



**Board of Directors Meeting**  
**June 9, 2022**

**Houston Downtown Management District  
Board of Directors Meeting  
June 9, 2022**

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**MINUTES OF REGULAR MEETING OF  
HOUSTON DOWNTOWN MANAGEMENT DISTRICT**

May 12, 2022

THE STATE OF TEXAS       §  
  §  
COUNTY OF HARRIS       §

The Board of Directors of the Houston Downtown Management District (the “District”) met in regular session, open to the public, on May 12, 2022, at 12:06 p.m., in-person at the District’s office, located at 1221 McKinney Street, Suite 4250, Houston, TX 77010, inside the Large Conference Room, and the roll was called of the duly appointed members of the Board, to-wit

**BOARD MEMBERS**

Leslie G. Ashby	Robbi Jones
Genora Boykins	Roland Kennedy
Wendy Cloonan	Nick Massad III
Clay Crawford	Sherea A. McKenzie
Jacques D’Rovencourt	Kenny Meyer
Marcus Davis	John Mooz
Matt Damborsky	Cat Nguyen
Terry Demchak	Randy Pryor
Irma Galvan	Edna Ramos
Marian Harper	Scott Repass
Gilbert A. Herrera	Grace Rodriguez
C.C. Huang	Richard Torres
Angus Hughes	Valerie M. Williams
Toni M. Jackson	Ted Zwieg

and all of the above were present, with the exception of Directors Leslie Ashby, Genora Boykins, Wendy Cloonan, Clay Crawford, Matt Damborsky, Irma Galvan, Toni Jackson, John Mooz, Grace Rodriguez, Richard Torres, and Valerie Williams.

Also present were Angie Bertinot, Brett DeBord, Allen Douglas, Scott Finke, Jacque Gonzalez, Keith Gould, Jana Gunter, Ellen Johnson, James Kennedy, Kris Larson, Dusty McCartney, Shelby Roth, Jordan Smith, Jamie Perkins, Jackie Traywick of the District; Algenita Davis, consultant to the District; Robert Pieroni and Kim Scates of Central Houston, Inc; Barron Wallace of Bracewell LLP; and Linda Trevino of METRO.

**WELCOME**

Vice Chair Zwieg welcomed all. Quorum was established and the meeting began at approximately 12:06 p.m.

**PUBLIC COMMENTS**

Vice Chair Zwieg asked if there were any comments from the Public. No comments were provided.

## **APPROVAL OF MINUTES**

The Board considered approving the minutes of the April 14, 2022 Board meeting. Upon a motion duly made and seconded, the Board approved the April 14, 2022 minutes as presented.

## **ITEMS PERTAINING TO FINANCE AND ADMINISTRATIVE MATTERS**

### **Approval of Financial Statements and Ratification of Expenditures**

Robbi Jones, Chair of the Finance Committee, presented the interim financial statements and check registers for the period ending April 30, 2022. No questions were asked, and discussion did not take place.

Upon a motion duly made and seconded, the Board members present voted unanimously to accept the interim financial statements and check registers for the period ending April 30, 2022.

### **First Quarter DBE Report**

Jana Gunter, Chief Financial Officer, presented the First Quarter Disadvantaged Business Report for the period ending March 31, 2022. There no questions or comments.

A motion was called and duly seconded, and the First Quarter DBE Report was approved as presented.

### **Report on the Nominating Committee and Action Thereon**

Vice Chair Zwieg presented the Nominating Committee report. He briefed the Board on the Committee's recommendation to renew the Directors currently seated in Positions 16-18, 20, and 23 for an additional four-year term. He noted that Crystal Allen of Transwestern Retail and Benjamin Llana of Skanska USA are newly appointed Directors for Positions 19 and 22, respectively; while Position 21 and the unexpired term for Position 30 remain vacant. Discussion ensued over possible candidates for the two vacancies.

Upon a motion duly made and seconded, the Board accepted the Nominating Committee's recommendation as presented.

## **REPORT ON INTER-AGENCY STRATEGIC PLANNING**

Kris Larson, President/CEO of the District, gave an overview of the Strategic Planning Workshop held on April 29. He shared a slide show and stated the purpose behind the April 29 workshop was to begin the development of a vision, mission and set of values for the District and its affiliated organizations, Central Houston, Inc. ("CHI") and Downtown Redevelopment Authority ("DRA"). Next, Mr. Larson noted input from the executive committee members of the District, CHI and DRA was received for the first draft of the mission, vision and set of values as a starting point for the process and that additional virtual meetings will be scheduled over the next few months for full board participation. Finally, Mr. Larson read the first draft of the vision, mission and set of values and asked for feedback. Board members shared their feedback and thoughts. No further action was required.

## **COMMITTEE SPOTLIGHT**

### **Marketing & Communications – Expanded Residential Program**

Angie Bertinot, Director of Marketing & Communications, opened discussion on efforts being made with the Expanded Residential Program. She provided an overview on how the marketing team is taking a proactive approach to welcome new residents to downtown.

Next, Jordan Smith, Marketing & Events Coordinator, elaborated on the details of what the marketing team is providing to new residents, which include distributing welcome bags once a quarter, offerings to participate in the new downtown bike club and residential VIP opportunities and coupons for specific freebies at various events as part of the “We Are Downtown” campaign. She also shared ideas in the works to establish a “Welcome to Downtown Tour.” Questions were asked and answered, then discussion ensued. No further action was required.

## **CONSENT AGENDA**

Vice Chair Zwiig presented the consent agenda. The sole item on the consent agenda authorizes the President/CEO to enter into an agreement with Teamwork Construction and the expenditures for a standby emergency contractor, in an amount not to exceed \$5,000.

There being no questions or comments, Vice Chair Zwiig called for a motion, which was duly made and seconded, and the consent agenda was approved as presented.

## **PROGRAM AUTHORIZATIONS**

### **Marketing and Communications**

Vice Chair Zwiig invited Ms. Bertinot to present an authorization allowing the Executive Director to sign and enter into agreements, along with expenditures, related to Downtown holiday décor, in an amount not to exceed \$815,000. She explained the higher dollar amount includes décor for the Main Street, Bagby Street, and Main Street Market Square Park outdoor areas. Questions were asked and answered. Upon a motion duly made and seconded, the Board approved this request as presented.

## **PROGRAM UPDATES**

### **Operations**

Mr. DeBord provided an update on Operations matters for the prior month. He noted two events scheduled in the near future, the first being the Emergency Preparedness meeting on May 25 and a second meeting on June 2 hosting Block by Block. Questions were asked and answered. No action was required.

### **Economic Development Program**

Mr. Pieroni provided an update on economic development matters for the prior month. Discussion did not take place and no further action was required.

### **Planning, Design and Capital Projects**

Mr. Hoogeboom provided an update on planning, design and capital projects. No questions were asked. Discussion did not take place. No action was required.

### Marketing and Communications Report

Ms. Bertinot provided an update on marketing and communications for the prior month. No questions or discussion took place. No action was required.

### DIRECTORS' QUESTIONS ON OTHER INITIATIVES

There were no questions.

### OTHER BUSINESS

Vice Chair Zwiig stated that the next meeting is scheduled for June 9, 2022. There being no further business to come before the Board, the meeting was adjourned at 1:17 p.m.

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Jamie Perkins, Assistant Secretary  
Houston Downtown Management District



To Management  
Houston Downtown Management District

Management is responsible for the accompanying financial statements of the Houston Downtown Management District (the District), which comprise the governmental fund balance sheets and statements of net position as of May 31, 2022 and 2021, and the related statements of activities for the months then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America and the required supplementary information that the Government Accounting Standards Board (GASB) requires to be presented to supplement the basic financial statements. If the omitted disclosures, and GASB required supplementary information were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The Variance Analysis on page 4 is presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements. The Variance Analysis is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Sincerely,

A handwritten signature in blue ink that reads 'nctp cpas, pllc'.

Houston, Texas  
June 6, 2022

**Houston Downtown Management District  
Governmental Fund Balance Sheets and  
Statement of Net Position  
May 31, 2022 and May 31, 2021**

	2022			2021		
	HDMD Operating Year to Date	HDMD Capital Year to Date	Total (Memo Only)	HDMD Operating Year to Date	HDMD Capital Year to Date	Total (Memo Only)
<b>Assets</b>						
Cash	\$ 15,405,262	\$ 5,151,266	\$ 20,556,527	\$ 16,685,147	\$ 4,850,383	\$ 21,535,530
Assessments Due	498,101	46,335	544,436	267,620	24,708	292,328
Accounts Receivable	386,744	-	386,744	14,133	4,800	18,934
Prepaid Expense	26,235	-	26,235	26,235	-	26,235
Inventory	-	-	-	-	-	-
Property & Equipment, Net	611,559	8,779	620,339	761,511	28,448	789,960
Intercompany Rec/Pay	(609)	609	-	(84,230)	84,230	-
<b>Total Assets</b>	<b>\$ 16,927,292</b>	<b>\$ 5,206,989</b>	<b>\$ 22,134,281</b>	<b>\$ 17,670,415</b>	<b>\$ 4,992,571</b>	<b>\$ 22,662,986</b>
<b>Liabilities</b>						
Accounts Payable & Accrued Expenses	\$ 909,627	\$ 43,000	\$ 952,627	\$ 867,182	\$ 35,000	\$ 902,182
Deferred Revenue & Reserve for Refunds	1,233,792	114,616	1,348,407	1,069,453	99,404	1,168,856
<b>Total Liabilities &amp; Deferred Revenue</b>	<b>2,143,418</b>	<b>157,616</b>	<b>2,301,034</b>	<b>1,936,635</b>	<b>134,404</b>	<b>2,071,038</b>
<b>Fund Balances</b>						
Unreserved, Undesignated	13,983,874		13,983,874	14,933,781		14,933,781
Unreserved, Designated for Catastrophy	800,000		800,000	800,000		800,000
Reserved for Capital Projects		5,049,373	5,049,373		4,858,167	4,858,167
	14,783,874	5,049,373	19,833,247	15,733,781	4,858,167	20,591,948
<b>Total Liabilities, Deferred Revenue &amp; Fund Balances</b>	<b>\$ 16,927,292</b>	<b>\$ 5,206,989</b>	<b>\$ 22,134,281</b>	<b>\$ 17,670,415</b>	<b>\$ 4,992,571</b>	<b>\$ 22,662,986</b>



**Houston Downtown Management District**  
**Statement of Activities**  
**Five Months Ended May 31, 2022**

	<u>Operating YTD Actual</u>	<u>Capital YTD Actual</u>	<u>Total YTD Actual</u>	<u>YTD Budget</u>	<u>Fav (Unfav) Variance</u>
<b>Revenues</b>					
Assessment Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Operations Revenue	220,330	-	220,330	218,825	1,505
Project Revenue	22,693	-	22,693	55,208	(32,515)
Salary Reimbursements	45,301	-	45,301	20,833	24,467
Interest Income	17,555	6,197	23,752	6,667	17,086
<b>Total Revenues</b>	<b>\$ 305,879</b>	<b>\$ 6,197</b>	<b>\$ 312,077</b>	<b>\$ 301,533</b>	<b>\$ 10,543</b>
<b>Expenses</b>					
<b>Downtown Feels Safe &amp; Comfortable at All Times</b>					
Collaboration to Maintain Low Crime Rate	\$ 926,245	\$ -	\$ 926,245	\$ 1,178,148	\$ 251,903
Reduced Presence of Homeless & Street Persons	169,691	-	169,691	546,047	376,356
Downtown Sidewalks are Comfortably Lighted	49,084	-	49,084	140,509	91,425
Downtown Clean & Well-Kept Appearance	1,786,641	-	1,786,641	1,799,039	12,398
Remove Signs of Disorder in Downtown	16,374	-	16,374	17,199	825
Prepare for Emergencies	40,498	-	40,498	46,638	6,139
	2,988,533	-	2,988,533	3,727,579	739,046
<b>Public Realm is Charming, Inviting, Beautiful &amp; Celebrates the Life of the City</b>					
Key Pedestrian Streets are Inviting	148,672	-	148,672	181,047	32,375
Public Spaces Managed, Programmed, & Delightful	405,241	-	405,241	465,329	60,088
Place of Civic Celebration	372,030	-	372,030	321,790	(50,241)
	925,944	-	925,944	968,166	42,222
<b>Accessible to Region &amp; Easy to Get Around</b>					
Effective Transit Access More Places, More Hours	4,570	-	4,570	4,638	69
Convenient Circulation Without Personal Vehicle	-	-	-	-	-
Easy To Find Way Around	28,140	-	28,140	74,794	46,654
Connect Neighbors & Districts Inside/Outside Downtown	4,305	-	4,305	4,375	70
Convenient, Understandable & Managed Parking	5,933	-	5,933	4,398	(1,535)
	42,947	-	42,947	88,206	45,258
<b>Vibrant, Sustainable Mixed-Use Place</b>					
Best Place to Work in Region	168,632	-	168,632	169,109	477
Exciting Neighborhoods to Live In	262,116	-	262,116	52,841	(209,276)
Competitive Shopping Place	7,270	-	7,270	7,375	105
Remarkable Destination for Visitors	19,499	-	19,499	26,200	6,701
	457,518	-	457,518	255,524	(201,994)
<b>Downtown's Vision &amp; Offering Understood By All</b>					
Market to Region	429,873	-	429,873	536,776	106,903
Promote Downtown's Ease of Use	11,558	-	11,558	11,732	174
Vision/Development Framework Understood By All	356,296	-	356,296	511,659	155,363
Tools to Assist Continued Redevelopment	33,859	-	33,859	25,469	(8,390)
Develop & Maintain Information to Support Downtown	14,035	-	14,035	34,988	20,953
	845,621	-	845,621	1,120,624	275,002
<b>District Governance &amp; Service Known for Excellence</b>					
Engage Stakeholders in Decision Making	312,326	-	312,326	317,147	4,822
Communications to Owners, Tenants & Others	16,632	-	16,632	14,197	(2,435)
Preservation of Districts' Capital Assets	43,976	-	43,976	35,000	(8,976)
	372,933	-	372,933	366,344	(6,589)
<b>Capital Improvement &amp; Expenditures</b>					
Downtown Feels Safe & Comfortable	-	-	-	-	-
Public Realm is Charming, Inviting, & Beautiful	-	260,256	260,256	442,500	182,244
Accessible to Region & Easy to Get Around	-	109,761	109,761	150,000	40,239
Vibrant, Sustainable Mixed-Use Place	-	57,613	57,613	10,000	(47,613)
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	174,643	174,643	113,500	(61,143)
	-	602,273	602,273	716,000	113,727
<b>Total Expenses</b>	<b>\$ 5,633,495</b>	<b>\$ 602,273</b>	<b>\$ 6,235,769</b>	<b>\$ 7,242,442</b>	<b>\$ 1,006,673</b>
Depreciation Expense	36,152	5,471	41,623	40,897	(726)
<b>Excess of Revenue Over Expenses GAAP Basis</b>	<b>\$ (5,363,768)</b>	<b>\$ (601,547)</b>	<b>\$ (5,965,315)</b>	<b>\$ (6,981,806)</b>	<b>\$ 1,016,491</b>

**Houston Downtown Management District**  
**Statement of Activities**  
**Five Months Ended May 31, 2022 and May 31, 2021**

	Operating YTD Actual	Capital YTD Actual	2022 Total YTD Actual	2021 Total YTD Actual	Fav (Unfav) Variance
<b>Revenues</b>					
Assessment Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Operations Revenue	220,330	-	220,330	174,472	45,859
Project Revenue	22,693	-	22,693	13,891	8,802
Salary Reimbursements	45,301	-	45,301	47,720	(2,420)
Interest Income	17,555	6,197	23,752	7,869	15,883
<b>Total Revenues</b>	<b>\$ 305,879</b>	<b>\$ 6,197</b>	<b>\$ 312,077</b>	<b>\$ 243,952</b>	<b>\$ 68,125</b>
<b>Expenses</b>					
<b>Downtown Feels Safe &amp; Comfortable at All Times</b>					
Collaboration to Maintain Low Crime Rate	\$ 926,245	\$ -	\$ 926,245	\$ 962,616	\$ 36,372
Reduced Presence of Homeless & Street Persons	169,691	-	169,691	297,766	128,076
Downtown Sidewalks are Comfortably Lighted	49,084	-	49,084	31,680	(17,404)
Downtown Clean & Well-Kept Appearance	1,786,641	-	1,786,641	1,549,064	(237,577)
Remove Signs of Disorder in Downtown	16,374	-	16,374	16,717	343
Prepare for Emergencies	40,498	-	40,498	38,931	(1,568)
	2,988,533	-	2,988,533	2,896,774	(91,758)
<b>Public Realm is Charming, Inviting, Beautiful &amp; Celebrates the Life of the City</b>					
Key Pedestrian Streets are Inviting	148,672	-	148,672	137,636	(11,037)
Public Spaces Managed, Programmed, & Delightful	405,241	-	405,241	313,657	(91,584)
Place of Civic Celebration	372,030	-	372,030	800,562	428,531
	925,944	-	925,944	1,251,855	325,911
<b>Accessible to Region &amp; Easy to Get Around</b>					
Effective Transit Access More Places, More Hours	4,570	-	4,570	154,723	150,153
Convenient Circulation Without Personal Vehicle	-	-	-	12,855	12,855
Easy To Find Way Around	28,140	-	28,140	27,638	(502)
Connect Neighbors & Districts Inside/Outside Downtown	4,305	-	4,305	3,589	(716)
Convenient, Understandable & Managed Parking	5,933	-	5,933	3,153	(2,780)
	42,947	-	42,947	201,958	159,011
<b>Vibrant, Sustainable Mixed-Use Place</b>					
Best Place to Work in Region	168,632	-	168,632	144,256	(24,376)
Exciting Neighborhoods to Live In	262,116	-	262,116	189,179	(72,938)
Competitive Shopping Place	7,270	-	7,270	10,603	3,333
Remarkable Destination for Visitors	19,499	-	19,499	20,966	1,466
	457,518	-	457,518	365,003	(92,515)
<b>Downtown's Vision &amp; Offering Understood By All</b>					
Market to Region	429,873	-	429,873	412,200	(17,673)
Promote Downtown's Ease of Use	11,558	-	11,558	10,490	(1,068)
Vision/Development Framework Understood By All	356,296	-	356,296	435,541	79,244
Tools to Assist Continued Redevelopment	33,859	-	33,859	34,604	745
Develop & Maintain Information to Support Downtown	14,035	-	14,035	15,926	1,892
	845,621	-	845,621	908,761	63,140
<b>District Governance &amp; Service Known for Excellence</b>					
Engage Stakeholders in Decision Making	312,326	-	312,326	303,300	(9,025)
Communications to Owners, Tenants & Others	16,632	-	16,632	16,944	312
Preservation of Districts' Capital Assets	43,976	-	43,976	35,999	(7,976)
	372,933	-	372,933	356,243	(16,689)
<b>Capital Improvement &amp; Expenditures</b>					
Downtown Feels Safe & Comfortable	-	-	-	-	-
Public Realm is Charming, Inviting, & Beautiful	-	260,256	260,256	145,000	(115,256)
Accessible to Region & Easy to Get Around	-	109,761	109,761	151,861	42,101
Vibrant, Sustainable Mixed-Use Place	-	57,613	57,613	36,265	(21,348)
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	174,643	174,643	49,625	(125,018)
	-	602,273	602,273	382,752	(219,521)
<b>Total Expenses</b>	<b>\$ 5,633,495</b>	<b>\$ 602,273</b>	<b>\$ 6,235,769</b>	<b>\$ 6,363,346</b>	<b>\$ 127,577</b>
Depreciation Expense	36,152	5,471	41,623	46,639	5,016
<b>Excess of Revenue Over Expenses GAAP Basis</b>	<b>\$ (5,363,768)</b>	<b>\$ (601,547)</b>	<b>\$ (5,965,315)</b>	<b>\$ (6,166,033)</b>	<b>\$ 200,718</b>

