



Board of Directors Meeting
September 8, 2022

Houston Downtown Management District
Board of Directors Meeting
September 8, 2022

TABLE OF CONTENTS

	<u>PAGE</u>
Approval of Minutes	
June 9, 2022 meeting of the board of directors	3
August 11, 2022 meeting of the board of directors	7
Items pertaining to finance and administrative matters	
Approval of interim financial statements and ratification of expenditures and check registers for June 30; July 31; and August 31, 2022.....	10
Second quarter investment report	35
Second quarter DBE Report	36
Discussion of 2023 budgeting process and schedule	No Materials
Recommendation from Nominating Committee and action thereon	37
 Adoption of Strategic Alignment Plan and Action Thereon	 38
 Program Authorizations	
<i>Operations</i>	
Authorize additional expenditure for trash bags	84
Authorize remaining 2022 warehouse rent payments	85
Authorize agreement and related revenue for Allen Parkway maintenance	86
Authorize expenditures for Allen Parkway maintenance	87
Authorize agreement and expenditure for law enforcement officer partnering with outreach teams.....	88
Authorize expenditures for fountain repairs	89
 Program updates	
Operations (Maintenance & Public Safety Committee).....	90
Economic Development Program (Office Committee)	94
Planning & Design (Planning, Design & Capital Projects Committee).....	96
Marketing & Communications (Marcom Committee)	99

**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

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

August 11, 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 August 11, 2022, at 12:00 p.m., in-person inside the Lyondell Basel Tower, located 1221 McKinney Street, Houston, TX 77010, inside Exchange Conference Rooms B&C, 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 Terry Demchak, Marcus Davis, Irma Galvan, Marian Harper, Angus Hughes, Toni Jackson, Robbi Jones, Roland Kennedy, Ben Llana, Nick Massad, John Mooz, Cat Nguyen, Randy Pryor, Scott Repass and Valerie Williams and Ted Zwieg.

Also present were Yeneby Angeles, Christal Ayala, 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, and Jamie Perkins of the District; Algenita Davis, consultant to the District; Robert Pieroni and Kim Scates of Central Houston, Inc; and Mary Buzak of Bracewell LLP.

WELCOME

Chair Ashby welcomed all. Quorum was not established; therefore, no business was conducted at this meeting. For those that were in attendance, the presentation portions for this meeting began at approximately 12:18 p.m. All business items listed on the August agenda will be moved to the September 8th meeting.

PUBLIC COMMENTS

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

STRATEGIC PLAN REVIEW

Kris Larson shared a draft of the proposed Strategic Alignment Plan. He provided a recap of the collaborative process and efforts taken by executive level members of the three affiliated boards (the District, Central Houston and Downtown Redevelopment Authority) to build this current draft. Next, he reviewed proposed Vision & Mission Statements and the framework goals of the Plan. Discussion ensued and questions were asked and answered. President Larson closed his presentation noting a final Strategic Alignment Plan will be presented to all three boards for adoption and approval in September.

COMMITTEE SPOTLIGHT

Crime in Downtown

Varun Cidambi, Research & Economic Development Specialist with Central Houston, Inc., shared a presentation about the trends in time, location, and crime types committed in downtown. He focused on recent data and trends collected from several sources, including HPD, Tableau, and Placer.ai, which outlined property vs. violent crime in the years 2019-2022. It was noted how details omitted from a simple statistic can skew public perception about the safety of downtown. Discussion ensued and topics were explored on how the District can broadcast the message of downtown is safe place. Questions were asked and answered, no further action was required.

ACKNOWLEDGEMENT OF STAFF ANNIVERSARY

Chair Ashby announced a milestone anniversary was being celebrated for District employee Scott Finke, noting Mr. Finke has been with the District for 30 years this month. Staff presented a cake and Chair Ashby congratulated and thanked Mr. Finke for his years of service.

PROGRAM UPDATES

Operations

Brett DeBord, Director of Operations and Capital Projects, provided an update on Operations matters for the prior month. Discussion took place and questions were asked and answered. 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 announced the next board meeting will take place on Thursday, September 8, 2022 and the meeting was adjourned at 1:33 p.m.

