, driving tourism and convention business, operating numerous facilities, producing events that serve the community, collaborating with commercial and industry partners, and much more.

HFC promotes Houston's vibrant and diverse culture throughout the world. We create and enhance opportunities for the community, and when we succeed, Houstonians prosper. Within the organization, we continue to emphasize the importance of delivering value through our decisions and in our actions so that we maximize visitation to the region, inspire pride among residents, and contribute to a thriving Houston economy.

In 2025, HFC will be focused on creating value and enhancing economic prosperity by promoting the Houston region. The following are HFC's top 2025 priorities:

- Lead, Align, and Serve Houston's Hospitality Industry, Improving Synergy and Performance
- Boost the Economic Impact of Leisure Travel
- Cultivate a Diverse Portfolio of Convention and Meetings Business That Delivers Returns to the Hospitality Industry
- Increase Visitation to Houston from International Leisure Travel
- Transform and Expand the Convention District into a Modern and Vibrant Destination for Visitors and Locals to Gather
- Employ Other Strategic Programs That Further Protect and Improve HFC's Enterprise Value
- Attract, Nurture, and Retain High-Performing Team Members by Pursuing Excellence in Our Corporate Culture

In addition to the supporting the day-to-day operations of HFC, the CY 2025 budget includes the following expenditures, paid directly to or on behalf of the City:

- **\$22.388 million** of current hotel occupancy tax revenue to fund the City's arts-related contracts
- **\$1.521 million** lease payment to the City
- **\$494,000** to the City for protocol services
- **\$460,000** to the City for the promotion of business travel and hotel occupancy, as the City determines appropriate
- **\$255,000** to the City for traffic control services within the Central Business District and around Avenida Houston
- Payment on the City's behalf of **\$1.366 million** to Discovery Green, **\$1.2 million** to the Hobby Center for the Performing Arts, **\$570,000** to Buffalo Bayou Partnership and **\$225,000** to MATCH

Operational and capital highlights include:

- **\$17.7 million in capital improvements**

This item will be presented at the December 3, 2024, meeting of the Budget & Fiscal Affairs Committee.

Houston First Corporation recommends approval of its calendar year 2025 budget.

Michael Heckman

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Michael Heckman
President & CEO
Houston First Corporation

11/25/2024

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ATTACHMENTS:

Description

HFC CY25 Proposed Budget

Type

Backup Material