## Houston Downtown Management District

### Variance Analysis

### Five Months Ended May 31, 2022

#### Operating Budget

- 1) Revenue-Operations revenue is ahead of budget \$22K in METRO Bus Stop Cleaning, under budget (\$15K) in fountain reimbursement and (\$6K) in trash program subscriptions. Project revenue is under budget (\$33K) in DRA Project Reimbursements for Allen Parkway due to timing. Salary reimbursements reflect \$24K payable to Central Houston, Inc. for 2021 and not included in the 2022 budget. Interest income is ahead of budget \$17K due to more favorable rates than projected.
- 2) Goal 1a-Collaboration to Maintain Low Crime Rate-Ahead of budget \$146K in Downtown Public Safety Guides, \$69K in Private Security and \$31K in the PIT Program. Ahead of budget \$5K in staffing.
- 3) Goal 1b-Reduced Presence of Homeless & Street Persons-Ahead of budget \$382K in homeless outreach programs. Over budget (\$6K) in staffing.
- 4) Goal 1c-Downtown Sidewalks are Comfortably Lighted-Ahead of budget \$91K in Street Lighting Expense, amenities and maintenance.
- 5) Goal 1d-Downtown Noted for Cleanliness & Well-Kept Appearance-Over budget (\$40K) in Street Teams cleaning sidewalks and bus stops, (\$8K) in Trash Collection and (\$54K) in the Operations center due to write-offs of the work-in-process costs for the generator. Ahead of budget \$10K in Paver repair and maintenance, \$79K in Landscaping and tree maintenance, \$15K in Irrigation maintenance and repair and \$10K in staffing.
- 6) Goal 1f-Prepare for Emergencies-Ahead of budget \$6K in Emergency Operations Center-monitoring equipment, generator and staffing.
- 7) Goal 2a-Key Pedestrian Streets Are Inviting-Ahead of budget \$33K in floral displays.
- 8) Goal 2b-Key Public Spaces Programmed and Delightful-Ahead of budget \$25K in Main Street Square maintenance, \$35K in Trebly Park maintenance, \$27K in Event programming and \$17K in staffing. Over budget (\$43K) in Market Square Park maintenance.
- 9) Goal 2c-Place of Civic Celebration-Ahead of budget \$106K in Art Blocks program, \$14K in seasonal banner program, \$13K in banner/pot maintenance, and \$25K on Allen Parkway Maintenance reimbursed by DRA. Over budget (\$191K) for holiday logistics, over budget (\$8K) for Retail Support - Holiday Promotions and over budget (\$9K) in staffing.
- 10) Goal 3c-Easy to Find Way Around-Ahead of Budget \$18K for Wayfinding contractor expense and \$30K for the Above & Below Map.
- 11) Goal 4b-Exciting Neighborhoods To Live In-Over budget (\$216K) budget due to DLI payouts for years 2020-2021 forecasted to be paid out in June, 2022. Ahead of budget \$7K in staffing.
- 12) Goal 4d-Remarkable Destination for Visitors-Ahead of budget \$7K in staffing.
- 13) Goal 5a-Market to Region-Ahead of budget \$111K in marketing expenditures.
- 14) Goal 5c-Vision/Development - Ahead of budget \$150K committed to a traffic study not yet funded and ahead \$9K in staffing. Over budget (\$4K) in landscape architectural consulting fees.
- 15) Goal 5d-Tools to Assist Continued Redevelopment - Over budget (\$8K) in staffing.
- 16) Goal 5e-Develop & Maintain Information to Support Downtown - Ahead of budget \$21K in staffing.
- 17) Goal 6a-Complete engagement by all stakeholders in District - Ahead of budget \$19K in contract services for legal, audit and assessment collection, ahead \$3K in operations and ahead \$2K in marketing. Over budget (\$6K) in planning design & construction, (\$3K) in economic development and (\$10K) in staffing.
- 18) Goal 6c-Preservation of District's Capital Assets - Over budget (\$9K) in insurance expense due to renewals coming in higher than forecasted.

#### Capital Budget

- 19) Ahead of budget \$163K for Banners and \$20K for Trebly Park furnishings.
- 20) Ahead of budget \$59K for Vehicular and Pedestrian Wayfinding and \$50K for Updated Street Signs. Over budget (\$69K) for Southeast Sidewalks TxDOT project.
- 21) Over budget (\$28K) in Retail Challenge Grants due to a payment forecasted for 2021 was paid in 2022 and (\$20K) due to DLI payments forecasted to be paid in June, 2022.
- 22) Over budget (\$61K) in Capital Replacement due to the delay in receiving trees to replace those killed in the 2021 winter freeze and not budgeted in 2022.

## HOUSTON DOWNTOWN MANAGEMENT DISTRICT

AP Check Register (Current by Bank)

Check Dates: 5/1/2022 to 5/31/2022

Check No.	Date	Vendor ID	Payee Name	Amount
<b>BANK ID: A - OPERATING ACCT-JPMORGAN</b>				
* 34810	05/02/22	1200	CENTRAL HOUSTON, INC	\$223,651.80
*				
34811	05/02/22	5/2/22 1200		
34812	05/02/22	5/2/22 1200		
34813	05/02/22	5/2/22 1200		
34814	05/02/22	5/2/22 1200		
34815	05/02/22	5/2/22 1200		
34816	05/02/22	5/2/22 1200		
34817	05/02/22	5/2/22 1200		
34818	05/02/22	5/2/22 1200		
34819	05/02/22	5/2/22 1200		
34820	05/02/22	5/2/22 1200		
34821	05/02/22	5/2/22 1200		
34822	05/02/22	5/2/22 1200		
34823	05/02/22	5/2/22 1200		
34824	05/02/22	5/2/22 1200		
34825	05/04/22	99879	1720 MAIN LTD	\$240.57
34826	05/04/22	99989	800 FRANKLIN PURCHASE COMP LLC	\$321.15
34827	05/04/22	99881	ANDREW BENDER	\$205.20
34827	05/04/22	5/4/22 99881	ANDREW BENDER	(\$205.20)
34828	05/04/22	99877	MILAM DAVID III	\$305.78
34829	05/04/22	99878	RICHARD DINGMAN TRUST	\$99.88
34830	05/04/22	99917	SPUS9 HSTN NORTH TOWER LP	\$4,285.16
34831	05/04/22	99880	WFP LOT 298 LLC	\$2,425.75
34832	05/04/22	2904	FOLEY BUILDING DEVELOPMENT	\$205.20
34833	05/04/22	9819	BRYAN K BENNETT	\$1,848.60
34834	05/04/22	0334	CARR, RIGGS & INGRAM, LLC	\$15,000.00
34835	05/04/22	1543	CITY OF HOUSTON	\$1,002.39
34836	05/04/22	1540	CITY OF HOUSTON (WATER DEPT)	\$494.27
34837	05/04/22	1801	DIRECTV	\$103.23
34838	05/04/22	3611	GENEVA GORDON	\$1,050.00
34839	05/04/22	3550	HARDY & HARDY	\$3,550.00
34840	05/04/22	3573	HARRIS COUNTY TREASURER	\$8,853.00
34841	05/04/22	4441	IT EQUIPMENT FINANCING,LLC	\$304.73
34842	05/04/22	5540	LINCOLN COLWELL	\$1,710.00
34843	05/04/22	5701	LONNIE HOOGEBOOM	\$575.45
34843	05/25/22	5/25/22 5701	LONNIE HOOGEBOOM	(\$575.45)
34844	05/04/22	5961	MELISSA TAYLOR	\$1,200.00
34845	05/04/22	5703	MICHAEL LOESSIN	\$500.00
34846	05/04/22	7060	NEON ELECTRIC CORPORATION	\$2,812.00
34847	05/04/22	9948	ORKIN PEST CONTROL	\$120.00
34848	05/04/22	7400	PFEIFFER & SON, LTD	\$5,084.72
34849	05/04/22	8034	RC SOLUTIONS, INC.	\$1,440.00
34850	05/04/22	8148	SABRINA NAULINGS	\$1,485.00
34851	05/04/22	8168	SEAL SECURITY SOLUTIONS, LLC	\$63,140.00
34852	05/04/22	0596	STRIKE MARKETING	\$56,116.59
34853	05/04/22	0843	THE BLACK SHEEP AGENCY	\$11,392.50
34854	05/04/22	3948	THE HARRIS CENTER FOR	\$10,331.67
34855	05/04/22	0009	THOMAS PRINTWORKS	\$827.50
34856	05/04/22	8609	TOUCH & AGREE PROPERTY	\$2,769.00
34857	05/04/22	8770	UHD STUDENT ACTIVITIES	\$500.00
34857	05/06/22	5/6/22 8770	UHD STUDENT ACTIVITIES	(\$500.00)
34858	05/04/22	9067	WASTE MANAGEMENT OF TEXAS, INC	\$158.88

## HOUSTON DOWNTOWN MANAGEMENT DISTRICT

AP Check Register (Current by Bank)

Check Dates: 5/1/2022 to 5/31/2022

Check No.	Date	Vendor ID	Payee Name	Amount
<b>BANK ID: A - OPERATING ACCT-JPMORGAN</b>				
34859	05/04/22	9045	WESTERN FIRST AID & SAFETY	\$200.45
34860	05/09/22	3992	HOUSTON DOWNTOWN MGMT DISTRICT	\$1,226,168.49
34861	05/12/22	0094	ACME PARTY & TENT RENTAL	\$12,978.12
34862	05/12/22	0353	ALL AMERICAN POLY	\$9,330.00
34863	05/12/22	0436	ASHBY LLP	\$828.20
34863	05/12/22	5/12/22 0436	ASHBY LLP	(\$828.20)
34864	05/12/22	0490	ASSOCIATED LANDSCAPE SERVICES	\$1,003.89
34865	05/12/22	3384	GREATER HOUSTON CONVENTION AND	\$550.00
34866	05/12/22	5211	KEITH GOULD	\$43.51
34867	05/12/22	3395	LEONARD LOCKETT, JR	\$160.00
34868	05/12/22	5700	LONE STAR FLAGS AND FLAGPOLES	\$8,807.00
34869	05/12/22	5710	LVA 4 HOUSTON GREENSTREET LP	\$535.84
34870	05/12/22	9888	MAURICE DUHON JR.	\$300.00
34871	05/12/22	2246	MELINDA ELLEN JOHNSON	\$175.00
34871	05/12/22	5/12/22 2246	MELINDA ELLEN JOHNSON	(\$175.00)
34872	05/12/22	0597	STRICKLY GREEN GRASS, LLC	\$4,897.35
34873	05/12/22	8552	TEXAS OUTHUSE, INC.	\$727.95
34874	05/12/22	9140	WEINGARTEN ART GROUP	\$2,825.00
34875	05/12/22	9081	WESTPARK COMMUNICATIONS, L.P	\$74.76
34876	05/12/22	9220	YOUNG AUDIENCES,INC.	\$840.00
34877	05/12/22	0436	ASHBY LLP	\$828.20
34878	05/12/22	2246	MELINDA ELLEN JOHNSON	\$1,375.00
34879	05/12/22	7190	ONE MARKET SQUARE PHASE I LLC	\$1,200.00
34880	05/19/22	0490	ASSOCIATED LANDSCAPE SERVICES	\$1,025.00
34881	05/19/22	0511	BLOCK BY BLOCK	\$352,666.57
34882	05/19/22	1225	CENTRAL HOUSTON CIVIC IMPROVEM	\$33,726.41
34883	05/19/22	1532	CITY OF HOUSTON	\$1,750.00
34884	05/19/22	1540	CITY OF HOUSTON (WATER DEPT)	\$13,258.35
34885	05/19/22	2761	FILM LAB CREATIVE	\$28,267.50
34886	05/19/22	3298	GULF COAST PAVERS,INC.	\$2,400.00
34887	05/19/22	3510	H.B.S WAREHOUSE ASSOC.	\$3,364.58
34888	05/19/22	4017	HYDROPOINT DATA SYSTEMS, INC	\$8,375.02
34889	05/19/22	5211	KEITH GOULD	\$25.42
34890	05/19/22	5710	LVA 4 HOUSTON GREENSTREET LP	\$19,996.30
34891	05/19/22	7400	PFEIFFER & SON, LTD	\$9,040.26
34892	05/19/22	8066	READYREFRESH	\$97.89
34893	05/19/22	8151	SEARCH HOMELESS SERVICES	\$13,418.88
34894	05/19/22	8355	STERLING EXPRESS SERVICES, INC	\$126.00
34895	05/19/22	8562	TEXAS WASTE COMPANY	\$1,692.30
34896	05/19/22	8604	TMS SOUTH	\$5,055.51
34897	05/19/22	8609	TOUCH & AGREE PROPERTY	\$4,228.50
34898	05/25/22	5701	LONNIE HOOGEBOOM	\$575.45
34899	05/25/22	0352	ALWAYS IN SEASON DECORATING	\$195,920.54
34900	05/25/22	0490	ASSOCIATED LANDSCAPE SERVICES	\$2,472.00
34901	05/25/22	0027	AT&T	\$1,459.63
34902	05/25/22	3288	BRACEWELL	\$3,012.50
34903	05/25/22	1597	CLUTCH CONSULTING GROUP LLC	\$2,700.00
34904	05/25/22	2929	FORT BEND BATTERY & GOLF CARTS	\$1,287.58
34905	05/25/22	3548	HAMILTON PLUMBING SERVICE	\$1,028.00
34906	05/25/22	5211	KEITH GOULD	\$23.55
34907	05/25/22	5700	LONE STAR FLAGS AND FLAGPOLES	\$1,818.00
34908	05/25/22	5987	MAINTENANCE TO GO	\$13,637.67
34909	05/25/22	9113	NCTP-CPAS PLLC	\$1,700.00

## HOUSTON DOWNTOWN MANAGEMENT DISTRICT

AP Check Register (Current by Bank)

Check Dates: 5/1/2022 to 5/31/2022

Check No.	Date	Vendor ID	Payee Name	Amount
<b>BANK ID: A - OPERATING ACCT-JPMORGAN</b>				
34910	05/25/22	7060	NEON ELECTRIC CORPORATION	\$348.00
34911	05/25/22	7712	POWER PEST CORP	\$7,820.00
34912	05/25/22	0596	STRIKE MARKETING	\$68,664.41
34913	05/25/22	8552	TEXAS OUTHOUSE, INC.	\$295.40
34914	05/25/22	0009	THOMAS PRINTWORKS	\$767.37
34915	05/25/22	8544	TML INTERGOVERNMENTAL RISK	\$31.36
34916	05/25/22	8900	VERIZON WIRELESS	\$623.66
<b>BANK A REGISTER TOTAL:</b>				<b>\$2,498,374.54</b>
<b>BANK ID: B - CAPITAL ACCT-JPMORGAN</b>				
3981	05/04/22	4560	JERDON ENTERPRISE, L.P.	\$77,100.00
3982	05/04/22	5987	MAINTENANCE TO GO	\$15,400.00
3983	05/04/22	8402	SITE PIECES	\$10,340.00
3984	05/12/22	4560	JERDON ENTERPRISE, L.P.	\$7,867.09
3985	05/12/22	3578	ROBERTSON INDUSTRIES, INC	\$22,454.68
3986	05/19/22	4560	JERDON ENTERPRISE, L.P.	\$9,516.45
3987	05/26/22	4001	HUITT~ZOLLARS, INC	\$610.00
3988	05/26/22	4560	JERDON ENTERPRISE, L.P.	\$8,700.00
<b>BANK B REGISTER TOTAL:</b>				<b>\$151,988.22</b>
<b>GRAND TOTAL :</b>				<b>\$2,650,362.76</b>

# Houston Downtown Management District

## FINANCIAL STATEMENTS

December 31, 2021

DRAFT



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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Houston Downtown Management District  
Houston, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Houston Downtown Management District (the District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Houston Downtown Management District, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Houston Downtown Management District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Houston Downtown Management District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Houston Downtown Management District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Houston Downtown Management District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of revenues, expenditures and changes in fund balances – budget to actual on pages 4 through 16 and 32 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Houston, Texas

June XX, 2022

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## Houston Downtown Management District Management's Discussion and Analysis (Unaudited)

The following discussion and analysis of Houston Downtown Management District's (the District) financial performance provides an overview of the District's financial activities for the year ended December 31, 2021.

Please read in conjunction with the District's financial statements and notes.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. Comparative information between the current year and the prior year is included in the MD&A.

### Organization

#### Creation

The District was created in the regular session of the Texas Legislature in the spring of 1995 by legislation co-sponsored by Senator Rodney Ellis and Representative Garnet Coleman. This legislation created a Municipal Management District under Chapter 375 of the Local Government Code and is currently codified in Chapter 3801 of the Texas Special Districts Code. The District became effective on August 2, 1995 and was organized on August 29, 1995. In 1999, the District's boundaries were expanded by the Texas Legislature to include all 1,178 acres that lie primarily within the freeway ring around the City of Houston's (City) center.

#### Purpose

Building on the momentum of the Houston Downtown Public Improvement District created by the City in 1991, the District's purpose is to continue the pursuit of a plan for downtown's revitalization to make it a diverse, desirable, accessible and perpetually active core of the Houston region.

#### Board of Directors

The Board of Directors (Board) is made up of a 30-member board with additional ex-officio, non-voting, members that include City department heads from the Police, Public Works, Parks and Recreation, Convention and Entertainment Facilities, and Planning departments, METRO's president and certain chairs of other downtown organizations. Board member qualifications are ownership, tenancy or residence of property within the District or an agent or employee thereof. The Board shall have experience in energy, commercial banking, real estate, finance, insurance, retail, service, utilities and the general issues that the District addresses. Two thirds of the directors shall be City residents. Board members have staggered four-year terms. New appointments and renewals are confirmed by City Council. Unexpired terms with replacements need not be confirmed by City Council.

