



Board of Directors Meeting
August 11, 2022

**Houston Downtown Management District
Board of Directors Meeting
August 11, 2022**

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

June 9, 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 June 9, 2022, at 12:00 p.m., in-person inside the Lyondell Basel Tower, located 1221 McKinney Street, Houston, TX 77010, inside Exchange Conference Room A, and the roll was called of the duly appointed members of the Board, to-wit

BOARD MEMBERS

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

and all of the above were present, with the exception of Directors Marcus Davis, Irma Galvan, Toni Jackson, Robbi Jones, John Mooz, Randy Pryor, Edna Ramos, Scott Repass, Richard Torres, and Valerie Williams.

Also present were Brett DeBord, Allen Douglas, Scott Finke, Jacque Gonzalez, Keith Gould, Jana Gunter, Lonnie Hoogeboom, Ellen Johnson, James Kennedy, Kris Larson, Dusty McCartney, Shelby Roth, Jordan Smith, Jamie Perkins, and Jackie Traywick of the District; Algenita Davis, consultant to the District; Robert Pieroni and Kim Scates of Central Houston, Inc; Mary Buzak of Bracewell LLP; Linda Trevino of METRO; Sara Martinez and Ana Rausch of the Coalition for the Homeless, and Alyssa Hill of Carr, Riggs and Ingram.

WELCOME

Chair Ashby welcomed all. Quorum was established and the meeting began at approximately 12:16 p.m.

PUBLIC COMMENTS

Next, Chair Ashby asked if there were any comments from the Public. No comments were provided.

APPROVAL OF MINUTES

The Board considered approving the minutes of the May 12, 2022 Board meeting. Upon a motion duly made and seconded, the Board approved the May 12, 2022 minutes as presented.

ITEMS PERTAINING TO FINANCE AND ADMINISTRATIVE MATTERS

Approval of Financial Statements and Ratification of Expenditures

Jana Gunter, Director of Finance to the District, reported on behalf of Treasurer Robbi Jones, who was unable to attend the meeting. Ms. Gunter presented the interim financial statements and check registers for the period ending May 31, 2022.

Chair Ashby called for questions and discussion. There being none, a motion was made and duly seconded, and the Board voted to accept the interim financial statements and check registers for the period ending May 31, 2022 as presented.

Report of the Audit Committee and Acceptance of audited financial statements for the year 2021

Ms. Gunter continued, reporting on behalf of District Audit Chair Valerie Williams, who was unable to attend the meeting. Ms. Gunter introduced Alyssa Hill of Carr Riggs & Ingram. She noted Ms. Hill was present on behalf of the auditors and will be available for questions specific to the 2021 Financial Statements.

Next, Ms. Gunter stated the Audit Committee met on June 6 to discuss the 2021 audited financial statements, which were included in materials previously provided. She presented a brief overview of the report and called for questions.

There being none, Chair Ashby called for a motion, which was duly seconded, and 2021 audited financial statements were accepted by the Board as presented.

COMMITTEE SPOTLIGHT

Case Study: Urban Alchemy

Next Chair Ashby and Allen Douglas, General Counsel to the District, shared a presentation and details about their recent visit to Urban Alchemy, located in San Francisco, CA. They talked about the purpose of their visit, shared detail on how Urban Alchemy's program works internally and in the community, how they partner with stakeholders, key points about their values, and provided a comparative to the District's operations and interrelations with Houston stakeholders of similar nature. Discussion ensued and questions were asked and answered. No further action was required.

Overview of Block by Block Connect and Share Event

Keith Gould, Quality Control Manager to the District Operations team, updated the Board with a summary of the Block by Block Connect & Share event held on June 2nd. He shared a presentation of event highlights and noted its overall success. Chair Ashby called for discussion or questions and there were none. No further action was required.

PROGRAM AUTHORIZATIONS

Operations

Chair Ashby invited Kris Larson to begin discussion about an authorization to be presented to the Board for the general operating support for the Coalition of the Homeless. Mr. Larson shared a brief overview of the District's past relationship with the Coalition and introduced Sara Martinez and Ana Rausch, of the Coalition. Next, Ms. Martinez and Ms. Rausch shared a presentation with the Board outlining the work they provide in the community. Questions were asked and answered, and discussion ensued.

Chair Ashby called for a motion, which was seconded, and the Board approved the authorization for the expenditure to the Coalition for the Homeless Houston and Harris County, in support of community wide homeless system management, in an amount not to exceed \$150,000.

Next, Mr. Larson brought before the Board an authorization allowing the Executive Director to execute necessary amendments and a related additional expenditure with Clutch Consulting Group, in an amount not to exceed \$50,000, for cross-systems planning efforts to reduce the homeless population. Questions were asked and answered. Upon a motion duly made and seconded, the Board approved this request as presented.

Finally, Brett DeBord, Director of Operations & Capital Projects, presented to the Board an authorization to the City of Houston for enhanced street lighting electricity expenses for the year 2022, in an amount not to exceed \$90,000. Questions were asked and answered. Upon a motion made and duly seconded, the Board approved this request as presented.

ACKNOWLEDGEMENT OF RETIRING OFFICER

Chair Ashby announced the retirement of the District's Chief Operating Officer, Jackie Traywick, noting that today was Jackie's last day. Chair Ashby, along with the entire District Board, thanked Jackie for her hard work and service over the last 10 years. A framed photo of Downtown signed by the Board and staff members was presented to Jackie as a memento of appreciation.

PROGRAM UPDATES

Operations

Mr. DeBord provided an update on Operations matters for the prior month. Discussion did not take place, and no further action was required.

Economic Development Program

Robert Pieroni, Director of Economic Development, 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

Lonnie Hoogeboom, Director of Planning & Urban Design, 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

Shelby Roth, Marketing Manager, provided an update on marketing and communication efforts 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

Chair Ashby stated that the meeting scheduled for July 14th has been cancelled and the next meeting will take place on Thursday, August 11, 2022. There being no further business to come before the Board, the meeting was adjourned at 1:31 p.m.

Jamie Perkins, Assistant Secretary
Houston Downtown Management District

DRAFT

YTD June 2022 Balance Sheet Highlights

Assets

Cash Balance is \$18.2 million

Assessments Due: 98.5% have been collected.

Right of Use Lease Asset-1313 Main added at \$2.9 million

As required by the new lease accounting standard ASC 842

Liabilities

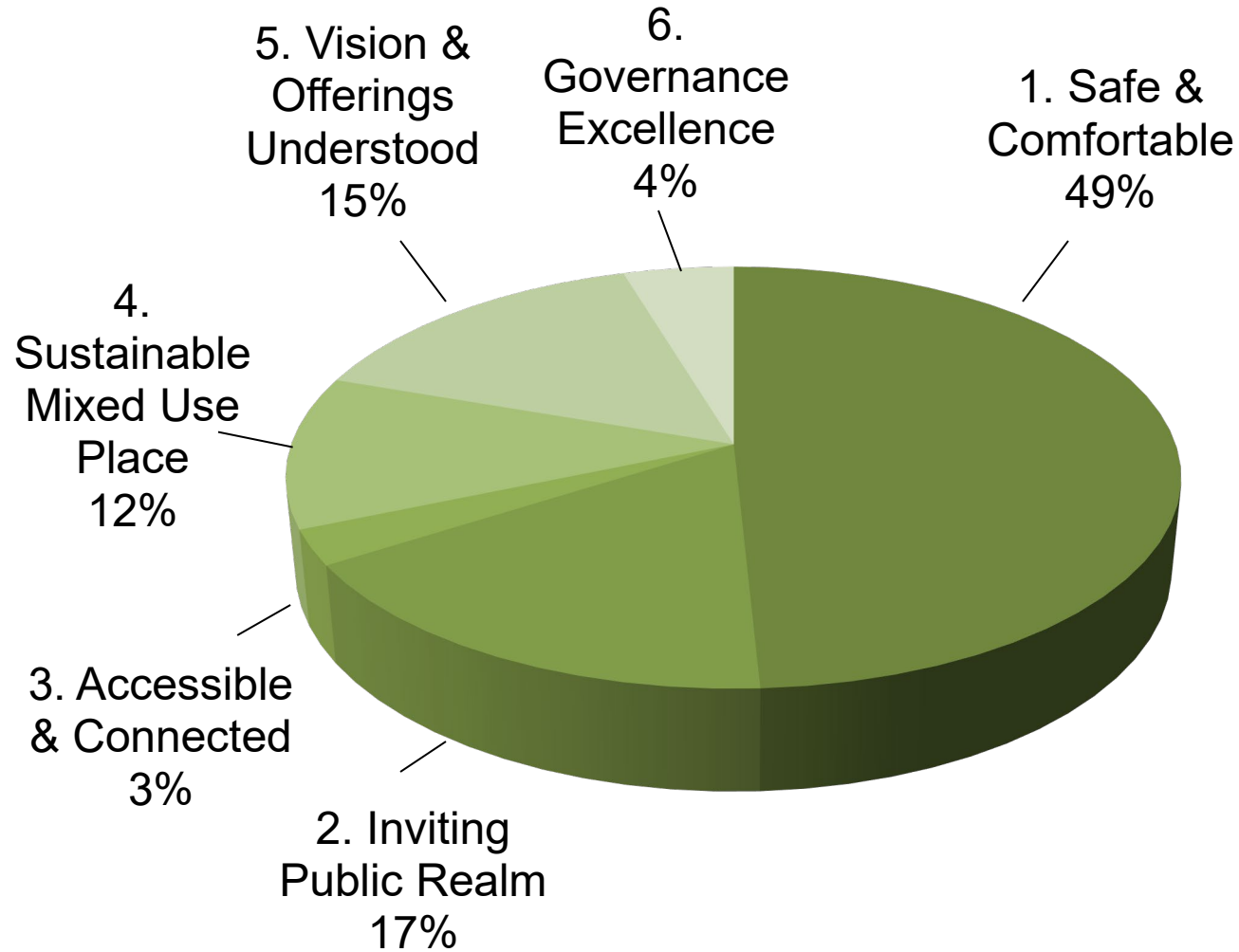
Reserves for Property Value Protests are \$761K

\$823K in refunds have been returned to property owners due to lower

HCAD property values as a result of protests.

Lease Liability-1313 Main added at \$2.9 million per ASC 842

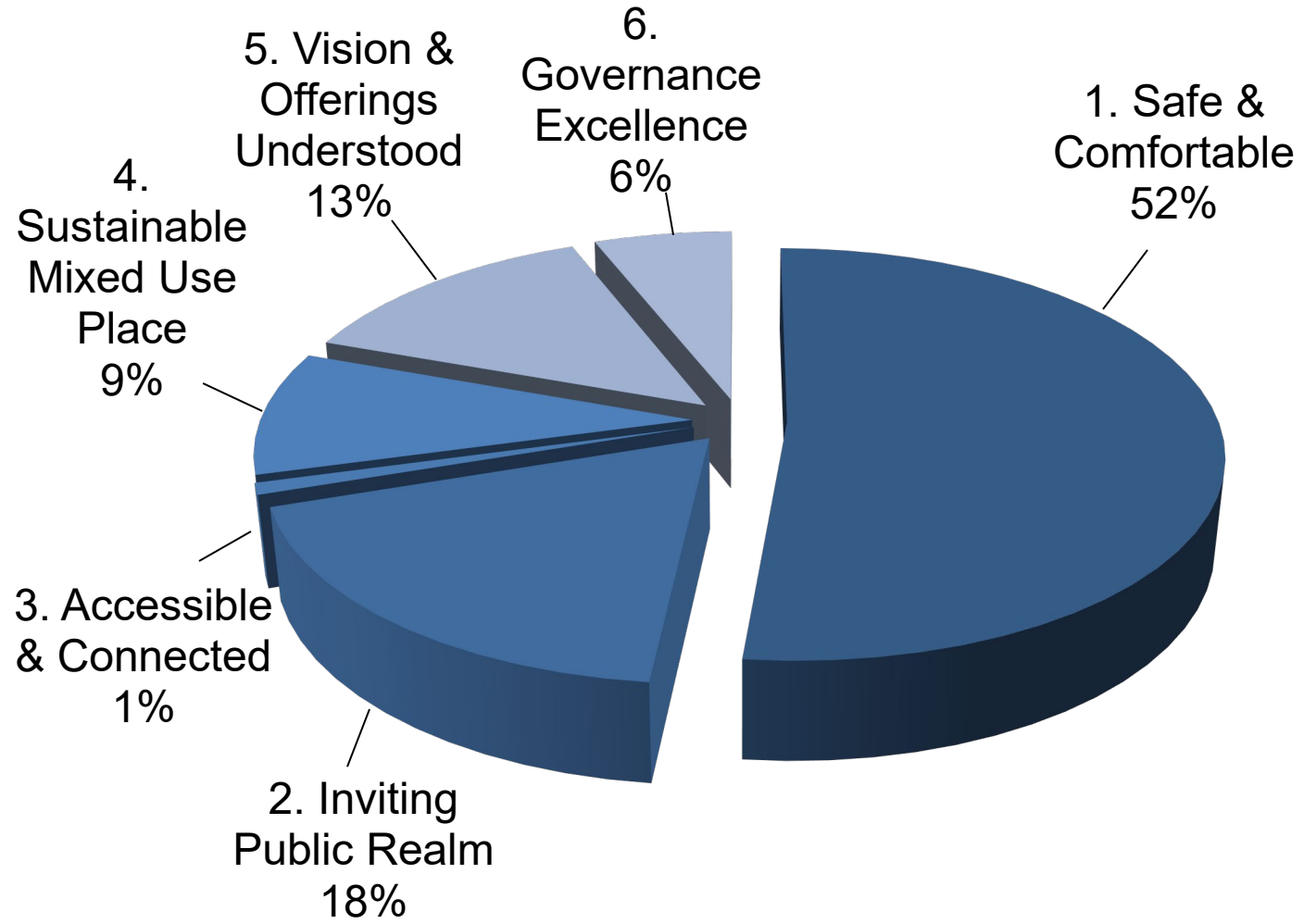
YTD June 2022 Budget



Total: \$10,083,959

Operating: \$9,204,459 Capital: \$879,500

YTD June 2022 Spending



Total: \$8,346,190 (\$1.7M below YTD 2022 Budget)

Operating: \$7,693,784 Capital: \$652,406

June, 2022 Variance from Budget Highlights

- **Safe & Comfortable - \$553K under budget**
 - Safety Guides are under budget by \$169K due to Block by Block having difficulty hiring/retaining staff and Private Security is under budget \$65K due to timing of invoices.
 - Homeless outreach programs are under budget \$309K due to funding for housing programs has not been accessed.
- **Public Realm is Charming - \$142K under budget**
 - Art Blocks programming is under budget \$109K due to SAM installation being pushed to October.
 - Maintenance at Trebly Park is under budget \$52K due to rescheduling of opening of park to September because of construction/supply chain delays.
- **Accessible to Region - \$178K under budget**
 - Funds designated for the Fort Bend County Park and Ride of \$150K have not been accessed because the bus is not providing services to downtown yet.
 - Wayfinding contractor expense and the Above and Below Map are \$50K under budget.

June, 2022 Variance from Budget Highlights

- Sustainable Mixed-Use Place – \$327K under budget
 - DLI payouts are under budget \$304K due to DLI payouts for 2020-2021 forecasted to be paid out in June, 2022 have not been requested by property owners.
- Vision & Offerings Understood - \$347K under budget
 - Marketing expense is under budget \$69 and funds allocated to the traffic study and streetscape design work is under budget \$250K.
- Capital Improvement - \$227K under budget
 - Public Realm – Banners are under budget \$163K due to a hold on the project until time permits.
 - Wayfinding & Street Signs are under budget \$90K and Southeast Sidewalks TxDot project authorized in 2021 is over budget \$69K.
 - Capital Replacement is over budget \$51K due to a delay in receiving trees to replace those killed in the 2021 winter freeze and authorized in 2021.

Check register for June, 2022

- Total checks issued in June 2022 were \$2.7 million.
 - Camden Property Trust DLI - \$432,010
 - Block by Block - \$386,953
 - Always in Season Decorating - \$273,786
 - 1600 Smith Co, LLC DLI - \$200,593
 - Downtown Redevelopment Authority - \$197,124
 - Coalition for the Homeless - \$150,000

YTD July 2022 Balance Sheet Highlights

Assets

Cash Balance is \$17.0 million

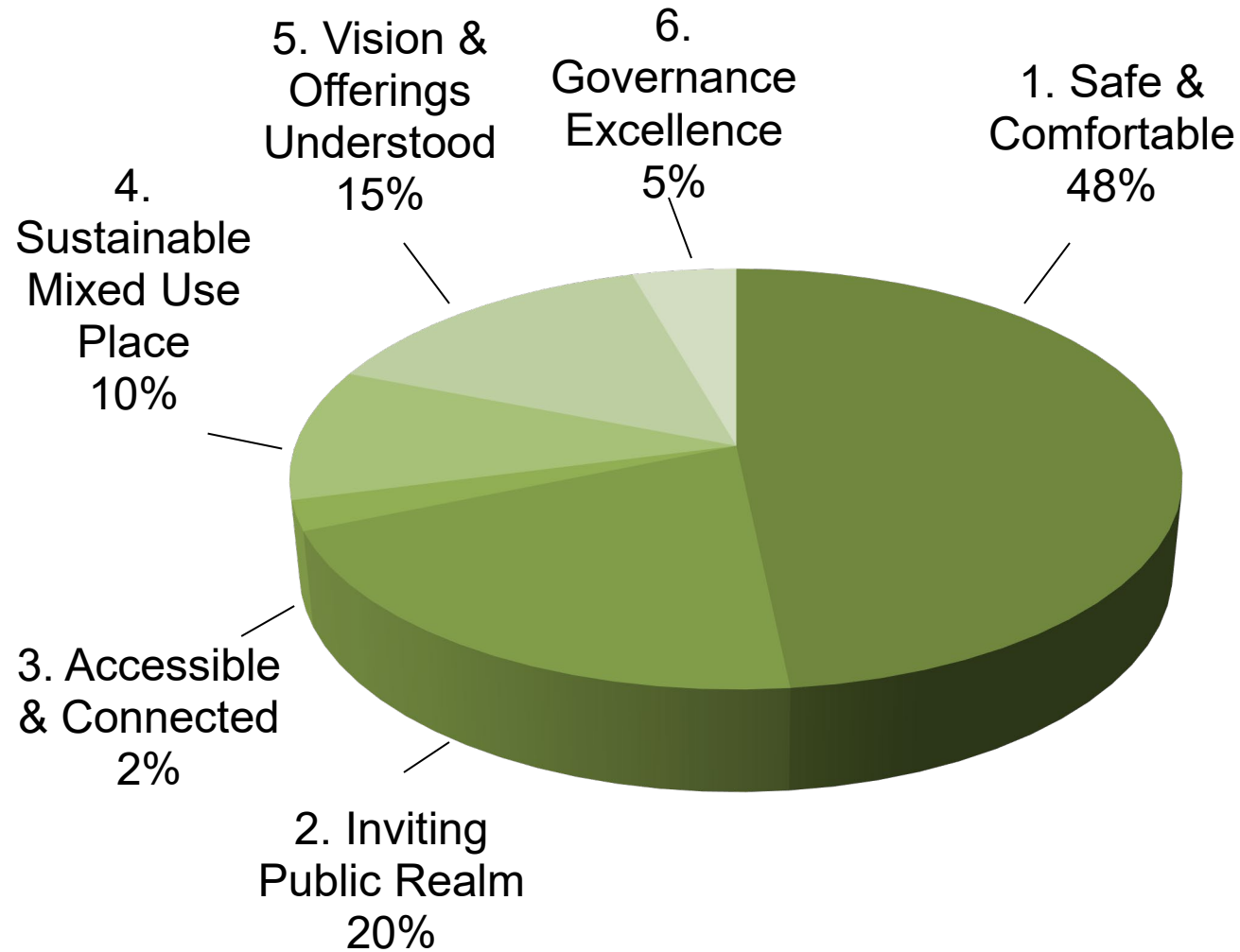
Assessments Due: 98.5% have been collected.

Liabilities

Reserves for Property Value Protests are \$567K

\$1.0 million in refunds have been returned to property owners due to lower HCAD property values as a result of protests. The historic loss rate has increased to 12.75% from 11% and will result in a reserve adjustment in August of \$250K to cover any additional refunds.

YTD July 2022 Budget

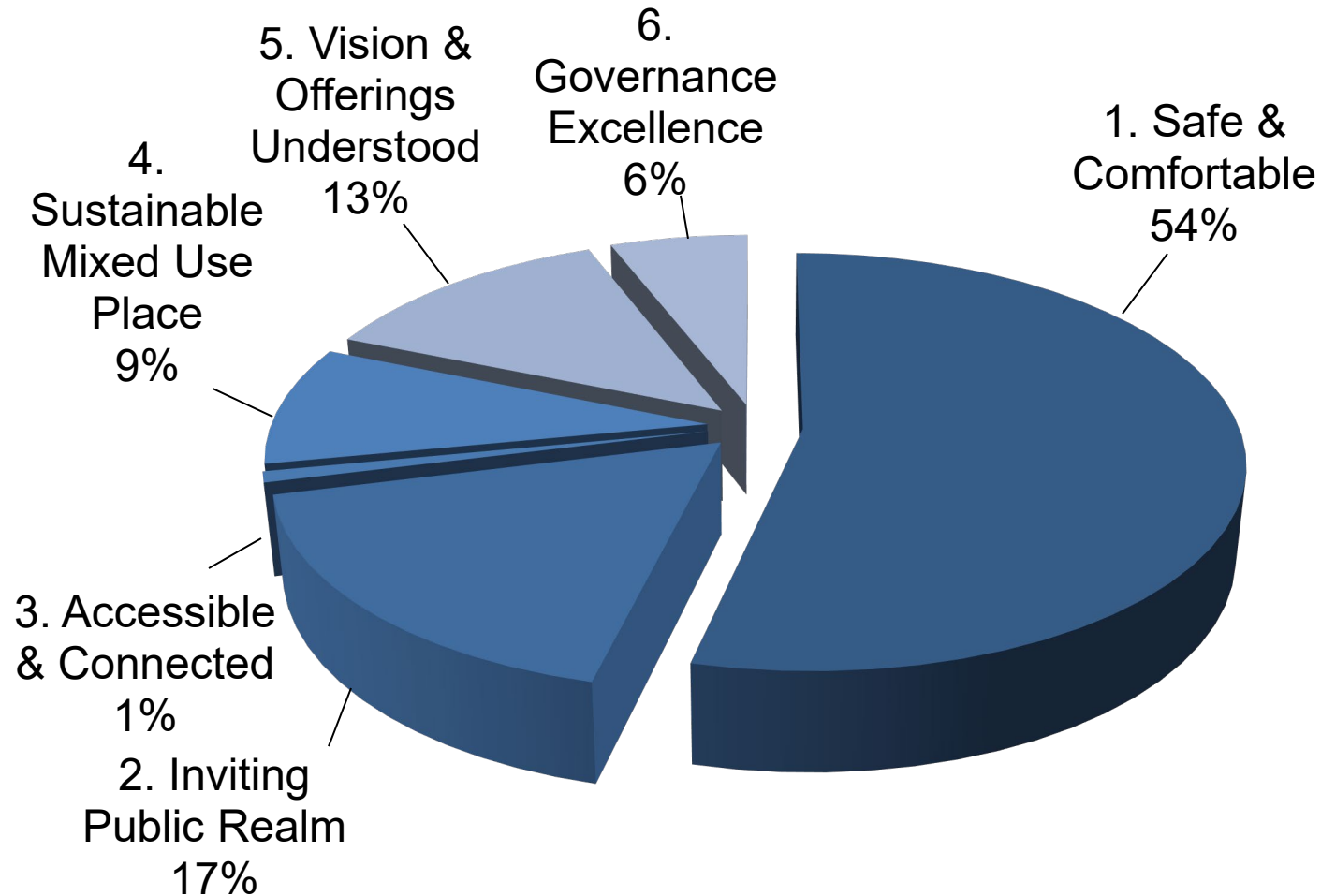


Total: \$12,199,093

Operating: \$11,110,343 Capital: \$1,088,750

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YTD July 2022 Spending



Total: \$9,524,474 (\$2.7M below YTD 2022 Budget)

Operating: \$8,868,131 Capital: \$656,343

July, 2022 Variance from Budget Highlights

- **Safe & Comfortable - \$605K under budget**
 - Safety Guides are under budget by \$204K due to Block by Block having difficulty hiring/retaining staff and Private Security is under budget \$63K due to timing of invoices.
 - Homeless outreach programs are under budget \$370K due to funding for housing programs has not been accessed.
 - Street Teams cleaning is over budget \$129K due to the reduction in Safety Guides.
 - Operations Center is over budget \$65K due to write-off of WIP costs for the generator and amortization of the Right of Use Lease asset for 1313 Main.
- **Public Realm is Charming - \$711K under budget**
 - Holiday logistics and installation are under budget \$260K due to programming still under development.
 - Floral displays are under budget \$150K.
 - Art Blocks programming is under budget \$128K due to SAM installation being pushed to October.
 - Maintenance at Trebly Park is under budget \$79K due to rescheduling of opening of park to September because of construction/supply chain delays.