Jamie Perkins, Assistant Secretary
Houston Downtown Management District

DRAFT



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,

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

	<u>Operating YTD Actual</u>	<u>Capital YTD Actual</u>	<u>Total YTD Actual</u>	<u>YTD Budget</u>	<u>Fav (Unfav) Variance</u>
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

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
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 OUTHUSE, 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

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
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
-----------	------	-----------	------------	--------

BANK ID: A - OPERATING ACCT-JPMORGAN				101.000
---	--	--	--	----------------

3990	06/23/22	5290	KING GRAPHICS & SIGNS, LLC	\$18,985.00
------	----------	------	----------------------------	-------------

BANK B REGISTER TOTAL:	\$26,949.75
-------------------------------	--------------------

GRAND TOTAL :	\$2,746,792.47
----------------------	-----------------------



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,

A handwritten signature in blue ink that reads 'nctp cpas, pllc' in a cursive, lowercase style.

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



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 August 31, 2022 and 2021, and the related statements of activities for the months then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

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

Sincerely,

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

Houston, Texas
September 6, 2022

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

	2022			2021		
	HDMD Operating Year to Date	HDMD Capital Year to Date	Total (Memo Only)	HDMD Operating Year to Date	HDMD Capital Year to Date	Total (Memo Only)
Assets						
Cash	\$ 10,668,399	\$ 5,143,478	\$ 15,811,877	\$ 12,663,993	\$ 4,680,056	\$ 17,344,049
Assessments Due	256,663	23,876	280,539	216,799	20,220	237,018
Accounts Receivable	89,006	-	89,006	713,994	4,800	718,794
Prepaid Expense	26,235	-	26,235	26,235	-	26,235
Inventory	-	-	-	-	-	-
Property & Equipment, Net	589,759	5,497	595,256	741,127	22,363	763,491
Right of Use Lease Asset 1313 Main, Net	2,722,937	-	2,722,937	-	-	-
Intercompany Rec/Pay	(44,692)	(81,779)	(126,472)	12,317	(12,317)	-
Total Assets	<u>\$ 14,308,308</u>	<u>\$ 5,091,071</u>	<u>\$ 19,399,379</u>	<u>\$ 14,374,465</u>	<u>\$ 4,715,123</u>	<u>\$ 19,089,588</u>
Liabilities						
Accounts Payable & Accrued Expenses	\$ 508,107	\$ 43,000	\$ 551,107	\$ 1,446,871	\$ 35,000	\$ 1,481,871
Lease Liability 1313 Main	2,823,492	-	2,823,492	-	-	-
Deferred Revenue & Reserve for Refunds	581,966	53,909	635,875	902,541	83,858	986,399
Total Liabilities & Deferred Revenue	<u>3,913,565</u>	<u>96,909</u>	<u>4,010,474</u>	<u>2,349,412</u>	<u>118,858</u>	<u>2,468,270</u>
Fund Balances						
Unreserved, Undesignated	9,594,744		9,594,744	11,225,054		11,225,054
Unreserved, Designated for Catastrophy	800,000		800,000	800,000		800,000
Reserved for Capital Projects		4,994,162	4,994,162		4,596,264	4,596,264
	<u>10,394,744</u>	<u>4,994,162</u>	<u>15,388,905</u>	<u>12,025,054</u>	<u>4,596,264</u>	<u>16,621,318</u>
Total Liabilities, Deferred Revenue & Fund Balances	<u>\$ 14,308,308</u>	<u>\$ 5,091,071</u>	<u>\$ 19,399,379</u>	<u>\$ 14,374,465</u>	<u>\$ 4,715,123</u>	<u>\$ 19,089,588</u>

Houston Downtown Management District
Statement of Activities
Eight Months Ended August 31, 2022