## Houston Downtown Management District Management's Discussion and Analysis (Unaudited)

### Powers

In addition to the rights, powers, privileges, authority and functions of a district created under Chapter 375 of the Local Government Code and the aforementioned Chapter 3801 of the Texas Special Districts Code, to accomplish its purposes, the District may employ the rights granted to political subdivisions under Article 16, Section 59, of the Texas Constitution, including those conferred by Chapter 54 of the Texas Water Code, and the powers under Article 3, Section 52, of the Texas Constitution and Chapters 365 and 441 of the Texas Transportation Code. The District does not have power of eminent domain and cannot finance by assessment services or improvements unless a petition has been filed with the Board signed by a requisite number of landowners. As each new service and improvement plan (normally every five years) is put in place, a petition is signed by a requisite number of landowners.

On November 11, 2020, the District's Board of Directors approved the current service and improvement plan which is funded by annual assessments based on the Harris County Appraisal District values at the end of each year. This is the first year of the service and improvement plan. The District may levy assessments, ad valorem taxes and/or impact fees. Pursuant to Chapter 3801, the District may incur liabilities, borrow, issue bonds, or other obligations, acquire and dispose of property, construct, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, arts, entertainment, economic development, safety and the public welfare.

Specifically, the District was created to provide services and improvements which supplement those presently provided by the City to promote, develop, encourage, and maintain employment, commerce, economic development, and public welfare within the District in downtown Houston. To that end, the District presently provides services in five main areas of operation:

- Operations (public safety and maintenance)
- Capital Projects
- Economic and Business Development
- Planning
- Marketing and Communications

### Bonds and Assessments

The District may issue bonds payable by assessments or ad valorem taxes. The City must approve the bond issue or any capital improvements budget that is financed from a bond issue. The District must hold an election and obtain voter approval to impose a maintenance tax or to issue bonds payable from ad valorem taxes or assessments. At present, the District has no outstanding bonds.

### Intergovernmental Agreements

The District is a governmental agency and political subdivision of the State of Texas and may enter into intergovernmental agreements with other units of government at the Federal, state and local level.

## Houston Downtown Management District Management's Discussion and Analysis (Unaudited)

### Policies and Procedures

The District's Board adopted policies and procedures regarding personnel, procurement, contract administration, disadvantaged business enterprise program, budget, accounting, property ownership, insurance, ethics and investments. The District has contracted with Central Houston, Inc., a 501(c)(6) not-for-profit corporation, for the provision of administrative and managerial personnel, thereby realizing certain economies of operation expense. The District will contract out for all other services in accordance with adopted policies and procedures.

### Disadvantaged Business

The District attempts to stimulate the growth of disadvantaged businesses within its boundaries by encouraging full participation in all phases of procurement. The District strives to increase participation of disadvantaged businesses in contract awards. The program is reviewed on an annual basis and a quarterly report is made to the Board.

### Torts Claims

On December 31, 2021, there were no known claims.

### Assessment Plan

Assessments for 2021 were based on the 2021 certified rolls of the Harris County Appraisal District, as supplemented, for taxable, non-excluded properties within the 1999 expanded boundaries of the Houston Downtown Management District pursuant to the 2021-2025 Assessment Plan adopted in November 2020.

## **FINANCIAL HIGHLIGHTS**

### Assessment Revenues

The District's assessment rate for 2021 was 11.75¢/\$100 in valuation based on 2021 certified Harris County Appraisal District rolls, as supplemented, within the 1999 expanded boundaries of the District. 10.75¢ was for operations and resulted in net revenues of \$13,812,379. 1.00¢ was for capital and resulted in net revenues of \$1,284,872.

### Capital Projects

During 2021, the District continued to work to complete the refurbishment of the Texas Avenue pole skirts and the eight newly fabricated skirts were installed at a cost of \$145,000.

## Houston Downtown Management District Management's Discussion and Analysis (Unaudited)

Phase II of the Forms + Surfaces bike racks was completed, and the District incurred \$3,450 for the remaining installation. The District also completed Phase III of its work to improve parking lot edges through adding fencing and jasmine to a number of parking lot sites in downtown at a cost of \$177,130. Huitt-Zollars was re-engaged to update the engineering work for the Southeast Sidewalks Improvement Project in anticipation of TxDOT going to bid for construction on the project in 2023. The District incurred \$68,555 for this work. The District added three vehicular wayfinding signs and several pedestrian wayfinding signs because of the street improvements completed on Bagby Street during 2021 at a cost of \$191,982. In addition, capital replacements included: \$47,662 to Windsor Fireform to replace the historical markers on Texas Avenue, \$26,971 to NEC to update messaging on wayfinding signage for name changes, \$76,901 for repairs to the fountain at Main Street Square, and \$10,142 in miscellaneous other capital replacement items.

### Downtown Living Initiative

The District, in conjunction with the City of Houston and the Downtown Redevelopment Authority, created a program in 2012 called the Downtown Living Initiative (DLI), which is designed to incentivize residential development in downtown. Developers are eligible to receive a rebate equal to 75% of the incremental District assessment and City of Houston property taxes generated by the project upon completion for a fifteen-year period up to a maximum of \$15,000 per unit. There was an overall cap of units available to participate in the program of 5,000. The application deadline for the DLI program was June 30, 2016, and the program is now closed.

The District has executed DLI agreements with fifteen developers totaling 4,257 units. Projects opened as of the end of 2021 include: SoDo on Main, Block 334, Market Square Tower, the Star, Aris Market Square, Eighteen25, Catalyst, 1414 Texas, 1711 Caroline, Marlowe, and Camden Downtown. Estimated completion dates for the additional development projects range through the end of 2023. The residential projects are geographically dispersed throughout several areas of the District, including the Ballpark District, the Historic District, and the southern portion of downtown. Developers are required to meet certain deadlines and be in compliance with design guidelines to benefit from the incentive program, although extensions may be granted if approved by the Board. The District's liability for DLI assessment rebates to developers is contingent upon renewal of subsequent service plans beyond 2025. During 2021, \$660,780 was paid by the District in assessment rebates under the DLI residential program.

### Greenlink Circulator Program

In 2012, the District received a federal transportation grant in the amount of \$2,270,000 to purchase seven CNG-powered vehicles to provide clean energy, convenient transportation, free of charge through the key corridors of downtown. The District partnered with Houston First Corporation (Houston First) to fund operation of the Greenlink service. METRO operated the Greenlink vehicles and had an agreement with the District for a four-year term ending June 30, 2020.

## Houston Downtown Management District Management's Discussion and Analysis (Unaudited)

Houston First did not renew its sponsorship of the Greenlink when the agreement ended in June 2020. Similarly, the District was unable to procure a corporate sponsor for the service and ridership on the Greenlink had been declining over the past several years. Total operating costs for the Greenlink Circulator program for 2020 were \$1,914,171.

Due to declining ridership, increased competition from rideshare services for short passenger trips and the high cost of operations, the District discontinued operation of the Greenlink downtown circulator and transferred the seven vehicles to METRO on May 31, 2020. METRO assumed the obligations associated with the remaining FTA interest in the vehicles of \$756,666, incorporated the vehicles and spare parts inventory into METRO's fleet to utilize them for public transit for its remaining useful life. METRO provided a transfer payment of \$264,439 to reimburse the unamortized portion of the local match (split 50/50 with Houston First). The remaining cash balance of \$564,264 was distributed equally between the District and Houston First.

### Grant Programs

The District awarded an economic development grant in 2013 to Finger-FSC Crawford, Ltd. for construction of a 397-unit residential development on blocks 50 and 51 in the District. Awarded prior to the creation of the DLI program, this grant is equal to 75% of the incremental District assessment generated by the project for a term of fifteen years from the date of completion and its inclusion on the District's tax assessment roll. This residential project, which includes two street level restaurants on Texas Avenue, was completed in 2016 and payment was made in early 2022 for the reimbursement of \$62,336 due for 2021 for this project.

The District has a program to support catalytic retail projects. During 2017, a \$140,000 grant was awarded to Bravery Chef Hall which activates the street level of the residential project Aris Market Square and features a food hall concept for rising-star chefs. Bravery opened in 2019, with the first installment of the grant being issued the same year. The second installment of the grant was paid in August 2020 in the amount of \$35,000. The remaining \$35,000 of the grant will be paid in 2022.

### Downtown Maintenance Agreement

The District is responsible for maintaining improvements (pavers, trees, landscaping, irrigation systems, lighting, etc.) within the public right of way that were installed as part of the various improvement projects (Cotswold, Transit Streets, Dallas Street/Shopping District, Main Street, Market Square Park, and Main Street Square). A signed agreement with the City delineates the maintenance responsibility for the District.

During 2021, the District expended \$300,000 for paver repair work, \$663,216 for landscaping/irrigation maintenance, \$365,264 for plants and floral displays, \$192,989 for Main Street Square maintenance, and \$272,281 for Market Square Park maintenance. Adjacent property owners reimbursed the District \$33,357 for Main Street Square fountain maintenance. Rent and utility reimbursements from the food kiosk vendor generated \$39,598 of revenue for Market Square Park.



## Houston Downtown Management District Management's Discussion and Analysis (Unaudited)

### Street Lighting

In 1999, the District signed a street lighting agreement with the City. The agreement provided for upgraded street lighting to be installed and for the District to pay for the additional power use for the increased lamp wattage and additional streetlights added. During 2021, the District incurred \$91,700 for the additional power usage.

### Litter and Trash Program

Maintaining a clean and safe downtown environment is a primary part of the District's mission. During 2021, the Street Team program was funded in the amount of \$2,934,396 to provide litter and trash pick-up on a seven day a week basis, sidewalk pressure washing, graffiti, rodent, and bird abatement, and a recycling program. The trash subscription program provided \$126,575 in offsetting revenues. Also, the District provided METRO bus stop cleaning services and received \$251,888 in offsetting revenues for this effort. Due to the impacts of COVID-19 on our downtown retail and restaurant businesses, the District suspended trash collection program subscription fees until July 2021.

### Downtown Public Safety Guides

The Downtown Public Safety Guide program was created to provide a customer service-oriented visible presence in downtown. Safety Guides assist visitors, connect homeless individuals to social services and act as a deterrent to crime. The District spent \$1,344,476 for the guide program during 2021. In addition, the District engages Off-Duty Houston Police Officers on a part-time basis to deploy in strategic areas. The District spent \$263,589 for the Off-Duty Officer program during 2021. The District spent \$626,793 for uniformed and armed private security officers contracted through S.E.A.L. Security.

The District is committed to, and funded, programs to reduce homelessness, spending \$1,057,334 during the past year with the outreach partners Search, Harris Center, and Coalition for the Homeless. The District also participated in another city initiative, the CCHP program, designed to use federal COVID-19 relief funds and private philanthropy to provide rapid housing and take approximately 5,000 individuals off the streets of the Houston area. The District's contribution was \$500,000 out of the total program cost of approximately \$65 million. In addition, the District contributed \$156,250 toward the Public Intoxication Transport Team (PITT) program run by the Houston Recovery Center.

### Operations Center

During 2018, the District entered into a fifteen-year lease agreement with LVA4 Greenstreet, LP to relocate the District Operations Center to 1313 Main in space adjacent to the Greenstreet garage. The District was able to approximately double its square footage to accommodate the growth in operations which has added personnel to meet the needs of the emerging 24/7 environment in the District. Construction was completed and the District moved to its new Operations Center facility in 2019. The District occupies the first floor of the building of approximately 12,500 sqft and has an option on the second-floor space of approximately 11,000 sqft.

## Houston Downtown Management District Management's Discussion and Analysis (Unaudited)

The District also leases additional warehouse storage space for equipment and extra stock storage. Amounts paid during 2021 for rent, utilities and supplies for office and warehouse space totaled \$375,788.

### Allen Parkway Maintenance

During 2021, the District continued maintenance of the street improvements, including streetlights, trees, and landscaping, installed by the Downtown Redevelopment Authority (the Authority) on Allen Parkway. The District incurred \$153,080 in expenditures and were fully reimbursed by the Authority.

### Banner Poles and Holiday Decorations

The District provides street banners, lighted/landscaped poles, and holiday decorations for downtown. During 2021, new holiday décor was added to Bagby Street including extensive pole décor over the length of the street, angel wings on the Houston Public Library, and light tunnels at Tranquility Park, Sam Houston Park and the Aquarium. During 2021, \$1,007,024 was spent on banner changes, pole/pot maintenance, and installation of holiday decorations.

### Wayfinding Maintenance

The District has made a significant capital investment in the 69 vehicular and 115 pedestrian wayfinding signs in the downtown area in the current service plan. A maintenance agreement was established to provide regular cleaning, repairs, and replacement of damaged signs. A total of \$43,284 was spent during 2021 on wayfinding signage maintenance.

### Marketing and Communications Program

The Marketing and Communications Program works to promote a vibrant and diverse Downtown image through advertising, public relations, partnerships, events, community relations and other promotional materials. The overarching goal is to position Downtown as a place with BIG personality that embraces everything people love about Houston.

Following the effects of the coronavirus pandemic, in 2021, the Downtown District launched the "**We Are Downtown**" campaign that communicates a sense of urgency for Houstonians to experience the community of people, places, food, and stories that make up Downtown.

In 2021, the District continued to publish the *downtown* magazine, engage the public through social media, and produce a weekly e-blast to communicate a variety of events happening in downtown. In addition, a series of videos were produced which ran on TV and social media advertising. Total expenses for marketing and communications were \$1,090,977 in 2021, with \$4,500 in offsetting revenues from the magazine advertising.

The District also continued its initiative, Art Blocks, to bring unique smaller-scale public art to the downtown area. The pieces are selected by a committee of local collectors, curators, and philanthropists. The District incurred expenses of \$113,906 during 2021 for the Art Blocks program.

## Houston Downtown Management District Management's Discussion and Analysis (Unaudited)

### Economic Development

The District is committed to building relationships with the business community in downtown and acting as a resource for information regarding office market trends, commute solutions for the workforce, and the benefits of locating a business downtown. The District spent \$331,928 on its economic development program during 2021, which is conducted in partnership with Central Houston, Inc.

### Planning

The planning efforts of the District continue to be largely focused on planning for the North Houston Highway Improvement Plan, including traffic studies of specific areas impacted by the highway reconfiguration, opportunities for development in the Warehouse District in the northern portion of downtown and potential new city streets/street closures. A total of \$340,021 was spent by the District on the highway planning during 2021. In addition, the District spent \$90,025 on Warehouse District planning and research during 2021.

### Public Space Programming

The District uses programming to attract visitors to downtown. Programming is extensive at Market Square Park in the Historic District, offering seasonal events such as concerts, culinary evenings, movie nights, blanket bingo, special markets, and other creative offerings. Programming activity partially resumed during 2021 as the District worked to increase visits downtown coming out of the pandemic. The District spent \$268,218 during 2021 on programming in Market Square Park, up significantly from 2020 but not yet at pre-pandemic levels. Programming costs were offset by \$20,936 in revenue from the events.

Due to the coronavirus pandemic, in 2021, the District suspended much of its regular programming at Main Street Square featuring the semi-annual HeartMade Art Market, as well as the Downtown Home Tour. The District spent \$68,136 during 2021 on programming in Main Street Square. The District also spent \$134,239 on collaborative events and programming during the Holiday Season.

## **OVERVIEW OF FINANCIAL STATEMENTS**

Under GASB Statement No. 34, the District qualifies as a special purpose government with one program—revitalization of the downtown area.

Government-wide statements report information about the District as a whole using accounting methods similar to those used in private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid. The fund financial statements report information about the District on the modified accrual basis, which only account for revenues that are measurable and available within the current period or soon enough thereafter to pay liabilities of the current period. Adjustments are provided to reconcile the fund statements to the government-wide statements. Explanations for the reconciling items are provided as part of the financial statements.

## Houston Downtown Management District Management's Discussion and Analysis (Unaudited)

### **Statement of Net Position**

The statement of net position reflects the District's assets and liabilities using the full accrual basis of accounting and represents the financial position as of the conclusion of the year. Net position are equal to assets minus liabilities. Unrestricted net position is available to the District for any lawful purpose. Restricted net position has constraints on resources, which are imposed by law through contractual provision of enabling legislations.

The following table reflects condensed information on the District's net position:

<i>December 31,</i>	<b>2021</b>	2020
Capital assets, net	\$ 3,606,223	\$ 825,275
Other assets:		
Cash and cash equivalents	12,646,062	12,541,350
Assessments, net	14,175,490	14,646,795
Accounts receivable and prepaid expenses	166,477	33,581
<b>Total assets</b>	<b>30,594,252</b>	28,047,001
Accounts payable, accrued expenses and due to affiliate	1,916,036	1,289,021
Lease liability - current	177,241	-
Lease liability - long-term	2,764,198	-
<b>Total liabilities</b>	<b>4,857,475</b>	1,289,021
<b>Net position</b>		
Invested in capital assets	664,784	825,275
Restricted for capital projects	5,636,670	5,206,000
Unrestricted	19,435,323	20,726,705
<b>Total net position</b>	<b>\$ 25,736,777</b>	\$ 26,757,980

### Assets

As of December 31, 2021, the District's assets totaled \$30,594,252 versus \$28,047,001 as of December 31, 2020. At year end, the District had \$8,144,257 of cash on hand for service plan operations, \$4,501,805 for capital projects. Funds not needed for immediate operations are invested in TexPool Prime accounts. Investments are reviewed quarterly by the Board of Directors. Net capital assets of the District were \$3,606,223 as of December 31, 2021, which reflects \$13,227 of new depreciable asset acquisitions, \$3,114,727 of leased assets upon adoption of GASB Statement No. 87, \$111,933 of depreciation expense and \$235,073 of amortization expense from the net capital asset balance of \$825,275 as of December 31, 2020.

## Houston Downtown Management District Management's Discussion and Analysis (Unaudited)

Assessment receivable as of December 31, 2021 totaled \$14,175,490 versus \$14,646,795 as of December 31, 2020. The 2021 assessment receivable is reported net of a reserve for refunds that has been established for properties protesting HCAD valuations in the amount of \$1,578,421 as compared to \$1,304,445 in 2020. The \$273,976 net increase reflects the best estimate of likely reduction in property values and based on historic loss percentages and the current number of protests offset by the amount refunded during 2021.

### Liabilities

At December 31, 2021, the District's accounts payable and accrued expenses and due to affiliate totaled \$1,916,036 versus \$1,289,021 as of December 31, 2020. Effective January 1, 2021, the District adopted GASB Statement No. 87 resulting in a lease liability of \$3,114,727. During 2021, the District paid \$173,288 in principal payments resulting in an outstanding balance of \$2,941,439 as of December 31, 2021.

