

REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary

SUBJECT: Approve a motion authorizing and approving Houston First Corporation's calendar year 2020 budget

Category #


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Agenda Item#

FROM: (Department or other point of origin):
Brenda Bazan
Director, Convention and Entertainment Facilities Department

Origination Date
September 18, 2019

Agenda Date

DIRECTOR'S SIGNATURE: 

Council Districts affected:
All

For additional information contact:
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Date and identification of prior authorizing Council Action: N/A

RECOMMENDATION: (Summary)
Approve motion authorizing and approving Houston First Corporation's calendar year 2020 budget

Amount of Funding: NO FUNDING REQUIRED

Finance Budget:

SPECIFIC EXPLANATION:

Like so many of our neighbors, Houston First (HFC) continues to recover from the damage caused by Hurricane Harvey. Though the major recovery work was completed in 2018 and 2019, 2020 will be a year focused on financial recovery from the over \$150 million spent to restore the Wortham Theater Center and Theater District parking garages. 2020 is also a year in which HFC will work to strengthen and enhance its core strategic areas of focusing on diligently stewarding assets and resources, while also allowing for opportunities which may arise to enhance the products and destination appeal of Houston. Finally, 2020 includes continued preparations for the impact of the TxDOT's proposed North Houston Highway Improvement Project and concludes with the 23rd World Petroleum Congress, which has not been hosted in the United States since 1987.

In addition to the supporting the day to day operations of HFC, the CY 2020 budget includes the following expenditures, paid directly to or on behalf of the City:

- \$17.659 million of current hotel occupancy tax revenue to fund the City's arts-related contracts
- \$1.449 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 \$1.210 million to Discovery Green and \$1.1 million to the Hobby Center for the Performing Arts

Operational and capital highlights include:

- \$6 million in flood mitigation for assets in the Theater District
- \$6.5 million in life safety and operational capital improvements
- \$1.9 million for a standalone property insurance policy
- \$1 million to begin replenishing reserves depleted by Harvey recovery
- Headcount of 230, which is down from a high of 249 in 2018

This item was presented at the October 1, 2019 meeting of the Budget & Fiscal Affairs Committee.

The Convention and Entertainment Facilities Department recommends approval of HFC's calendar year 2020 budget.

REQUIRED AUTHORIZATION

Finance Department

Other Authorization

Other Authorization