	Operating YTD Actual	Capital YTD Actual	Total YTD Actual	YTD Budget	Fav (Unfav) Variance
Revenues					
Assessment Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Operations Revenue	351,052	-	351,052	339,170	11,882
Project Revenue	99,671	-	99,671	103,333	(3,662)
Other Income	66,571	-	66,571	33,333	33,238
Interest Income	69,506	27,609	97,115	10,667	86,448
Total Revenues	\$ 586,800	\$ 27,609	\$ 614,409	\$ 486,503	\$ 127,906
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 1,627,609	\$ -	\$ 1,627,609	\$ 2,000,936	\$ 373,328
Reduced Presence of Homeless & Street Persons	456,474	-	456,474	873,675	417,200
Downtown Sidewalks are Comfortably Lighted	82,579	-	82,579	170,814	88,236
Downtown Clean & Well-Kept Appearance	3,244,585	-	3,244,585	3,007,929	(236,657)
Remove Signs of Disorder in Downtown	30,038	-	30,038	27,518	(2,520)
Prepare for Emergencies	70,471	-	70,471	79,620	9,150
	5,511,755	-	5,511,755	6,160,492	648,737
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	337,552	-	337,552	355,009	17,456
Public Spaces Managed, Programmed, & Delightful	636,266	-	636,266	829,659	193,393
Place of Civic Celebration	802,519	-	802,519	1,289,863	487,344
	1,776,338	-	1,776,338	2,474,531	698,194
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	7,371	-	7,371	157,421	150,050
Convenient Circulation Without Personal Vehicle	-	-	-	-	-
Easy To Find Way Around	49,412	-	49,412	110,871	61,459
Connect Neighbors & Districts Inside/Outside Downtown	6,888	-	6,888	7,000	112
Convenient, Understandable & Managed Parking	16,402	-	16,402	7,037	(9,365)
	80,073	-	80,073	282,329	202,256
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	269,811	-	269,811	270,574	763
Exciting Neighborhoods to Live In	561,047	-	561,047	854,045	292,998
Competitive Shopping Place	11,633	-	11,633	11,800	167
Remarkable Destination for Visitors	22,427	-	22,427	41,920	19,494
	864,917	-	864,917	1,178,339	313,422
Downtown's Vision & Offering Understood By All					
Market to Region	735,018	-	735,018	867,992	132,973
Promote Downtown's Ease of Use	19,176	-	19,176	18,770	(406)
Vision/Development Framework Understood By All	397,065	-	397,065	878,655	481,590
Tools to Assist Continued Redevelopment	50,420	-	50,420	40,750	(9,669)
Develop & Maintain Information to Support Downtown	24,465	-	24,465	55,981	31,516
	1,226,143	-	1,226,143	1,862,148	636,005
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	679,771	17,021	696,793	488,956	(207,837)
Communications to Owners, Tenants & Others	36,987	-	36,987	22,714	(14,272)
Preservation of Districts' Capital Assets	43,976	-	43,976	36,050	(7,926)
	760,733	17,021	777,755	547,720	(230,035)
Capital Improvement & Expenditures					
Downtown Feels Safe & Comfortable	-	-	-	-	-
Public Realm is Charming, Inviting, & Beautiful	-	260,256	260,256	532,500	272,244
Accessible to Region & Easy to Get Around	-	130,996	130,996	1,109,500	978,504
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	175,250	(8,449)
	-	658,593	658,593	1,903,250	1,244,657
Total Expenses	\$ 10,219,960	\$ 675,614	\$ 10,895,574	\$ 14,408,810	\$ 3,513,236
Depreciation Expense	57,952	8,753	66,705	65,435	(1,270)
Excess of Revenue Over Expenses GAAP Basis	\$ (9,691,112)	\$ (656,758)	\$ (10,347,871)	\$ (13,987,742)	\$ 3,639,871

Houston Downtown Management District
Statement of Activities
Eight Months Ended August 31, 2022 and August 31, 2021