July, 2022 Variance from Budget Highlights

- Accessible to Region - \$181K under budget
 - Funds designated for the Fort Bend County Park and Ride of \$150K have not been accessed because the bus is not providing services to downtown yet.
 - Wayfinding contractor expense and the Above and Below Map are \$51K under budget.
- Sustainable Mixed-Use Place – \$305M under budget
 - DLI payouts are under budget \$273K due to DLI payouts for 2020-2021 forecasted to be paid out in June, 2022 have not been requested by property owners.
- Vision & Offerings Understood - \$479K under budget
 - Marketing expense is under budget \$88K and funds allocated to the traffic study and streetscape design work is under budget \$350K.
- Capital Improvement - \$432K under budget
 - Public Realm – Banners are under budget \$163K due to a hold on the project until time permits.
 - Wayfinding & Street Signs are under budget \$165K, Congress St. Bridge project is under budget \$135K and Southeast Sidewalks TxDot project authorized in 2021 is over budget \$69K.

Check register for July, 2022

- Total checks issued in July 2022 were \$1.5 million.
 - Block by Block - \$459,121
 - Central Houston, Inc. - \$387,084
 - Chevron USA, Inc. DLI - \$126,039
 - Seal Security Solutions, LLC - \$66,212

Investment Report

2Q – 4/1/2022 thru 6/30/2022

	4/1/2022			Net Changes	6/30/2022		
	Operating	Capital	Total		Operating	Capital	Total
JPMorgan Chase	\$13,050K	\$552K	\$13,602K	(\$12,949K)	\$428K	\$225K	\$653K
TexPool*	\$6,047K	\$3,774K	\$9,821K	\$7,708K	\$12,625K	\$4,904K	\$17,529K
Total Cash	\$19,097K	\$4,326K	\$23,423K	(\$5,279K)	\$13,053K	\$5,129K	\$18,182K

*Avg. Daily Yield:

Operating .2100%

Capital .2123%

2022 Disadvantaged Business Enterprise Program (DBE) Activity Report (1/1 – 6/30)

	2022			2021		
	Operating	Capital	Total	Operating	Capital	Total
Total Certified MWBE	\$804K	\$91K	\$895K	\$699K	\$152K	\$851K
Adj. Total Spending	\$7,694K	\$652K	\$8,346K	\$6,636K	\$539K	\$7,175K
Less: Qualified Exclusions	(\$4,809K)	-	(\$4,809K)	(\$3,401K)	\$(4K)	(\$3,405K)
Qualifying Total Spending	\$2,885K	\$652K	\$3,537K	\$3,235K	\$535K	\$3,770K
% MWBE Certified	27.8%	14.0%	25.3%	21.6%	28.4%	22.6%
Total Self-Certified MWBE	\$477K	-	\$477K	\$356K	-	\$356K
% Cert. + Self Cert.	44.4%	14.0%	38.8%	32.6%	28.4%	32.0%
GOAL			25.0%			25.0%



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 June 30, 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
July 26, 2022

**Houston Downtown Management District
Governmental Fund Balance Sheets and
Statement of Net Position
June 30, 2022 and June 30, 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)
Assets						
Cash	\$ 13,053,099	\$ 5,129,160	\$ 18,182,258	\$ 16,135,508	\$ 4,694,212	\$ 20,829,720
Assessments Due	411,979	14,303	426,282	259,629	23,945	283,574
Accounts Receivable	31,501	-	31,501	74,636	4,800	79,436
Prepaid Expense	26,235	-	26,235	26,235	-	26,235
Inventory	-	-	-	-	-	-
Property & Equipment, Net	604,293	7,685	611,978	754,212	26,420	780,632
Right of Use Lease Asset 1313 Main, Net	2,879,653	-	2,879,653	-	-	-
Intercompany Rec/Pay	62,425	(62,425)	-	(84,993)	84,993	-
Total Assets	<u>\$ 17,069,184</u>	<u>\$ 5,088,723</u>	<u>\$ 22,157,907</u>	<u>\$ 17,165,226</u>	<u>\$ 4,834,371</u>	<u>\$ 21,999,597</u>
Liabilities						
Accounts Payable & Accrued Expenses	\$ 711,179	\$ 43,000	\$ 754,179	\$ 815,366	\$ 35,000	\$ 850,366
Lease Liability 1313 Main	2,941,439	-	2,941,439	-	-	-
Deferred Revenue & Reserve for Refunds	719,787	42,732	762,519	1,069,453	99,404	1,168,856
Total Liabilities & Deferred Revenue	<u>4,372,405</u>	<u>85,732</u>	<u>4,458,137</u>	<u>1,884,819</u>	<u>134,404</u>	<u>2,019,222</u>
Fund Balances						
Unreserved, Undesignated	11,896,779		11,896,779	14,480,408		14,480,408
Unreserved, Designated for Catastrophy	800,000		800,000	800,000		800,000
Reserved for Capital Projects		5,002,990	5,002,990		4,699,967	4,699,967
	<u>12,696,779</u>	<u>5,002,990</u>	<u>17,699,769</u>	<u>15,280,408</u>	<u>4,699,967</u>	<u>19,980,375</u>
Total Liabilities, Deferred Revenue & Fund Balances	<u>\$ 17,069,184</u>	<u>\$ 5,088,723</u>	<u>\$ 22,157,907</u>	<u>\$ 17,165,226</u>	<u>\$ 4,834,371</u>	<u>\$ 21,999,597</u>

Houston Downtown Management District
Statement of Activities
Six Months Ended June 30, 2022

	Operating YTD Actual	Capital YTD Actual	Total YTD Actual	YTD Budget	Fav (Unfav) Variance
Revenues					
Assessment Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Operations Revenue	236,160	-	236,160	258,690	(22,530)
Project Revenue	27,153	-	27,153	58,750	(31,597)
Other Income	53,854	-	53,854	25,000	28,854
Interest Income	30,959	11,041	42,000	8,000	34,000
Total Revenues	\$ 348,126	\$ 11,041	\$ 359,167	\$ 350,440	\$ 8,727
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 1,196,604	\$ -	\$ 1,196,604	\$ 1,440,327	\$ 243,723
Reduced Presence of Homeless & Street Persons	353,525	-	353,525	655,256	301,731
Downtown Sidewalks are Comfortably Lighted	71,688	-	71,688	150,611	78,923
Downtown Clean & Well-Kept Appearance	2,279,978	-	2,279,978	2,200,335	(79,642)
Remove Signs of Disorder in Downtown	19,841	-	19,841	20,638	797
Prepare for Emergencies	53,611	-	53,611	60,965	7,354
	3,975,247	-	3,975,247	4,528,133	552,886
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	193,806	-	193,806	184,590	(9,216)
Public Spaces Managed, Programmed, & Delightful	468,371	-	468,371	571,661	103,290
Place of Civic Celebration	737,690	-	737,690	785,148	47,457
	1,399,868	-	1,399,868	1,541,399	141,531
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	5,484	-	5,484	155,566	150,082
Convenient Circulation Without Personal Vehicle	-	-	-	-	-
Easy To Find Way Around	42,037	-	42,037	81,153	39,116
Connect Neighbors & Districts Inside/Outside Downtown	5,166	-	5,166	5,250	84
Convenient, Understandable & Managed Parking	16,402	-	16,402	5,278	(11,125)
	69,089	-	69,089	247,247	178,158
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	202,358	-	202,358	202,931	572
Exciting Neighborhoods to Live In	517,595	-	517,595	832,909	315,314
Competitive Shopping Place	8,724	-	8,724	8,850	126
Remarkable Destination for Visitors	20,475	-	20,475	31,440	10,965
	749,153	-	749,153	1,076,129	326,977
Downtown's Vision & Offering Understood By All					
Market to Region	594,162	-	594,162	663,431	69,269
Promote Downtown's Ease of Use	13,870	-	13,870	14,078	208
Vision/Development Framework Understood By All	369,646	-	369,646	633,991	264,345
Tools to Assist Continued Redevelopment	41,668	-	41,668	30,563	(11,106)
Develop & Maintain Information to Support Downtown	17,437	-	17,437	41,986	24,549
	1,036,783	-	1,036,783	1,384,048	347,266
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	385,873	-	385,873	374,417	(11,456)
Communications to Owners, Tenants & Others	33,797	-	33,797	17,036	(16,761)
Preservation of Districts' Capital Assets	43,976	-	43,976	36,050	(7,926)
	463,645	-	463,645	427,503	(36,143)
Capital Improvement & Expenditures					
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	-	128,746	128,746	217,500	88,754
Vibrant, Sustainable Mixed-Use Place	-	80,796	80,796	86,000	5,204
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	182,608	182,608	133,500	(49,108)
	-	652,406	652,406	879,500	227,094
Total Expenses	\$ 7,693,784	\$ 652,406	\$ 8,346,190	\$ 10,083,959	\$ 1,737,769
Depreciation Expense	43,419	6,565	49,984	49,077	(907)
Excess of Revenue Over Expenses GAAP Basis	\$ (7,389,077)	\$ (647,930)	\$ (8,037,006)	\$ (9,782,596)	\$ 1,745,589

Houston Downtown Management District
Statement of Activities
Six Months Ended June 30, 2022 and June 30, 2021

	Operating YTD Actual	Capital YTD Actual	2022 Total YTD Actual	2021 Total YTD Actual	Fav (Unfav) Variance
Revenues					
Assessment Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Operations Revenue	236,160	-	236,160	243,698	(7,539)
Project Revenue	27,153	-	27,153	145,766	(118,613)
Other Income	53,854	-	53,854	54,796	(942)
Interest Income	30,959	11,041	42,000	9,057	32,944
Total Revenues	\$ 348,126	\$ 11,041	\$ 359,167	\$ 453,317	\$ (94,150)
Downtown Feels Safe & Comfortable at All Times					
Key Pedestrian Streets are Inviting	193,806	-	193,806	144,930	(48,876)
Public Spaces Managed, Programmed, & Delightful	468,371	-	468,371	360,454	(107,917)
Place of Civic Celebration	737,690	-	737,690	853,348	115,658
	1,399,868	-	1,399,868	1,358,733	(41,135)
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	5,484	-	5,484	155,667	150,184
Convenient Circulation Without Personal Vehicle	-	-	-	15,426	15,426
Easy To Find Way Around	42,037	-	42,037	46,694	4,657
Connect Neighbors & Districts Inside/Outside Downtown	5,166	-	5,166	4,307	(859)
Convenient, Understandable & Managed Parking	16,402	-	16,402	3,783	(12,619)
	69,089	-	69,089	225,878	156,789
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	202,358	-	202,358	170,949	(31,409)
Exciting Neighborhoods to Live In	517,595	-	517,595	200,941	(316,653)
Competitive Shopping Place	8,724	-	8,724	12,724	3,999
Remarkable Destination for Visitors	20,475	-	20,475	25,159	4,684
	749,153	-	749,153	409,773	(339,380)
Downtown's Vision & Offering Understood By All					
Market to Region	594,162	-	594,162	468,209	(125,953)
Promote Downtown's Ease of Use	13,870	-	13,870	12,588	(1,281)
Vision/Development Framework Understood By All	369,646	-	369,646	462,494	92,848
Tools to Assist Continued Redevelopment	41,668	-	41,668	41,525	(144)
Develop & Maintain Information to Support Downtown	17,437	-	17,437	19,112	1,674
	1,036,783	-	1,036,783	1,003,927	(32,856)
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	385,873	-	385,873	362,584	(23,289)
Communications to Owners, Tenants & Others	33,797	-	33,797	19,042	(14,754)
Preservation of Districts' Capital Assets	43,976	-	43,976	35,999	(7,976)
	463,645	-	463,645	417,626	(46,019)
Capital Improvement & Expenditures					
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	-	128,746	128,746	300,493	171,748
Vibrant, Sustainable Mixed-Use Place	-	80,796	80,796	44,065	(36,731)
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	182,608	182,608	49,625	(132,983)
	-	652,406	652,406	539,184	(113,222)
Total Expenses	\$ 7,693,784	\$ 652,406	\$ 8,346,190	\$ 7,174,957	\$ (1,171,233)
Depreciation Expense	43,419	6,565	49,984	55,966	5,983
Excess of Revenue Over Expenses GAAP Basis	\$ (7,389,077)	\$ (647,930)	\$ (8,037,006)	\$ (6,777,606)	\$ (1,259,400)

Houston Downtown Management District

Variance Analysis

Six Months Ended June 30, 2022

Operating Budget

Revenue

1) Operations revenue is under budget (\$18K) in fountain reimbursement and (\$4K) in trash program subscriptions. Project revenue is over budget \$6K for Market Square Park and under budget (\$38K) in DRA Project Reimbursements for Allen Parkway due to timing. Salary reimbursements reflect \$29K payable to Central Houston, Inc. for 2021 and not included in the 2022 budget. Interest income is ahead of budget \$34K due to more favorable rates than projected.

Expenses

- 2) Goal 1a-Collaboration to Maintain Low Crime Rate-Under budget (\$169K) in Downtown Public Safety Guides, (\$65K) in Private Security and under budget (\$9K) in staffing.
- 3) Goal 1b-Reduced Presence of Homeless & Street Persons-Under budget (\$309K) in homeless outreach programs. Over budget \$7K in staffing.
- 4) Goal 1c-Downtown Sidewalks are Comfortably Lighted-Under budget (\$79K) in Street Lighting Expense, amenities and maintenance.
- 5) Goal 1d-Downtown Noted for Cleanliness & Well-Kept Appearance-Over budget \$42K in Street Teams cleaning sidewalks and bus stops, over budget \$87K in Paver repair and maintenance and over budget \$21K in the Operations center due to write-offs of the work-in-process costs for the generator. Under budget (\$3K) in Trash Collection, (\$48K) in Landscaping and tree maintenance, (\$7K) in Irrigation maintenance and repair and (\$12K) in staffing.
- 6) Goal 1f-Prepare for Emergencies-Under budget (\$7K) in Emergency Operations Center-monitoring equipment, generator and staffing.
- 7) Goal 2a-Key Pedestrians Streets are Inviting - Over budget \$1K in floral displays and \$8K in staffing.
- 8) Goal 2b-Key Public Spaces Programmed and Delightful-Under budget (\$19K) in Main Street Square maintenance, (\$52K) in Trebly Park maintenance, (\$38K) in Event programming and (\$21K) in staffing. Over budget \$26K in Market Square Park maintenance.
- 9) Goal 2c-Place of Civic Celebration-Under budget (\$109K) in Art Blocks program, (\$19K) in seasonal banner program, (\$15K) in banner/pot maintenance, and (\$16K) on Allen Parkway Maintenance reimbursed by DRA. Over budget \$40K for holiday logistics, over budget \$8K for Retail Support - Holiday Promotions and over budget \$64K in staffing.
- 10) Goal 3a-Effective Transit Access More Places-Under budget (\$150K) due to the Fort Bend County Park and Ride is not providing services to downtown.
- 11) Goal 3c-Easy to Find Way Around-Under budget (\$20K) for Wayfinding contractor expense and (\$30K) for the Above & Below Map. Over budget \$11K in staffing.
- 12) Goal 3e-Convenient, Understandable & Managed Parking-Over budget \$11K in staffing.
- 13) Goal 4b-Exciting Neighborhoods To Live In-Under budget (\$304K) due to DLI payouts for years 2020-2021 forecasted to be paid out in June, 2022 have not been requested by property owners. Under budget (\$11K) in staffing.
- 14) Goal 4d-Remarkable Destination for Visitors-Under budget (\$11K) in staffing.
- 15) Goal 5a-Market to Region-Under budget (\$69K) in marketing expenditures.
- 16) Goal 5c-Vision/Development - Under budget (\$200K) committed to a traffic study not yet funded, (\$50K) for streetscape design work and under (\$18K) in staffing. Over budget \$4K in landscape architectural consulting fees.
- 17) Goal 5d-Tools to Assist Continued Redevelopment - Over budget \$11K in staffing.
- 18) Goal 5e-Develop & Maintain Information to Support Downtown - Under budget (\$25K) in staffing.
- 19) Goal 6a-Complete engagement by all stakeholders in District - Under budget (\$12K) in contract services for legal, audit and assessment collection. Over budget \$3K in operations \$5K in planning design & construction, \$3K in economic development and \$14K in staffing.
- 20) Goal 6b-Communication to Owners, Tenants & Others - Over budget \$17K in staffing.
- 21) Goal 6c-Preservation of District's Capital Assets - Over budget \$9K in insurance expense due to renewals coming in higher than forecasted.

Capital Budget

- 22) Under budget (\$163K) for Banners and (\$20K) for Trebly Park furnishings.
- 23) Under budget (\$40K) for Vehicular and Pedestrian Wayfinding, (\$50K) for Updated Street Signs, and (\$68K) for the Congress St. Bridge project. Over budget \$69K for Southeast Sidewalks TxDOT project.
- 24) Over budget \$28K in Retail Challenge Grants due to a payment forecasted for 2021 was paid in 2022 and under budget (\$33K) due to DLI payments forecasted to be paid in June, 2022 have not been requested by property owner.
- 25) Over budget \$51K 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: 6/1/2022 to 6/30/2022

Check No.	Date	Vendor ID	Payee Name	Amount
BANK ID: A - OPERATING ACCT-JPMORGAN				101.000
* 33935	06/14/22	99942	TR 801 TRAVIS LLC	(\$7,260.69)
*				
* 34917	06/01/22	1200	CENTRAL HOUSTON, INC	\$234,846.80
*				
34918	06/01/22	1200		
34919	06/01/22	1200		
34920	06/01/22	1200		
34921	06/01/22	1200		
34922	06/01/22	1200		
34923	06/01/22	1200		
34924	06/01/22	1200		
34925	06/01/22	1200		
34926	06/01/22	1200		
34927	06/01/22	1200		
34928	06/01/22	1200		
34929	06/01/22	1200		
34930	06/01/22	1200		
34931	06/01/22	1200		
34932	06/02/22	0094	ACME PARTY & TENT RENTAL	\$1,203.46
34933	06/02/22	0530	ANGELA S. BERTINOT	\$486.88
34934	06/02/22	0490	ASSOCIATED LANDSCAPE SERVICES	\$27,308.97
34935	06/02/22	6079	BASIC BUILDERS, INC	\$3,240.00
34936	06/02/22	0334	CARR, RIGGS & INGRAM, LLC	\$8,700.00
34937	06/02/22	1689	CB CAFES MAIN, LLC	\$452.87
34938	06/02/22	1540	CITY OF HOUSTON (WATER DEPT)	\$192.49
34939	06/02/22	1801	DIRECTV	\$96.98
34940	06/02/22	3573	HARRIS COUNTY TREASURER	\$8,853.00
34941	06/02/22	3771	HOLLY BERETTO	\$736.50
34942	06/02/22	4441	IT EQUIPMENT FINANCING,LLC	\$304.73
34943	06/02/22	5540	LINCOLN COLWELL	\$1,840.00
34944	06/02/22	7400	PFEIFFER & SON, LTD	\$1,361.95
34945	06/02/22	7781	PUBLICATION PRINTERS	\$535.42
34946	06/02/22	3400	RAFFLE PARKING COMPANY,LLC	\$900.00
34947	06/02/22	8034	RC SOLUTIONS, INC.	\$780.00
34948	06/02/22	8119	ROADRUNNER RECYCLING, INC	\$1,797.80
34949	06/02/22	8552	TEXAS OUTHOUSE, INC.	\$432.55
34950	06/02/22	0009	THOMAS PRINTWORKS	\$199.12
34951	06/02/22	8609	TOUCH & AGREE PROPERTY	\$2,769.00
34952	06/02/22	8655	TRIPLE R BROTHERS, LTD	\$4.76
34953	06/02/22	9067	WASTE MANAGEMENT OF TEXAS, INC	\$162.66
34954	06/02/22	9121	XTRACT RESTORATION	\$550.00
34955	06/09/22	999990	1000 LOUISIANA LP	\$29,198.75
34956	06/09/22	3715	1301 FANNIN OWNER LP	\$25,073.17
34957	06/09/22	0007	1415 LOUISIANA LTD	\$1,213.34
34958	06/09/22	0123	1600 SMITH CO LLC	\$200,592.76
34959	06/09/22	2513	601 JEFFERSON TOWER(TX)LLC	\$9,923.64
34960	06/09/22	0352	ALWAYS IN SEASON DECORATING	\$273,785.61
34961	06/09/22	999991	ANNA M HINOJOS	\$68.62
34962	06/09/22	0490	ASSOCIATED LANDSCAPE SERVICES	\$190.63
34963	06/09/22	9819	BRYAN K BENNETT	\$1,344.43
34964	06/09/22	0847	CAMDEN PROPERTY TRUST	\$4,831.63
34965	06/09/22	1225	CENTRAL HOUSTON CIVIC IMPROVEM	\$33,726.41
34966	06/09/22	1503	CHAMPION TECHNOLOGY SERVICES	\$1,130.58