### Net Position

Net position at year end in 2021 totaled \$25,736,777. Net position in 2021 is classified as invested in capital assets, restricted for capital projects and unrestricted, which totaled \$664,784, \$5,636,670, and \$19,435,323, respectively. Net position at year end in 2020 totaled \$26,757,980. Net position in 2020 is classified as invested in capital assets, restricted for capital projects, and unrestricted, which totaled \$825,275, \$5,206,000, and \$20,726,705, respectively.

Net position for the District decreased by \$1,021,203.

### ***Statement of Activities***

The following tables identify operating revenues earned and expenses incurred by the District:

<i>For the years ended December 31,</i>	<b>2021</b>	2020
<b>Revenues</b>		
Assessments, net - service plan operations	\$ 13,812,379	\$ 14,075,172
Assessments, net - capital projects	1,284,872	1,309,318
Greenlink sponsor revenues	-	100,000
Other	789,269	896,774
<b>Total revenues</b>	<b>\$ 15,886,520</b>	<b>\$ 16,381,264</b>

## Houston Downtown Management District Management's Discussion and Analysis (Unaudited)

In 2021, revenues totaled \$15,886,520 compared to \$16,381,264 in 2020. Assessment revenues decreased by \$287,239 because of an increase in reserves due to the anticipated increase in property value protests. Sponsorship revenue decreased by \$100,000 due to the termination of the Houston First Sponsorship of Greenlink. Operations revenue has increased by \$107,246 due to the July 2021 reinstatement of trash subscription fees and increases in the METRO contract for bus stop cleaning as well as a decrease in reimbursements for the Main Street Fountain due to downtime of the fountain operation. Interest income decreased by \$113,320 due to a decrease in interest earnings rates on investments. Miscellaneous revenue decreased by \$264,439 due to the Greenlink transfer payment received in 2020, increased by \$182,187 for Central Houston reimbursement for salary, the new CEO transition and bonuses paid in 2021 versus 2020 and decreased \$19,179 in other items.

<i>For the years ended December 31,</i>	<b>2021</b>	2020
<b>Expenses</b>		
Service plan operations	\$ 16,025,751	\$ 14,620,013
Capital projects	881,972	891,686
Greenlink expenses	-	1,914,171
<b>Total expenses</b>	<b>\$ 16,907,723</b>	<b>\$ 17,425,870</b>

In 2021, expenses totaled \$16,907,723 compared to \$17,425,870 in 2020. The total increase in service plan operations over 2020 of \$1,405,738 was primarily due to increased personnel/program costs in the public safety, street team and homeless programs in the amount of \$145,519, increased spending on programming coming out of the pandemic, new holiday décor on Bagby Street of \$730,641, increased expenditures on transportation due to initial contribution to the Ft. Bend transit operations offset by a decrease in personnel costs due to the termination of Greenlink for a net increase of \$134,648, increased payouts for the Downtown Living Initiative, and economic development programs in the amount of \$192,015. Planning decreased significantly due to wrapping up the Warehouse District masterplan offset by an increase in marketing spending due to increased advertising trying to bring people downtown after the pandemic for a net decrease of \$124,093. Administrative personnel costs increased by \$95,677 due to the new CEO search as well as a \$3,742 decrease in depreciation, and a \$235,073 increase in amortization. Capital spending decreased slightly by \$9,714 due to the timing of capital projects. Greenlink expenditures decreased by \$1,914,171 due to termination of the service and transfer of the vehicles to METRO during 2020.

## Houston Downtown Management District Management's Discussion and Analysis (Unaudited)

### Budgetary Highlights

#### Service plan operations

	2021		2020	
	Actual	Budget	Actual	Budget
Revenues	\$ 14,598,218	\$ 15,068,830	\$ 14,942,007	\$ 14,896,337
<b>Expenses</b>				
Downtown feels safe and comfortable	8,566,223	8,913,200	8,186,094	8,980,320
Public realm is charming, inviting, beautiful	2,937,715	2,598,000	2,207,075	2,735,500
Accessible to region and easy to get around	313,295	288,500	178,649	334,500
Vibrant, sustainable mixed-use place	1,176,283	1,227,650	984,268	1,177,306
Downtown's vision understood by all	2,127,404	2,207,350	2,251,497	2,684,600
District governance and service known for excellence	904,831	976,297	812,430	1,023,803
Total expenses	16,025,751	16,210,997	14,620,013	16,936,029
Change in net position	\$ (1,427,533)	\$ (1,142,167)	\$ 321,994	\$ (2,039,692)

- Overall, 2021 service plan operations revenues were below budget by \$470,612, primarily attributable to the reserve established for increased assessment protests, decreased marketing program event revenue and a decline in favorable interest rates.
- Service plan operations expenses for 2021 were less than budget by \$185,246. Personnel costs were over budget by \$32,021 (1.1%). Operations and maintenance expenses were under budget by \$346,977 due primarily to open positions, public realm beautification expenses were over budget by \$339,715 due to new holiday décor purchased for Bagby Street, offset by the Art Blocks program which was under budget by \$148,094. Transportation access expenditures were over budget by \$24,795, mixed-use place expenditures were under budget by \$51,367 due primarily to the timing of Downtown Living Initiative payments, marketing and planning expenditures were under budget by \$79,946 and administrative expenses were under budget by \$71,466.

#### Capital projects

	2021		2020	
	Actual	Budget	Actual	Budget
Revenues	\$ 1,288,302	\$ 1,344,390	\$ 1,335,001	\$ 1,870,111
<b>Expenses</b>				
Downtown feels safe and comfortable	-	100,000	453,983	360,000
Public realm is charming, inviting, beautiful	145,000	520,000	91,103	300,000
Accessible to region and easy to get around	441,117	1,392,000	56,110	1,984,000
Vibrant, sustainable mixed-use place	104,640	154,500	67,407	77,000
Capital replacement expenditure	191,215	232,000	223,083	400,109
Total expenses	881,972	2,398,500	891,686	3,121,109
Change in net position	\$ 406,330	\$ (1,054,110)	\$ 443,315	\$ (1,250,998)

## Houston Downtown Management District Management's Discussion and Analysis (Unaudited)

- Capital projects revenues for 2021 were under budget by \$56,088, primarily attributable to the reserve established for increased assessment protests and a decline in favorable interest rates.
- Capital expenditures for 2021 were \$1,516,528 less than budget due to pause on further street light infill projects in the amount of \$100,000 and delay in procurement of new banners in the amount of \$150,000. The Texas Avenue pole skirts came in under budget by \$65,000 and the Phase III parking lot edge project also came in under budget by \$22,870. The Prairie Street project was put on hold and the Southeast Sidewalks project has moved back into the engineering stage but not construction, so both of those delayed projects together resulted in a favorable variance to budget of \$723,445. The garage signage for the City of Houston interactive street sign project was canceled resulting in a \$300,000 favorable variance to budget. The \$60,000 in street sign updates was pushed to 2022. Additional amounts under budget were \$4,568 in wayfinding signage, \$7,662 in Downtown Living Initiative capital expenditures, \$42,198 in catalytic grants for the More Space Main Street program and \$40,785 in capital replacement projects.

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This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances and to show the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Houston Downtown Management District, 1221 McKinney, Suite 4250, Houston, Texas 77030.



## Houston Downtown Management District Governmental Funds Balance Sheet and Statement of Net Position

December 31, 2021

	Service Plan Operations	Capital Projects	Total	Adjustments	Statement of Net Position
<b>Assets</b>					
Cash and cash equivalents	\$ 8,144,257	\$ 4,501,805	\$ 12,646,062	\$ -	\$ 12,646,062
Assessment due from tax collector, net	12,948,694	1,226,796	14,175,490	-	14,175,490
Accounts receivable	140,242	-	140,242	-	140,242
Prepaid expenses	26,235	-	26,235	-	26,235
Interfund (payable) receivable	48,931	(48,931)	-	-	-
Capital assets, net	-	-	-	3,606,223	3,606,223
<b>Total assets</b>	<b>\$ 21,308,359</b>	<b>\$ 5,679,670</b>	<b>\$ 26,988,029</b>	<b>\$ 3,606,223</b>	<b>\$ 30,594,252</b>
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ 1,344,915	\$ 43,000	\$ 1,387,915	\$ -	\$ 1,387,915
Due to affiliate	407,460	-	407,460	120,661	528,121
Non-current lease liability					
Due within one year	-	-	-	177,241	177,241
Due in more than one year	-	-	-	2,764,198	2,764,198
<b>Total liabilities</b>	<b>1,752,375</b>	<b>43,000</b>	<b>1,795,375</b>	<b>3,062,100</b>	<b>4,857,475</b>
<b>Deferred Inflows of Resources</b>					
Deferred tax assessment	447,054	39,725	486,779	(486,779)	-
<b>Fund Balances</b>					
Nonspendable-prepayments	26,235	-	26,235	(26,235)	-
Restricted for capital projects	-	5,596,945	5,596,945	(5,596,945)	-
Assigned for catastrophe	800,000	-	800,000	(800,000)	-
Unassigned	18,282,695	-	18,282,695	(18,282,695)	-
<b>Total fund balances</b>	<b>19,108,930</b>	<b>5,596,945</b>	<b>24,705,875</b>	<b>(24,705,875)</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 21,308,359</b>	<b>\$ 5,679,670</b>	<b>\$ 26,988,029</b>		
<b>Net position</b>					
Invested in capital assets				\$ 664,784	\$ 664,784
Restricted for capital projects				5,636,670	5,636,670
Unrestricted				19,435,323	19,435,323
<b>Total net position</b>				<b>\$ 25,736,777</b>	<b>\$ 25,736,777</b>
<b>Total fund balances of total governmental funds</b>					<b>\$ 24,705,875</b>
Amounts reported for governmental activities in statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds					3,606,223
Certain liabilities are not due and payable in the current period and therefore not reported in the funds					(120,661)
Long-term liabilities are not due and payable in the current period and therefore not reported in the funds					(2,941,439)
Deferred revenue is not available for current period expenditures and therefore deferred in the funds					486,779
<b>Net position of governmental activities</b>					<b>\$ 25,736,777</b>

*The accompanying notes are an integral part of these basic financial statements.*

## Houston Downtown Management District Governmental Fund Revenues, Expenditures and Changes in Fund Balances and Statement of Activities

For the year ended December 31, 2021

	Service Plan Operations	Capital Projects	Total	Adjustments	Statement of Activities
<b>Revenues</b>					
Assessments, net	\$ 13,787,527	\$ 1,284,368	\$ 15,071,895	\$ 25,356	\$ 15,097,251
Project revenue	774,912	-	774,912	-	774,912
Interest	10,927	3,430	14,357	-	14,357
<b>Total revenues</b>	<b>14,573,366</b>	<b>1,287,798</b>	<b>15,861,164</b>	<b>25,356</b>	<b>15,886,520</b>
<b>Expenditures/expenses</b>					
<b>Downtown feels safe and comfortable at all times</b>					
Collaboration to maintain low crime rate	2,474,703	-	2,474,703	-	2,474,703
Reduced presence of homeless and street persons	1,169,753	-	1,169,753	-	1,169,753
Downtown sidewalks are comfortably lighted	113,226	-	113,226	-	113,226
Downtown clean and well-kept appearance	4,362,423	-	4,362,423	221,846	4,584,269
Remove signs of disorder in downtown	43,353	-	43,353	-	43,353
Prepare for emergencies	121,555	-	121,555	-	121,555
Debt service					
Principal payments	173,288	-	173,288	(173,288)	-
Interest charge	59,364	-	59,364	-	59,364
	8,517,665	-	8,517,665	48,558	8,566,223
<b>Public realm is charming, inviting, beautiful and celebrates the life of the city</b>					
Key pedestrian streets are inviting	405,290	-	405,290	-	405,290
Public spaces managed, programmed and delightful	1,052,710	-	1,052,710	-	1,052,710
Place of civic celebration	1,479,715	-	1,479,715	-	1,479,715
	2,937,715	-	2,937,715	-	2,937,715
<b>Accessible to region and easy to get around</b>					
Effective transit access more places, more hours	164,250	-	164,250	-	164,250
Convenient circulation without personal vehicle	37,368	-	37,368	-	37,368
Easy to find way around	92,769	-	92,769	-	92,769
Connect neighbors and districts inside/outside downtown	10,830	-	10,830	-	10,830
Convenient, understandable and managed parking	8,078	-	8,078	-	8,078
	313,295	-	313,295	-	313,295
<b>Vibrant, sustainable mixed-use place</b>					
Best place to work in region	331,928	-	331,928	-	331,928
Exciting neighborhoods to live in	758,908	-	758,908	-	758,908
Competitive shopping place	31,598	-	31,598	-	31,598
Remarkable destination for visitors	53,849	-	53,849	-	53,849
	1,176,283	-	1,176,283	-	1,176,283
<b>Downtown's vision and offering understood by all</b>					
Market to region	1,277,662	-	1,277,662	-	1,277,662
Promote downtown's ease of use	27,033	-	27,033	-	27,033
Vision/development framework understood by all	690,872	-	690,872	-	690,872
Tools to assist continued redevelopment	96,273	-	96,273	-	96,273
Develop and maintain information to support downtown	35,564	-	35,564	-	35,564
	2,127,404	-	2,127,404	-	2,127,404

(Continued)

*The accompanying notes are an integral part of these basic financial statements.*

## Houston Downtown Management District Governmental Fund Revenues, Expenditures and Changes in Fund Balances and Statement of Activities (Continued)

For the year ended December 31, 2021

	Service Plan Operations	Capital Projects	Total	Adjustments	Statement of Activities
<b>District governance and service known for excellence</b>					
Engage stakeholders in decision making	\$ 759,483	\$ -	\$ 759,483	\$ (12,693)	\$ 746,790
Communications to owners, tenants and others	33,399	-	33,399	-	33,399
Preservation of districts' capital assets	37,049	-	37,049	87,593	124,642
	829,931	-	829,931	74,900	904,831
<b>Capital improvement and expenditures</b>					
Public realm is charming, inviting and beautiful	-	145,000	145,000	-	145,000
Accessible to region and easy to get around	-	441,117	441,117	-	441,117
Vibrant, sustainable mixed-use place	-	104,640	104,640	-	104,640
Capital replacement expenditure	-	166,875	166,875	24,340	191,215
	-	857,632	857,632	24,340	881,972
<b>Total expenditures/expenses</b>	<b>15,902,293</b>	<b>857,632</b>	<b>16,759,925</b>	<b>147,798</b>	<b>16,907,723</b>
Excess (deficiency) of revenues over expenditures	(1,328,927)	430,166	(898,761)	898,761	
Change in net position				(1,021,203)	(1,021,203)
Fund balances/net position, beginning of year	20,437,857	5,166,779	25,604,636	1,153,344	26,757,980
End of year	\$ 19,108,930	\$ 5,596,945	\$ 24,705,875	\$ 2,052,105	\$ 25,736,777
Change in total fund balance of governmental funds					\$ (898,761)
Amounts reported for governmental activities in statement of activities are different because:					
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the asset:					
Capital additions					13,227
Depreciation expense					(111,933)
Amortization expense					(235,073)
The repayment of the principal of long-term liabilities consumes the current financial resources of governmental funds					
Repayment of principal					173,288
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds					
Some assessments will not be remitted to the District for several months after fiscal year-end; they are not considered as "available" revenues in governmental funds					12,693
					25,356
Change in net position of statement of activities					\$ (1,021,203)

*The accompanying notes are an integral part of these basic financial statements.*

## Houston Downtown Management District Notes to Basic Financial Statements

### Note 1: DESCRIPTION OF ORGANIZATION

Houston Downtown Management District (the District), is a municipal management district created under Chapter 375 of the Local Government Code and is currently codified in Chapter 3801 of the Texas Special Districts Code. The District's boundaries include all of the 1,178 acres that lie primarily within the freeway ring around the City of Houston's central business district. The District is governed by a 30-member Board of Directors, representing property owners, managers and tenants in downtown.

The District's main areas of operation are geared towards ensuring that downtown always feels safe and comfortable; public realm is charming, inviting, beautiful and celebrates life of the city; accessible to region and easy to get around; vibrant, sustainable mixed-use place; Downtown's vision and offering understood by all; District governance and service known for excellence; and capital projects. All programs are provided for under a five-year service plan (2021 - 2025) for downtown revitalization which was adopted by the Board in November 2020.

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applied to governmental entities. The more significant accounting policies used by the District are described below in Note 2.

In evaluating the District as a reporting entity, management has considered all potential component units in accordance with Section 2100: *Defining the Financial Reporting Entity of the Governmental Accounting Standards Board (GASB) Codification*. The District does not have any component units.

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***Measurement Focus and Basis of Accounting***

##### *Government-Wide Financial Statements*

The statement of net position and the statement of activities display information about the reporting government as a whole. These statements are prepared on the "economic resources" measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flow. Annual assessments are recognized as revenues in the year in which they are levied. Expenses are recorded when liabilities are incurred.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues, and other nonexchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds. The District does not have any business-type activities.

## Houston Downtown Management District Notes to Basic Financial Statements

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Under the government-wide financial statements, net position is classified into three components as follows:

Invested in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by any bonds, notes, lease liability or other borrowings.

Restricted – This component of net position consists of constraints on use placed on net position through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through contractual provisions or enabling legislation.

Unrestricted – This component of net position consists of net position that do not meet the definition of “restricted” or “invested in capital assets”.

#### *Fund Financial Statements*

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a “current financial resources” measurement focus and have been prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction that can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenue available if it is collected within 60 days after the year end. Expenditures are recorded when the related fund liability is incurred as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisition are reported as expenditures in governmental funds. Issuance of long-term debt, including lease liabilities, are reported as other financing sources.

#### *Fund Accounting*

In government, the basic accounting and reporting entity is a “fund.” A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording financial resources together with all related liabilities, obligations, reserves and equities which are segregated for carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

## Houston Downtown Management District Notes to Basic Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District's funds include:

#### Service Plan Operations

The Service Plan Operations fund was established to account for an annual assessment of up to 10.75 cents per \$100 valuation of taxable real property according to the annual tax roll of the Harris County Appraisal District, as supplemented, pursuant to the 2021-2025 Service Plan. These funds are to be used for operating expenses including public safety, homelessness initiatives, cleanliness, maintenance, landscaping services, urban planning, economic and business development, marketing and communications necessary to build a constituency of support for a thriving, economical and vital downtown. It accounts for all activities except those required to be accounted for in other funds.