	Operating YTD Actual	Capital YTD Actual	2022 Total YTD Actual	2021 Total YTD Actual	Fav (Unfav) Variance
Revenues					
Assessment Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Operations Revenue	351,052	-	351,052	279,279	71,773
Project Revenue	99,671	-	99,671	152,346	(52,675)
Other Income	66,571	-	66,571	61,447	5,124
Interest Income	69,506	27,609	97,115	11,036	86,079
Total Revenues	\$ 586,800	\$ 27,609	\$ 614,409	\$ 504,107	\$ 110,302
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 1,627,609	\$ -	\$ 1,627,609	\$ 1,568,288	\$ (59,321)
Reduced Presence of Homeless & Street Persons	456,474	-	456,474	955,687	499,213
Downtown Sidewalks are Comfortably Lighted	82,579	-	82,579	62,530	(20,049)
Downtown Clean & Well-Kept Appearance	3,244,585	-	3,244,585	2,695,708	(548,877)
Remove Signs of Disorder in Downtown	30,038	-	30,038	27,600	(2,438)
Prepare for Emergencies	70,471	-	70,471	72,592	2,121
	5,511,755	-	5,511,755	5,382,405	(129,350)
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	337,552	-	337,552	267,736	(69,816)
Public Spaces Managed, Programmed, & Delightful	636,266	-	636,266	535,667	(100,599)
Place of Civic Celebration	802,519	-	802,519	899,951	97,432
	1,776,338	-	1,776,338	1,703,355	(72,983)
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	7,371	-	7,371	157,557	150,185
Convenient Circulation Without Personal Vehicle	-	-	-	20,623	20,623
Easy To Find Way Around	49,412	-	49,412	72,517	23,105
Connect Neighbors & Districts Inside/Outside Downtown	6,888	-	6,888	5,743	(1,145)
Convenient, Understandable & Managed Parking	16,402	-	16,402	5,077	(11,325)
	80,073	-	80,073	261,517	181,443
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	269,811	-	269,811	197,642	(72,169)
Exciting Neighborhoods to Live In	561,047	-	561,047	369,642	(191,405)
Competitive Shopping Place	11,633	-	11,633	16,996	5,364
Remarkable Destination for Visitors	22,427	-	22,427	33,795	11,368
	864,917	-	864,917	618,075	(246,842)
Downtown's Vision & Offering Understood By All					
Market to Region	735,018	-	735,018	800,355	65,337
Promote Downtown's Ease of Use	19,176	-	19,176	17,027	(2,149)
Vision/Development Framework Understood By All	397,065	-	397,065	509,136	112,072
Tools to Assist Continued Redevelopment	50,420	-	50,420	55,670	5,250
Develop & Maintain Information to Support Downtown	24,465	-	24,465	28,587	4,122
	1,226,143	-	1,226,143	1,410,774	184,631
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	679,771	17,021	696,793	490,268	(206,525)
Communications to Owners, Tenants & Others	36,987	-	36,987	23,402	(13,585)
Preservation of Districts' Capital Assets	43,976	-	43,976	37,049	(6,926)
	760,733	17,021	777,755	550,719	(227,036)
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	-	130,996	130,996	366,167	235,172
Vibrant, Sustainable Mixed-Use Place	-	83,642	83,642	72,898	(10,744)
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	183,699	183,699	55,237	(128,462)
	-	658,593	658,593	639,303	(19,290)
Total Expenses	\$ 10,219,960	\$ 675,614	\$ 10,895,574	\$ 10,566,148	\$ (329,426)
Depreciation Expense	57,952	8,753	66,705	74,622	7,916
Excess of Revenue Over Expenses GAAP Basis	\$ (9,691,112)	\$ (656,758)	\$ (10,347,871)	\$ (10,136,663)	\$ (211,208)

Houston Downtown Management District Variance Analysis Eight Months August 31, 2022

Operating Budget

Revenue

1) Operations revenue is over budget \$22K in Metro bus stop cleaning, under budget (\$8K) in trash program subscriptions and under budget (\$2K) in Main Street fountain reimbursements. Project revenue is over budget \$9K for Market Square Park, and under budget (\$12K) in DRA project reimbursements for Allen Parkway due to timing. Other Income is over budget \$15K in Bingo proceeds, Salary reimbursements \$43K to Central Houston, Inc. for 2021, not included in the 2022 budget and Miscellaneous Income is under budget (\$24K). Interest income is ahead of budget \$86K due to more favorable rates than projected.