HOUSTON DOWNTOWN MANAGEMENT DISTRICT

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BANK ID: A - OPERATING ACCT-JPMORGAN				101.000
34967	06/09/22	1543	CITY OF HOUSTON	\$1,058.06
34968	06/09/22	1540	CITY OF HOUSTON (WATER DEPT)	\$2,257.77
34969	06/09/22	1597	CLUTCH CONSULTING GROUP LLC	\$1,400.00
34970	06/09/22	1665	COLOR SPECIALISTS LANDSCAPING	\$911.00
34971	06/09/22	99999	DEBORAH K KEYSER &	\$51.27
34972	06/09/22	1816	DETTE SHAN PROPERTIES	\$158.63
34973	06/09/22	2931	FOREWORD	\$3,000.00
34974	06/09/22	3261	GOLCONDA VENTURE	\$13,948.28
34975	06/09/22	3550	HARDY & HARDY	\$3,550.00
34976	06/09/22	999992	HOUSTON CONVENTION CENTER	\$103,184.59
34977	06/09/22	99953	HOUSTON PT BAC OFFICE	\$36,166.10
34978	06/09/22	6298	JORDAN SMITH	\$25.44
34979	06/09/22	999993	JULIE B ALDRICH	\$188.00
34980	06/09/22	5211	KEITH GOULD	\$25.60
34981	06/09/22	3395	LEONARD LOCKETT, JR	\$300.00
34982	06/09/22	3375	LESLIE ASHBY	\$393.58
34983	06/09/22	5648	LINEBARGER GOGGAN BLAIR	\$1,691.94
34984	06/09/22	999994	MELISSA A NEWBOULD	\$78.96
34985	06/09/22	5961	MELISSA TAYLOR	\$1,200.00
34986	06/09/22	5703	MICHAEL LOESSIN	\$500.00
34987	06/09/22	7191	ONE MARKET SQUARE PHASE I LLC	\$2,720.83
34988	06/09/22	9948	ORKIN PEST CONTROL	\$120.00
34989	06/09/22	7400	PFEIFFER & SON, LTD	\$19,170.70
34990	06/09/22	7783	PUBLIC CONTENT, LLC	\$7,500.00
34991	06/09/22	8153	ROYAL INVESTORS BINZ,LLC	\$3,655.44
34992	06/09/22	999995	SCD BLK 250 HOUSTON LLC	\$1,424.80
34993	06/09/22	8168	SEAL SECURITY SOLUTIONS, LLC	\$1,700.00
34994	06/09/22	8992	SHELBY ROTH	\$1,992.34
34995	06/09/22	8552	TEXAS OUTHOUSE, INC.	\$79.13
34996	06/09/22	99992	THREE ALLEN CENTER CO LLC	\$19,187.33
34997	06/09/22	99942	TR 801 TRAVIS LLC	\$4,822.29
34998	06/09/22	99993	TWO ALLEN CENTER CO LLC	\$14,510.68
34999	06/09/22	8912	VORTEX COLORADO, LLC	\$5,834.71
35000	06/09/22	9081	WESTPARK COMMUNICATIONS, L.P	\$60.38
35001	06/10/22	0847	CAMDEN PROPERTY TRUST	\$427,178.00
35002	06/10/22	999996	ZIMMERMAN INTERESTS INC	\$305.74
35003	06/14/22	99942	TR 801 TRAVIS LLC	\$7,260.69
35004	06/15/22	0321	AIR POWER SERVICES, INC	\$7,109.26
35005	06/15/22	0360	ALLEN DOUGLAS	\$2,031.28
35006	06/15/22	0490	ASSOCIATED LANDSCAPE SERVICES	\$2,025.00
35007	06/15/22	6079	BASIC BUILDERS, INC	\$1,308.00
35008	06/15/22	3288	BRACEWELL	\$4,168.75
35009	06/15/22	8101	CHRISTINA BARRIENTEZ	\$330.00
35010	06/15/22	1540	CITY OF HOUSTON (WATER DEPT)	\$1,855.50
35011	06/15/22	1735	CORE DESIGN STUDIO	\$5,320.15
35012	06/15/22	3298	GULF COAST PAVERS,INC.	\$122,400.00
35013	06/15/22	5211	KEITH GOULD	\$25.92
35014	06/15/22	3370	LEANDERAY COLLINS	\$550.00
35015	06/15/22	3395	LEONARD LOCKETT, JR	\$500.00
35016	06/15/22	9888	MAURICE DUHON JR.	\$300.00
35017	06/15/22	2246	MELINDA ELLEN JOHNSON	\$1,375.00
35018	06/15/22	6085	MENDEL CREATIVE SOLUTIONS	\$800.00
35019	06/15/22	6321	MINER, LTD	\$265.00

HOUSTON DOWNTOWN MANAGEMENT DISTRICT

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Check No.	Date	Vendor ID	Payee Name	Amount
BANK ID: A - OPERATING ACCT-JPMORGAN				101.000
35020	06/15/22	6249	MOONSTAR CINEMA SERVICES	\$745.75
35021	06/15/22	7400	PFEIFFER & SON, LTD	\$9,007.15
35022	06/15/22	7783	PUBLIC CONTENT, LLC	\$7,500.00
35023	06/15/22	8066	READYREFRESH	\$142.84
35024	06/15/22	8129	RONALD COOKS	\$330.00
35025	06/15/22	8148	SABRINA NAULINGS	\$1,100.00
35026	06/15/22	8168	SEAL SECURITY SOLUTIONS, LLC	\$67,267.20
35027	06/15/22	8577	TEAMWORK CONSTRUCTION SERVICES	\$5,000.00
35028	06/15/22	8552	TEXAS OUTHOUSE, INC.	\$79.13
35029	06/15/22	0009	THOMAS PRINTWORKS	\$649.06
35030	06/15/22	8609	TOUCH & AGREE PROPERTY	\$2,769.00
35031	06/16/22	5986	DOWNTOWN REDEVELOPMENT	\$197,124.00
35032	06/23/22	0027	AT&T	\$1,459.63
35033	06/23/22	0511	BLOCK BY BLOCK	\$386,953.47
35034	06/23/22	1549	CITY OF HOUSTON	\$1,190.19
35035	06/23/22	1540	CITY OF HOUSTON (WATER DEPT)	\$16,191.17
35036	06/23/22	1597	CLUTCH CONSULTING GROUP LLC	\$1,450.00
35037	06/23/22	2761	FILM LAB CREATIVE	\$9,422.50
35038	06/23/22	4021	HOUSTON RECOVERY CENTER,LGC	\$31,250.00
35039	06/23/22	4704	JOHNSON CONTROLS SECURITY	\$642.03
35040	06/23/22	5987	MAINTENANCE TO GO	\$20,405.35
35041	06/23/22	7319	PARK FIRST OF TEXAS, LLC	\$1,200.00
35042	06/23/22	7400	PFEIFFER & SON, LTD	\$8,601.43
35043	06/23/22	8151	SEARCH HOMELESS SERVICES	\$8,669.46
35044	06/23/22	8552	TEXAS OUTHOUSE, INC.	\$295.40
35045	06/23/22	8562	TEXAS WASTE COMPANY	\$1,692.30
35046	06/23/22	0843	THE BLACK SHEEP AGENCY	\$21,577.50
35047	06/23/22	8900	VERIZON WIRELESS	\$646.75
35048	06/30/22	0490	ASSOCIATED LANDSCAPE SERVICES	\$20,797.35
35049	06/30/22	6077	BARTLETT TREE EXPERTS	\$14,700.00
35050	06/30/22	1790	BRETT DEBORD	\$250.17
35051	06/30/22	1651	COALITION FOR THE HOMELESS	\$150,000.00
35052	06/30/22	1756	CROWDRIFF, INC.	\$9,500.00
35053	06/30/22	6298	JORDAN SMITH	\$82.03
35054	06/30/22	5211	KEITH GOULD	\$26.88
35055	06/30/22	3395	LEONARD LOCKETT, JR	\$300.00
35056	06/30/22	5700	LONE STAR FLAGS AND FLAGPOLES	\$2,852.00
35057	06/30/22	9888	MAURICE DUHON JR.	\$300.00
35058	06/30/22	2246	MELINDA ELLEN JOHNSON	\$1,375.00
35059	06/30/22	7400	PFEIFFER & SON, LTD	\$1,684.77
35060	06/30/22	2550	SCOTT FINKE	\$25.38
35061	06/30/22	8353	SPLICE OF LIFE PRODUCTIONS LLC	\$3,135.13
35061	06/30/22	8353	SPLICE OF LIFE PRODUCTIONS LLC	(\$3,135.13)
35062	06/30/22	8552	TEXAS OUTHOUSE, INC.	\$432.55
35063	06/30/22	0009	THOMAS PRINTWORKS	\$191.33
35064	06/30/22	9045	WESTERN FIRST AID & SAFETY	\$197.99
35065	06/30/22	9097	WHITE DISTRIBUTION SYSTEMS	\$950.00
35066	06/30/22	3395	LEONARD LOCKETT, JR	\$200.00
35067	06/30/22	8353	SPLICE OF LIFE PRODUCTIONS LLC	\$3,065.00
BANK A REGISTER TOTAL:				\$2,719,842.72
BANK ID: B - CAPITAL ACCT-JPMORGAN				102.000
3989	06/10/22	7400	PFEIFFER & SON, LTD	\$7,964.75

HOUSTON DOWNTOWN MANAGEMENT DISTRICT

AP Check Register (Current by Bank)

Check Dates: 6/1/2022 to 6/30/2022

Check No.	Date	Vendor ID	Payee Name	Amount
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BANK ID: A - OPERATING ACCT-JPMORGAN				101.000
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3990	06/23/22	5290	KING GRAPHICS & SIGNS, LLC	\$18,985.00
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BANK B REGISTER TOTAL:	\$26,949.75
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GRAND TOTAL :	\$2,746,792.47
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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 July 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,

nctp cpas, pllc

Houston, Texas
August 8, 2022

**Houston Downtown Management District
Governmental Fund Balance Sheets and
Statement of Net Position
July 31, 2022 and June 30, 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)
Assets						
Cash	\$ 11,842,541	\$ 5,136,125	\$ 16,978,665	\$ 14,048,229	\$ 4,696,747	\$ 18,744,976
Assessments Due	408,745	14,002	422,748	250,866	23,012	273,877
Accounts Receivable	121,969	-	121,969	82,370	4,800	87,171
Prepaid Expense	26,235	-	26,235	26,235	-	26,235
Inventory	-	-	-	-	-	-
Property & Equipment, Net	597,026	6,591	603,617	748,427	24,392	772,818
Right of Use Lease Asset 1313 Main, Net	2,742,527	-	2,742,527	-	-	-
Intercompany Rec/Pay	(184,709)	(82,745)	(267,454)	(934)	934	-
Total Assets	<u>\$ 15,554,333</u>	<u>\$ 5,073,973</u>	<u>\$ 20,628,306</u>	<u>\$ 15,155,193</u>	<u>\$ 4,749,884</u>	<u>\$ 19,905,077</u>
Liabilities						
Accounts Payable & Accrued Expenses	\$ 524,099	\$ 43,000	\$ 567,099	\$ 839,502	\$ 35,000	\$ 874,502
Lease Liability 1313 Main	2,839,120	-	2,839,120	-	-	-
Deferred Revenue & Reserve for Refunds	540,654	26,049	566,703	1,044,224	97,054	1,141,278
Total Liabilities & Deferred Revenue	<u>3,903,873</u>	<u>69,049</u>	<u>3,972,921</u>	<u>1,883,726</u>	<u>132,054</u>	<u>2,015,780</u>
Fund Balances						
Unreserved, Undesignated	10,850,461		10,850,461	12,471,466		12,471,466
Unreserved, Designated for Catastrophy	800,000		800,000	800,000		800,000
Reserved for Capital Projects		5,004,924	5,004,924		4,617,830	4,617,830
	<u>11,650,461</u>	<u>5,004,924</u>	<u>16,655,385</u>	<u>13,271,466</u>	<u>4,617,830</u>	<u>17,889,297</u>
Total Liabilities, Deferred Revenue & Fund Balances	<u>\$ 15,554,333</u>	<u>\$ 5,073,973</u>	<u>\$ 20,628,306</u>	<u>\$ 15,155,193</u>	<u>\$ 4,749,884</u>	<u>\$ 19,905,077</u>

Houston Downtown Management District
Statement of Activities
Seven Months Ended July 31, 2022

	Operating YTD Actual	Capital YTD Actual	Total YTD Actual	YTD Budget	Fav (Unfav) Variance
Revenues					
Assessment Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Operations Revenue	340,033	-	340,033	298,930	41,103
Project Revenue	30,468	-	30,468	99,792	(69,324)
Other Income	64,637	-	64,637	29,167	35,470
Interest Income	48,284	18,006	66,290	9,333	56,956
Total Revenues	\$ 483,422	\$ 18,006	\$ 501,427	\$ 437,222	\$ 64,206
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 1,423,163	\$ -	\$ 1,423,163	\$ 1,738,757	\$ 315,594
Reduced Presence of Homeless & Street Persons	401,200	-	401,200	764,465	363,265
Downtown Sidewalks are Comfortably Lighted	79,094	-	79,094	160,713	81,619
Downtown Clean & Well-Kept Appearance	2,778,168	-	2,778,168	2,614,132	(164,036)
Remove Signs of Disorder in Downtown	24,225	-	24,225	24,078	(147)
Prepare for Emergencies	61,894	-	61,894	70,293	8,399
	4,767,744	-	4,767,744	5,372,438	604,694
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	208,476	-	208,476	351,466	142,990
Public Spaces Managed, Programmed, & Delightful	548,199	-	548,199	725,327	177,128
Place of Civic Celebration	782,290	-	782,290	1,173,505	391,216
	1,538,965	-	1,538,965	2,250,298	711,333
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	6,421	-	6,421	156,494	150,073
Convenient Circulation Without Personal Vehicle	-	-	-	-	-
Easy To Find Way Around	45,847	-	45,847	86,512	40,665
Connect Neighbors & Districts Inside/Outside Downtown	6,027	-	6,027	6,125	98
Convenient, Understandable & Managed Parking	16,402	-	16,402	6,157	(10,245)
	74,697	-	74,697	255,288	180,591
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	236,085	-	236,085	236,752	667
Exciting Neighborhoods to Live In	554,587	-	554,587	843,477	288,890
Competitive Shopping Place	10,178	-	10,178	10,325	147
Remarkable Destination for Visitors	21,451	-	21,451	36,680	15,229
	822,301	-	822,301	1,127,234	304,933
Downtown's Vision & Offering Understood By All					
Market to Region	671,640	-	671,640	760,086	88,447
Promote Downtown's Ease of Use	16,240	-	16,240	16,424	184
Vision/Development Framework Understood By All	383,276	-	383,276	756,323	373,047
Tools to Assist Continued Redevelopment	46,025	-	46,025	35,657	(10,369)
Develop & Maintain Information to Support Downtown	20,926	-	20,926	48,983	28,057
	1,138,108	-	1,138,108	1,617,473	479,366
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	447,060	-	447,060	431,686	(15,374)
Communications to Owners, Tenants & Others	35,281	-	35,281	19,875	(15,406)
Preservation of Districts' Capital Assets	43,976	-	43,976	36,050	(7,926)
	526,317	-	526,317	487,611	(38,705)
Capital Improvement & Expenditures					
Downtown Feels Safe & Comfortable	-	-	-	-	-
Public Realm is Charming, Inviting, & Beautiful	-	260,256	260,256	487,500	227,244
Accessible to Region & Easy to Get Around	-	128,746	128,746	360,000	231,254
Vibrant, Sustainable Mixed-Use Place	-	83,642	83,642	86,000	2,358
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	183,699	183,699	155,250	(28,449)
	-	656,343	656,343	1,088,750	432,407
Total Expenses	\$ 8,868,131	\$ 656,343	\$ 9,524,474	\$ 12,199,093	\$ 2,674,619
Depreciation Expense	50,685	7,659	58,345	57,256	(1,089)
Excess of Revenue Over Expenses GAAP Basis	\$ (8,435,395)	\$ (645,996)	\$ (9,081,391)	\$ (11,819,127)	\$ 2,737,736

Houston Downtown Management District
Statement of Activities
Seven Months Ended July 31, 2022 and July 31, 2021

	Operating YTD Actual	Capital YTD Actual	2022 Total YTD Actual	2021 Total YTD Actual	Fav (Unfav) Variance
Revenues					
Assessment Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Operations Revenue	340,033	-	340,033	262,734	77,299
Project Revenue	30,468	-	30,468	149,511	(119,043)
Other Income	64,637	-	64,637	57,984	6,653
Interest Income	48,284	18,006	66,290	10,120	56,170
Total Revenues	\$ 483,422	\$ 18,006	\$ 501,427	\$ 480,348	\$ 21,079
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 1,423,163	\$ -	\$ 1,423,163	\$ 1,348,675	\$ (74,488)
Reduced Presence of Homeless & Street Persons	401,200	-	401,200	879,558	478,358
Downtown Sidewalks are Comfortably Lighted	79,094	-	79,094	59,206	(19,887)
Downtown Clean & Well-Kept Appearance	2,778,168	-	2,778,168	2,298,692	(479,476)
Remove Signs of Disorder in Downtown	24,225	-	24,225	22,835	(1,390)
Prepare for Emergencies	61,894	-	61,894	62,065	170
	4,767,744	-	4,767,744	4,671,032	(96,712)
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	208,476	-	208,476	148,123	(60,353)
Public Spaces Managed, Programmed, & Delightful	548,199	-	548,199	443,494	(104,705)
Place of Civic Celebration	782,290	-	782,290	877,531	95,241
	1,538,965	-	1,538,965	1,469,148	(69,817)
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	6,421	-	6,421	156,612	150,191
Convenient Circulation Without Personal Vehicle	-	-	-	18,015	18,015
Easy To Find Way Around	45,847	-	45,847	50,697	4,850
Connect Neighbors & Districts Inside/Outside Downtown	6,027	-	6,027	5,025	(1,002)
Convenient, Understandable & Managed Parking	16,402	-	16,402	4,425	(11,978)
	74,697	-	74,697	234,774	160,077
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	236,085	-	236,085	170,949	(65,136)
Exciting Neighborhoods to Live In	554,587	-	554,587	326,748	(227,839)
Competitive Shopping Place	10,178	-	10,178	14,855	4,676
Remarkable Destination for Visitors	21,451	-	21,451	29,435	7,984
	822,301	-	822,301	541,987	(280,314)
Downtown's Vision & Offering Understood By All					
Market to Region	671,640	-	671,640	667,402	(4,238)
Promote Downtown's Ease of Use	16,240	-	16,240	14,767	(1,473)
Vision/Development Framework Understood By All	383,276	-	383,276	487,333	104,057
Tools to Assist Continued Redevelopment	46,025	-	46,025	48,547	2,521
Develop & Maintain Information to Support Downtown	20,926	-	20,926	25,223	4,297
	1,138,108	-	1,138,108	1,243,271	105,164
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	447,060	-	447,060	446,796	(264)
Communications to Owners, Tenants & Others	35,281	-	35,281	21,195	(14,086)
Preservation of Districts' Capital Assets	43,976	-	43,976	35,999	(7,976)
	526,317	-	526,317	503,991	(22,326)
Capital Improvement & Expenditures					
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	-	128,746	128,746	351,747	223,001
Vibrant, Sustainable Mixed-Use Place	-	83,642	83,642	67,551	(16,091)
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	183,699	183,699	55,237	(128,462)
	-	656,343	656,343	619,535	(36,807)
Total Expenses	\$ 8,868,131	\$ 656,343	\$ 9,524,474	\$ 9,283,738	\$ (240,736)
Depreciation Expense	50,685	7,659	58,345	65,294	6,950
Excess of Revenue Over Expenses GAAP Basis	\$ (8,435,395)	\$ (645,996)	\$ (9,081,391)	\$ (8,868,684)	\$ (212,707)

Houston Downtown Management District

Variance Analysis

Seven Months Ended July 31, 2022

Operating Budget

Revenue

1) Operations revenue is over budget \$44K in Metro bus stop cleaning and under budget (\$4K) in trash program subscriptions. Project revenue is over budget \$6K for Market Square Park and under budget (\$75K) in DRA project reimbursements for Allen Parkway due to timing. Salary reimbursements reflect \$35K payable to Central Houston, Inc. for 2021 and not included in the 2022 budget. Interest income is ahead of budget \$57K due to more favorable rates than projected.

Expenses

- 2) Goal 1a-Collaboration to Maintain Low Crime Rate-Under budget (\$204K) in Downtown Public Safety Guides, (\$6K) in Law Enforcement Support, (\$31K) in PIT Program, (\$63K) in Private Security and under budget (\$10K) in staffing.
- 3) Goal 1b-Reduced Presence of Homeless & Street Persons-Under budget (\$370K) in homeless outreach programs. Over budget \$6K in staffing.
- 4) Goal 1c-Downtown Sidewalks are Comfortably Lighted-Under budget (\$81K) in Street Lighting Expense, amenities and maintenance.
- 5) Goal 1d-Downtown Noted for Cleanliness & Well-Kept Appearance-Over budget \$129K in Street Teams cleaning sidewalks and bus stops, over budget \$81K in Paver repair and maintenance and over budget \$65K in the Operations center due to write-offs of the work-in-process costs for the generator and amortization of the Right of Use Lease asset for 1313 Main. Under budget (\$22K) in Trash Collection, (\$74K) in Landscaping and tree maintenance, (\$2K) in Irrigation maintenance and repair and (\$14K) in staffing.
- 6) Goal 1f-Prepare for Emergencies-Under budget (\$8K) in Emergency Operations Center-monitoring equipment, generator and staffing.
- 7) Goal 2a-Key Pedestrians Streets are Inviting - Under budget (\$150K) in floral displays and over budget \$7K in staffing.
- 8) Goal 2b-Key Public Spaces Programmed and Delightful-Under budget (\$34K) in Main Street Square maintenance, (\$79K) in Trebly Park maintenance, (\$58K) in Event programming and (\$24K) in staffing. Over budget \$18K in Market Square Park maintenance.
- 9) Goal 2c-Place of Civic Celebration-Under budget (\$128K) in Art Blocks program, (\$25K) in seasonal banner program, (\$16K) in banner/pot maintenance, (\$29K) on Allen Parkway Maintenance reimbursed by DRA and (\$260K) in holiday logistics and installation. Over budget \$8K for Retail Support - Holiday Promotions and over budget \$59K in staffing.
- 10) Goal 3a-Effective Transit Access More Places-Under budget (\$150K) due to the Fort Bend County Park and Ride is not providing services to downtown.
- 11) Goal 3c-Easy to Find Way Around-Under budget (\$21K) for Wayfinding contractor expense and (\$30K) for the Above & Below Map. Over budget \$10K in staffing.
- 12) Goal 3e-Convenient, Understandable & Managed Parking-Over budget \$10K in staffing.
- 13) Goal 4b-Exciting Neighborhoods To Live In-Under budget (\$273K) due to DLI payouts for years 2020-2021 forecasted to be paid out in June, 2022 have not been requested by property owners. Under budget (\$15K) in staffing.
- 14) Goal 4d-Remarkable Destination for Visitors-Under budget (\$15K) in staffing.
- 15) Goal 5a-Market to Region-Under budget (\$88K) in marketing expenditures.
- 16) Goal 5c-Vision/Development - Under budget (\$250K) committed to a traffic study not yet funded, (\$100K) for streetscape design work and under (\$27K) in staffing. Over budget \$4K in landscape architectural consulting fees.
- 17) Goal 5d-Tools to Assist Continued Redevelopment - Over budget \$10K in staffing.
- 18) Goal 5e-Develop & Maintain Information to Support Downtown - Under budget (\$28K) in staffing.
- 19) Goal 6a-Complete engagement by all stakeholders in District - Under budget (\$12K) in contract services for legal, audit and assessment collection and marketing and communications. Over budget \$2K in operations, \$8K in planning design & construction, \$3K in economic development and \$14K in staffing.
- 20) Goal 6b-Communication to Owners, Tenants & Others - Over budget \$15K in staffing.
- 21) Goal 6c-Preservation of District's Capital Assets - Over budget \$8K in insurance expense due to renewals coming in higher than forecasted.

Capital Budget

- 22) Under budget (\$163K) for banners, (\$20K) for Trebly Park furnishings and (\$45K) for the Prairie Street project.
- 23) Under budget (\$65K) for vehicular and pedestrian wayfinding, (\$100K) for updated street signs, and (\$135K) for the Congress St. Bridge project. Over budget \$69K for southeast sidewalks TxDOT project.
- 24) Over budget \$28K in Retail Challenge grants due to a payment forecasted for 2021 was paid in 2022 and under budget (\$30K) due to DLI payments forecasted to be paid in June, 2022 have not been requested by property owner.
- 25) Over budget \$31K in capital replacement due to the delay in receiving trees to replace those killed in the 2021 winter freeze and not budgeted in 2022. Under budget (\$2K) in assessment collection fees.