#### Capital Projects

The Capital Projects fund was established to account for an assessment set annually not to exceed 1.00 cent per \$100 valuation of taxable real property according to the annual tax roll of the Harris County Appraisal District, as supplemented, pursuant to the 2021-2025 Service Plan. These funds are to be used for major capital improvements to revitalize downtown including lighting, parks, streetscape enhancements, wayfinding signage, and retail and catalytic project grants.

#### **Fund Balance**

The difference between fund assets and liabilities is "Net Position" on government-wide financial statements and "Fund Balance" on governmental funds financial statements. The District follows GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the government's net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period.

#### **Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

**Nonspendable** – amounts that cannot be spent because they are not in a spendable form (not expected to be converted to cash) or are legally required to be maintained intact.

**Restricted** – amounts where legally enforceable constraints are imposed by an external party such as a creditor, grantor, contributor, or regulations of other governments or constraints imposed by law through contracted provisions or enabling legislation.

## Houston Downtown Management District Notes to Basic Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Committed – amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Board of Directors, the District’s highest level of decision making authority.

Assigned – amounts where constraints are imposed on the use of resources through the intent of the District for specific purposes but are neither restricted nor committed.

Unassigned – the residual amount of the general fund balance more than amounts that are nonspendable or that are restricted, committed, or assigned to specific purposes within the general fund.

In the fund financial statements, the District reserves or designates all or portions of fund balance in the various governmental fund financial statements. The unassigned fund balances for governmental funds represent the amount available for budgeting future operations. The restricted fund balances for governmental funds represent the amount that has been legally identified for specific purposes. The committed fund balances for governmental funds represent balances that have been authorized through formal action by the Board of Directors but not yet spent.

Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for a specific purpose may be designated as assigned by authorization of the Board of Directors.

When an expenditure is incurred for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers the amount to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors has provided otherwise in its commitment or assignment functions.

#### ***Special Assessment***

The District’s 2021 assessment was levied in November 2021 based on assessed values as of January 1, 2021 for all real property located in the District. Under the new Service Plan adopted by the Board in November 2020, the District’s assessment over the five years of the plan (2021-2025) will be based on each year’s current tax year values. These assessments are due in January 31 of the years 2022 through 2026 and are delinquent if not paid before February 1 of that year. The District’s Board of Directors determines the rate for each year and the combined Service Plan Operations and Capital Projects rate for 2021 was 11.75 cents per \$100 valuation. The District contracts with a tax assessor/collector for assessment collection services.

## Houston Downtown Management District Notes to Basic Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Budget and Budgetary Accounting***

The District's Board of Directors adopts an annual budget for the Service Plan Operations fund and Capital Projects fund. The budget for the Service Plan Operations fund and the Capital Projects fund is based on projected assessments. Additionally, after adoption, increases and decreases in the budget may be made only upon Board of Directors' approval. A review of revenues and expenditures compared to budget is provided monthly to the Board of Directors with the monthly financial statements.

In addition to approval of the annual budget, the District's Board of Directors must authorize an expenditure more than \$10,000 in advance of the purchase or contract for services. A copy of the check register is provided monthly to the Board of Directors.

#### ***Cash and Cash Equivalents***

Cash consists of demand and time deposits, and funds maintained in public funds investment pools. The District considers all deposits with a maturity of three months or less to be cash equivalents.

#### ***Interfund Receivable and Payable***

Interfund receivable and payable arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The amounts recorded as interfund receivable and payable are considered temporary loans that will be repaid in less than one year. At December 31, 2021, the Capital Projects fund owed the Service Plan Operations fund \$48,931. These receivables and payables are eliminated in the statement of net position.

#### ***Capital Assets***

In the government-wide financial statements, capital assets, excluding leased assets, are recorded at cost. Depreciation and amortization of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of capital assets range from 3 to 15 years. In the fund financial statements, capital assets used in the governmental fund operations are accounted for as capital outlay expenditures of the appropriate governmental fund upon acquisition.

#### ***Leases***

Leases contracts that provide the District with control of a non-financial asset for a period of time in excess of twelve months are reported as a leased asset with a related lease liability in the government-wide financial statements. The lease liability is recorded at the present value of the future lease payments. The leased asset is recorded for the same amount as the related lease liability plus any prepayment and indirect cost to place the asset in service. Leased assets are amortized by the straight-line method over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment. In the fund financial statements, the leased asset used in the governmental fund operations is accounted for as a capital outlay expenditure of the appropriate governmental fund upon acquisition and the related lease liability is reported as other financing sources.



## Houston Downtown Management District Notes to Basic Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Deferred Inflows of Resources***

Deferred inflows of resources are a liability of the District and represent billing of special assessments not available within the current period or soon enough thereafter to pay liabilities of the current period. These billings are deferred and recognized as an inflow of resources in the period the amount becomes available.

#### ***Federal Grants***

Federal grants and assistance awards made based on entitlement periods are recorded as receivables and revenues when entitlement occurs. Federal reimbursement type grants are recorded as revenues when the related expenditures are recognized. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

#### ***Federal Income Tax***

The District is exempt from Federal income taxes under section 501(a) as an organization described in Section 501(c)3 of the Internal Revenue Code. Furthermore, the Internal Revenue Service has ruled that the District is a publicly-supported organization and is not a private foundation. Under the provisions of Internal Revenue Procedure 95-48, the District is not required to file public information returns on Form 990.

#### ***Use of Estimates***

The preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

#### ***Newly Adopted Accounting Principles***

In June 2017, the GASB issued Statement No. 87, *Leases*. This statement increases the usefulness of government's financial statements by requiring recognition of certain lease asset and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Effective January 1, 2021, the District adopted GASB Statement No. 87 which requires retrospective application by restating prior periods or through cumulative adjustments recognized upon adoption. The leases are required to be recognized and measured using the facts and circumstances that existed at the beginning of the period of implementation. The adoption of this guidance did not alter previous operating leases recognized through December 31, 2020; therefore, no cumulative adjustment was required upon adoption of GASB Statement No. 87. A leased asset and related lease liability of \$3,114,727 was recorded upon adoption of GASB Statement No. 87 on January 1, 2021.

## Houston Downtown Management District Notes to Basic Financial Statements

### Note 3: DEPOSITS AND INVESTMENTS

Under the Texas Local Government Investment Pool (TexPool) Participation Agreement, administrative, and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. The reported value of the pool is the same as the fair value of the pool shares. TexPool is subject to annual review by an independent auditor consistent with the Public Fund Investment Act. Audited financial statements of the pool are available at First Public, 12008 Research Blvd. Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller Office. Due to its short-term, highly liquid nature, TexPool investments have been reported as cash equivalents.

As of December 31, 2021, the District held \$12,516,838 in the TexPool Prime fund. The District's investment in the TexPool Prime fund is rated AAA by Standard & Poor's and maintains a weighted average maturity of 60 days or less. The District limits its exposure to interest rate risk by investing in securities that assure safety of public funds, maintain liquidity and achieve the highest rate of return. The TexPool Prime fund invests in a combination of commercial paper, repurchase agreements, variable rate notes, and government securities.

The Board of Directors has adopted a written investment policy regarding the investment of its funds pursuant to Chapter 2256 of the Texas Government Code and Chapter 49 of the Texas Water Code, effective as of December 11, 2014. The investments of the District follow the Board of Directors' investment policy. Such investments may include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) TexPool local government investment pools; and (4) various other items that comply with the Public Funds Investment Act and the District's Investment Policy.

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral for all bank balances in excess of Federal Deposit Insurance Corporation (FDIC) limits and the District has entered into a Collateral Pledge Agreement with J. P. Morgan Chase to provide this service. At December 31, 2021, the carrying amount of the District's deposit totaled \$129,224 and the bank balances totaled \$991,852. The District's funds were fully insured under FDIC limits or collateral at December 31, 2021.

## Houston Downtown Management District Notes to Basic Financial Statements

### Note 4: ASSESSMENTS DUE FROM TAX COLLECTOR

Assessments due from tax collector as of December 31, 2021 are summarized as follows:

	Service Plan Operations		Capital Projects		Total
Assessment due from tax collector	14,414,868	\$	1,339,043	\$	15,753,911
Less: allowance for delinquent accounts and refunds	(1,466,174)		(112,247)		(1,578,421)
	<u>\$ 12,948,694</u>	<u>\$</u>	<u>1,226,796</u>	<u>\$</u>	<u>14,175,490</u>

A reserve for delinquent accounts and refunds has been established for properties protesting HCAD valuations in the amount of \$1,578,421 as of December 31, 2021.

### Note 5: CAPITAL ASSETS

A summary of changes in capital assets during 2021 is as follows:

	Balance at January 1, 2021	Additions	Retirements	Balance at December 31, 2021
<b>Depreciable assets</b>				
Banners and banner arms	\$ 476,982	\$ -	\$ -	\$ 476,982
Forklift	5,500	-	-	5,500
Golf carts - street team	56,508	-	-	56,508
Holiday decorations	224,576	-	-	224,576
Street sweeper	9,995	-	-	9,995
Auto Scrubber	33,089	-	-	33,089
Trolley map stands	20,775	-	-	20,775
Vehicles - Smart Car	18,693	-	-	18,693
Operations center 1313 Main build-out	664,637	-	-	664,637
Operations center furnishings	108,656	-	-	108,656
Operations generator	62,275	13,227	-	75,502
Operations IT infrastructure	43,139	-	-	43,139
<b>Amortizable assets</b>				
Leased asset: operations center	3,114,727	-	-	3,114,727
Total capital assets	4,839,552	13,227	-	4,852,779
Less: accumulated depreciation and amortization	(899,550)	(347,006)	-	(1,246,556)
	<u>\$ 3,940,002</u>	<u>\$ (333,779)</u>	<u>\$ -</u>	<u>\$ 3,606,223</u>

All property and equipment purchased by the District is the property of the District until the District is terminated. If the infrastructure is integrated in and used as a part of the City's infrastructure, it may be conveyed to the City of Houston, as is the case with the District's capital projects.

Depreciation and amortization expense for the year ended December 31, 2021 totaled \$235,073 reported as downtown clean and well-kept appearance, \$87,593 reported as preservation of districts' capital assets and \$24,340 reported as capital replacement expenditure in the accompanying statement of activities.

## Houston Downtown Management District Notes to Basic Financial Statements

### Note 6: LEASES

#### Lessor's Lease

In 2010, the District entered into a five-year lease agreement with a local restaurant to sell food and beverage from the Market Square Park kiosk. The District amended the agreement to extend the term for an additional five years through September 2020. In September of 2020 the District executed a second amendment to the lease to extend the term through September 2025. In the second amendment, either party has the option to terminate the lease with 120 days' notice. Lease rental income is calculated based on gross sales (6% of the first \$1,000,000 in gross sales and 7% of gross sales in excess of \$1,000,000). In accordance with GASB Statement No. 87, variable lease payments based on future performance or usage are recognized as revenue based on the payment provisions of the lease contract. Lease rental income was \$27,776 and utility reimbursements were \$11,822 for the year ended December 31, 2021 and is included in Project Revenue in the accompanying financial statements.

#### Lessee's Lease

The District, as lessee, agrees to certain conditions for the use of an office space for the purpose of operating an operations center under an operating lease agreement expiring in March 2034. Per the agreement, the monthly lease payment of \$18,567 starting in April 2019 is adjusted by 2.5% annually through the duration of the agreement.

At the time of the initial measurement, there was no interest rate specified in the original lease agreement. The District has used the District's estimated incremental borrowing rate of 2.14% to discount the annual lease payments to recognize the leased asset and the related lease liability as of January 1, 2021.

As of December 31, 2021, the leased asset is recorded at the present value of the future lease payments of \$3,114,727 net of its accumulated amortization of \$235,074.

Annual requirements to amortize the lease liability and related interest are as follows:

For the years ending December 31,	Principal	Interest
2022	\$ 177,241	\$ 61,227
2023	187,092	57,338
2024	197,306	53,235
2025	207,895	48,909
2026	218,871	44,353
2027-2031	1,273,421	144,762
2032-2034	679,613	17,241
	<u>\$ 2,941,439</u>	<u>\$ 427,065</u>

## Houston Downtown Management District Notes to Basic Financial Statements

### Note 6: LEASES (Continued)

A summary of changes in the District's lease liability follows:

Balance at January 1, 2021	\$3,114,727
Additions	-
Retirements	(173,288)
<hr/>	
Balance at December 31, 2021	\$2,941,439
<hr/>	
Current portion, lease liability	\$ 177,241
<hr/>	

### Note 7: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage, and destruction of assets, errors and omissions, personal injuries, and natural disasters. The risk of loss is covered by the Texas Municipal League Intergovernmental Risk Pool. In addition, a portion of the unrestricted fund balance in the amount of \$800,000 has been designated as assigned for catastrophe. There have been no significant reductions in insurance coverage and no settlements.

### Note 8: RELATED PARTY TRANSACTIONS

The District has an administrative contract with Central Houston, Inc., whereby Central Houston, Inc. provides certain administrative and management services to the District. The District and Central Houston, Inc. share executive management, office space, and administrative support. Central Houston, Inc. provided staffing services to the District in the amount of \$2,846,122 in 2021. As of December 31, 2021, the District had a due to affiliate of \$528,121.

In addition, the District paid \$578,000 in 2021 to Central Houston Civic Improvement, Inc. mainly for its business development program and NHHIP Civic Opportunities. Such amounts are included in expenses in the accompanying financial statements.

### Note 9: COMMITMENTS

#### Finger-FSC Crawford, Ltd.

In February of 2013, the District entered into an economic development agreement with Finger-FSC Crawford, Ltd. to provide a grant equal to 75% of the incremental District assessment generated by the project for a term of fifteen years from the date of completion of the project and its inclusion on the District's tax assessment roll. The project was for development of approximately 397 residential units and 10,000 square feet of retail on blocks 50 and 51 in the District. In addition, the City of Houston provided a Chapter 380 grant to the owner of the project in the amount that the owner would otherwise be required to pay the City for abandoning the right-of-way of the 1500 block of Prairie Street. The residential property was completed in 2016. The third payment was made to Finger-FSC Crawford, Ltd. in the amount of \$62,336 in 2022.

## Houston Downtown Management District Notes to Basic Financial Statements

### Note 9: COMMITMENTS (Continued)

#### Downtown Living Initiative

The District, in conjunction with the City of Houston and the Downtown Redevelopment Authority (DRA), created a program in 2012 called the Downtown Living Initiative (DLI), which is designed to incentivize residential development in downtown. Developers are eligible to receive a rebate equal to 75% of the incremental District assessment and City of Houston property taxes generated by the project upon completion for a fifteen-year period up to a maximum of \$15,000 per unit. There was an overall cap of units able to participate in this program of 5,000 units. The application deadline for the DLI program was June 30, 2016 and the program is now closed.

The District has executed DLI agreements with fifteen developers totaling 4,257 units. Projects opened as of the end of 2021 include: SoDo on Main, Block 334, Market Square Tower, the Star, Aris Market Square, Eighteen25, Catalyst, 1414 Texas, 1711 Caroline, the Marlowe and the Camden Downtown. Estimated completion dates for the additional development projects range through the end of 2023. The residential projects are geographically dispersed throughout several areas of the District, including the Ballpark District, the Historic District, and the southern portion of downtown.

Developers are required to meet certain deadlines and be in compliance with design guidelines in order to benefit from the incentive program, although extensions may be granted if approved by the Board. The District's liability for DLI assessment rebates to developers is contingent upon renewal of subsequent service plans beyond 2025.

#### Catalytic Retail Projects

The District has a program to support catalytic retail projects. During 2017, a \$140,000 grant was awarded to Bravery Chef Hall which activates the street level of the residential project Aris Market Square and features a food hall concept for rising-star chefs. Bravery opened in 2019. The last installment will be paid in 2022.

Total payments made by the District during 2021 under its economic development, catalytic and DLI grants was \$702,940.

## Houston Downtown Management District Notes to Basic Financial Statements

### Note 9: COMMITMENTS (Continued)

Assuming the service plan is renewed in its current form, the District's commitment for future years is as follows:

For the years ending December 31,	
2022	\$ 806,383
2023	940,312
2024	968,521
2025	997,577
2026	1,027,504
Thereafter	8,041,713
	\$12,782,010

#### Service Agreements

The District entered into an agreement with Block by Block to provide personnel, equipment and supplies for public safety, cleaning and maintenance services for the District beginning on January 1, 2016. The 2021 expenditures by the District under the existing services agreement is \$4,363,406.

The District has entered into several other smaller service agreements for cleaning, landscaping, engineering, design and various consultants to provide professional services.

### Note 10: UNCERTANTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities held by the District. The occurrence and extent of such impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are uncertain.