Expenses

- 2) Goal 1a-Collaboration to Maintain Low Crime Rate-Under budget (\$265K) in Downtown Public Safety Guides, (\$7K) in Law Enforcement Support, (\$31K) in PIT Program, (\$59K) in Private Security and under budget (\$12K) in staffing.
- 3) Goal 1b-Reduced Presence of Homeless & Street Persons-Under budget (\$423K) in homeless outreach programs. Over budget \$6K in staffing.
- 4) Goal 1c-Downtown Sidewalks are Comfortably Lighted-Under budget (\$88K) in Street Lighting Expense, amenities and maintenance.
- 5) Goal 1d-Downtown Noted for Cleanliness & Well-Kept Appearance-Over budget \$203K in Street Teams cleaning sidewalks and bus stops, over budget \$56K in Paver repair and maintenance, over budget \$3K in Irrigation maintenance and repair and over budget \$66K 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 (\$30K) in Trash Collection, (\$46K) in Landscaping and tree maintenance, and (\$16K) in staffing.
- 6) Goal 1f-Prepare for Emergencies-Under budget (\$9K) in Emergency Operations Center-monitoring equipment, generator and staffing.
- 7) Goal 2a-Key Pedestrians Streets are Inviting - Under budget (\$24K) in floral displays and over budget \$7K in staffing.
- 8) Goal 2b-Key Public Spaces Programmed and Delightful-Under budget (\$35K) in Main Street Square maintenance, (\$96K) in Trebly Park maintenance, (\$50K) in Event programming and (\$28K) in staffing. Over budget \$15K in Market Square Park maintenance.
- 9) Goal 2c-Place of Civic Celebration-Under budget (\$167K) in Art Blocks program, (\$33K) in seasonal banner program, (\$19K) in banner/pot maintenance, (\$41K) on Allen Parkway Maintenance reimbursed by DRA and (\$290K) in holiday logistics and installation. Over budget \$8K for Retail Support - Holiday Promotions and over budget \$54K 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 (\$41K) for Wayfinding contractor expense and (\$30K) for the Above & Below Map. Over budget \$9K in staffing.
- 12) Goal 3e-Convenient, Understandable & Managed Parking-Over budget \$9K 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 (\$20K) in staffing.
- 14) Goal 4d-Remarkable Destination for Visitors-Under budget (\$19K) in staffing.
- 15) Goal 5a-Market to Region-Under budget (\$133K) in marketing expenditures.
- 16) Goal 5c-Vision/Development - Under budget (\$300K) committed to a traffic study not yet funded, (\$150K) for streetscape design work and under (\$35K) 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 (\$32K) in staffing.
- 19) Goal 6a-Complete engagement by all stakeholders in District - Over budget \$180K in reserves for refunds of assessments due to property value protests, contract services for legal, audit and assessment collection and marketing and communications, \$3K in operations, \$8K in planning design & construction, \$3K in economic development and \$15K in staffing.
- 20) Goal 6b-Communication to Owners, Tenants & Others - Over budget \$14K 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 (\$90K) for the Prairie Street project.
- 23) Under budget (\$65K) for vehicular and pedestrian wayfinding, (\$150K) for updated street signs, (\$203K) for the Congress St. Bridge project and under budget (\$563K) for southeast sidewalks TxDOT project. Over budget \$2K for bicycle facilities/connections.
- 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 \$11K 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: 8/1/2022 to 8/31/2022

Check No.	Date	Vendor ID	Payee Name	Amount
-----------	------	-----------	------------	--------