HOUSTON DOWNTOWN MANAGEMENT DISTRICT

AP Check Register (Current by Bank)

Check Dates: 7/1/2022 to 7/31/2022

Check No.	Date	Vendor ID	Payee Name	Amount
BANK ID: A - OPERATING ACCT-JPMORGAN				101.000
* 34634	07/07/22	0843	THE BLACK SHEEP AGENCY	(\$6,930.00)
* 34741	07/25/22	8355	STERLING EXPRESS SERVICES, INC	(\$182.00)
* 34762	07/07/22	0843	THE BLACK SHEEP AGENCY	(\$8,242.50)
* 34853	07/07/22	0843	THE BLACK SHEEP AGENCY	(\$11,392.50)
* 34973	07/25/22	2931	FOREWORD	(\$3,000.00)
* 35068	07/01/22	1200	CENTRAL HOUSTON, INC	\$387,083.83
35069	07/01/22	1200		
35070	07/01/22	1200		
35071	07/01/22	1200		
35072	07/01/22	1200		
35073	07/01/22	1200		
35074	07/01/22	1200		
35075	07/01/22	1200		
35076	07/01/22	1200		
35077	07/01/22	1200		
35078	07/01/22	1200		
35079	07/01/22	1200		
35080	07/01/22	1200		
35081	07/01/22	1200		
35082	07/01/22	999997	110 BAGBY INVESTMENTS, LLC	\$1,259.68
35083	07/01/22	0007	1415 LOUISIANA LTD	\$2,547.74
35084	07/01/22	99965	401 FRANKLIN STREET LTD	\$12,615.46
35085	07/01/22	99976	801 CONGRESS PURCHASE LLC	\$488.68
35086	07/01/22	99986	AT&T COMMUNICATIONS TX LTD	\$17,811.27
35087	07/01/22	1502	CHEVRON USA INC	\$126,038.62
35088	07/01/22	99924	CITY LOFTS LLC	\$1,463.68
35089	07/01/22	999998	DAVID & KATHLEEN LINTNER	\$84.88
35090	07/01/22	999999	DONALD A. THIEL	\$181.18
35091	07/01/22	99957	FAIRFIELD BLOCK 334 LP	\$3,014.23
35092	07/01/22	999910	HDT HOTELS LLC	\$2,618.19
35093	07/01/22	99923	HOUSTON HOTEL PARTNERS LLC	\$3,081.03
35094	07/01/22	999911	IKECHUKWU E OKOLO	\$79.96
35095	07/01/22	999912	LA GRANGE ACQUISTION LP	\$8,124.12
35096	07/01/22	999913	LAKESIDE PLACE PFC	\$360.36
35097	07/01/22	5649	LINEBARGER GOGGAN BLAIR	\$433.24
35098	07/01/22	999915	MANZOOR HASAN	\$1,145.71
35099	07/01/22	999914	MASTER HOUSTON SMITH ST. LLC	\$599.28
35100	07/01/22	999916	SCD BLK 275 HOUSTON LLC	\$1,087.60
35101	07/01/22	999917	SCD BLK 276 HOUSTON LLC	\$2,438.14

HOUSTON DOWNTOWN MANAGEMENT DISTRICT

AP Check Register (Current by Bank)

Check Dates: 7/1/2022 to 7/31/2022

Check No.	Date	Vendor ID	Payee Name	Amount
BANK ID: A - OPERATING ACCT-JPMORGAN				101.000
35102	07/01/22	9208	YPI 1010 LAMAR LLC	\$10,777.10
35103	07/07/22	2590	FENRIS LLC	\$29,896.56
35104	07/07/22	9819	BRYAN K BENNETT	\$1,468.15
35105	07/07/22	1543	CITY OF HOUSTON	\$1,134.01
35106	07/07/22	1540	CITY OF HOUSTON (WATER DEPT)	\$2,056.94
35107	07/07/22	1801	DIRECTV	\$96.98
35108	07/07/22	2590	FENRIS LLC	\$1,800.00
35109	07/07/22	3510	H.B.S WAREHOUSE ASSOC.	\$3,364.58
35109	07/27/22	3510	H.B.S WAREHOUSE ASSOC.	(\$3,364.58)
35110	07/07/22	3550	HARDY & HARDY	\$3,550.00
35111	07/07/22	3573	HARRIS COUNTY TREASURER	\$8,853.00
35112	07/07/22	4441	IT EQUIPMENT FINANCING,LLC	\$304.73
35113	07/07/22	5540	LINCOLN COLWELL	\$1,780.00
35114	07/07/22	5710	LVA 4 HOUSTON GREENSTREET LP	\$19,996.30
35115	07/07/22	5961	MELISSA TAYLOR	\$1,200.00
35116	07/07/22	5703	MICHAEL LOESSIN	\$500.00
35117	07/07/22	9948	ORKIN PEST CONTROL	\$120.00
35118	07/07/22	3400	RAFFLE PARKING COMPANY,LLC	\$900.00
35119	07/07/22	8119	ROADRUNNER RECYCLING, INC	\$1,797.80
35120	07/07/22	8992	SHELBY ROTH	\$442.69
35121	07/07/22	8355	STERLING EXPRESS SERVICES, INC	\$62.00
35122	07/07/22	0596	STRIKE MARKETING	\$31,484.00
35123	07/07/22	8247	SUNLINE PRODUCTS	\$6,559.50
35124	07/07/22	0843	THE BLACK SHEEP AGENCY	\$26,565.00
35125	07/07/22	3948	THE HARRIS CENTER FOR	\$10,331.67
35126	07/07/22	8609	TOUCH & AGREE PROPERTY	\$2,769.00
35127	07/07/22	8801	URS INC.	\$1,050.00
35128	07/07/22	9067	WASTE MANAGEMENT OF TEXAS, INC	\$163.87
35129	07/07/22	9140	WEINGARTEN ART GROUP	\$2,828.30
35130	07/07/22	9081	WESTPARK COMMUNICATIONS, L.P	\$71.88
35131	07/18/22	0668	BIKEHOUSTON, INC	\$1,250.00
35132	07/18/22	1225	CENTRAL HOUSTON CIVIC IMPROVEM	\$33,726.41
35133	07/18/22	5211	KEITH GOULD	\$28.14
35134	07/18/22	5701	LONNIE HOOGEBOOM	\$825.47
35135	07/18/22	7783	PUBLIC CONTENT, LLC	\$7,500.00
35136	07/18/22	8034	RC SOLUTIONS, INC.	\$780.00
35137	07/18/22	2550	SCOTT FINKE	\$26.46
35138	07/18/22	8168	SEAL SECURITY SOLUTIONS, LLC	\$66,212.00
35139	07/18/22	8552	TEXAS OUTHOUSE, INC.	\$79.13

HOUSTON DOWNTOWN MANAGEMENT DISTRICT

AP Check Register (Current by Bank)

Check Dates: 7/1/2022 to 7/31/2022

Check No.	Date	Vendor ID	Payee Name	Amount
BANK ID: A - OPERATING ACCT-JPMORGAN				101.000
35140	07/18/22	8562	TEXAS WASTE COMPANY	\$1,692.30
35141	07/18/22	0843	THE BLACK SHEEP AGENCY	\$22,050.00
35142	07/18/22	0009	THOMAS PRINTWORKS	\$191.33
35143	07/18/22	8793	UTS, LLC	\$12,803.45
35144	07/25/22	5986	DOWNTOWN REDEVELOPMENT	\$33,451.00
* 1588570	07/29/22	3288	BRACEWELL	\$1,406.25
* 1588579	07/29/22	0511	BLOCK BY BLOCK	\$459,121.42
* 1588584	07/29/22	1665	COLOR SPECIALISTS LANDSCAPING	\$35,541.25
* 1588587	07/29/22	3279	GRAINGER	\$157.50
* 1588590	07/29/22	3298	GULF COAST PAVERS, INC.	\$19,200.00
* 1588594	07/29/22	3573	HARRIS COUNTY TREASURER	\$8,853.00
* 1588596	07/29/22	5987	MAINTENANCE TO GO	\$17,370.25
* 1588599	07/29/22	8119	ROADRUNNER RECYCLING, INC	\$1,573.07
* 1588603	07/29/22	8325	SOUTHERN CHINESE DAILY NEWS	\$600.00
* 1588605	07/29/22	8900	VERIZON WIRELESS	\$631.17
* 1588607	07/29/22	9089	WE 68 LLC	\$3,364.58
* 1589683	07/29/22	8355	STERLING EXPRESS SERVICES, INC	\$182.00
* 9789778	07/22/22	1540	CITY OF HOUSTON (WATER DEPT)	\$18,355.14
* 9789786	07/22/22	5634	LESLIE'S SWIMMING POOL SUPPLY	\$618.57
* 9789793	07/22/22	8609	TOUCH & AGREE PROPERTY	\$2,769.00
* 9789795	07/22/22	9089	WE 68 LLC	\$3,760.42
* 9789797	07/25/22	7060	NEON ELECTRIC CORPORATION	\$295.00
* 9789799	07/22/22	4437	INTERNATIONAL STONWORKS, INC	\$487.68
* 9789801	07/22/22	3400	RAFFLE PARKING COMPANY, LLC	\$900.00
* 9789803	07/25/22	1597	CLUTCH CONSULTING GROUP LLC	\$1,400.00
* 9789805	07/25/22	0027	AT&T	\$1,482.10
* 9789807	07/22/22	5700	LONE STAR FLAGS AND FLAGPOLES	\$1,359.00
* 9789809	07/22/22	7400	PFEIFFER & SON, LTD	\$3,839.73
* 9789811	07/22/22	0009	THOMAS PRINTWORKS	\$227.67
* 9789813	07/22/22	1550	CITY OF HOUSTON	\$912.63
* 9789816	07/22/22	5211	KEITH GOULD	\$43.11
* 9789819	07/22/22	5710	LVA 4 HOUSTON GREENSTREET LP	\$19,996.30
* 9789824	07/22/22	8151	SEARCH HOMELESS SERVICES	\$8,916.07

BANK A REGISTER TOTAL: \$1,505,347.96GRAND TOTAL : \$1,505,347.96

**HOUSTON DOWNTOWN MANAGEMENT DISTRICT
INVESTMENT REPORT, AUTHORIZATION AND REVIEW
FOR THE PERIOD APRIL 1, 2022 THROUGH JUNE 30, 2022**

FUND	BEGINNING BAL. BOOK VALUE	BEGINNING BAL. MARKET VALUE	GAIN (LOSS) TO MARKET FILE	INTEREST EARNED / ACCRUED THIS PERIOD	NET DEPOSITS OR (WITHDRAWALS)	ENDING BALANCE BOOK VALUE	ENDING BALANCE MARKET VALUE	ENDING BALANCE % OF PORTFOLIO	AVG DAILY YIELD	AVG WAM
HDMD										
OPERATING ACCOUNTS JP MORGAN CHASE										
OPERATING	13,049,840.64	13,049,840.64	0.00	0.00	(12,621,958.03)	427,882.61	427,882.61	2.35%	N/A	1.00
CAPITAL	552,084.31	552,084.31	0.00	0.00	(326,546.82)	225,537.49	225,537.49	1.24%	N/A	1.00
TOTAL	13,601,924.95	13,601,924.95	0.00	0.00	(12,948,504.85)	653,420.10	653,420.10	3.59%		1.00
POOLED FUNDS - TEXPOOL										
OPERATING	6,046,759.78	6,046,759.78	0.00	28,456.24	6,550,000.00	12,625,216.02	12,625,216.02	69.44%	0.2100%	18.00
CAPITAL	3,774,292.91	3,774,292.91	0.00	9,329.44	1,120,000.00	4,903,622.35	4,903,622.35	26.97%	0.2123%	18.00
TOTAL	9,821,052.69	9,821,052.69	0.00	37,785.68	7,670,000.00	17,528,838.37	17,528,838.37	96.41%		
TOTAL HDMD	23,422,977.64	23,422,977.64	0.00	37,785.68	(5,278,504.85)	18,182,258.47	18,182,258.47	100.00%		

**COMPLIANCE
STATEMENT
REVIEW**

**** THE INVESTMENTS (REPORTED ON ABOVE) FOR THE PERIOD ARE, TO THE BEST OF OUR KNOWLEDGE, IN COMPLIANCE WITH THE INVESTMENT STRATEGY EXPRESSED IN THE DISTRICT'S INVESTMENT POLICY AND THE PUBLIC FUNDS INVESTMENT ACT.

**** THIS REPORT AND THE DISTRICT'S INVESTMENT POLICY ARE SUBMITTED TO THE BOARD FOR ITS REVIEW AND TO MAKE ANY CHANGES THERETO AS DETERMINED BY THE BOARD TO BE NECESSARY AND PRUDENT FOR THE MANAGEMENT OF THE DISTRICT FUNDS.

SIGNATURE

ROBBIE JONES
TREASURER

TED ZWIEG
VICE PRESIDENT

LESLIE ASHBY
CHAIRMAN

KRIS LARSON
PRESIDENT - CEO

Houston Downtown Management District
Disadvantaged Business Enterprise Program (DBE) Activity Report

Reporting Period: 1/1/2022 - 6/30/2022

	2022			2021		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Total Certified MWBE	\$ 803,478	\$ 91,289	\$ 894,767	\$ 699,021	\$ 151,861	\$ 850,882
Adjusted Total Spending	\$ 7,693,784	\$ 652,406	\$ 8,346,190	\$ 6,635,773	\$ 539,184	\$ 7,174,957
Less Qualified for Exclusion	\$ (4,808,728)	\$ -	\$ (4,808,728)	\$ (3,400,907)	\$ (3,646)	\$ (3,404,553)
Qualifying Total Spending	\$ 2,885,056	\$ 652,406	\$ 3,537,462	\$ 3,234,866	\$ 535,538	\$ 3,770,404
%MWBE Certified	27.8%	14.0%	25.3%	21.6%	28.4%	22.6%
Total Self-Certified MWBE	\$ 477,310	\$ -	\$ 477,310	\$ 356,024	\$ -	\$ 356,024
% Certified + Self-Certified	44.4%	14.0%	38.8%	32.6%	28.4%	32.0%

**MEMORANDUM**

August 9, 2022

TO: Board of Directors

FROM: Kristopher Larson
Nominating Committee

ACTION: Recommendation of Nominee for District Officer

The Nominating Committee respectfully request the Board of Directors approve the following appointment as an Officer of the Board of Directors of the District to serve until a successor is duly elected and qualified:

Secretary: Marian Harper; Position No. 20

We express our appreciation for Wendy Cloonan's years of leadership in this role and Marian Harper's gracious acceptance to serve in this position.



Downtown
Redevelopment
Authority



Central Houston



downtown
district

Draft Strategic Alignment Plan

08.04.2022

Vision Statement

At the intersection of global commerce and local culture, Downtown is Houston's heart of opportunity, excitement and joy.



Mission Statement

Champion and enhance Downtown Houston as a connected and thriving place for everyone.

It's what we do, together.

FRAMEWORK GOALS



GOAL 1: CHAMPION

Champion major projects, initiatives and investments that improve Downtown



GOAL 2: ENHANCE

Maintain and enhance a comfortable, welcoming and well-managed public realm



GOAL 3: CONNECT

Drive vibrancy through improved physical connectivity, a commitment to walkability, and inclusive programming strategies



GOAL 4: THRIVE

Foster a vital and thriving economy through growth in new businesses, residents and reasons to be Downtown



GOAL 5: EVERYONE

Develop a hivemind of intelligence and goodwill by genuinely engaging and convening stakeholders

GOAL 1: CHAMPION DOWNTOWN




Champion major projects,
initiatives and investments that
improve Downtown



GOAL 1: CHAMPION DOWNTOWN



Champion major projects, initiatives and investments that will improve Downtown

	OBJECTIVES			
1.1	Build and maintain relationships with area leaders so that CHI can support, facilitate or lead on catalytic opportunities.	○	○	○
1.2	Continue to advocate for the implementation of TxDOT's North Houston Highway Improvement Project and the Civic Opportunities that reconnect communities.	○	○	○
1.3	Guide the vision and implementation of Plan Downtown.	○		
1.4	Model organizational accountability by establishing a dashboard of metrics to measure outcomes associated with this plan specifically, and the health of Downtown generally.	○	○	○
1.5	Collaborate with partners such as the City of Houston, Harris County, GHP and Houston First to leverage opportunities for shared strategies to improve Downtown Houston.	○	○	

GOAL 1: CHAMPION DOWNTOWN



Champion major projects, initiatives and investments that will improve Downtown

	OBJECTIVES			
1.6	Plan collaboratively for Downtown's evolving edges, connections, and major attractions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.7	Explore opportunities to integrate emergent technologies and resiliency by improving infrastructure to manage and mitigate climate change.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.8	Partner with METRO, the City of Houston, and others to plan and support a variety of safe and efficient mobility options for people to get to, from, and around Downtown, including a robust transit network and non-motorized transportation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.9	Explore opportunities and partnerships to reform regulatory processes to expedite timetables and decrease barriers to entry.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

GOAL 2: ENHANCE DOWNTOWN




Maintain and enhance a comfortable, welcoming and well-managed public realm





GOAL 2: ENHANCE DOWNTOWN



Maintain and enhance a comfortable, welcoming and well-managed public realm

	OBJECTIVES			
2.1	Maintain and advance the standard of care for Downtown's cleanliness and well-kept appearance.		○	○
2.2	Expand collaboration and explore novel approaches to maintain a low crime rate and make Downtown feel safe	○	○	○
2.3	Deploy welcoming ambassador teams within the public realm to improve visitor experiences and augment public safety		○	
2.4	Broadly address the needs of people experiencing homelessness and the associated impacts.	○	○	○
2.5	Utilize data and analytic tools to understand the prevalence of criminal activity and shape programmatic responses.	○	○	○



GOAL 2: ENHANCE DOWNTOWN

Maintain and enhance a comfortable, welcoming and well-managed public realm

OBJECTIVES				
2.6	Pro-actively address perceptions and reporting that affect the image and reputation of Downtown.	<input type="checkbox"/>	<input type="checkbox"/>	
2.7	Cultivate nature across Downtown, including its urban forest, planters, and other greenspace elements.		<input type="checkbox"/>	<input type="checkbox"/>
2.8	Quickly and pro-actively respond to blighting influences such as graffiti and building damages.		<input type="checkbox"/>	<input type="checkbox"/>
2.9	Maintain and enhance wayfinding systems throughout Downtown to help guide visitors and connect them to points of interest.		<input type="checkbox"/>	
2.10	Prepare for and respond to emergencies.	<input type="checkbox"/>	<input type="checkbox"/>	
2.11	Partner with local agencies to provide an exceptional network of parks and greenspaces in Downtown.		<input type="checkbox"/>	<input type="checkbox"/>

GOAL 3: CONNECT DOWNTOWN




Drive vibrancy through improved physical connectivity, a commitment to walkability, and inclusive programming strategies



GOAL 3: CONNECT DOWNTOWN






Drive vibrancy through improved physical connectivity, a commitment to walkability, and inclusive programming strategies

OBJECTIVES				
3.1	Plan, design, and construct public infrastructure that supports safety and equity.		<input type="radio"/>	<input type="radio"/>
3.2	Conduct site surveys and other analyses of ground floor conditions to determine key pedestrian corridors and connections between Downtown's activity nodes; prioritize interventions and investments on key corridors.		<input type="radio"/>	
3.3	Partner with public and private property owners to beautify targeted corridors or block faces to improve connectivity.		<input type="radio"/>	
3.4	Facilitate the development of pop-up uses, temporary installations, and other storefront or site activation strategies to help enliven the public realm.		<input type="radio"/>	
3.5	Utilize public art and other place enhancement strategies to improve walkability where built conditions limit storefront activations.		<input type="radio"/>	<input type="radio"/>

GOAL 3: CONNECT DOWNTOWN



Drive vibrancy through improved physical connectivity, a commitment to walkability, and inclusive programming strategies

OBJECTIVES				
3.6	Leverage Downtown's adjacency to the Buffalo Bayou as an integral part of the Downtown experience.		<input type="radio"/>	<input type="radio"/>
3.7	Prioritize investments in pedestrian lighting on key walking corridors and near residential buildings.		<input type="radio"/>	<input type="radio"/>
3.8	Plan and implement an events and programming strategy that appeals to diverse audiences and drives vibrancy in strategic areas.		<input type="radio"/>	
3.9	Develop programs and use strategies to connect area employers and residents with Downtown parks.		<input type="radio"/>	
3.10	Partner with Houston First in advancing strategies that connect visitors to Downtown places and experiences.		<input type="radio"/>	<input type="radio"/>
3.11	Explore opportunities to reimagine the tunnel system which prioritizes utilization of sidewalks but preserves the tunnels as a secondary option during bad weather.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

GOAL 4: THRIVE DOWNTOWN

Foster a vital and thriving economy through growth in new businesses, residents and reasons to be Downtown



GOAL 4: THRIVE DOWNTOWN






Foster a vital and thriving economy through growth in new businesses, residents and reasons to be Downtown

OBJECTIVES				
4.1	Promote Downtown as the region's primary business, entertainment and cultural center.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.2	Engage with local partners such as the City of Houston, Houston First and the GHP to improve the national image and reputation of Downtown Houston.	<input type="checkbox"/>	<input type="checkbox"/>	
4.3	Develop a brand positioning for Downtown that embodies its strengths and competitive differentiation.	<input type="checkbox"/>	<input type="checkbox"/>	
4.4	Collaborate with key partners to develop an economic development vision and strategy for Downtown.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.5	Research and develop return-to-office strategies to accelerate the return of employees to Downtown.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

GOAL 4: THRIVE DOWNTOWN



Foster a vital and thriving economy through growth in new businesses, residents and reasons to be Downtown

OBJECTIVES				
4.6	Develop tools and supporting materials to attract and retain office tenants among key industries that diversify the composition of Downtown employers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7	Continue investing in innovation and technology start-ups to support the diversification of the Downtown employment base.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.8	Foster a thriving storefront economy, prioritizing recruitment efforts, where possible, to fill available properties that have favorable co-tenancy on key corridors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.9	Develop focused marketing materials and incentive programs intended to support storefront recruitment efforts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.10	Assist Downtown businesses in navigating regulatory processes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

GOAL 4: THRIVE DOWNTOWN



Foster a vital and thriving economy through growth in new businesses, residents and reasons to be Downtown

OBJECTIVES				
4.11	Facilitate the delivery of more residential development.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.12	Support efforts to build a Downtown community that is home to a diverse population.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.13	Encourage, support and promote new attractions that expand what Downtown offers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.14	Be the go-to organization for Downtown market research and intelligence.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.15	Enhance and expand data capabilities and reporting to provide more detailed intelligence to stakeholders and prospects.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

GOAL 5: EVERYONE'S DOWNTOWN




Develop a hivemind of intelligence and goodwill by genuinely engaging and convening stakeholders





GOAL 5 – EVERYONE’S DOWNTOWN

Develop a hivemind of intelligence and goodwill by genuinely engaging and convening stakeholders

OBJECTIVES				
5.1	Develop a representative engagement structure that provides a diverse set of stakeholders the opportunity to inform decision making and advise on the direction of Downtown.	○	○	○
5.2	Leverage partnerships to produce smaller scale, high impact activations and events that appeal to a diverse set of Downtown stakeholders and visitors.		○	
5.3	Expand CHI-produced events and engagement opportunities to offer more inclusive and diverse opportunities for stakeholders to engage with and participate in the Downtown community.	○		
5.4	Provide a resource to support communications with residential and collaborative associations within Downtown and its near neighborhoods.		○	
5.5	Evolve and optimize the CHI Membership model to expand audience and increase stakeholder engagement.	○		



GOAL 5 – EVERYONE’S DOWNTOWN

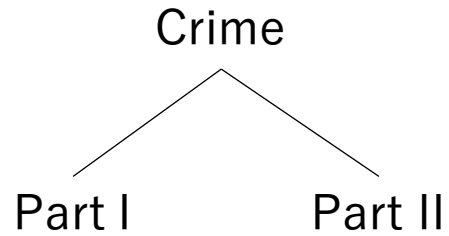
Develop a hivemind of intelligence and goodwill by genuinely engaging and convening stakeholders

OBJECTIVES				
5.6	Improve and expand external communications to increase awareness of CHI, its actions, and general Downtown happenings.	<input type="checkbox"/>	<input type="checkbox"/>	
5.7	Consolidate websites to be more user-friendly, Downtown-focused, and valued as the most critical information clearinghouse about Downtown.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.8	Develop programs and collateral to orient new companies, employees, and residents to Downtown.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.9	Advance efforts to spotlight the initiatives, moments, and entities advancing Downtown as an inclusive community.		<input type="checkbox"/>	
5.10	Explore the potential for simplifying stakeholders’ awareness of CHI and its affiliates by unifying their brand identities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Crime in Downtown

Trends in Time, Location, and Type
By: Varun Cidambi, Research Manager

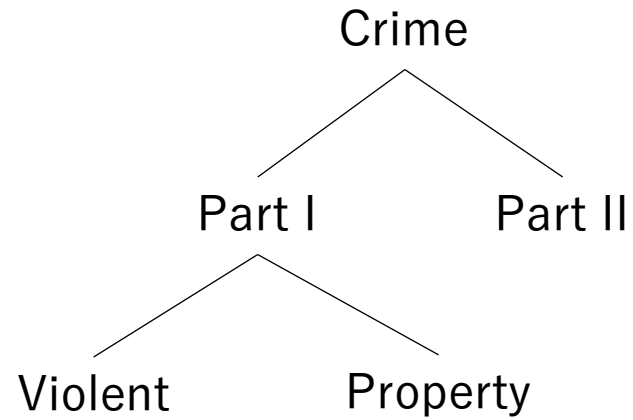
What We Look At



We focus specifically on Part I crimes:

- Serious in nature
- Occur with regularity nationally
- More likely to be reported to the police

What We Look At



Part I crimes are split up into:

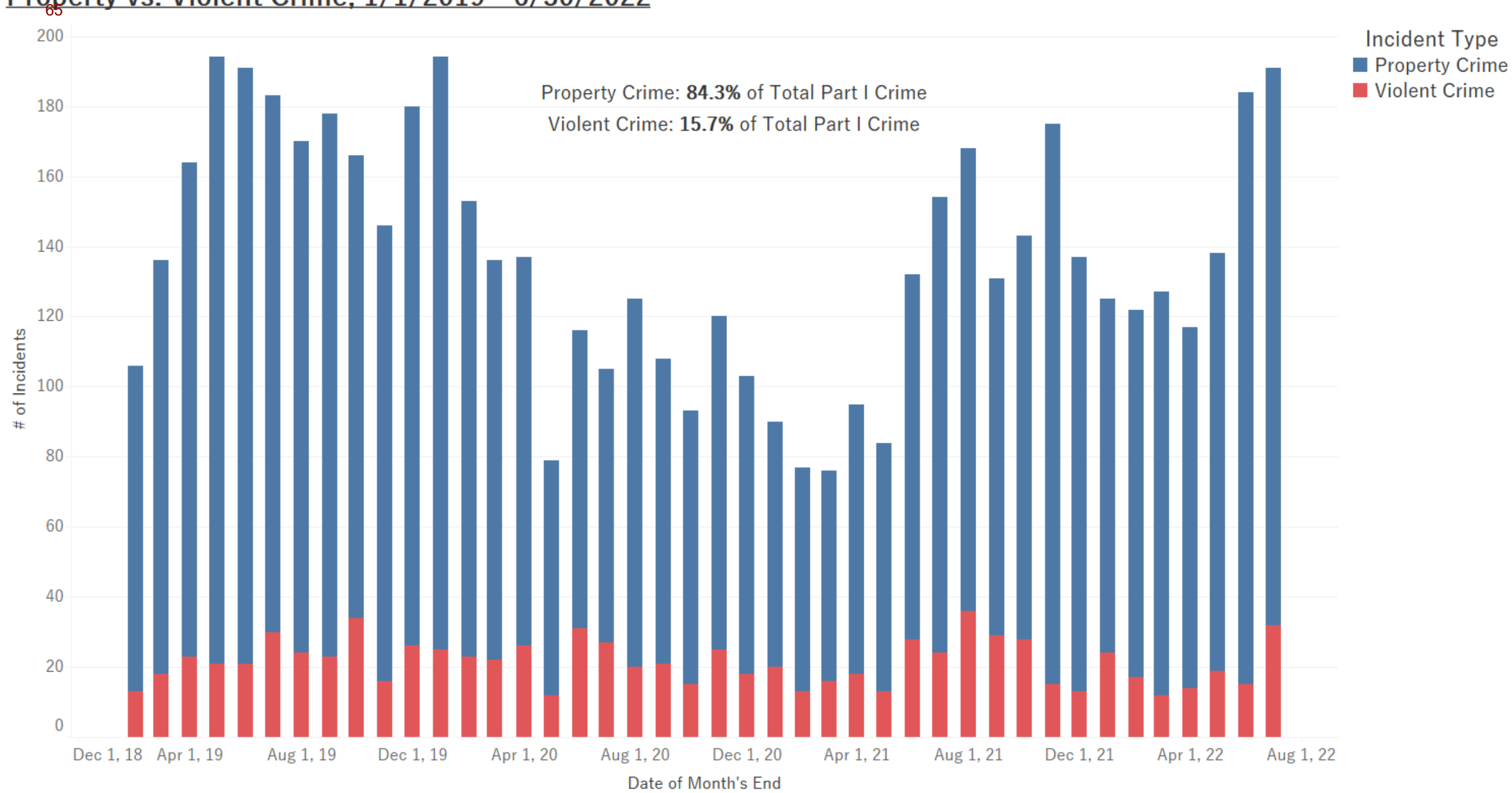
- Violent crimes: characterized by the threat or use of force
- Property crimes: the seizure or destruction of property without the use of force

Tools/Data We Use

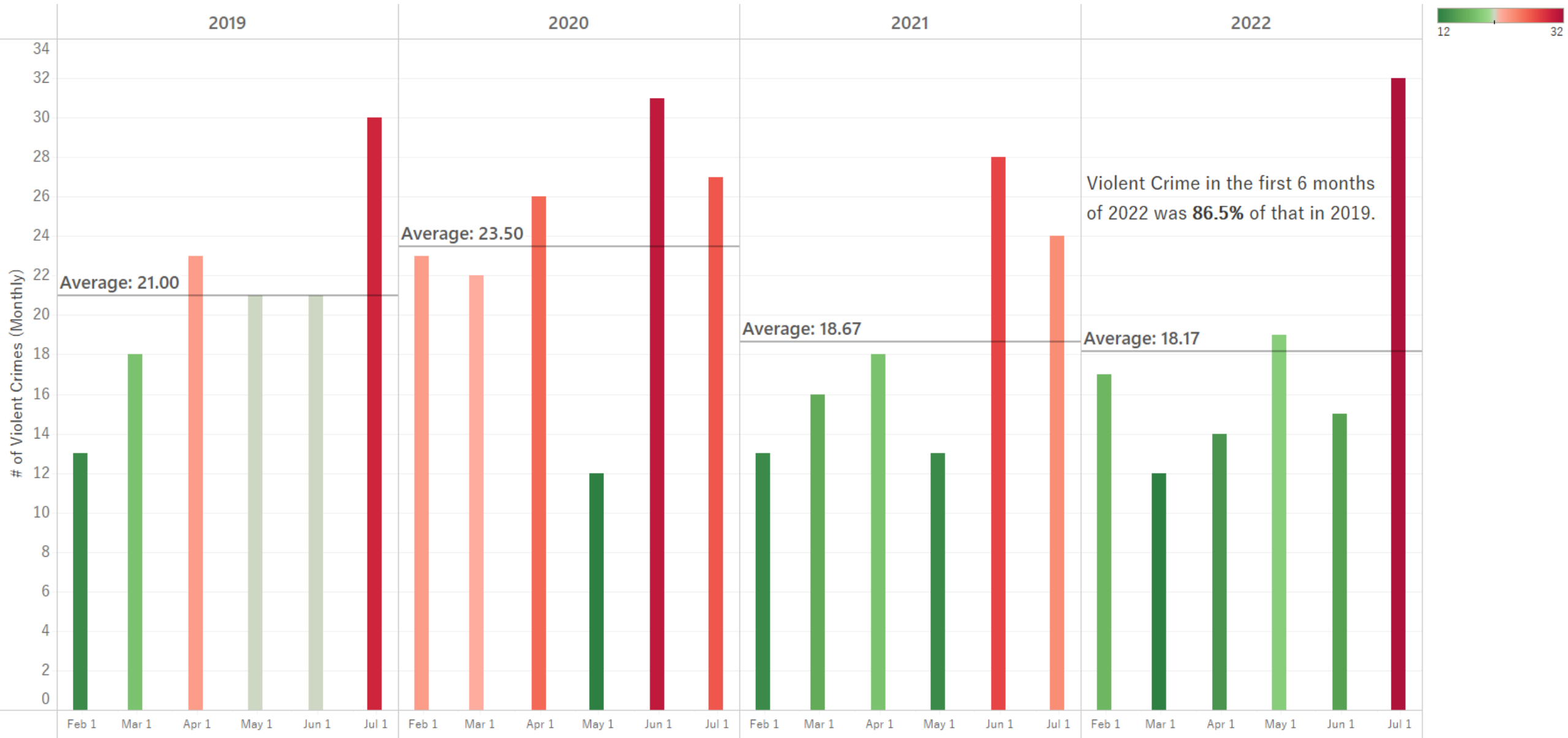
- HPD Data:
 - Utilizing public data
 - Collaboration on a richer data set
- Tableau:
 - Utilized for all data visualization needs
- Placer.ai:
 - Gathers data on clusters of people by pinging phones
 - Utilized to get monthly counts of residents, workers in Downtown



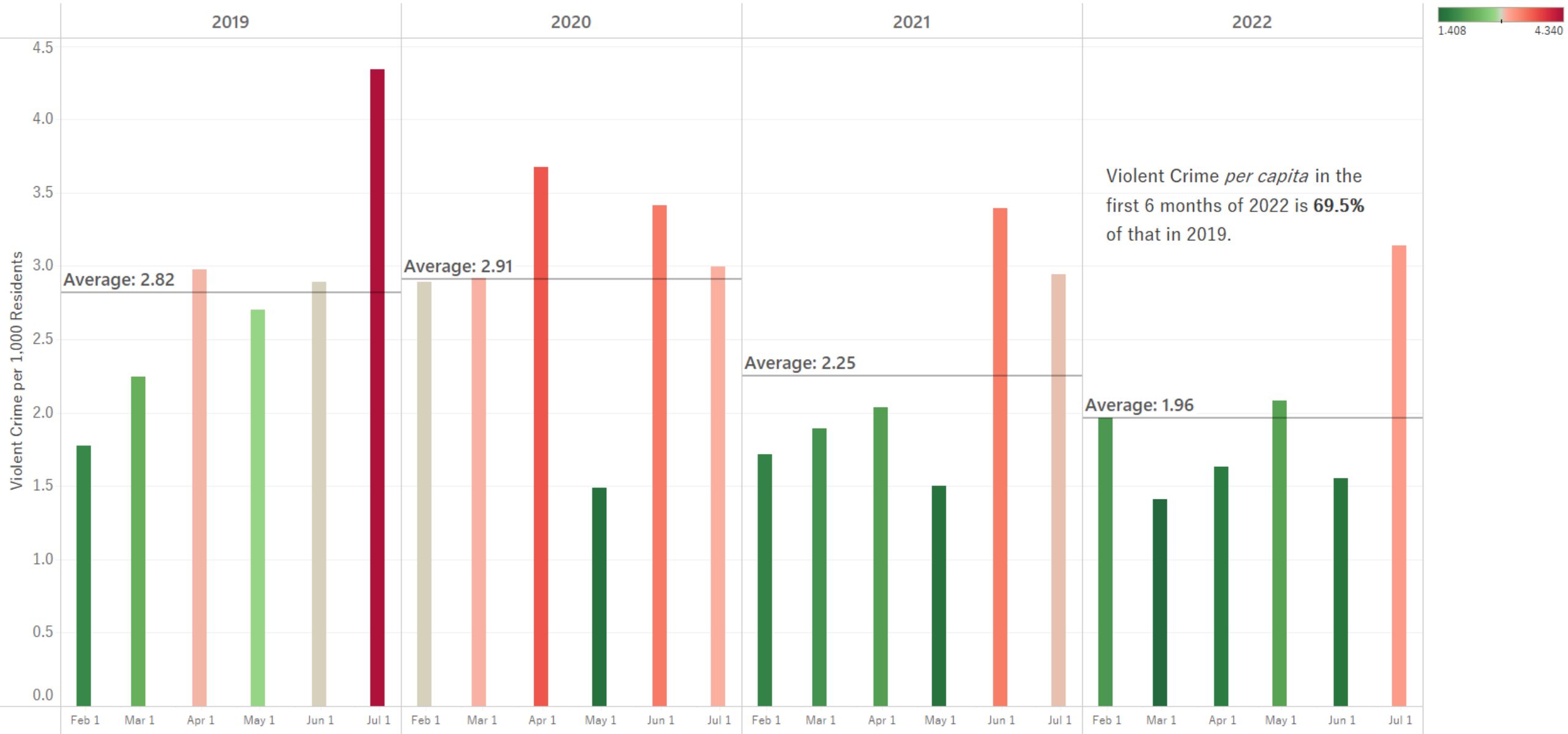
Property vs. Violent Crime, 1/1/2019 - 6/30/2022



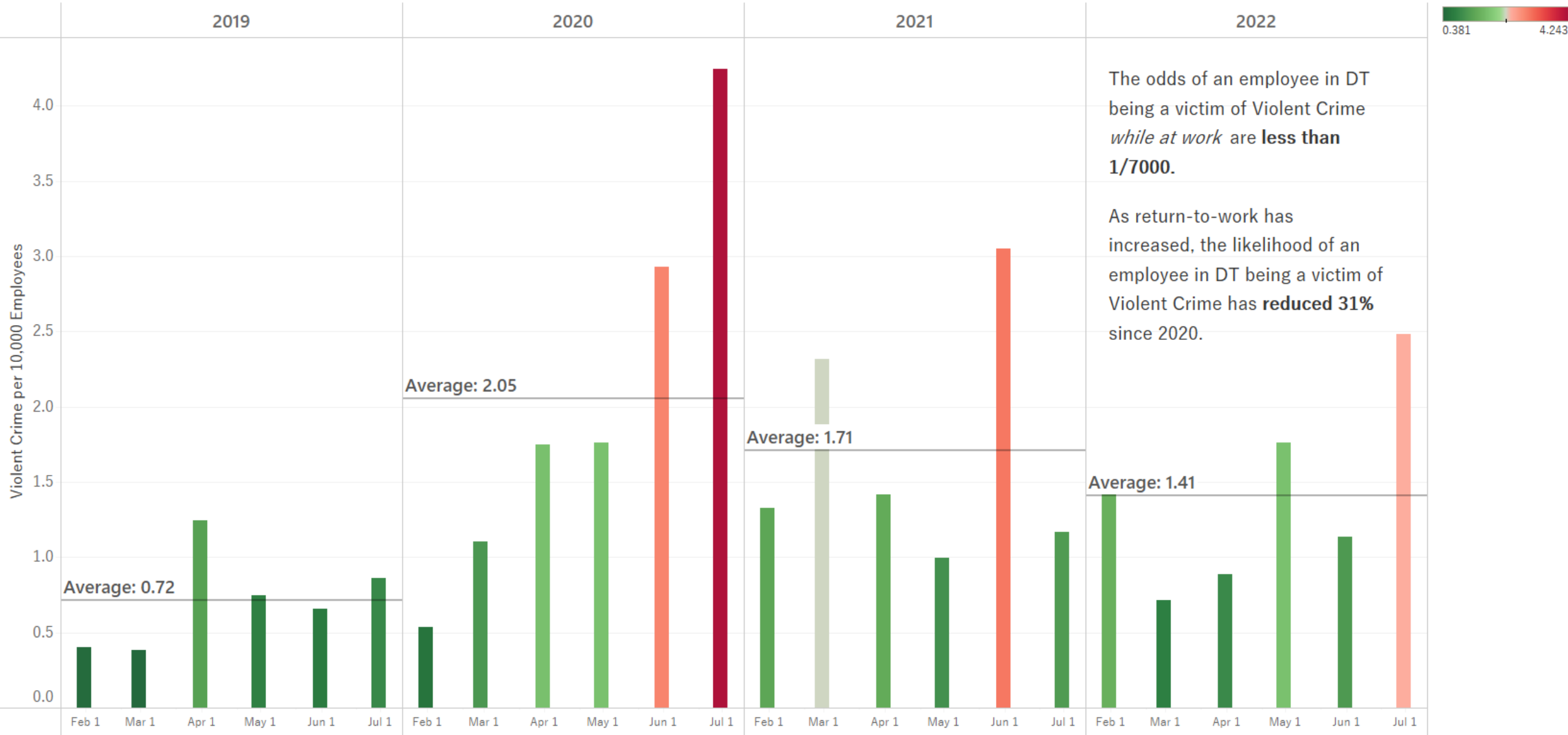
66 Violent Crime in the First 6 Months of the Year, 2019-2022



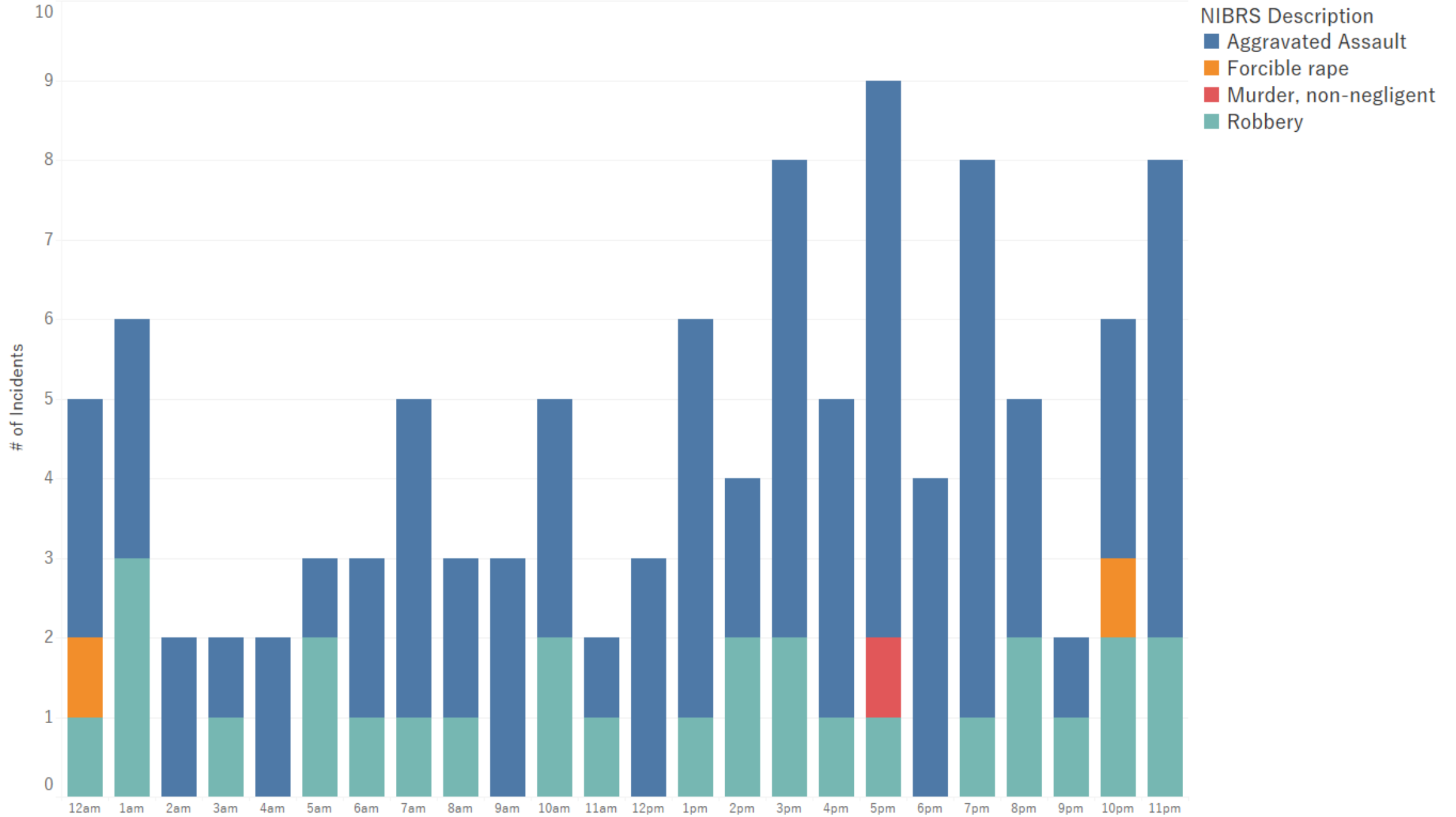
Violent Crime per 1000 DT Residents in the First 6 Months of the Year, 2019-2022



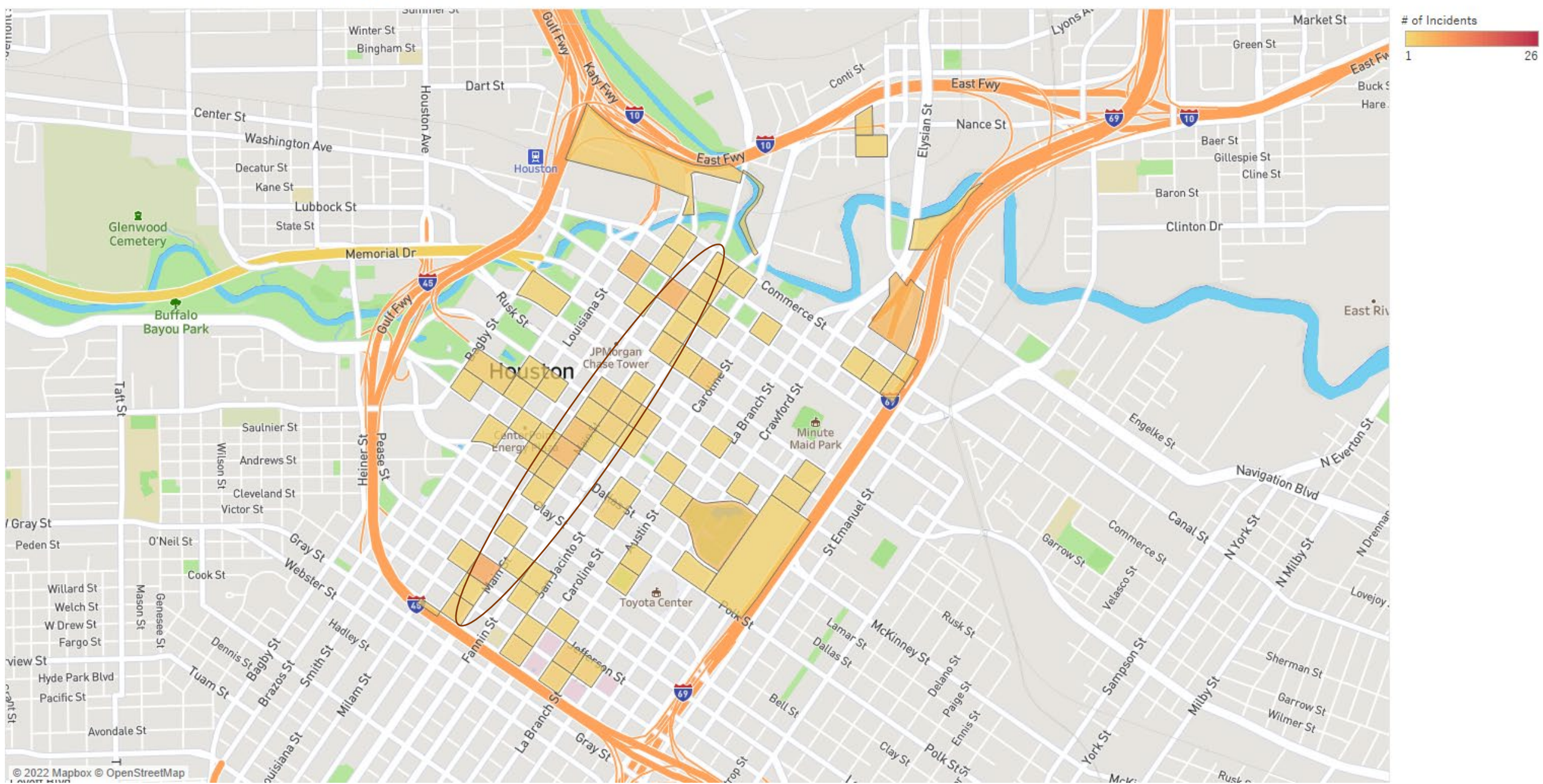
Violent Crime per 10,000 DT Employees in the First 6 Months of the Year, 2019-2022