**REQUIRED SUPPLEMENTARY INFORMATION**

DRAFT



## Houston Downtown Management District Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual (Unaudited)

For the year ended December 31, 2021

	Service Plan Operations	Capital Projects	Total	Budget	Variance Favorable (unfavorable)
<b>Revenues</b>					
Assessments, net	\$ 13,812,379	\$ 1,284,872	\$ 15,097,251	\$ 15,502,832	\$ (405,581)
Project revenue	774,912	-	774,912	780,388	(5,476)
Interest	10,927	3,430	14,357	130,000	(115,643)
<b>Total revenues</b>	<b>14,598,218</b>	<b>1,288,302</b>	<b>15,886,520</b>	<b>16,413,220</b>	<b>(526,700)</b>
<b>Expenses</b>					
<b>Downtown feels safe and comfortable at all times</b>					
Collaboration to maintain low crime rate	2,474,703	-	2,474,703	3,074,700	599,997
Reduced presence of homeless and street persons	1,169,753	-	1,169,753	1,313,000	143,247
Downtown sidewalks are comfortably lighted	113,226	-	113,226	270,000	156,774
Downtown clean and well-kept appearance	4,643,633	-	4,643,633	4,117,000	(526,633)
Remove signs of disorder in downtown	43,353	-	43,353	35,000	(8,353)
Prepare for emergencies	121,555	-	121,555	103,500	(18,055)
	8,566,223	-	8,566,223	8,913,200	346,977
<b>Public realm is charming, inviting, beautiful and celebrates the life of the city</b>					
Key pedestrian streets are inviting	405,290	-	405,290	440,500	35,210
Public spaces managed, programmed and delightful	1,052,710	-	1,052,710	987,000	(65,710)
Place of civic celebration	1,479,715	-	1,479,715	1,170,500	(309,215)
	2,937,715	-	2,937,715	2,598,000	(339,715)
<b>Accessible to region and easy to get around</b>					
Effective transit access more places, more hours	164,250	-	164,250	172,500	8,250
Convenient circulation without personal vehicle	37,368	-	37,368	-	(37,368)
Easy to find way around	92,769	-	92,769	100,000	7,231
Connect neighbors and districts inside/outside downtown	10,830	-	10,830	6,000	(4,830)
Convenient, understandable and managed parking	8,078	-	8,078	10,000	1,922
	313,295	-	313,295	288,500	(24,795)
<b>Vibrant, sustainable mixed-use place</b>					
Best place to work in region	331,928	-	331,928	318,650	(13,278)
Exciting neighborhoods to live in	758,908	-	758,908	846,500	87,592
Competitive shopping place	31,598	-	31,598	5,000	(26,598)
Remarkable destination for visitors	53,849	-	53,849	57,500	3,651
	1,176,283	-	1,176,283	1,227,650	51,367
<b>Downtown's vision and offering understood by all</b>					
Market to region	1,277,662	-	1,277,662	1,342,350	64,688
Promote downtown's ease of use	27,033	-	27,033	25,500	(1,533)
Vision/development framework understood by all	690,872	-	690,872	730,500	39,628
Tools to assist continued redevelopment	96,273	-	96,273	69,000	(27,273)
Develop and maintain information to support downtown	35,564	-	35,564	40,000	4,436
	2,127,404	-	2,127,404	2,207,350	79,946
<b>District governance and service known for excellence</b>					
Engage stakeholders in decision making	746,790	-	746,790	799,678	52,888
Communications to owners, tenants and others	33,399	-	33,399	30,000	(3,399)
Preservation of districts' capital assets	124,642	-	124,642	146,619	21,977
	904,831	-	904,831	976,297	71,466
<b>Capital improvement and expenditures</b>					
Downtown feels safe and comfortable	-	-	-	100,000	100,000
Public realm is charming, inviting and beautiful	-	145,000	145,000	520,000	375,000
Accessible to region and easy to get around	-	441,117	441,117	1,392,000	950,883
Vibrant, sustainable mixed-use place	-	104,640	104,640	154,500	49,860
Capital replacement expenditure	-	191,215	191,215	232,000	40,785
	-	881,972	881,972	2,398,500	1,516,528
<b>Total expenses</b>	<b>16,025,751</b>	<b>881,972</b>	<b>16,907,723</b>	<b>18,609,497</b>	<b>1,701,774</b>
<b>Change in net position</b>	<b>\$ (1,427,533)</b>	<b>\$ 406,330</b>	<b>\$ (1,021,203)</b>	<b>\$ (2,196,277)</b>	<b>\$ 1,175,074</b>

(Continued)

## Houston Downtown Management District Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual (Unaudited) (Continued)

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

*For the year ended December 31, 2021*

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

<b>Sources/inflows of resources</b>	\$ 15,886,520
Differences - budget to GAAP:	
Assessments that are not remitted to the District within availability periods are not considered as revenues in governmental funds	(25,356)
<b>Total revenue as reported on the statement of revenues, expenditures and changes in fund balances</b>	<b>\$ 15,861,164</b>
<b>Uses/outflows of resources</b>	<b>\$ 16,907,723</b>
Differences - budget to GAAP:	
Expenditures budgeted on accrual basis rather than modified accrual basis	12,693
Capital outlay	13,227
Repayment of principal	173,288
Amortization expense	(235,073)
Depreciation expense	(111,933)
<b>Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances</b>	<b>\$ 16,759,925</b>

**Houston Downtown Management District  
Notes to Required Supplementary Information (Unaudited)  
For the year ended December 31, 2021**

Annual budgets are adopted on a full accrual basis. Reconciliation of budgetary basis to modified accrual is included with the budgetary comparison schedule. The legal level of control is at the fund level.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to December 31, the District's Board will review and approve the operating and capital improvement budgets for the succeeding year. Assessment rates for operations and capital improvements are set in the fourth quarter prior to the first year of a new five-year service plan and prior to each succeeding year of a service plan if changes to the initial rates are to be made.
- b. Budget preparation also involves the following before adoption:
  1. Review of needs and priorities within the District.
  2. Review of draft budget by Board committees.
  3. Review of draft budget by the District's Board.
  4. Receipt of property owner input through Town Hall Meetings or another format.

Prior to December 31, the budget is legally enacted through passage of a Board resolution by the favorable vote of a majority of the members of the Board. No amendments were made to the budget during the year.

<b>ACTION ITEM</b>	Authorize expenditure to Coalition for the Homeless Houston and Harris County to support community wide homeless system management.
<b>SERVICE PLAN</b>	2021-2025
Account Code	851.200
Budget & Year	\$1,200,000 2022
<b>REQUEST</b>	Not to exceed \$150,000
<b>DESCRIPTION</b>	This expenditure is to provide general operating support for the Coalition.
<b>DISCUSSION</b>	<p>The District has been providing annual assistance to the Coalition for many years. The Coalition has requested \$150,000 this year to continue their efforts to reduce homelessness and respond to the pandemic, and more broadly communicate the progress and impact of their efforts to help improve awareness among Downtown stakeholders.</p> <p>The District's continual support allows the Coalition to continue to be the lead agency to bring the individual agencies together to work efficiently and collaboratively towards effective and obtainable goals.</p>
<b>M/WBE Participation</b>	The Coalition for the Homeless Houston, a 501 (c) (3) non-profit corporation, is not a DBE.



June 2, 2022

Mr. Kristopher Larson, AICP  
Central Houston, Inc.  
1221 McKinney Street, Suite 4250  
Houston, TX 77010

Dear Mr. Larson,

On behalf of the Board of Directors and staff of the Coalition for the Homeless of Houston/Harris County, I want to thank the Downtown Management District for its continued generosity through investments in our work to make homelessness rare, brief, and non-recurring in the Houston region.

Since the Coalition began leading the work of The Way Home in 2012, we have seen reductions in overall homelessness by 63% and have placed more than 25,000 people in permanent housing with a 90% success rate over the long term. While these results are impressive, we know that some of our most vulnerable neighbors remain living on the street with significant barriers to accessing housing.

Just two years ago, the COVID pandemic arrived in Houston, and the Coalition led the work to develop an innovative, housing-focused response to help our most vulnerable neighbors. The Community COVID Housing Program (CCHP) has already met its initial goal to serve 5,000 people, and we have secured \$100M in public funding commitments to serve an additional 7,000 by 2024. This, combined with our innovative encampment decommissioning strategy means Houston is once again being touted as a national leader on solving homelessness.

As we continue this important work, we know that we also need to ensure that the community knows about the more than 100 partners of The Way Home and our dedication to permanent housing and supportive services as the proven, compassionate, and [fiscally responsible](#) answer to homelessness. And while we frequently mentor other communities who know of our success and tout us as a role model, we must also ensure that Houstonians understand this issue, are equipped to offer assistance if they are interested, and are equally as proud and aware of our success at addressing homelessness.

**To that end, we have attached a proposal and are asking the Downtown Management District to continue its support of the Coalition for the Homeless through a hybrid gift of \$100,000 in general operating support and \$50,000 to implement a Downtown Houston Education Campaign.**

We are confident that your investment will allow us to continue to be a flexible and responsive leader of the homeless response system and reach our achieve our vision that everyone in our community has a safe place to call home.

Again, thank you for your continued support. If you have any questions or concerns, please feel free to contact me at [mnichols@homelesshouston.org](mailto:mnichols@homelesshouston.org) or 281-788-3059.

Sincerely,

Michael Nichols  
President/CEO

**Board of Directors**

**FY2022**

Lance Gilliam  
*Chair*

Chrishelle Calhoun Palay  
*Vice Chair*

LaRence Snowden  
*Secretary*

Griff Godwin  
*Treasurer*

Teddy Adams

Ashley Allen, PhD

Cynthia Alvarado, CPM®

Ric Campo

Alan Dettlaff, PhD

Doug Foshee

Annette Garber

Chris Hanslik

Andy Icken

Santhi Periasamy, PhD

Shannah Stephens

Troi Taylor

Alexander Triantaphyllis

Ken Valach

Michael Nichols  
*President/CEO*

Susan Bailey-Newell  
*Chief Operating Officer*

Lynn Lohr  
*Chief Financial Officer &  
Chief Administrative Officer*

Sara Martinez  
*Vice President of  
Communications &  
Development*

Jessica Preheim  
*Vice President of Strategic  
Planning & Public Affairs*

Ana Rausch, MA  
*Vice President of Program  
Operations*



## **Proposal: Coalition for the Homeless General Operating & Communications Campaign Support**

### **Background:**

#### **Coalition for the Homeless**

Founded in 1982 and incorporated as a nonprofit in 1988, the Coalition for the Homeless acts as a catalyst, uniting partners and maximizing resources to move people experiencing homelessness into permanent housing with supportive services. The Coalition believes we can create a community where everyone has a safe place to call home. We advance this vision every day by creating strong public/private partnerships, using data to drive our strategy, fostering collaboration among community stakeholders, and educating the public on homelessness and its solutions.

Since 2012 the Coalition has served as lead agency to The Way Home Continuum of Care (CoC), which is the local homeless response system. The Coalition's work as lead agency has been described as "conducting" the homeless response system "orchestra." Just like an orchestra has musicians and instruments, the Houston region has agencies providing services to people in crisis; however, the Coalition leads in three key areas where direct service agencies cannot:

- uniting stakeholders toward a single vision on solving homelessness,
- acquiring, aligning, and leveraging resources for homelessness programs, and
- using data to build an efficient, effective system.

#### **The Way Home**

To effectively address homelessness in our community, we had to shift from working as individual agencies to creating a coordinated approach to all that we do. This meant shifting from a collection of individual programs to a community-wide, networked response that was strategic and data-driven to inform how we allocate resources, services, and programs. Out of this effort, The Way Home CoC was formed.

The Way Home CoC is the collaborative effort to prevent and end homelessness for individuals and families in Harris, Fort Bend and Montgomery counties. It is comprised of more than 100 partners working together to solve homelessness. Partners and supporters of The Way Home know that permanent housing combined with supportive services is the key to solving homelessness. The Way Home has reduced overall homelessness by 63% and housed more than 25,000 people since its inception. More impressively, the latest system performance measurements show that 88% of people housed through The Way Home remain stably housed over the long term. This success would not be possible without a community-wide coordinated approach to delivering services, housing, and needed programs.



## **Problem Statement/Needs Assessment:**

### **General Operating:**

The Coalition is the only agency that can effectively and impartially align The Way Home system so our community and service providers can end homelessness for individuals and families as quickly as possible. Before its work began as lead agency, people in crisis had a difficult time accessing services to end their homelessness. Direct service providers also worked in silos with little to no communication, resulting in duplication of services and vulnerable people falling through the cracks.

Since serving as lead agency, the Coalition has focused on breaking down these silos and implementing a collective impact approach to our work to solve homelessness. This vital shift is the reason that the Houston region has seen success over the last decade – we have led the creation of a system that is very effective at housing people as quickly as possible. We have changed our approach from managing homelessness to solving it.

As a result, our homeless response system is connecting people in crisis to assistance more equitably, no matter where they show up to ask for help within our system. This has allowed the Coalition to design a more efficient homeless response system that is:

- helping people move through the system faster and into housing at an accelerated rate,
- continuously improving data and quality, and
- providing accurate information on what types of service are available and can be matched to individual consumers and what kinds of assistance are available and what level of housing/service interventions consumers need to stabilize.

Our leadership is not only essential within the homeless response system. Over the past several years, we have also been strengthening our cross-system relationships. Working across systems in partnership with the Downtown Management District through our Homelessness Cross-System Planning meetings helps us explore how to serve people experiencing homelessness best holistically, across multiple systems. Working with partners like the Harris Center, the Houston Recovery Center, the criminal justice system, Harris County, and the City of Houston helps us understand the intersection of these systems and find new ways to work together to achieve shared goals.

### **The Community COVID Housing Program:**

In March 2020, the global Coronavirus pandemic arrived in Houston, providing a major disruption to our ongoing work of solving homelessness. Like Hurricane Harvey, we knew that people experiencing homelessness would be more severely impacted by this virus and it would be critical that they maintain their connection to services. The Coalition's decades of experience and leadership were essential to ensuring that



people and families experiencing homelessness were a priority in both short- and long-term planning.

On July 1, 2020, the City of Houston, Harris County, and the Coalition for the Homeless [announced](#) a joint, \$65-million plan to serve 5,000 people experiencing homelessness to limit the spread of COVID-19. The Community COVID Housing Program (CCHP) was established to permanently house people experiencing literal homelessness as well as those who fell into homelessness because of the economic effects of the coronavirus.

Thirteen partner agencies, including the Coalition, are now working in coordination with the City of Houston and Harris County to fully implement this holistic, housing-focused response to the pandemic. This program and the Coalition's leadership on implementation has accelerated our homeless response system's ability to house individuals.

- **Our community met its initial goal, serving our 5,000<sup>th</sup> client in July 2021, exceeding our initial goal.**
- **Through May 17, 2022, 8,606 clients have been housed or helped through homelessness diversion.**
- **In January 2022, the City of Houston and Harris County [announced an additional commitment](#) of \$100M to extend the CCHP through 2024, allowing us to serve an additional 7,000 unique clients.**

This additional commitment will not only allow us to continue to serve people experiencing homelessness, but will continue to transform our homeless response system, add new and enhanced client supports to ensure their long-term success in permanent housing, and get us closer to ending unsheltered homelessness.

### **Encampment Decommissioning**

The Coalition has also been leading the work and garnering national recognition for our community's work to decommission homeless encampments. The Coalition has always known that we cannot just move people in encampments down the road; the answer to encampments is to provide people living there with permanent housing and supportive services. Thanks to the additional housing resources available through the CCHP and the strong partnerships that the Coalition has cultivated with the City of Houston, Harris County, and local management districts, **we have been able to decommission 57 encampments, and of the 343 people engaged from those encampments, 307 (90%) are housed!** Our experience is that the majority of people living in encampments will accept an offer of permanent housing – even if they have turned down offers of emergency shelter in the past.





Our leadership on encampments has received national attention from the U.S. Department of Housing & Urban Development (HUD), which assigned a technical assistant to study our work on encampments. He worked with us and the City of Houston to create an Encampment Decommissioning Manual that is being touted as a national best practice on addressing encampments. Our manual has been shared with communities across the nation like Boston, Los Angeles, and Seattle and we frequently meet with communities to offer mentorship and lessons learned as they begin their own work.

### **Navigation Center**

Since 2019, the Coalition has been working with the City of Houston to open a low-barrier housing Navigation Center where we can offer people living unsheltered immediate, safe, and low-barrier shelter while they work on obtaining permanent housing. We know that a Navigation Center is a key piece that has been missing in our community when it comes to addressing unsheltered homelessness. We are currently partnering with the City of Houston and Harmony House to operate a temporary Navigation Center that has 83 beds.

Construction began in late March 2022 on a permanent Navigation Center located in the Fifth Ward that will have 126 beds and is planned to open in late Summer 2022. Already, we are seeing that most people living unsheltered are willing to accept permanent housing when offered or go to the Navigation Center while their housing is secured. This has been key to our success in decommissioning encampments since the Navigation Centers offer bed space to quickly move people from encampments.

The Navigation Centers are also co-ed and allow people to bring their pets with them, unlike at most current, traditional emergency shelters. Both the temporary and Permanent Navigation Centers work on referral only so we can be sure that housing is offered through our coordinated homeless response system. The Centers are designed to provide clients with services that include healthcare resources, employment assistance, housing navigation, and case management. Staff at the Navigation Centers also walk alongside clients through the referral, paperwork, and move-in processes to ensure clients are set up for long-term success.

### **Downtown Houston Education Campaign**

While groups like the Houston Downtown Management District, public and private funders, and partners of The Way Home know about the progress being made to prevent and end homelessness, it is often the case that other groups are not aware of the incredible work to house people. Business owners, residents, tourists, and other members of the public are often unaware of the typically invisible work that outreach, navigation, and housing partners do on a daily basis. There are also many



misconceptions about homelessness and confusion that can occur between issues like homelessness and panhandling, or homelessness and poverty.

To that effect, the Coalition would like to propose a partnership with the Houston Downtown Management District to develop and implement a focused Downtown Houston Education Campaign for its constituents – whether that be businesses, tenants, employees, residents, or visitors. The Coalition is proposing a two-part strategy with the goal of making Downtown Houston stakeholders aware of the progress being made to end homelessness in their neighborhood.

Part one will focus on Downtown stakeholders by educating them about The Way Home and its progress and plans, dispelling myths and assuaging concerns, helping them understand the true scope of the issue, and empowering them to be part of our work in a way that is meaningful for them and for The Way Home. Our primary tactics for implementing this piece of the campaign will be lunch-and-learn (or breakfast, or happy hour) education session(s) with Coalition leadership, providing them with messaging and assets (fact sheets, brochures, etc.) to use with their stakeholders (e.g.: potential tenants) about the work being done, and highlighting the agencies in and around Downtown that are partners of The Way Home and focused on permanent housing. Evaluation of our success for part one will happen through before and after surveys with participants, a decrease in negative feedback per Central Houston, and an adoption of our talking points/Downtown stakeholders becoming champions of The Way Home.

Part two will focus on “ground level” employees who interact with people experiencing homelessness. We will plan to start with the Downtown Houston Safety Guides as ambassadors for our message, using them to help us educate front line staff of storefront businesses on how they can help people experiencing homelessness. Our primary tactics for this piece of the campaign will be updating/enhancing the Coalition’s printable Street Guide resource, training sessions with outreach team members from the Coalition and other agencies of The Way Home, and providing Safety Guides and front line staff with resources and assets to connect people to services and ultimately, to permanent housing. Ways we will evaluate our success for part two through before and after surveys, feedback from service providers, and the number of housing assessments conducted downtown.

For a more detailed strategy outline and budget, please see attachments C and D, respectively.

**Downtown Management District's Role in Our Work:**

The Coalition deeply values our long-time relationship with the Downtown Management District. The financial support provided by DMD has not only supported transformative efforts like the CCHP and Housing Harvey's Homeless (H3), but perhaps more importantly, general operating support of the Coalition, which has allowed us to grow and strengthen so the Coalition can be a flexible and responsive lead agency. The Coalition is essential because we coordinate the partners and resources to make programs like the CCHP successful; from case management programs to agencies that provide rental assistance, from securing private landlord partners to ensuring that people moving into housing have the home essentials they need to thrive over the long term.

Our dedicated partnership has given us the space to learn from our work, building on our successes and tweaking the processes that need to be adjusted. Downtown Management's long-time support of sustainable programming has led to Houston being a national model on addressing homelessness. We appreciate your support and look forward to our continued partnership.