BANK ID: A - OPERATING ACCT-JPMORGAN

** 34806	08/04/22	8/4/22	8388	STATE COMPTROLLER	(\$0.02)
** 35041	08/04/22	8/4/22	7319	PARK FIRST OF TEXAS, LLC	(\$1,200.00)
** 35145	08/01/22		1200	CENTRAL HOUSTON, INC	\$199,014.89
35146	08/01/22	8/1/22	1200		
35147	08/01/22	8/1/22	1200		
35148	08/01/22	8/1/22	1200		
35149	08/01/22	8/1/22	1200		
35150	08/01/22	8/1/22	1200		
35151	08/01/22	8/1/22	1200		
35152	08/01/22	8/1/22	1200		
35153	08/01/22	8/1/22	1200		
35154	08/01/22	8/1/22	1200		
35155	08/01/22	8/1/22	1200		
35156	08/01/22	8/1/22	1200		
35157	08/01/22	8/1/22	1200		
** 1589684	08/05/22		1225	CENTRAL HOUSTON CIVIC IMPROVEM	\$33,726.41
** 2592871	08/08/22		2931	FOREWORD	\$3,000.00
** 299505	08/31/22		0511	BLOCK BY BLOCK	\$420,887.71
** 299510	08/31/22		8151	SEARCH HOMELESS SERVICES	\$16,597.54
** 299513	08/31/22		0027	AT&T	\$1,482.10
** 299515	08/31/22		1790	BRETT DEBORD	\$770.65
** 299520	08/31/22		1665	COLOR SPECIALISTS LANDSCAPING	\$2,500.00
** 299522	08/31/22		2046	DUSTY McCARTNEY	\$770.65
** 299526	08/31/22		4549	EXCEPTIONAL MUSIC	\$400.00
** 299530	08/31/22		3550	HARDY & HARDY	\$3,400.00
** 299535	08/31/22		5211	KEITH GOULD	\$22.78
** 299539	08/31/22		8894	LAUREN GRIFFITH INC	\$660.00
** 299544	08/31/22		5987	MAINTENANCE TO GO	\$17,790.25
** 299546	08/31/22		3400	RAFFLE PARKING COMPANY,LLC	\$900.00
** 299549	08/31/22		8119	ROADRUNNER RECYCLING, INC	\$1,573.07
** 299552	08/31/22		8992	SHELBY ROTH	\$730.74
** 299556	08/31/22		8900	VERIZON WIRELESS	\$637.84
** 299558	08/31/22		9140	WEINGARTEN ART GROUP	\$2,830.34
** 299560	08/31/22		9045	WESTERN FIRST AID & SAFETY	\$191.28
** 4009042	08/08/22		1801	DIRECTV	\$103.23
** 4009044	08/08/22		8355	STERLING EXPRESS SERVICES, INC	\$124.00
** 4009047	08/08/22		9067	WASTE MANAGEMENT OF TEXAS, INC	\$161.52
** 4009053	08/08/22		9113	NCTP-CPAS PLLC	\$3,400.00
** 4009065	08/08/22		8552	TEXAS OUTHOUSE, INC.	\$883.50
** 4009071	08/08/22		6249	MOONSTAR CINEMA SERVICES	\$745.75
** 4009075	08/08/22		2761	FILM LAB CREATIVE	\$9,422.50
** 4009078	08/08/22		1733	CRITERION PICTURES	\$350.00
** 4009082	08/08/22		0490	ASSOCIATED LANDSCAPE SERVICES	\$20,797.35
** 4009086	08/08/22		1543	CITY OF HOUSTON	\$947.97
** 4009090	08/08/22		4441	IT EQUIPMENT FINANCING,LLC	\$304.73
** 4009094	08/08/22		5520	KRISTOPHER LARSON	\$679.25
** 4009098	08/08/22		5576	LAURA HAGEN	\$255.00
** 4009100	08/08/22		5634	LESLIE'S SWIMMING POOL SUPPLY	\$379.88
** 4009102	08/08/22		5540	LINCOLN COLWELL	\$1,680.00
** 4009104	08/08/22		5710	LVA 4 HOUSTON GREENSTREET LP	\$614.99
** 4009106	08/08/22		5961	MELISSA TAYLOR	\$1,200.00

HOUSTON DOWNTOWN MANAGEMENT DISTRICT

AP Check Register (Current by Bank)