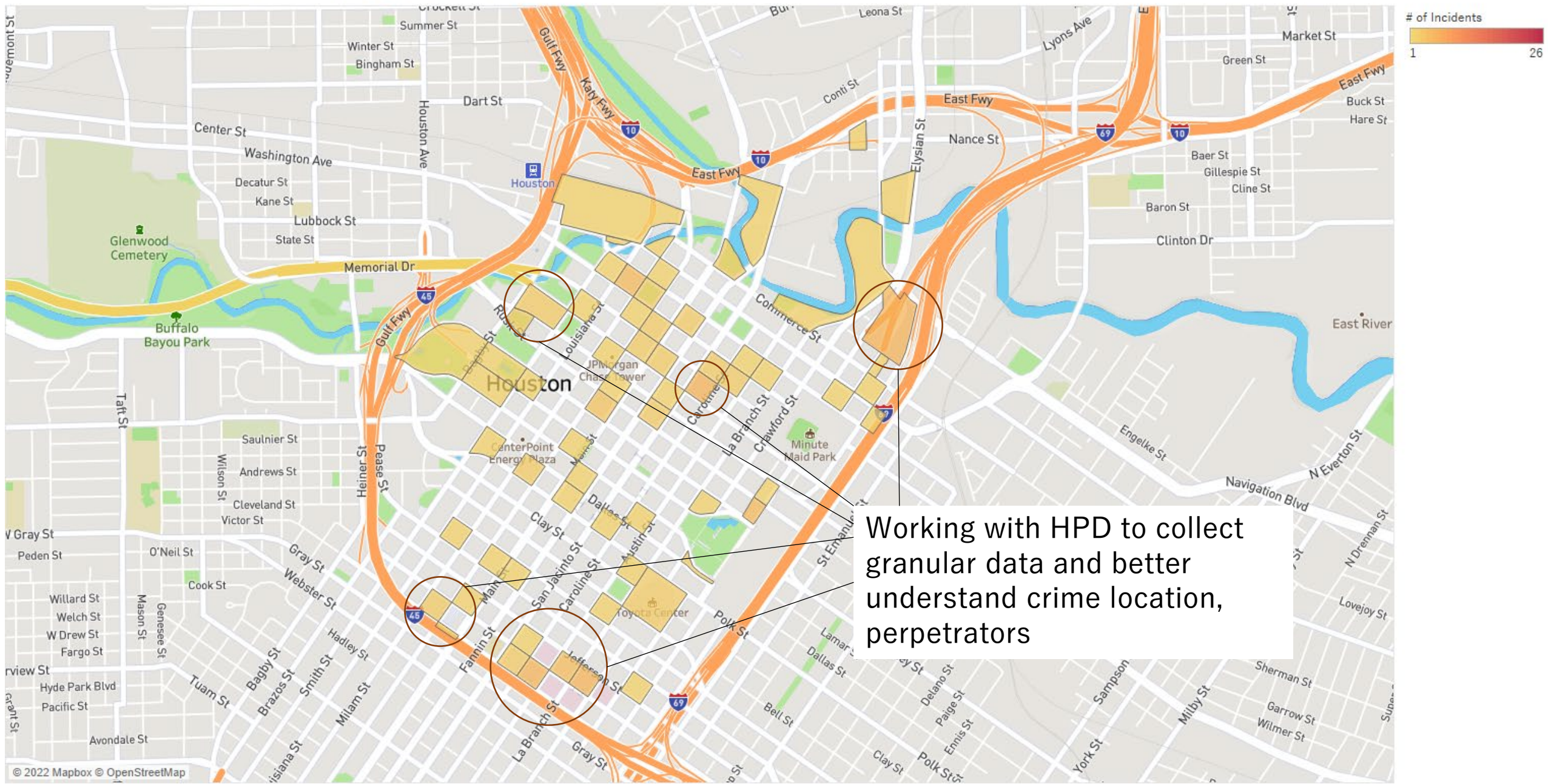
of Violent Crimes by Hour and Type, 1/1/22 - 6/30/22



Incidence of Violent Crime by Block, 1/1/19 - 6/30/19



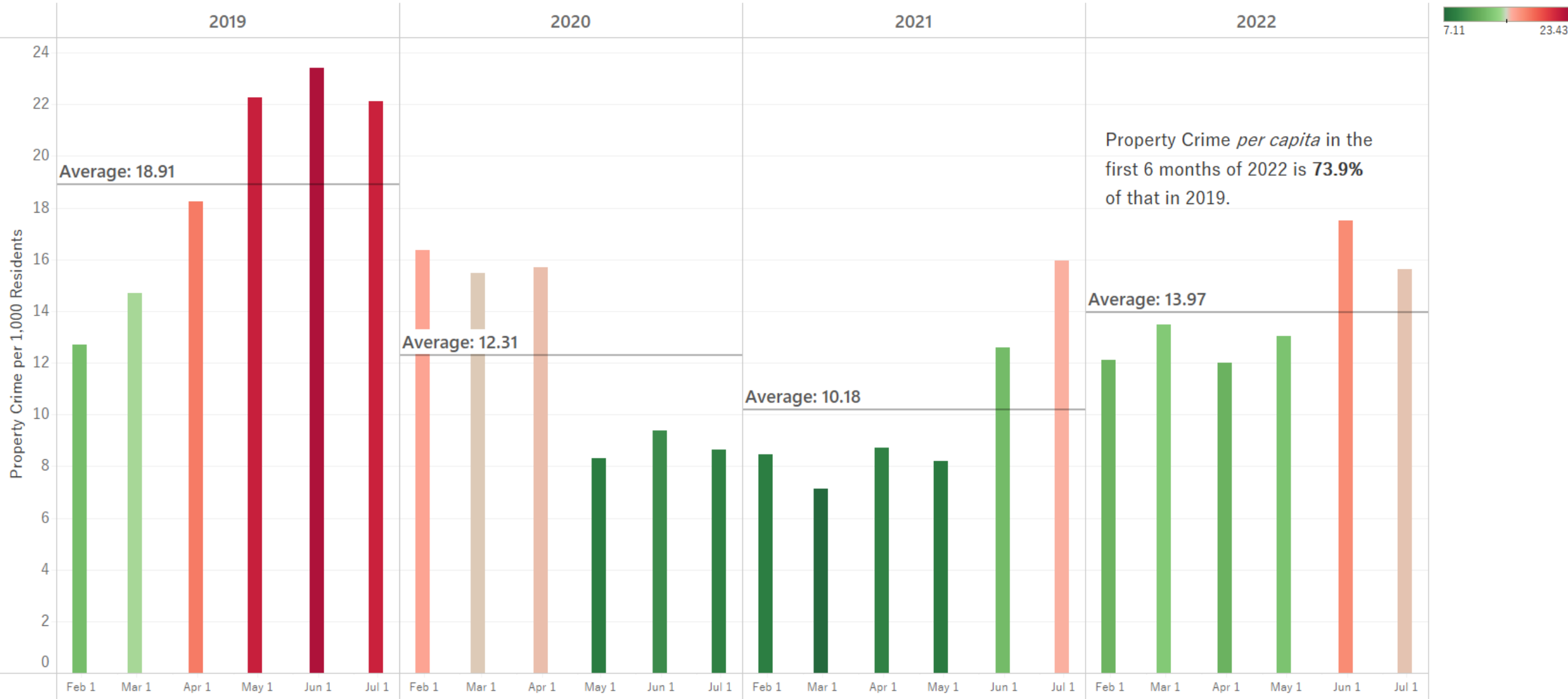
Incidence of Violent Crime by Block, 1/1/22 - 6/30/22



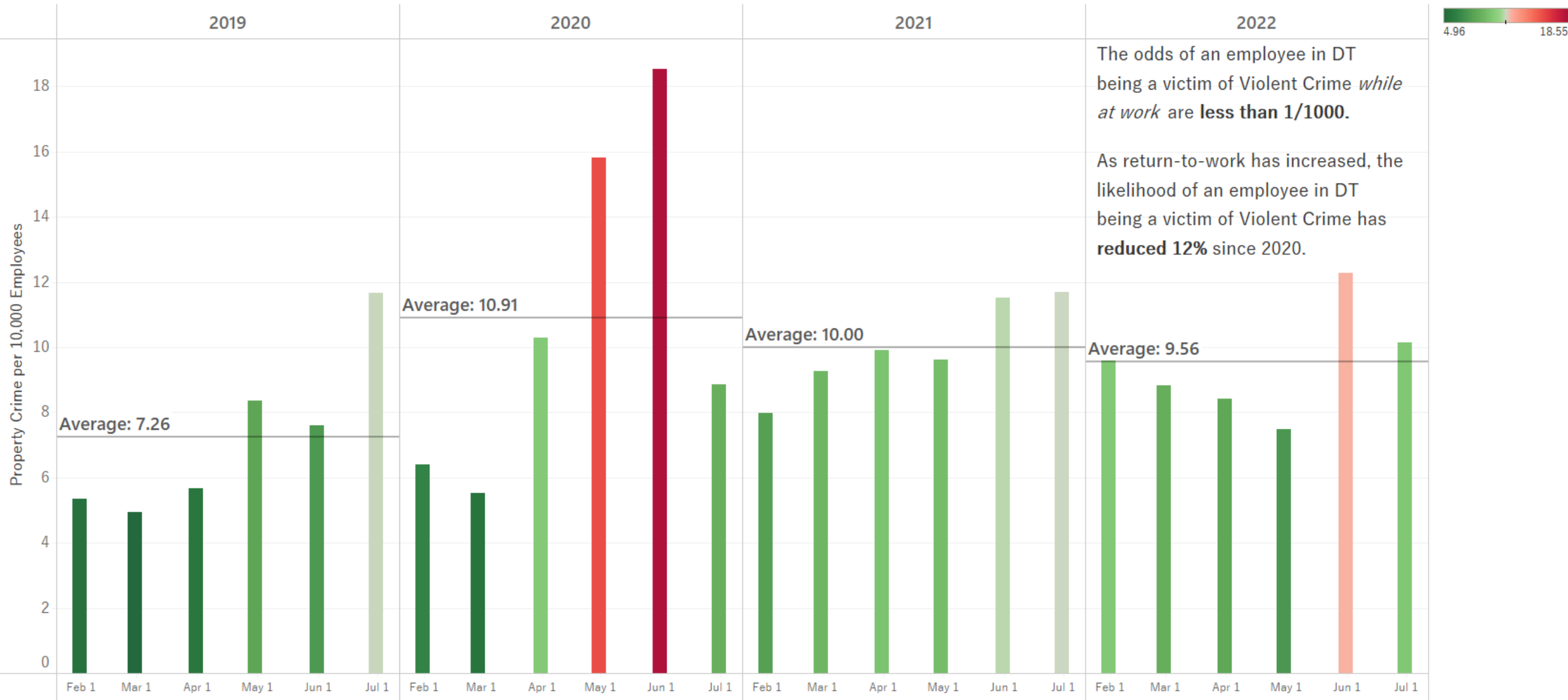
Property Crime in the First 6 Months of the Year, 2019 - 2022



Property Crime per 1000 DT Residents in the First 6 Months of the Year, 2019 - 2022



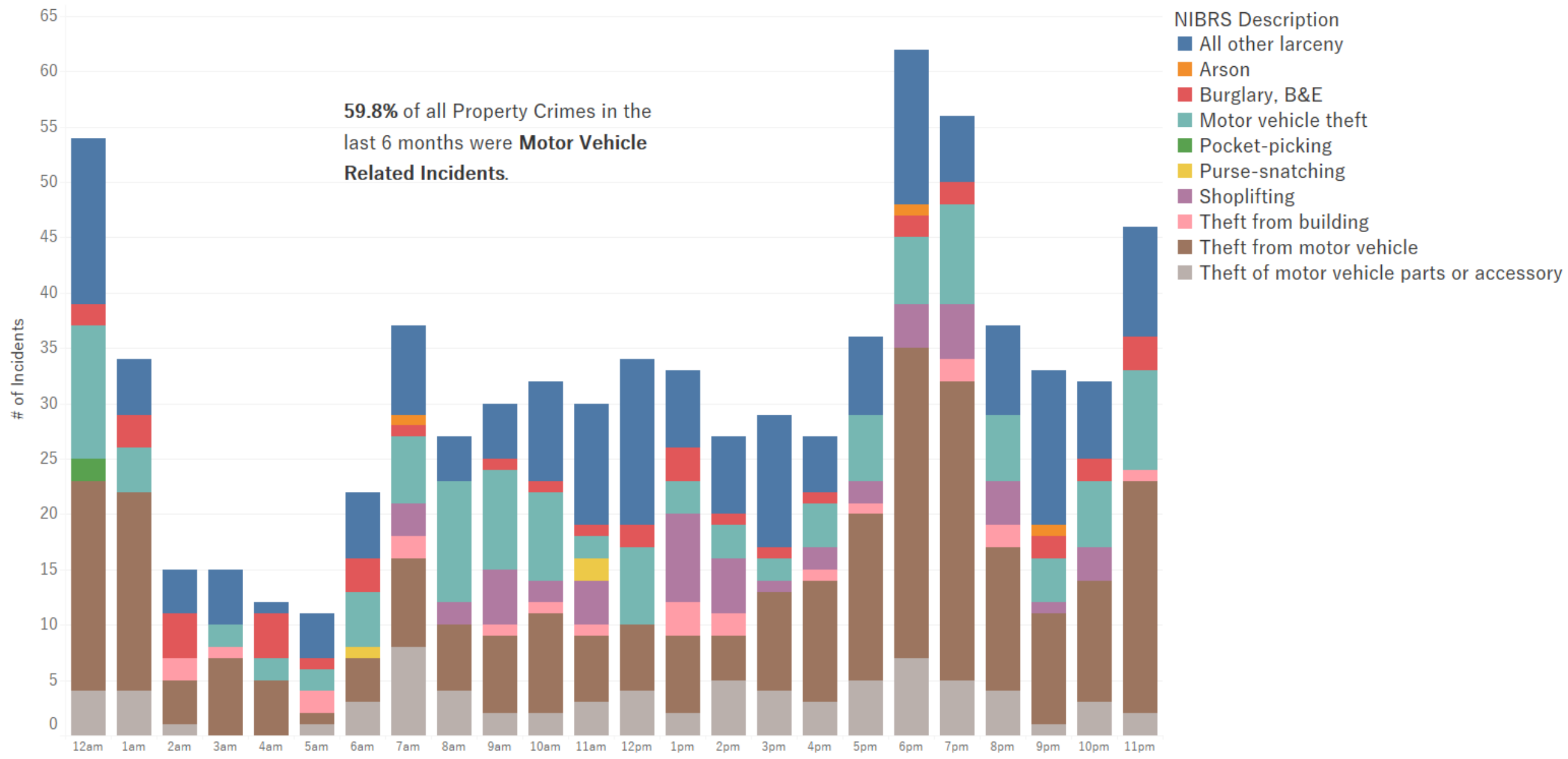
Property Crime per 10,000 Employees in the First 6 Months of the Year, 2019 - 2022



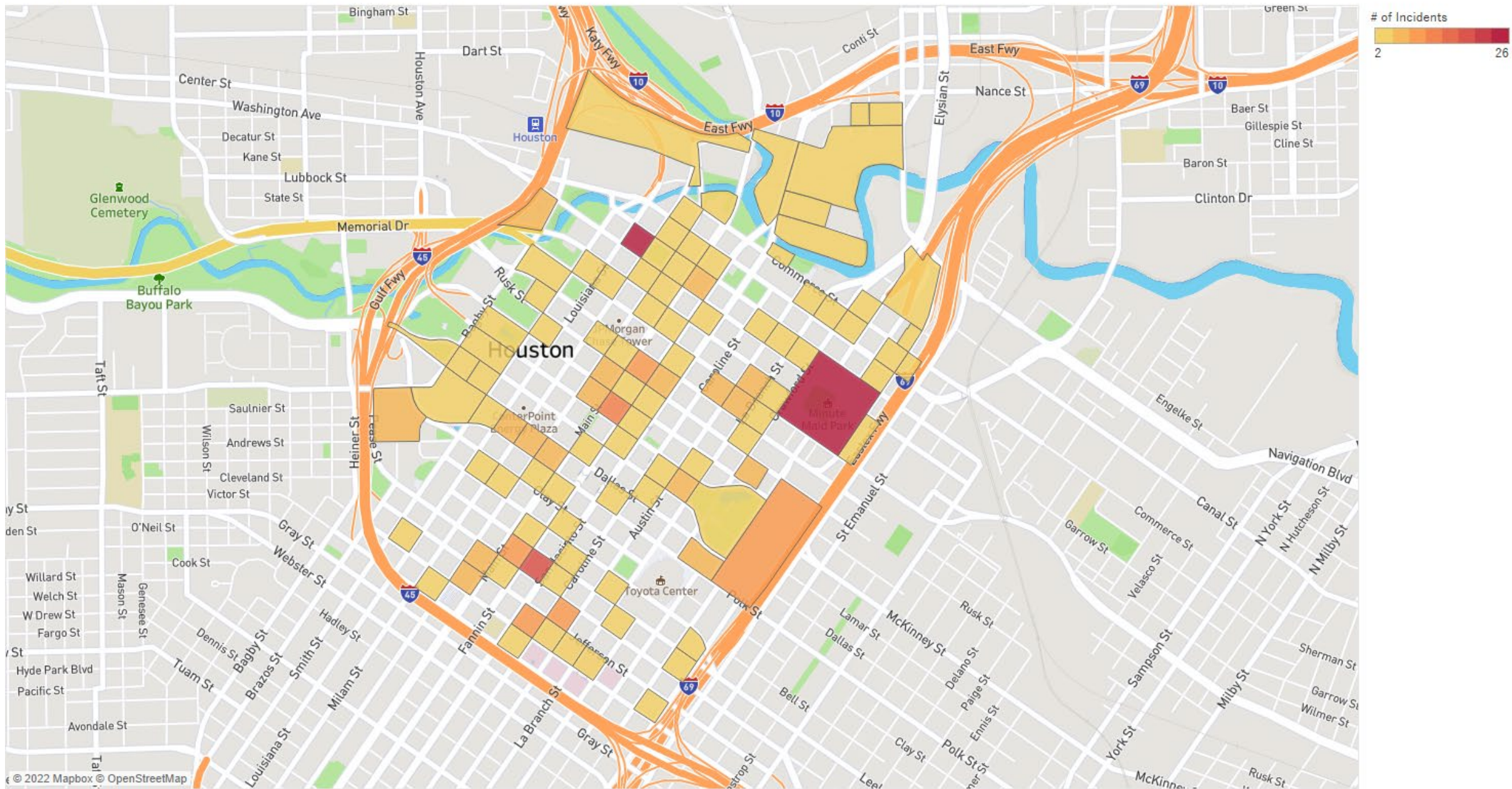
The odds of an employee in DT being a victim of Violent Crime *while at work* are **less than 1/1000**.

As return-to-work has increased, the likelihood of an employee in DT being a victim of Violent Crime has **reduced 12%** since 2020.

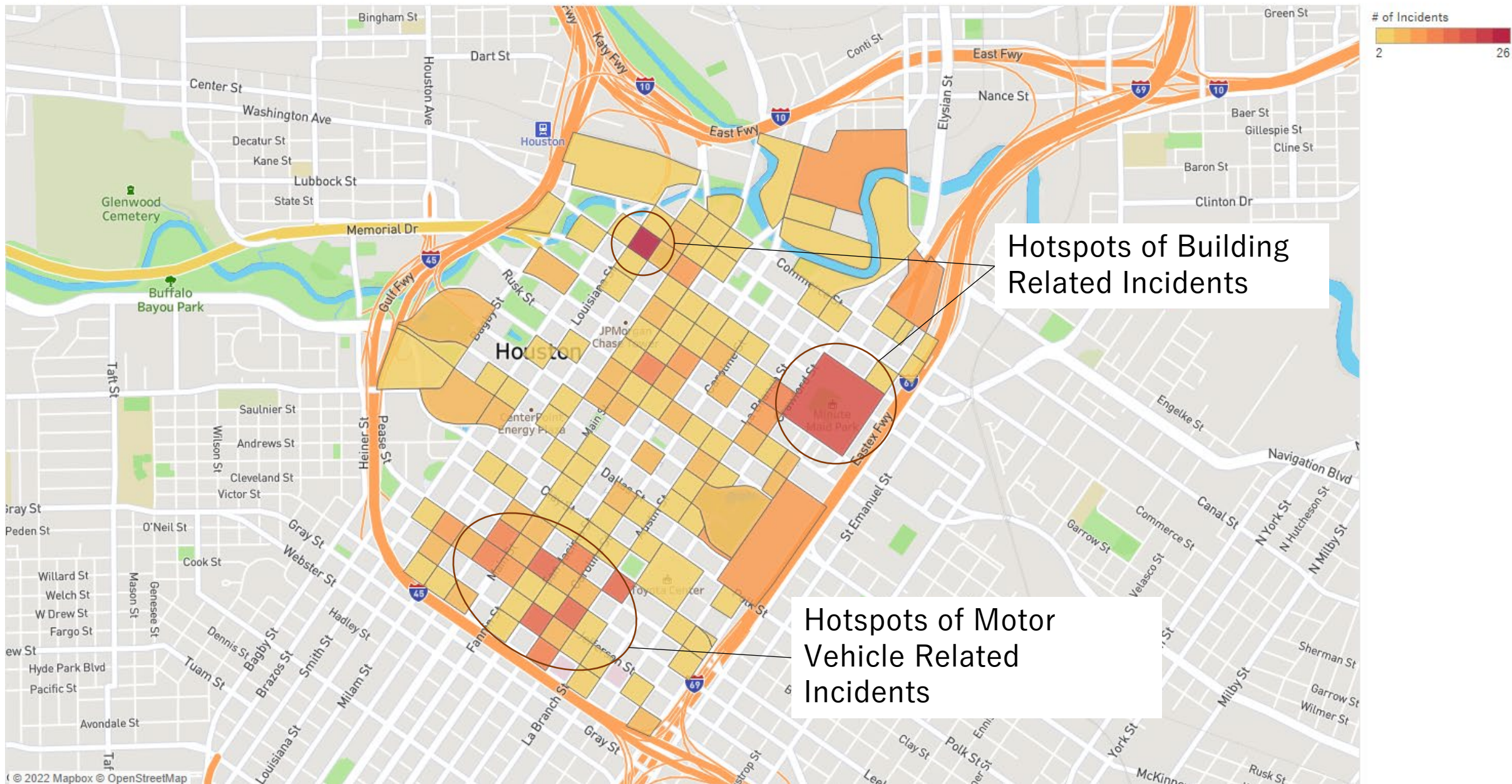
of Property Crimes by Hour and Type, 1/1/22 - 6/30/22