**Attachment A: Coalition for the Homeless FY 2022 Operating Budget****Attachment B: FY 2022 Board of Directors****Attachment C: Downtown Houston Education Campaign Proposal****Attachment D: Downtown Houston Education Campaign Budget**

# Attachment A: FY 2022 Operating Budget

Coalition for the Homeless of Houston/Harris County

Revenue		21-22
Public Charities		\$200,000
Corporations		\$100,000
Board Giving		\$100,000
Individual Donations		\$145,500
Foundations		\$1,010,000
Government Grants		\$2,127,875
HMIS Fee Income		\$249,819
Other Income		\$12,370
Subrecipient Revenue		\$585,184
<b>Total Revenue</b>		<b>\$ 4,530,747.57</b>
Expenses		Amount
Salaries		\$1,801,736
Payroll and related expenses		\$338,119
Audit and Tax Services		\$31,645
HMIS Contract Fees		\$183,285
Leased Equipment		\$3,400
Contract Services		\$168,330
Telephone		\$17,906
Lease Building		\$188,839
Insurance - General Liability/Directors & Officers		\$7,210
Conference Fees & Expenses		\$138,291
Local Travel - Mileage/Rideshare		\$3,880
Staff Development		\$61,908
Website Expenses		\$10,362
Public Communication		\$30,250
Dues, License, Subscriptions		\$52,790
Bank and Credit Card Fees		\$7,500
Meals and Entertainment		\$2,400
Depreciation Expense		\$26,230
Supplies (paper, pencils desk calendars etc.)		\$3,949
Postage and Shipping		\$543
Small tools and equipment		\$36,303
Office Expense (Remote Internet Access, Shredding, etc.)		\$17,667
Miscellaneous Expense		\$650
Subrecipient Expense		\$585,184
<b>Total Expenses</b>		<b>\$3,718,376</b>
CCHP Revenues		
Individual Donations		\$514,286
Foundations		\$2,132,747
Government Grants		\$2,977,719
Subrecipient Revenue		\$697,610
<b>Total CCHP Revenues</b>		<b>\$6,322,362</b>

## Coalition for the Homeless of Houston/Harris County

<b>CCHP Expenses</b>	
Salaries	\$2,657,157
Payroll and related expenses	\$571,818
Audit and Tax Services	\$2,083
HMIS Contract Fees	\$9,715
Leased Equipment	\$364
Contract Services	\$41,400
Telephone	\$2,765
Lease Building	\$15,610
Insurance - General Liability/Directors & Officers	\$99
Local Travel - Mileage/Rideshare	\$4,313
Dues, License, Subscriptions	\$142
Supplies (paper, pencils desk calendars etc.)	\$5,981
Staff Development	\$417
Small tools and equipment	\$62,417
Office Expense (Remote Internet Access, Shredding, etc.)	\$6,250
Miscellaneous Expense	\$4,900
Small tools and equipment-CA	\$634
Client Meals/Groceries (CA Expense)	\$218,622
Client Supplies - IDs, etc. (CA Expense)	\$27,852
Landlord Incentive Fees (CA Expense)	\$969,524
Broker Apt. Fees	\$30,000
VehicleLease/Fuel/Maintenance (CA Expense)	\$50,846
Client Transportation (CA Expense)	\$1,500
Utilities	\$540,952
Diversion Financial Assistance (CA Exp)	\$279,354
Move In Kits (CA Expense)	\$110,000
Staff Telephone & Wireless (CA Expense)	\$24
Supplies (CA Expense)	\$10,014
Subrecipient Expense	\$697,610
<b>Total CCHP Expenses</b>	<b>\$6,322,362</b>

<b>Revenue</b>	\$4,530,748
<b>Expenses</b>	\$3,718,376
<b>CCHP Revenues</b>	\$6,322,362
<b>CCHP Expenses</b>	\$6,322,362
<b>Net Income</b>	<b>\$812,371</b>



### FY 21-22 Board of Directors

Board Member	Affiliation	Title
Lance Gilliam <i>Chair</i>	Waterman Steele Real Estate	Partner
Chrishelle Calhoun Palay <i>Vice Chair</i>	H.O.M.E. Coalition	Director
LaRence Snowden <i>Secretary</i>	Texas Southern University	Assistant Vice President for Development
Griff Godwin <i>Treasurer</i>	Greater Houston Builders Association	Chief Financial Officer
Teddy Adams	Crown Castle	Vice President Legal
Ashley Allen, PhD	Houston Community Land Trust	Executive Director
Cynthia Alvarado	Midtown Management District	Operations Manager
Ric Campo	Camden	Chairman/CEO
Alan Dettlaff, PhD	University of Houston	Dean Graduate College of Social Work
Doug Foshee	SallyPort Investments	Chairman, President & CEO
Annette Garber	HCA Houston Healthcare	Director, Media Relations
Chris Hanslik	BoyarMiller	Firm Chairman
Andy Icken	City of Houston	Chief Development Officer
Santhi Periasamy, PhD	Santhi Periasamy, Ph.D., P.L.L.C.	Licensed Psychologist
Shannah Stephens	Bank of America	Senior Vice President - Consumer Programs Marketing
Troi Taylor	Taylor Construction Management	President
Alexander Triantaphyllis	Office of Harris County Judge Lina Hidalgo	Chief of Staff
Ken Valach	Trammell Crow Residential and Crow Holdings Industrial	CEO



To: Kris Larson, President, Central Houston  
 From: Sara Martinez, VP of Development and Communications, and Catherine Villarreal, Director of Communications, Coalition for the Homeless of Houston/Harris County  
 Date: May 23, 2022  
 Re: Targeted communications campaign about the progress of the homeless response system in Downtown Houston

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**Overall goal: For Downtown stakeholders to be aware of the progress in ending homelessness in Downtown Houston.**

Part 1: For Downtown Stakeholders.

*Goal/audience/message:*

- Educate the leadership of Downtown building owners/real estate companies (Downtown stakeholders) about The Way Home (the local homeless response system), its progress, and its plans, to dispel myths and assuage their concerns about homelessness Downtown.
- Help the audience to understand the true scope of the problem, e.g., via data and education (about people experiencing homelessness versus panhandlers or those recently released from prison)
- Answer, how can I help? Explain which actions (like feeding) can be well-intentioned but ultimately counterproductive.

*Execution (tactics):*

Initial contact:

- Lunch-and-learn (or breakfast, or happy hour) education session(s) with Coalition leadership.
- Give them the talking points/assets (fact sheets, etc.) to use with *their* stakeholders (potential tenants) about the work being done.
- Highlight the agencies in/around Downtown that are partners of The Way Home and focused on permanent housing.

Sustained contact:

- Coalition provides regular updates to Downtown to share with their stakeholders about the work to end homelessness.

*Evaluation (how we know it's working):*

- Before and after surveys with participants (e.g., did today's session assuage your concerns? Do you feel more informed?)
- Adoption of our talking points, becoming champions
- Central Houston hears less negative feedback about homelessness

Part 2: For frontline staff who interact with people experiencing homelessness.

*Goal/audience/message:*



- Starting with Downtown’s Safety Guides as ambassadors, educate frontline staff of Downtown storefront businesses that interact directly with people experiencing homelessness who might walk in off the streets about how to help (e.g., how to interact compassionately and to connect them with existing resources).

*Execution (tactics):*

- Update the Coalition’s printable Street Guide resource.
- Training sessions with outreach team members from the Coalition and other agencies of The Way Home.
- Provide them with the resources to connect people to service providers and ultimately to housing.

*Evaluation (how we know it’s working):*

- Before and after surveys with participants (e.g., After today’s session, do you feel that you know better how to help?)
- Feedback from service providers (“How did you hear about us?”)
- # of housing assessments conducted downtown.

Ballpark budget

Part 1: For Downtown stakeholders. Approximately \$30,000.

Part 2: For ground-level staff who interact with people experiencing homelessness. Approximately \$20,000.

Hard costs will include:

- Graphic design services
- Materials printing
- Food/catering for education events

Total budget: \$50,000.



# Attachment D: Downtown Houston Education Campaign Budget

item	price per	quantity	cost
Part 1: For Central Houston Members.			
graphic design			\$5,000.00
materials printing			\$5,000.00
catering for lunch and learn events	\$1,500	12	\$18,000.00
online advertising?			\$1,500.00
hard costs total			\$29,500.00
10% flex			\$2,900.00
<b>working total</b>			<b>\$32,400.00</b>
total proposed			\$30,000.00
difference (remaining to allocate)			-\$2,400.00

Part 2: For ground-level staff who interact with people experiencing homelessness.			
graphic design			\$5,000.00
materials printing			\$5,000.00
meetings expenses (lunch, coffee, etc)	500	12	\$6,000.00
hard costs total			\$16,000.00
10% flex			\$1,600.00
<b>working total</b>			<b>\$17,600.00</b>
total proposed			\$20,000.00
difference (remaining to allocate)			\$2,400.00

Working Total: \$50,000.00

<b>ACTION ITEM</b>	Authorize Executive Director to execute amendments as necessary and related additional expenditures with Clutch Consulting Group for research, conceptual planning and facilitation related to new projects to reduce the street homeless population.
<b>SERVICE PLAN</b>	2021-2025
Account Code	851.200
Budget & Year	\$1,200,000 2022
<b>REQUEST</b>	\$50,000
<b>DESCRIPTION</b>	Clutch Consulting Group is assisting the District and Central Houston in facilitation of discussions to define services, long term care and housing models required to effectively care for more acute individuals who are part of the downtown homeless/ street population as well as planning of initiatives to make these operational.
<b>DISCUSSION</b>	Since November 2019, representatives of the Sheriff's office, Houston Police Department, District Attorney, Harris County Courts, Harris Center, Harris Health, Harris County Administration, Mayor's Office, SEARCH and the Coalition for the Homeless continue discussions that have led to new and additional services and facilities to address the street homeless including those who are most acutely compromised. After conceiving the Community COVID Housing Program and a new Mental Health Respite, Rehab and Re-entry facility, Mandy Chapman Semple and her colleagues at Clutch will continue to provide technical assistance in conceptualization of additional new programs going forward.
<b>DBE Participation</b>	Clutch Consulting Group is a MWDBE.

<b>ACTION ITEM</b>	Authorize expenditure to the City of Houston for enhanced street lighting electricity expenses for 2022.
<b>SERVICE PLAN</b>	2021-2025
Account Code	812.200
Budget	\$90,000
<b>REQUEST</b>	Not to exceed \$90,000
<b>DESCRIPTION</b>	This annual payment is related to the incremental electricity cost increase for improved street lighting above and beyond the cost the City of Houston would have incurred based on lighting scheme prior to new streetlights being installed. The District pays the electricity costs for the incremental light wattage increase.
<b>DISCUSSION</b>	The District has not received the annual invoice from the City of Houston yet but we expect to receive it soon. The current invoice amount is based on the streetlights installed through the end of 2022.
<b>DBE Participation</b>	City of Houston is not a DBE.



## MEMORANDUM

June 9, 2022

**TO:** Board of Directors

**FROM:** Brett DeBord, Director of Operations and Capital Projects

**RE:** Operations Update

### **FACILITIES UPDATE:** (Scott Finke, Operations Manager)

#### **Banner Program:**

All the poetic banners have been installed except for those along Main Street. The contractor is still waiting to be scheduled by METRO for the Safety class required to work within METRO's safety zone along Main Street. We will continue to monitor all banners and perform maintenance as needed.

#### **Enhanced Street Lighting Costs:**

It is time to receive our annual invoice from the City of Houston for enhanced street lighting. The amount we are billed is for the difference between the City of Houston's basic lighting costs and the enhanced lighting costs from the extra poles that provide additional lighting above the City standard. *(See related action item on the consent agenda)*

### **QUALITY CONTROL UPDATE:** (Keith Gould, Quality Control Manager)

#### **Landscaping:**

Structural tree pruning is currently taking place on 140 Elm trees along Main and Dallas Streets. These trees will also receive Soil Care/Fertilization and Root Rot Treatments to help to suppress diseases. Due to the lack of rainfall and higher than normal temperatures, Block By Block has been assisting with providing additional watering to all the new trees that were recently planted. The hand watering is in addition to the irrigation drip system that is providing water 5 days per week.

#### **Block By Block:**

Block By Block scored a 4.20 for the month of May which is a decrease from April's score of 4.28. The trend of dropping scores has continued as the foot traffic throughout the District steadily increases. The blocks surrounding the Beacon have seen an increase of litter and biohazards over the past month, as well as those around the Toyota Center. 926 articles of graffiti were removed in May which is a significant increase from the 540 the previous month. Much of the increase came from stickers that were placed on light poles near Discovery Green area and the north end of Main Street. 138 tons of trash were removed from Downtown in May which is consistent with last month's totals.

**MEMORANDUM**

June 9, 2022

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**Homeless Encampments:**

The street population under Pierce Elevated has drastically dropped over the past couple months, with very few people being seen lying down or loitering during the daytime hours. Chartres Encampment remains unchanged with tent counts being in the 60's, with many of them residing at the intersection of Runnels and Hamilton near the Star of Hope. Large cleanings are required following weekend feedings at Commerce and Chartres due to all the trash being thrown in the parking lots, sidewalks, and curb lines. The Caroline side of the Beacon has become a major hot spot as more homeless are moving to that side of the building. Power washing crews continue to clean the sidewalks in the area with the assistance of HPD.

**Market Square Park:**

A new restroom door was installed and painted at Market Square Park due to HFD having to break the door to remove a homeless individual that had locked themselves inside the restroom. The water hydrant pump in the dog park has been vandalized multiple times over the past 2 months, the vandals are spraying foam into the nozzle that prevents water from being dispersed.

**CONSTRUCTION AND CAPITAL PROJECTS: (Dusty McCartney, Construction Manager)****Bagby Street Improvement Project:**

The Contractor is continuing to address punch list items and working towards final completion. Due to recent logistical supply/demand issues, the official project closeout is delayed while we await the arrival of the remaining site furnishing and amenity items.

**Trebly Park Project:**

The Trebly Park project will soon have guests enjoying a delicious Camembert (Brie) Skillet complimented by their favorite beverage with countless events planned for this upcoming fall season. The interior café floors are polished, and the majority of the kitchen equipment is installed. Millwork and interior lighting installation has begun and the sanitary sewer connection in Bell St. is in progress. With the recent concrete pour at the NW corner of the project, the installation of the gateway art piece is approaching which will give visitors a warm welcome to the park as they enter.

**PUBLIC SAFETY AND EMERGENCY RESPONSE: (James Kennedy, Public Safety Manager)****Downtown Public Safety Guides:**

The Ambassador engagements in May were up to 9,048 compared to 8,747 in April. The trend of increased engagements over the past few months continues to rise as patron

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activity steadily grows. Additionally, the month of May has seen more conventions at the GRB which attract large amounts of patrons, such as the recent NRA Convention. The number of quality-of-life engagements has skyrocketed to 10,219 compared to 7,220 in April. One reason for this is due to a large increase in the number of individuals sleeping on the sidewalks at night which our DPSGs encounter while performing their early morning wake-up deployments. Also, along with the increase in patron activity, conventions and Astros home games, there's been an aggressive panhandling element that we are dealing with. The number of individuals sleeping and hanging out throughout the day/afternoon around the Beacon has continued to grow. We continue to deploy our resources to the HOT SPOTs to ensure we have a presence in the area.

**SEAL Security:**

The number of calls for service increased from 298 in April to 325 in May. Our SEAL teams have faced a more aggressive element of non-compliance over the past month. These issues are not criminally aggressive in nature, but more along the lines of homeless individuals refusing to get up off the ground or refusing to remove a tent blocking the sidewalk, which has caused SEAL to double their number of calls to law enforcement in May to 41. By comparison, SEAL's number of calls to law enforcement typically range between 15-24, with the highest prior monthly total being 27.

**Off Duty HPD:**

The Off Duty Officers engagements remained flat at 269 for May compared to 270 in April. The number of civility interactions decreased from 160 the previous month to 127. Officers are being deployed to HOT SPOT areas to support the increased civility activity we're seeing across the safety programs.

Positive Interactions

67,106

Total

Homeless Count

428

Average

Sidewalk Cleaning

4.31

Average

Garbage Disposed (Tons)