70 Property Crime Incidence by Block, 1/1/21 - 6/30/21



77 Property Crime Incidence by Block, 1/1/22 - 6/30/22

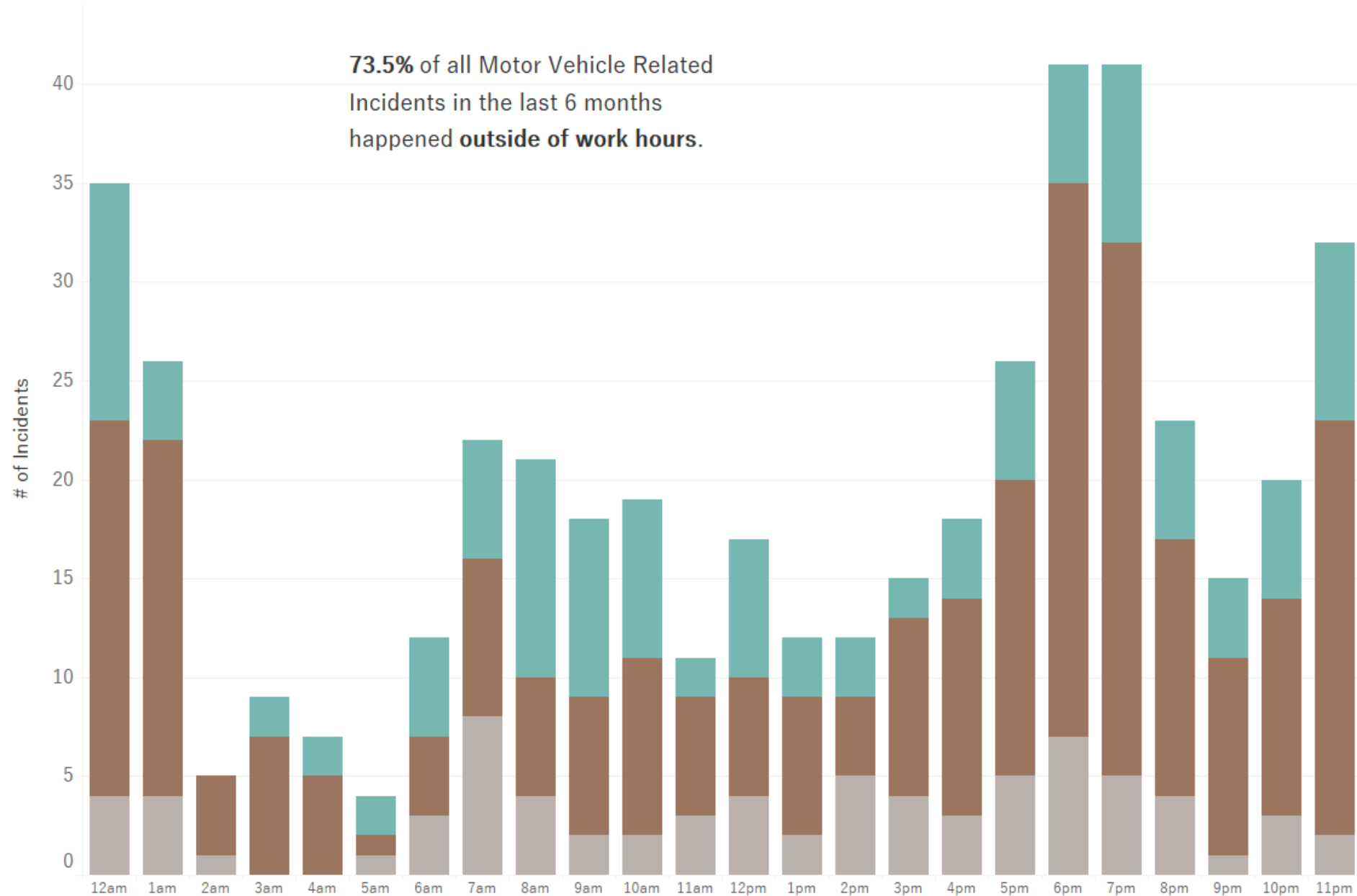


of Motor Vehicle Related Incidents by Hour and Type , 1/1/22 - 6/30/22

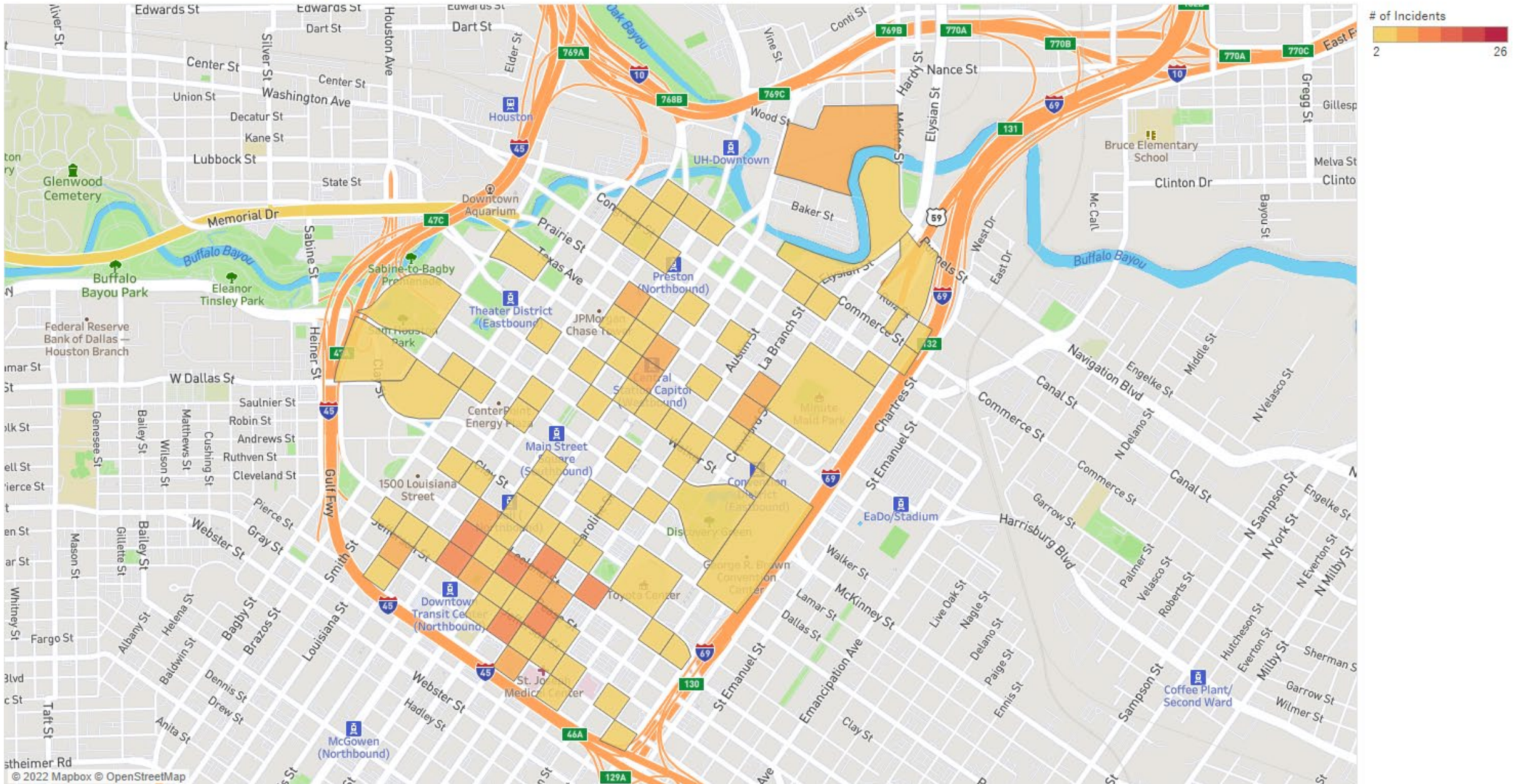
73.5% of all Motor Vehicle Related Incidents in the last 6 months happened **outside of work hours**.

NIBRS Description

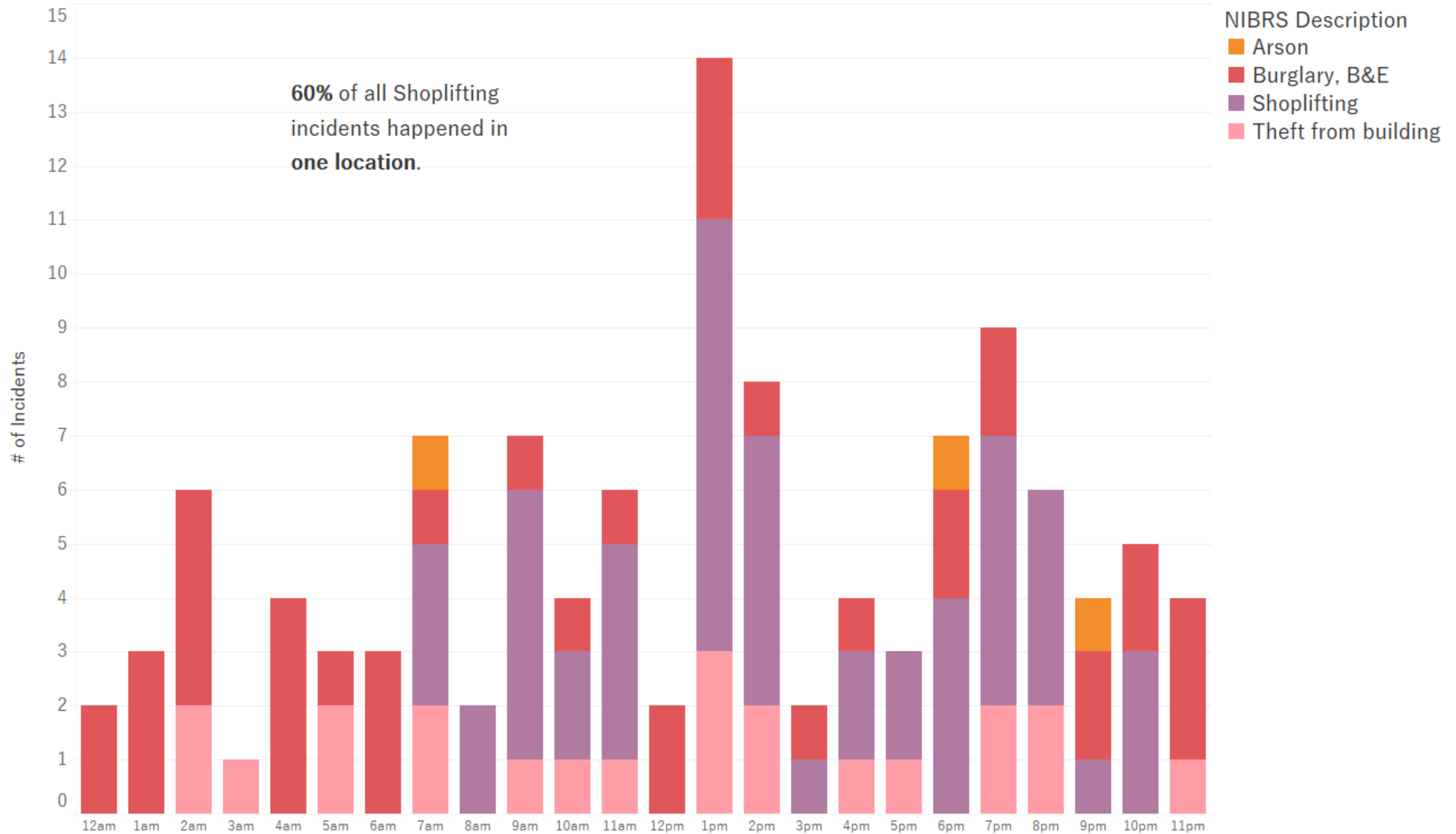
- Motor vehicle theft
- Theft from motor vehicle
- Theft of motor vehicle parts or accessory



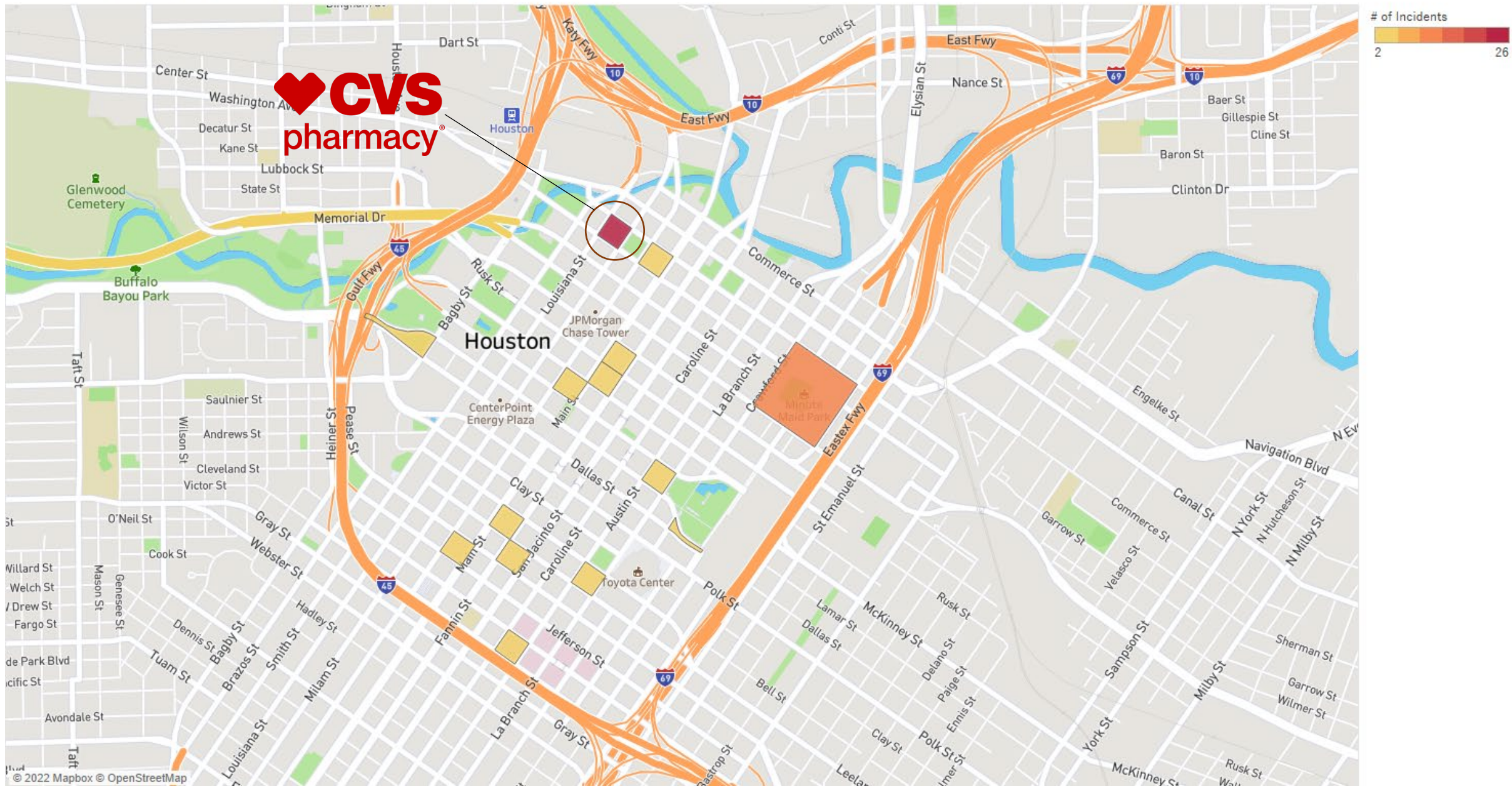
79 Vehicle Related Property Crime by Block, 1/1/22 - 6/30/22



of Building Related Incidents by Hour and Type, 1/1/22 - 6/30/22



81 Building Related Property Crime by Block, 1/1/22 - 6/30/22



ACTION ITEM	Authorize additional 2022 expenditures with All American Poly for customized trash bags.
SERVICE PLAN	2021-2025
Account Code	828.255
Budget & Year	\$32,000 2022
REVISED REQUEST	Not to exceed \$42,000 (\$12,000 increase from prior authorization)
DESCRIPTION	This action allows the District to purchase customized blue trash bags and clear bags to be utilized for trash removal, tipping of trash receptacles and the curbside trash program.
DISCUSSION	<p>The Street Team associates use these trash bags to remove litter and debris from the sidewalks, encampments and bus stops as well as tip trash receptacles that are overflowing. The District also has a curbside trash program that services approximately 95 small businesses.</p> <p>This request should fulfill the quantity of blue bags needed to the end of 2022. We placed a large quantity order of clear bags to receive a better cost due to an upcoming increase in pricing. The overage will be negated by underspending with other budget codes.</p>
M/WBE Participation	All American Poly is not a DBE. All American Poly was awarded the contract that included a DBE search and proposals.

ACTION ITEM	Authorize remaining 2022 expenditures to be paid to WE 68 LLC Associates for the warehouse rent.
SERVICE PLAN	2021-2025
Account Code	822.252
Budget & Year	\$45,000 2022
REVISED REQUEST	Not to exceed \$47,500 (additional \$ 6,500 from prior authorization)
DESCRIPTION	This action provides the amount necessary to pay the monthly rent for the warehouse at 3711 Polk with the new owner of the facility, WE 68 LLC.
DISCUSSION	The warehouse was sold by HBS Warehouse to WE 68 on June 30, 2022. The District renewed the lease with HBS right before the closing of the sale. The term is a 2-year lease that ends on June 30, 2024. Our current monthly rent is \$3,562.50.
M/WBE Participation	WE 68 LLC does not qualify as a DBE.

ACTION ITEM Authorize President/CEO to execute agreements and related expenditures for the maintenance of Allen Parkway.

SERVICE PLAN 2021-2025
Account Code 834.202
Budget Years 2022 - 2027
Budget Amount \$750,000 (\$150,000 annually)

REQUEST An amount not to exceed \$750,000 to perform annual maintenance for the eastern segment of Allen Parkway for a 5-year period covering 2022-2027.

DESCRIPTION Contingent on the approval of an interlocal agreement with the Downtown Redevelopment Authority to fund annual maintenance for 5 years, this action enables the District to contract with vendors who perform similar maintenance work within Downtown.

DISCUSSION Several vendor work tasks are related to this authorization including, but not limited to, the following maintenance items along the eastern segment of Allen Parkway: street light replacement and repairs including attic stock for future replacement; irrigation and landscaping maintenance and repairs; tree replacements, median bollards, pavement markings, traffic signage and solar-powered speed feedback signs.

DBE Participation Maintenance-to-Go, the District’s current irrigation contractor is a City-certified DBE vendor.

ACTION ITEM	Authorize President/CEO to execute an interlocal agreement and related revenues with the Downtown Redevelopment Authority for 5 years of maintenance for Allen Parkway.
SERVICE PLAN	2021-2025
Account Code	567.000
Budget & Year	\$750,000 (\$150,000 annually) 2022 – 2027
REQUEST	Per this action and following execution of the interlocal agreement, the District will receive reimbursement of \$150,000 annually from the Authority in FY2022 – FY2027 for annual maintenance.
DESCRIPTION	In lieu of the City’s past maintenance irregularly performed by HPW and HPARD, the Authority requests the District to continue to serve as the contractor to manage ongoing maintenance of Allen Parkway from Montrose to IH-45 for a 5-year period. This arrangement is to preserve the Authority’s past investment and present a more appealing condition for this prominent corridor on approach to and exit from Downtown.
DISCUSSION	The Authority and the District are the entities best prepared for timely replacement of damaged infrastructure and consistent landscape maintenance along the eastern end of Allen Parkway.
DBE Participation	Not applicable.

ACTION ITEM Authorize interlocal agreement and related expenditure with Harris County for support services for outreach teams from October 2022 – September 2023.

SERVICE PLAN 2021-2025
Account Code 851.200
Budget & Year \$1,200,000 2022

REQUEST Not to exceed \$111,000

DESCRIPTION The Harris County Sheriff’s Office will continue to provide support services in partnership with the Harris Center’s Care Coordinator. Partnering together they will provide support services and long-term housing to homeless individuals suffering with mental illness or intellectual disability within our district. The contract term is from October 1, 2022 to September 30, 2023.

DISCUSSION The Harris County Sheriff’s Office will continue to work in partnership with the District’s program with the Harris Center for Mental Health & IDD to further the Chronic Consumer Assistance Program (CCAP) that engages individuals identified by the District as being chronically homeless and suffering from serious mental illness.

The Sheriff’s Office will provide a full-time Deputy to partner with the Harris Center Care Coordinator to act as liaisons between the homeless population and area housing, medical, and mental health providers. The Deputy will provide a law enforcement presence and offer more options in dealing with a very tough population, such as being able to issue emergency detention orders (EDO) for individuals that pose a danger to themselves and others.

The County is changing their fiscal year and rates for services starting in October 2022. The previous action approved an agreement through the end of September 2022.

DBE Participation Harris Center for Mental Health and IDD is the state designated local Mental Health Authority for Harris County.

ACTION ITEM Authorize expenditures for repairs to the Main Street Square fountain.

SERVICE PLAN 2021-2025
Account Code 590.800
Budget & Year \$250,000 2022

REVISED REQUEST Not to exceed \$68,000

DESCRIPTION Expenditures will cover costs to perform needed repairs to the Main Street Square fountain due to the flooding of the underground equipment vault caused by an adjacent City of Houston water line leak.

DISCUSSION In February, the Main Street Square fountain vault suffered substantial flood damage from water infiltrating the underground equipment vault due to a waterline break in the northernmost lane of 900 Lamar just west of Main Street. This required the removal and rebuilding of all pump motors, replacement of electrical components and controls, and extensive cleaning and repairs in the vault to get the fountain back in working order.

DBE Participation TBD



MEMORANDUM

August 11, 2022

TO: Board of Directors

FROM: Brett DeBord, Director of Operations and Capital Projects

RE: Operations Update

FACILITIES UPDATE: (Scott Finke, Operations Manager)

Warehouse:

The warehouse facility where we store replacement amenities, trash bags, electrical components, banners, etc. was sold on June 30, 2022. Right before the sale of the building, the District and HBS executed a new two-year lease agreement. The lease was negotiated and finalized with the previous owner HBS and the new owner, WE 68, agreed to the terms of the lease. *(See related action item on the consent agenda for the name change and additional expenses)*

Street Light Outages:

The street light outage check for the entire District and Allen Parkway was completed the last weekend of July. The District found a total of 189 outages. We reported 163 outages to CenterPoint, 13 outages to the City of Houston, and the District will repair the 13 outages located on Allen Parkway from downtown to Montrose Street.

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

Landscaping:

Summer color installation was completed on Main Street, Bagby Street, and the McKinney/Lamar pots. A color change is not needed along Dallas Street at this time due to the existing color still performing well so it will remain until the next color changeout in November. The Prairie pots and Crawford Island are scheduled for changeout in August. All the Mexican Sycamores on Preston will be pruned in August as well.

Block By Block:

Block By Block scored a 4.23 for the month of July, which is an increase from June's score of 4.15. Graffiti removal rose sharply from 716 the previous month to 1,071 in July. Block

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August 11, 2022

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By Block has made a change in their leadership structure by adding a new Parks/Events Supervisor. This position will focus solely on the cleanliness, safety, and programming for Market Square Park, Main Street Square, and Trebly Park.

Homeless Encampments:

Over the past month, the Chartres Encampment area has averaged approximately 60 tents. Litter is often very heavy on Monday mornings due to the group feedings that take place over the weekends. Many tents have been removed from the TxDOT area near Bute Park due to consistent cleaning, as many of the inhabitants have moved closer to the bayou to avoid interactions with the police. The Beacon is still a source of constant littering and bio-hazard incidents as the homeless continue to camp out on the Prairie and Caroline sides of the building. HPD has been consistently writing tickets as the Clean Team cleans the sidewalks and transports excessive belongings to the City's warehouse for storage.

CONSTRUCTION AND CAPITAL PROJECTS: (Dusty McCartney, Construction Manager)**Trebly Park Project:**

The Trebly Park project has made significant strides to continue the efforts in receiving its TCO (Temporary Certificate of Occupancy). The majority of the food service equipment has been installed in the kitchen and the café millwork is in progress. Interior painting of the cafe has begun, changing the look of the cafe from a construction site to a restaurant. A selected artist "Kill Joy" has been awarded the contract to transform a specific interior wall, which measures approximately 9'H x 14'6"W, into a mural that is highly visible from both interior and exterior viewpoints. This artwork is scheduled to start in late August and be completed in early September.

Main Street Square Fountain:

In February, the Main Street Fountain vault suffered substantial flood damage from water infiltrating the underground equipment vault due to an adjacent City waterline break. This required the removal and rebuilding of all pump motors, replacement of electrical components and controls, and extensive cleaning and repairs. We are happy to inform everyone that the fountain is working, and scheduled programming is starting soon. Due to the supply chain issues affecting the nation, there are a few remaining parts yet to be delivered that will complete this repair work. *(See related action item for repair work)*

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PUBLIC SAFETY AND EMERGENCY RESPONSE: (James Kennedy, Operations Manager)

Downtown Public Safety Guides:

The last two months have seen a drastic increase in the number of ambassador interactions, increasing to over 10,000 interactions for the first time since the COVID pandemic began. There was a total of 10,779 ambassador engagements in June and 12,343 engagements in July. There was also an uptick of civility engagements which can mostly be attributed to instances of panhandling and sleeping on the sidewalk. The increase in the number of events and patrons during the warmer summer months typically results in more panhandlers; therefore, we have redeployed our teams to ensure presence in the areas that experience the most activity.

SEAL Security

The number of calls for service in June (321) and July (339) for our SEAL team remained relatively on par with May (325). Overall activity has increased during the warmer summer months with calls for service exceeding 300 calls in May, June, and July. As seen with the DPSPGs, many of the calls dealt with individuals sleeping on the sidewalk or panhandling. There has also been an increase of calls relating to a weekly bike ride, organized by Clutch City Riders, which has created issues with traffic and rowdy, belligerent behavior. We are actively working with the Houston Police Department to find solutions to these issues.

Off Duty HPD

The Off Duty Officer engagements remained relatively flat over the past two months. As with our DPSPGs and Seal team, they also reported an increase in the number of patrons and panhandlers in downtown. Officers are being deployed to HOT spot areas to support the increased civility activity we're seeing across all the safety programs.

Positive Interactions

112,631

Total

Homeless Count

423

Average

Sidewalk Cleaning

4.27

Average

Garbage Disposed (Tons)

947

Total

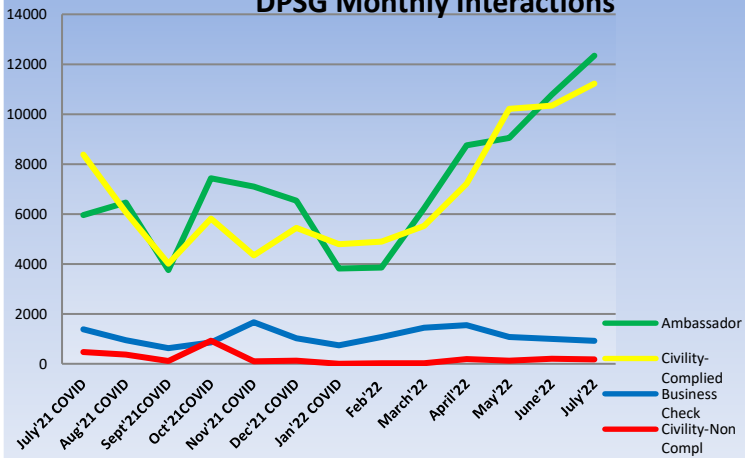
Reliability Report

75%

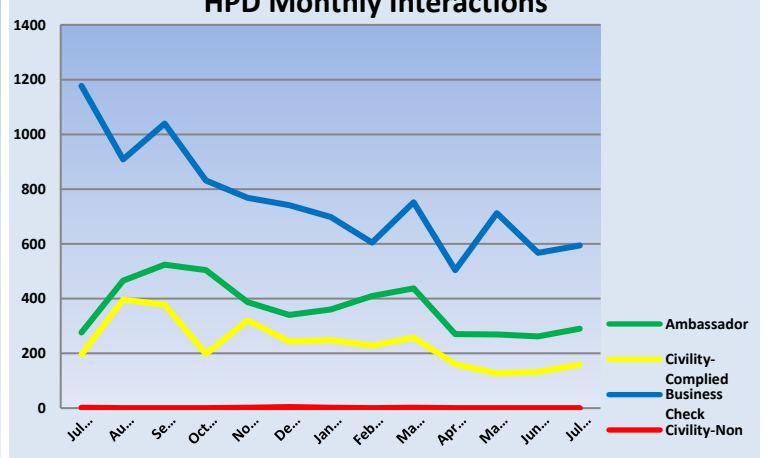
Average

Safety & Quality Control

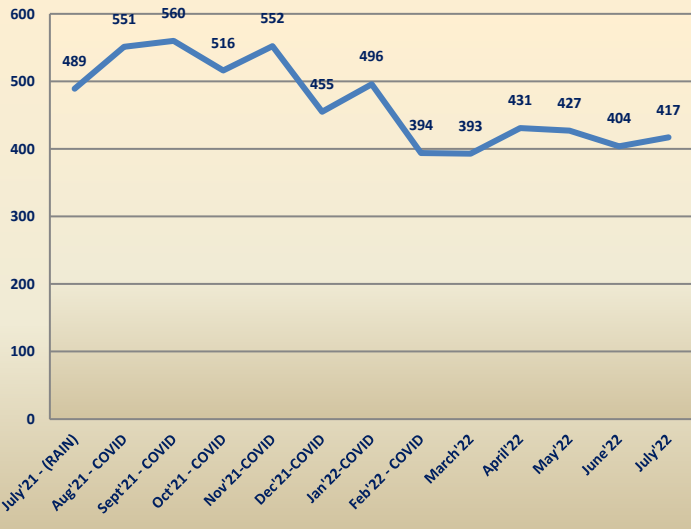
DPSG Monthly Interactions



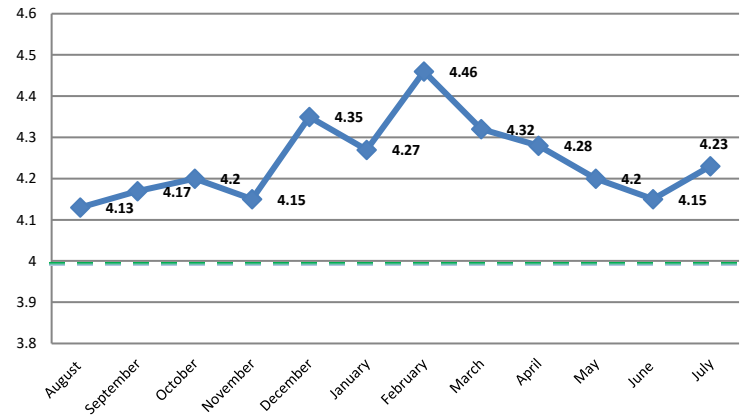
HPD Monthly Interactions



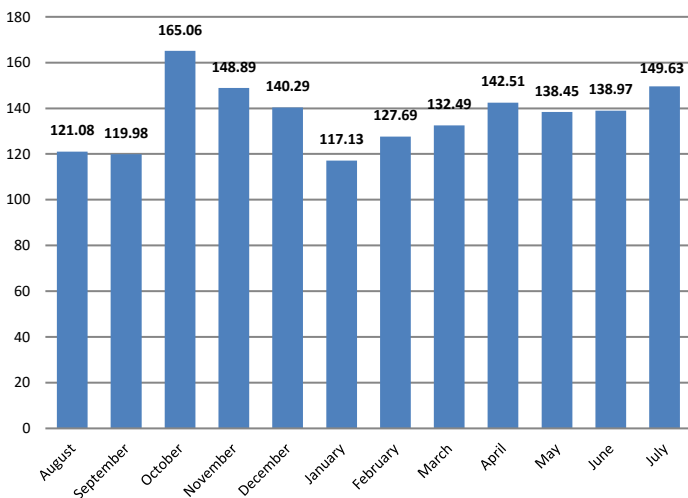
Homeless Count



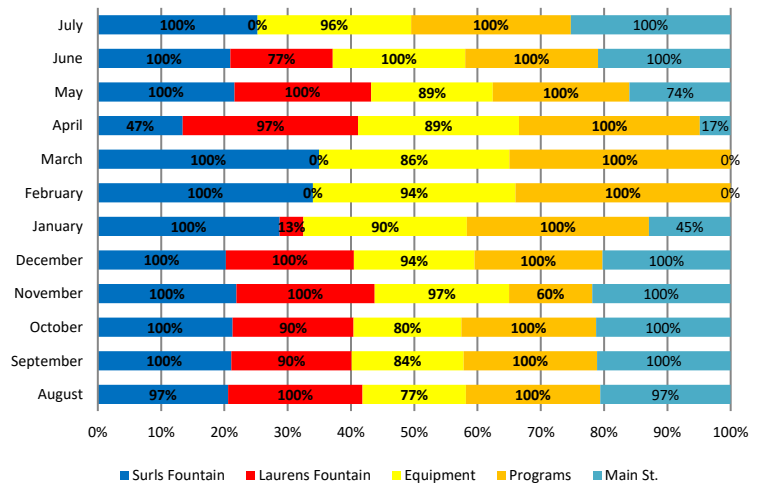
Sidewalk Cleaning



Garbage Disposed (Tons)



Reliability



**MEMORANDUM**

August 8, 2022

TO: Board of Directors

FROM: Robert C. Pieroni

RE: Economic Development Program Update

Update on the Office Market:

Over two years after the start of the pandemic, and several rounds of trying to get workers back into the office later, it appears that Downtown's return to-office rates have plateaued just north of 51% again. This marks the 5th-straight month that we have failed to see gradual increase. Hybrid in-office schedules remain the norm, though we're anticipating positive movement next month due to schools reopening and vacations ending.

Despite continued market uncertainty, Downtown grabbed headlines recently with several substantial lease announcements. The new leases highlight the prevailing flight-to-quality trend as companies align space needs to long-term hybrid schedules. Cheniere Energy, Genesis Energy and Gexa Energy each chose to relocate their headquarters Downtown, contributing to over 1.3M square feet of year-to-date leasing activity in 126 deals.

Downtown Launchpad: Gener8tor's pre-accelerator program, gBETA, is currently accepting applications for its fall cohort. In addition, gener8tor has been selected to host ten startups participating in the Italian Trade Agency's Global Startups Program. This is the second year in a row that a Downtown Launchpad resident tenant has been awarded the contract to host this prestigious international program.

MassChallenge has selected their 2022 US Early-Stage program. Many of these startups will join us in Houston during the first week of October for the inaugural Market Access Program. Nearly 70 startups from the cohort have expressed interest in coming to Houston for the program. In addition, the MassChallenge Houston Startups Residence program has officially kicked off, with 16 startups applying to join Downtown Launchpad through the end of October, as well as two MC alumni startups that will be continuing their spring/summer residency--GotSpot and Steradian Technologies.

Finally, Impact Hub Houston continues to make generate impact by helping changemakers, social entrepreneurs, small businesses and startups build solutions that create positive impact.

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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	209	\$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 3rd MassChallenge cohort or gener8tor spring cohort.

Residential: Downtown Houston's multifamily solidified its status as a true live/work/play environment in recent years, and residents pay a notable premium \$2.37-SF/MO to live Downtown. Month-to-month Vacancy remains flat at 84.5%, and 12 Month Absorption climbed 807.3% (353 Units) which bodes well for the 1,800 units currently under construction. The average monthly rent for multifamily units increased 0.5% over the previous quarter from \$2,326 per month in Q2 2022 to \$2,357 per month in July 2022.

Hospitality: The Downtown market is comprised of 8,300+ hotel rooms spread across 28 properties. Downtown is characterized by very large hotels. The average hotel in Downtown contains 236 rooms, placing it in the top 5% of U.S. hotel submarkets. Hotel occupancy for June reached 51.7%, which is 76.2% recovered from a 5-year June pre-pandemic average (2015 - 2019). Other key performance indicators are continuing to improve since January: Average Daily Rate (ADR) is up \$20.49 (\$200.63); Revenue Per Available Room (RevPAR) is up \$45.88 (\$103.73); and Monthly Revenue is up \$11,143,597 (\$26,299,293).

Publications Update: August publications included the Downtown Economic Recovery Monthly Monitoring Update.

**MEMORANDUM**

August 8, 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 the downtown organizations (CHI, CHCI, HDMD & DRA), participated in an online interview with the Federal Highway Administration (FHWA). Our 20-year project involvement in the NHHIP's development and the associated urban design of numerous Civic Opportunities was reviewed with the FHWA personnel leading the Title VI civil rights and environmental compliance investigation. A series of specific topics as 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 and based on recent meetings with TxDOT, voluntary reconciliation of the investigation is anticipated in the coming months.

In collaboration with other project partners, most notably the Greater Houston Partnership (GHP), staff has also prepared a call-to-action for Downtown stakeholders and interested parties. Given the opportunity to voice their respective NHHIP support to the Texas Transportation Commission (TTC) and the Unified Transportation Program (UTP) by 4:00 PM, August 8, 2022, stakeholders are encouraged to comment on the TTC vote to maintain project funding through the UTP budget cycle.

Through July 31, staff continued the work with the advisory team at Squire Patton Boggs (SPB), including former Transportation Secretary Rodney Slater's listening sessions with local and regional leaders. Recent meetings since the District Board meeting in June include: Texas Transportation Commissioner Laura Ryan, Harris County Toll Road Authority (HCTRA) Executive Director Roberto Trevino, and executive staff of Harris County Judge Lina Hidalgo. Following these most recent meetings, staff released SPB from further advisory services. Progress towards resolution of the County's suit against TxDOT has advanced over the past few months, with both parties indicating the suit may be lifted in the coming weeks. 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: On August 4, 2022, staff issued to TxDOT the Design Summary Report (DSR) in order to set the Design Concept Conference (DCC) in order to advance the project. Staff also reviewed the project status and continuance of federal funding with H-GAC on August 5, 2022. 90% construction documents have been submitted by Huitt-Zolalrs and are under review by staff to confirm final scope. TxDOT has the project letting scheduled for May 2023.

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Downtown Living Initiative: At close of 2Q 2022, thirteen DLI projects (3,690 units) are completed and listed here in completion order: SoDo on Main (north and south towers, formerly “SkyHouse Downtown” and “SkyHouse Main”), Block 334, Market Square Tower, The Star, Aris Market Square, Eighteen25, 1414 Texas Avenue, Catalyst, 1711 Caroline, The Marlowe, Camden Downtown; and on August 2, 2022, Trammell Crow provided the District with the Temporary Certificate of Occupancy (TCO) – issued July 25, 2022 – in continued compliance with the terms of the agreement for their development on Block 98: the Parkside Residences at Discovery Green. One Authority project is under construction (Fairfield / Block 387 – 286 units), expecting to receive its TCO within the month. One District project remains under agreement for future construction (Camden / Block 346 – 275 units). With thirteen projects completed and each receiving the respective reimbursements for the DLI Program, there remain fifteen active development agreements, as follows:

District’s DLI Program:	2,063 units under agreement /	275 units planned
	/ 0 units under construction	
	/ 1,788 units completed	
Authority’s DLI Program:	2,188 units under agreement /	0 units planned
	/ 286 units under construction	
	/ 1,902units completed	
<hr/> TOTAL DLI Program:	<hr/> 4,251 units under agreement /	<hr/> 275 units planned
	/ 286units under construction	
	/ 3,690units completed	

North Canal: Houston Public Works (HPW) project manager and project consultant, HDR, presented to downtown agency stakeholders the project status on March 17, 2022 during a meeting of the City’s Technical Review Committee. Based on the Preliminary Engineering Report (PER) for 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 TRC presentation is posted at the project website <https://www.engagehouston.org/northcanal>. Staff has requested of HPW’s project manager a project update and future presentation to the District’s PD&CP Committee.

North San Jacinto – Design Concept Review (DCR): Based on the approval by HPW to advance the project but now temporarily paused while scheduling and budget impacts of the North Canal are being refined and the NHHIP remains under the FHWA pause, staff is holding on the issuance of a Request for Qualifications for these proposed streetscape and bikeway improvements on North San Jacinto from Commerce Street to the future NHHIP frontage intersections, plus a two block stretch of Wood Street from Main to North San Jacinto. Staff has also made inquiries with Buffalo Bayou Partnership for a status update on the public realm overlay project it has proposed for the stretch of the North Canal.

Roadway / Pavement Conditions & Obligations: As an topic of previous discussions by the PD&CP Committee during annual budget preparations and potential project identification and further based on an August 4, 2022 online meeting with personnel from Houston Public Works and the City’s Permit Center, staff has made an initial request of the City to address downtown’s roadway conditions in its future Capital Improvement Projects, either as concrete panel replacement, asphalt

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mill and overlay, or full rehabilitations as needed for infrastructure upgrades. Staff will follow-up with the specific project manager at a later date to continue to advance this project coordination and capital project improvement request. (See the attached map which exhibits the primary roadways and sidewalk areas identified by staff and deserving of attention by the City.)

Congress Street Bridge: Staff is resolving an adjusted scope for the project to include the southwest corner of the Smith and Franklin intersection for sidewalk accessibility. Staff is finalizing a project budget for the Congress Bridge and its intersections at Smith to Franklin, a signalized intersection at Franklin and Bagby, and the Smith / Franklin corner for detail review with Lovett Commercial to obtain its commitment to shared-funding for the project. Once that obligation is in place, staff will process a DCR Intake Form with HPW and then initiate an RFQ for professional design-engineering services.

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

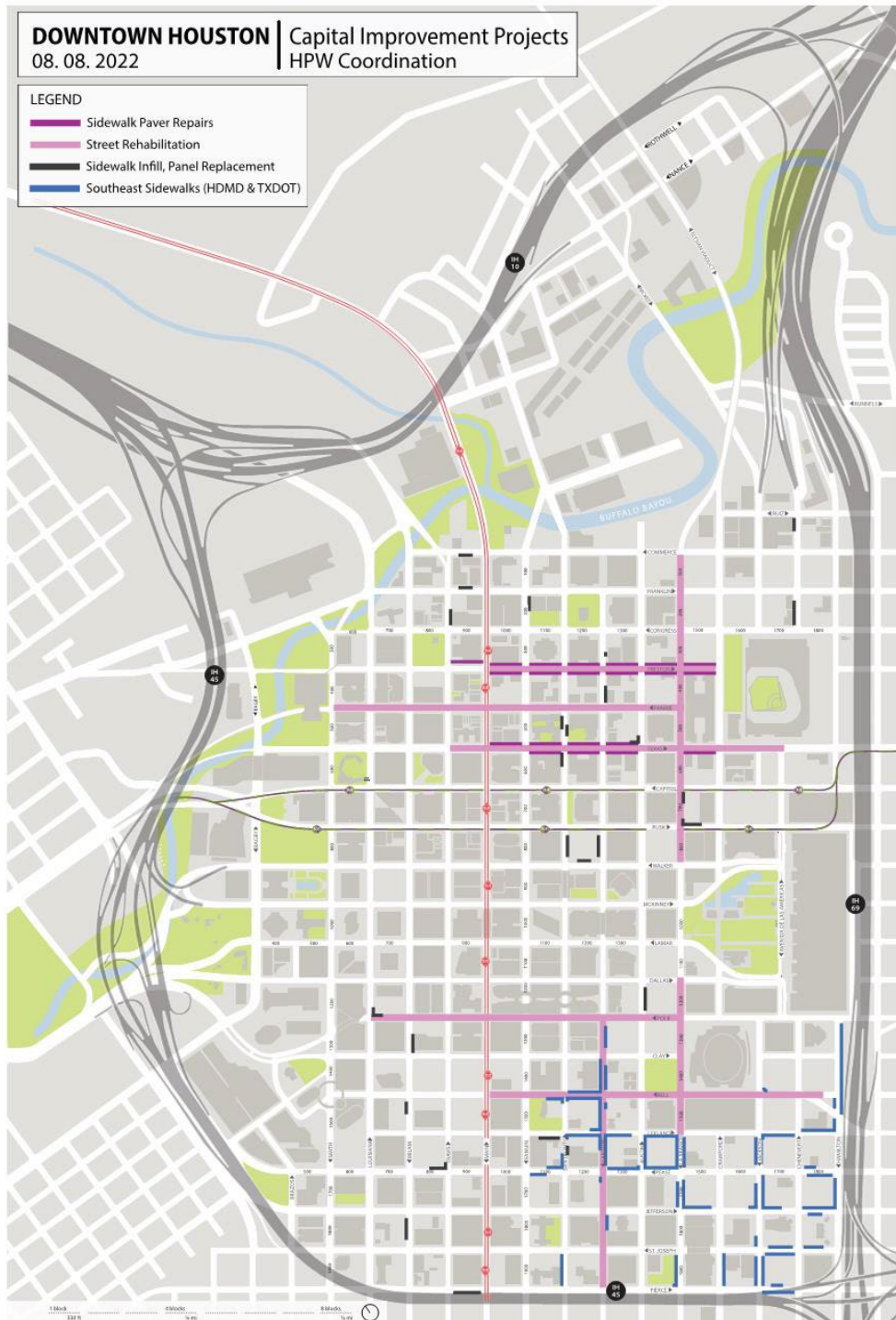
- **Bagby Street Improvements:** See Director DeBord's "Operations and Construction Update" for current project status including minor punch-list item corrections. For the general information of the Downtown District, Bagby Street has recently been recognized with two awards:
 - American Planning Association – Houston Section's "Transportation Planning Award."
 - American Society of Civil Engineers – Texas Section's "Outstanding Civil Engineering Achievement Award."
- **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-October. In addition to supporting the construction team with construction, planning and design staff are focused on the purchase and installation of 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 August 25, 2022, 12:00-1:30 PM, to be confirmed.

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MEMORANDUM

August 11, 2022

TO: Board of Directors
FROM: Shelby Roth
RE: Marketing/Communications 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 June and July had a **total circulation of 208.6M** valuing at **\$2,492,171**. Story highlights include a *New York Times* article on Houston's efforts to solve homelessness, lifestyle/entertainment highlights on events at Market Square Park and a broadcast segment with Coco Dominguez (Fox26) about Blanket Bingo.

On the horizon:

- Our PR team will be helping to support and publicize our 38th Annual Meeting with the new State of Downtown program. This year's meeting is open to non-members (individuals can also purchase tickets), making it an event with public interest for the first time.
- We had our first all-hands meeting with our partners (Strike Marketing, Black Sheep Agency, Public Content) in June and have scheduled our second this month. We'll be discussing how to change the narrative around public safety and homelessness, both issues with a public perception that don't match the data collected by our team.
- We're hosting our first Lobbies & Libations event on August 17, and our PR team will be pitching the event series as part of a larger narrative about returning to work Downtown.

Residential Outreach

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We hosted our first resident bike club in July, in partnership with BikeHouston. It was a rainy day, but we had 10 participants, plus several residents who joined us afterwards at Craft Beer Cellar for happy hour. We've had a lot of positive feedback for this event and are looking at increasing to 2x/month in 2023.

Lobbies & Libations

Part happy hour, part employee engagement tactic, our first L&L event will take place on August 17 at TotalEnergies Plaza. This event has many different benefits — it's open to all Downtown employees (not just building tenants), it provides an opportunity for us to capture contact info for Downtown employees (to use when making decisions on programming/activations/etc.), and it's part of a larger initiative by CHI/HDMD to create programming with the goal of bringing workers back to Downtown.

We're still working on confirming the spaces for October-December, but if you would like to sponsor one of these events (food/bev, or a lobby), we would love to connect with you. Please email Shelby for more information.

Street Art for Mankind

We've made a lot of progress the past two months on this mural project. All nine walls have been confirmed and artists have been chosen; two artists are Houstonians. The walls, themes and artists are listed below.

- Climate change by Sonny Sundancer at the Hilton Americas, 1600 Lamar St.
- Quality of life & Houston outdoors by Emily Ding at the 4 Seasons, 1300 Lamar St.
- Green energy by Carlos Alberto GH at GreenStreet, corner of Fannin & Dallas)
- Legacy by Fintan Magee at 1010 Lamar, east facing)
- Human rights by Victor Ash at the Sam Houston, 1117 Prairie St.
- Innovation by Lula Goce at 1010 Preston St.
- Social equity & equal rights by Telmomieli at 405 Main St.
- Global city & sharing the world by Ana Marietta at the Cotton Exchange Building, 202 Travis St.
- Quality education for all by Belin at the Franklin Garage, 805 Franklin St.

Painting will begin on October 5th and a "grand opening" will take place on October 15th. There will be an early morning press conference with the mayor and elected officials, followed by an all-day festival/event.

The murals are strategically placed to create an "art walk" connecting Discovery Green to Market Square Park. We're inviting the community to be part of the event by enlisting local musicians, dancers, painters, and performers to create specific activations along the art walk route that will include:

- live painting/speed painting
- community art experience: pick up a paintbrush and help create an art piece with us
- music and dance experiences at strategic locations
- food trucks & beverage carts
- student art exhibits

MEMORANDUM**May 12, 2022**

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- art cars and low-riders
- non-profit pop-ups that coordinate with the mural themes: we'll be inviting local non-profits who are doing work in one of the nine themes to pop up at the coordinating mural.

Save the date!

Trebly Park Grand Opening

After several construction delays and conversations regarding staffing with Tout Suite, we've made the decision to push our grand opening event to the holiday season. Once Tout Suite can move in, they will enter a soft opening phase for a month or so, and the park will officially be "open". We'll follow with a holiday-themed event and ribbon-cutting in early December.

We're currently reviewing holiday décor for Trebly Park and will have an update next month. Seeing as the grand opening will now be a holiday theme, we're wanting the park's holiday décor to be different and extra special.

While the timeline has changed, the plans for our grand opening week remain the same. We'll still have a resident only private event, the official ribbon cutting, a \$1 macaron day and movie night, and the Saturday celebration.