658

Total

71

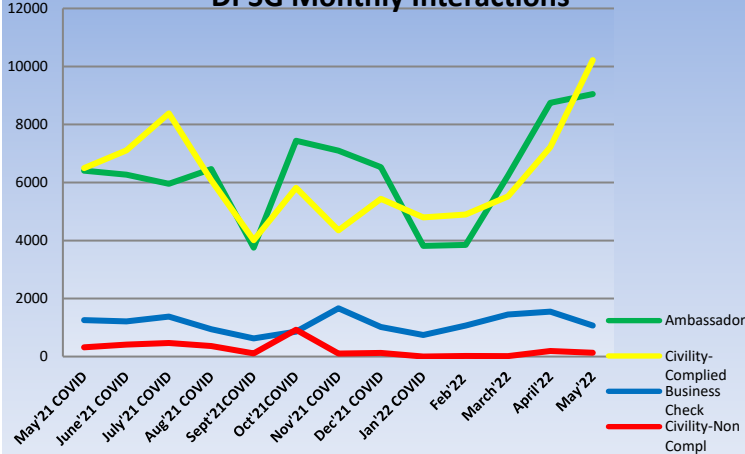
Reliability Report

70%

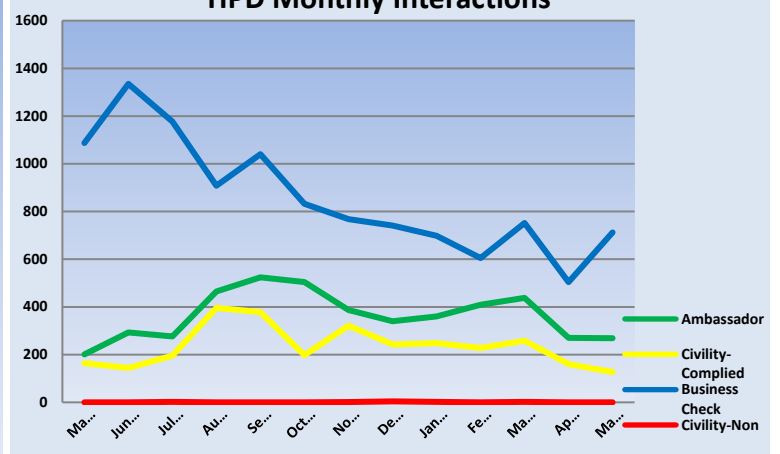
Average

# Safety & Quality Control

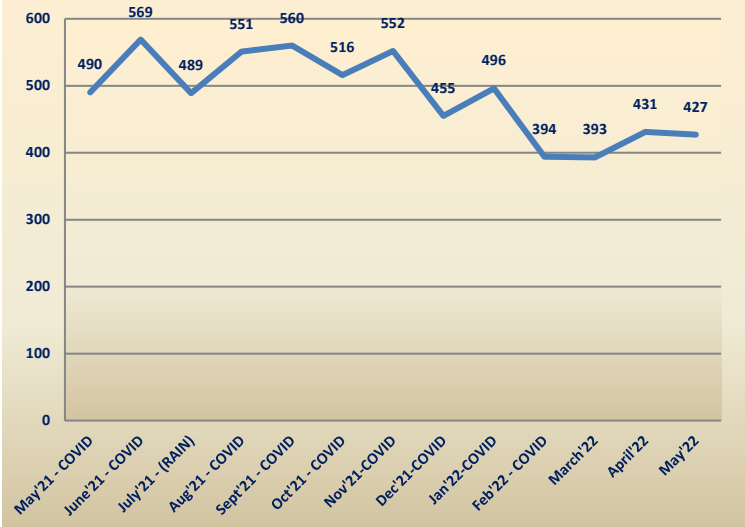
### DPSG Monthly Interactions



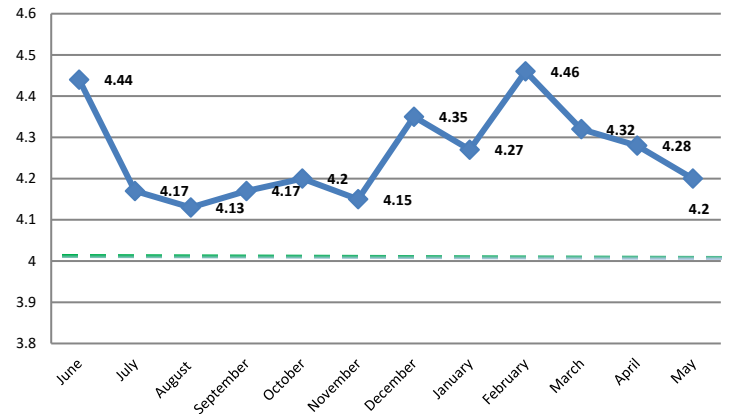
### HPD Monthly Interactions



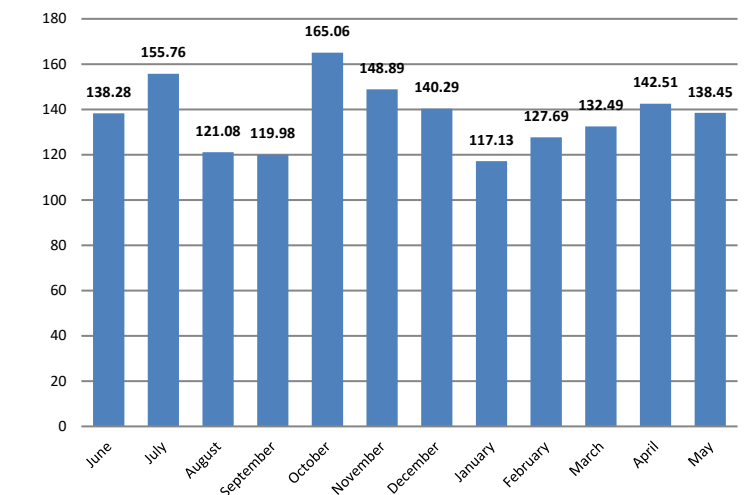
### Homeless Count



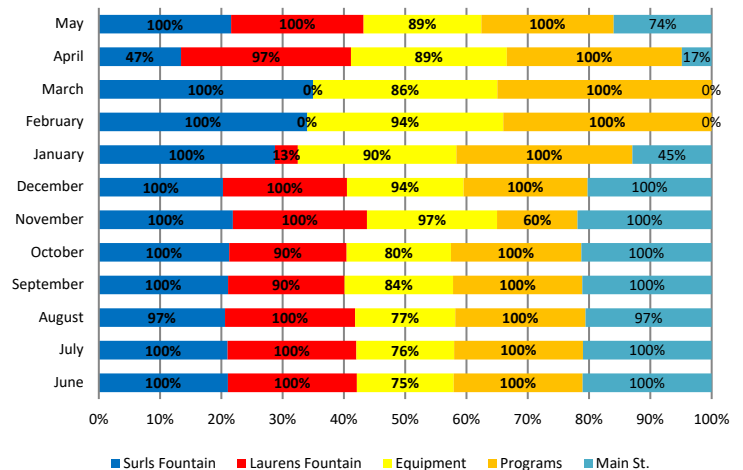
### Sidewalk Cleaning



### Garbage Disposed (Tons)



### Reliability





## MEMORANDUM

June 9, 2022

**TO:** Board of Directors

**FROM:** Robert C. Pieroni

**RE:** Economic Development Program Update

**Update on the Office Market:** With nearly 56 million SF, Downtown's inventory is roughly the size of the next two largest Houston-area submarkets, Katy Freeway West and The Woodlands, combined. Downtown has always been predominantly a large tenant market, with just 16 companies accounting for a quarter of all competitive SF in Downtown. Annual net absorption figures have been impacted negatively each year since 2019 and at 23.8%, vacancies in Downtown are among the highest in the Houston region. Much of the local office-using workforce in Downtown are still largely working remotely, with average in-office occupancy appearing to have plateaued at 53%, up 21% from May 2021. Decisions surrounding real estate needs appear to be on hold for the time being, as evidenced by lagging leasing activity, which, though improved, remains below pre-pandemic norms. Year-to-date leasing activity totals 833,093 square feet in 94 deals (91 direct).

**Downtown Launchpad:** gener8tor's pre-accelerator program, gBETA, is halfway through the spring cohort. The five Houston-based startups have been receiving individualized coaching and expert mentorship. The program will conclude with a live celebration and an opportunity for founders to showcase their startups to investors from around the country. MassChallenge is currently in the process of evaluating applications for their 2022 cohort, scheduled to begin in July. In addition, the MassChallenge team has decided to continue their US early-stage residency program providing office space to startups willing to relocate to Houston. Impact Hub Houston continues to assist changemakers, social entrepreneurs, small businesses and startups in building solutions that create positive impact.

### **Downtown Launchpad Accelerator Impact:**

Total Applications	# of Startups	Pre-Program Funding	Post Program Funding	Pre-Program Jobs	Post Program Jobs	Pre-Program Revenue	Post Program Revenue
1,710	201	\$35,147,000	\$64,874,000	431	490	\$27,300,000	\$43,603,000
			+85%		+13%		+60%

\*Funding, Jobs, and Revenue do not reflect the 3<sup>rd</sup> MassChallenge cohort or gener8tor spring cohort.

### **Downtown Launchpad Incubator Impact:**

Total Members	Subscribers	Followers	Reach
38	5,100+	6,400+	853K+



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**Residential:** Downtown continues to experience exponential growth in residential development and attract significant investments due to market demand. Downtown's overall multifamily has grown to nearly 6,300 residential and multifamily units, plus an additional 1,800 under construction. Strength characterizes Downtown's residential market due to its underlying fundamentals such as a vibrant urban lifestyle, proximity to jobs, pedestrian-friendly lifestyles and quality-of-life amenities. Downtown attracts a variety of residents, from young professionals and ex-suburbanite empty nesters to small families and students. In just the past five years, Downtown has added more than 3,500 residents. Downtown occupancy for May closed at 85.4%, below the Houston Class A average of 90.6%. There are currently eight Downtown residential properties under construction or planned totaling over 2,000 units. The first four projects, totaling 1,008 units, are expected to be completed this year. Other key performance indicators are continuing to improve: Asking rent remained stable at \$2.33-SF/MO in May and concessions dropped to 1.0%, and the 12-month absorption is up +190.7% or 102 units.

**Hospitality:** The recovery is underway for Downtown's hospitality industry after the worst downturn in history. Although each wave of COVID caused dips in recovery trends, occupancy has held steady between 50% and 65% over the past several months. In fact, comparing the most recently available April 2022 data to the 5-year pre-pandemic baseline, occupancy has recovered to approximately 78%. Full recovery will depend on the return of business travel, conventions, international visitors, and a strengthened energy sector. Other key performance indicators are continuing to improve: Average Daily Rate (ADR) also blossomed, reaching a 30% year-over-year (YOY) increase at \$204.18. Revenue Per Available Room (RevPAR) followed, increasing to \$114.88, which is roughly a 95% YOY increase. Total Monthly Revenue is up \$14,596,453, which is 100% YOY.

**Publications Update:** April publications included the Downtown Economic Recovery Monthly Monitoring Update and Why Downtown.

**MEMORANDUM**

June 9, 2022

**TO:** Board of Directors

**FROM:** Lonnie Hoogeboom

**RE:** Planning & Design and Capital Projects Update

**North Houston Highway Improvement Project (NHHIP):** On March 14, 2022, staff, representing all four downtown organizations (CHI, CHCI, HDMD & DRA), participated in an online interview with Federal Highway Administration (FHWA) personnel leading the Title VI civil rights and environmental compliance investigation. Our 20-year project involvement in the NHHIP's development and the associated urban design of multiple civic opportunities has been extensively documented by staff and consultants. A series of specific topics – identified by FHWA and partially addressed by the Civic Opportunities with the associated cost estimates for those potential projects – were summarized in a 194-page document prepared by staff and subsequently submitted to FHWA on April 7, 2022. At this time, staff awaits a follow-up interview with FHWA to review this information.

Staff continues the work with the advisory team at Squire Patton Boggs, including former Transportation Secretary Rodney Slater's listening sessions with local and regional leaders. Scheduled for June 7<sup>th</sup> are meetings with Texas Transportation Commissioner Laura Ryan and Harris County Toll Road Authority (HCTRA) Executive Director Roberto Trevino. Staff is also meeting with personnel from the Greater Houston Partnership (GHP). Staff maintains regular collaborations with TxDOT, area stakeholders, and key agencies as to project development during the FHWA "pause order," with the primary focus on Segments 3A and 3B in Midtown / Third Ward.

**Southeast Sidewalks:** Staff held a favorable project kick-off meeting with TxDOT on April 6, 2022. The initial priority task to be completed by HDMD regards the submission of a project Design Summary Report for a Design Concept Conference. Otherwise, the construction documents are under review by staff to confirm final scope for TxDOT, with project letting schedule for May 2023.

**North Canal:** Planning staff participated in the City's Technical Review Committee (TRC) meeting on March 17, 2022. In this session, Public Works' project manager and the project consultant, HDR, presented the project status based on the Preliminary Engineering Report (PER). Based on the project's three geographies and multiple resiliency solutions at each area, ten design alternatives were presented including the respective hydrology / hydraulic (H&H) benefits and construction cost estimates. This TCR presentation is posted at the project website <https://www.engagehouston.org/northcanal>. Currently, the City and Harris County Flood Control District are evaluating the funding constraints of the preferred alternative with respect to the FEMA Grant.

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**North San Jacinto – Design Concept Review (DCR):** Based on the approval by Houston Public Works to advance the project but now temporarily paused while scheduling and budget impacts of the North Canal are currently in flux and the NHHIP remains under FHWA pause, staff is holding on the issuance of a Request for Qualifications.

**Warehouse District Framework:** While release of the final report and public engagement has been postponed over the past six months (primarily due to NHHIP uncertainties and budget status for the North Canal), it is looking more favorable that this planning completion can be advanced for a summer issuance.

**Congress Street Bridge:** Staff intends to submit a DCR Intake Form for the one block bridge of Congress, plus intersections at Smith and Franklin to include street lighting, signalized intersections, with enhanced paver sidewalks and crosswalk striping. The priority task is confirmation of funding participation by Lovett Commercial in the sidewalk improvements.

**METRO Inner Katy BRT Silver Line:** On May 3, 2022, staff participated with METRO and its consultants in an agency meeting to review the traffic impact analysis for the proposed bus rapid transit (BRT) service and proposed stations on Bagby, Rusk, St. Emanuel and Capitol including the alignment of the BRT ramp on northwest boundary of Downtown into Franklin Street. METRO's Board has approved the project's advancement to engineering-design phases, with a potential service launch in 2027. On May 18<sup>th</sup>, METRO presented the Inner-Katy project to the Board of Central Houston, Inc.

**Downtown Redevelopment Authority / TIRZ 3 Update:** Staff is focused on construction of two capital projects for the Authority, both recommended in Plan Downtown.

- **Bagby Street Improvements:** See Director DeBord's "Operations and Construction Update" for current project status.
- **Trebly Park:** Construction was initiated on March 15, 2021. See Director DeBord's "Operations and Construction Update" for current project status including postponement of the estimated completion with park opening slated for early-September. In addition to supporting the construction team with construction, planning and design staff are focused on the purchase and installation park and building signage, acquisition of miscellaneous furnishings for District operations and programming, Bicycle station installation, preparations to install permanent and temporary art, delivery of Owner-furnished Contractor-installed items, and tenant coordination with Tout Suite on interior furnishings, finishes and tenant equipment, and operational requirements of the respective parties.

**PD&CP Committee:** As a standing calendar invitation, the next monthly meeting is scheduled for June 30, 2022, 12:00-1:30 PM, to be confirmed.



## MEMORANDUM

June 9, 2022

**TO:** Board of Directors

**FROM:** Shelby Roth

**RE:** Marketing/Communications & Retail Program Update

### 2022 Marketing & Communications

**Overarching goal:** Communicate a sense of urgency for Houstonians to experience the community of people, places and stories that make up Downtown through visual storytelling that has direct, specific and immediate calls-to-action. Provide comprehensive info on what to do, where to go and how to get there; build the size of the audience that interacts with Downtown; and increase awareness and engagement of Downtown through communications, marketing and programming.

### Public Relations

Downtown media coverage for May totaled more than **13,768,801 impressions** valuing at approximately **\$165,232**. Story highlights include a two-part digital and print story in the *Houston Chronicle* focusing on the revitalization of Downtown Houston (printed in Sunday edition) and two broadcast interviews with Kris Larson and Ruben Dominguez during Houston's Morning Show in late May.

### May 2022 Activity

- Media/Media Visits
  - Secured two-part digital and print stories in the Houston Chronicle focusing on the revitalization of Downtown Houston
  - Secured Houston Life segment for Cinco De Mayo happenings
  - Secured FOX 26 Morning Show segments with Ruben Dominguez focusing on revitalization of Downtown Houston
  - Compiled a list of summer happenings downtown to pitch to local media
- Pitches/Releases
  - Drafted and distributed Cinco de Mayo media alert
  - Draft and distributed pitch for Road to River Revival concert series to local media
  - Drafted and distributed pitch for Heartmade Art Market to local media

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- Reporting
  - Shared media coverage in real time
  - Participated in weekly PR calls and created agendas beforehand
  - Compiled and submitted April report

### **#WeAreDowntown**

Our :30 summer PSA will start running on traditional, digital and connected channels mid-June. In addition, we are working on updating the IKE kiosks with our summer PSA and poster content focusing on a Happy Hour Round Up and the Best Patios in Downtown for Summer Drinks.

We've also started creating significantly more video content that we're posting on Instagram and TikTok, showcasing experiences in Downtown Houston. We've highlighted brewery tours at Saint Arnold, the ceviche bar experience at Andes Café and the Astros game experience, with many more in the pipeline. As we've seen over the past year, video content is dominating across all our platforms, and we've re-structured our team responsibilities to allow more timeliness and creativity when it comes to video.

### **Downtown Magazine**

We've made the decision to delay the summer issue of the magazine to re-focus on distribution, design and how we use the magazine as a marketing tool holistically. The stories written for the summer issue will be released on our website and used as part of our IKE kiosk content. The fall issue of the magazine has a tentative release date of September 1, with features on living Downtown and the mural project.

### **Street Art for Mankind**

The Downtown mural project is moving forward but we are rescheduling production to mid-October. This is a major project for all partners, and we ultimately decided it's important to take more time to finalize the preparation.

The new timeline has us executing and painting from October 5-14, with a "grand opening" on October 15.

Walls:

1. Four Seasons/1300 Lamar- confirmed, agreement signed
2. GreenStreet/1201 Caroline- confirmed, agreement pending
3. 1111 Main Garage- confirmed, agreement signed
4. Main Street Market/901 Main- in discussion
5. Scanlan Bldg/405 Main- confirmed, agreement pending
6. Republic Building/1018 Preston- in discussion
7. Sam Houston Hotel/1117 Prairie- confirmed, agreement signed
8. 805 Franklin Garage- confirmed, agreement signed

**MEMORANDUM**

June 9, 2022

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**Themes (list does not correspond to above numbered wall list):**

1. Energy: transforming energy; energizing change
2. Climate change: facing the elements; activating the earth; nurturing/respecting nature
3. Education: empowering our youth; learning together
4. Human rights: ensuring everyone matters
5. Legacy: preserving/building a legacy; building a better place
6. Social equity: equalizing life; accessing economic opportunities; fostering inclusion
7. Health & wellness: saving lives; healing the world
8. Global: connecting commerce and culture; impacting the world
9. Innovation: exploring new industries

SAM has rejected one of our walls due to the sidewalk conditions (no ability to maneuver a large boom lift), so we're in conversation about alternatives and should have a final update on locations next month. Our marketing and PR plans have not slowed down in anticipation of a fall launch.

**Trebley Park Grand Opening**

Trebley's timeline has shifted two months from a July to a September opening.

**Soft & Grand Opening Timeline**

Soft opening– Fri, Sept 2

Resident only private special event – Wed, Sept 7

Boards and public officials/ribbon cutting – Thu, Sept 8

\$1 Macaroon (morning) & movie night – Fri, Sept 9

Neighborhood Carnival Grand Opening Celebration – Sat, Sept 10

Rose all day, brunch with light music – Sun, Sept 11

We're starting the website process with CORE Design Studio to determine what we'd like this park's site to include. Aside from the event calendar, art installations and park information, the website will also connect to Tout Suite's website, so visitors can order online directly from the Trebley Park site (without navigating away).

Our team has begun concepting our social media rollout for the park, as well as the initial messaging leading up to the grand opening event. Over the next month, we'll focus heavily on the narrative and building excitement for Trebley Park's opening and have an in-depth plan in July.

With the grand opening celebration being pushed to September, we're also concepting an evening carnival event to complement the daytime activities.

**We Are Downtowners Residential Program**

Our first round of collateral for this program has been delivered (coupons for freebies at our summer events) and we've seen a lot of participation and excitement on behalf of the residential buildings. We also took time to meet with property managers last month and assessed the best

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ways to communicate with them, what resources they have for disseminating information, and how we can build a stronger relationship with their residents. We've compiled the information and changed some of our tactics (printing and delivering event info directly to leasing offices vs. emailing, looking at different swag opportunities, providing social media content for them to post and promote our events/initiatives).

Our first bike club will begin in July, as part of a partnership with HDMD and Bike Houston. We're extremely excited about this opportunity and have already had immense interest for participation. We're continuing the conversation regarding the new resident welcome tour and have the first one scheduled for August. We anticipate Shelby Roth will be our tour guide, and we'll partner with local businesses to provide swag bags for participants.