Check Dates: 8/1/2022 to 8/31/2022

Check No.	Date	Vendor ID	Payee Name	Amount
BANK ID: A - OPERATING ACCT-JPMORGAN				
** 4009108	08/08/22	7319	PARK FIRST OF TEXAS, LLC	\$1,200.00
** 4009110	08/08/22	9948	ORKIN PEST CONTROL	\$120.00
** 4009112	08/08/22	7400	PFEIFFER & SON, LTD	\$381.50
** 4009114	08/08/22	8148	SABRINA NAULINGS	\$880.00
** 4009116	08/08/22	8609	TOUCH & AGREE PROPERTY	\$4,228.50
** 4009118	08/08/22	9089	WE 68 LLC	\$439.00
** 4009127	08/08/22	9140	WEINGARTEN ART GROUP	\$9,325.00
** 4009129	08/08/22	9081	WESTPARK COMMUNICATIONS, L.P	\$60.38
** 4009131	08/08/22	9083	WHOLESALE ELECTRIC SUPPLY	\$689.29
** 4009629	08/12/22	0009	THOMAS PRINTWORKS	\$182.81
** 4082948	08/08/22	0596	STRIKE MARKETING	\$2,544.00
4082949	08/01/22	999919	1509 CONGRESS LLC	\$440.83
4082950	08/01/22	999920	1602 FRANKLIN LLC	\$264.37
4082951	08/01/22	999923	1800 TEXAS LLC	\$572.86
4082952	08/01/22	999921	1819 CONGRESS LLC	\$278.33
4082953	08/01/22	999922	1820 CONGRESS	\$88.94
4082954	08/01/22	999918	209 JACKSON LLC	\$442.58
4082955	08/01/22	99988	5 HOUSTON CENTER OWNR LP	\$16,304.54
4082956	08/01/22	99961	ALH PROPERTIES NO TWENTY ONE L	\$3,004.12
4082957	08/01/22	99916	ALH PROPERTIES NO TWENTY TWO L	\$104.65
4082958	08/01/22	1200	CENTRAL HOUSTON, INC	\$30,000.00
4082959	08/01/22	999925	HBP BLOCK 114 LLC	\$881.25
4082960	08/01/22	5649	LINEBARGER GOGGAN BLAIR	\$1,351.56
4082961	08/01/22	999924	MARK J HAPPE	\$127.76
4082962	08/01/22	999926	MCDONALD & WESSENDORFF	\$50.00
4082963	08/01/22	4871	MILAM HOUSTON REAL ESTATE	\$8,876.28
4082964	08/12/22	3395	LEONARD LOCKETT, JR	\$200.00
4082965	08/12/22	9888	MAURICE DUHON JR.	\$300.00
4082966	08/12/22	2246	MELINDA ELLEN JOHNSON	\$1,375.00
4082967	08/18/22	1550	CITY OF HOUSTON	\$18,966.55
** 40082944	08/08/22	5211	KEITH GOULD	\$24.84
** 6234571	08/22/22	1540	CITY OF HOUSTON (WATER DEPT)	\$9,028.39
** 6234594	08/22/22	1665	COLOR SPECIALISTS LANDSCAPING	\$123,621.30
** 6234599	08/22/22	8562	TEXAS WASTE COMPANY	\$1,692.30
** 6234609	08/22/22	5703	MICHAEL LOESSIN	\$500.00
** 6234613	08/22/22	5211	KEITH GOULD	\$21.61
** 6234621	08/22/22	3573	HARRIS COUNTY TREASURER	\$8,854.00
** 6234625	08/22/22	2550	SCOTT FINKE	\$23.13
** 6234629	08/22/22	0490	ASSOCIATED LANDSCAPE SERVICES	\$3,210.00
** 6234637	08/22/22	5701	LONNIE HOOGEBOOM	\$1,270.80
** 6234640	08/22/22	1790	BRETT DEBORD	\$124.50
** 6234646	08/22/22	3550	HARDY & HARDY	\$3,550.00
** 6234652	08/22/22	8168	SEAL SECURITY SOLUTIONS, LLC	\$1,700.00
** 6234660	08/22/22	3948	THE HARRIS CENTER FOR	\$10,331.67
** 6234665	08/22/22	9045	WESTERN FIRST AID & SAFETY	\$187.46
** 6234953	08/22/22	9819	BRYAN K BENNETT	\$1,813.80
** 6235735	08/29/22	0490	ASSOCIATED LANDSCAPE SERVICES	\$319.30
6235736	08/30/22	8388	STATE COMPTRROLLER	\$83.60
** 6250825	08/22/22	3804	HOUSTON BUSINESS JOURNAL	\$880.00
** 6250834	08/22/22	8034	RC SOLUTIONS, INC.	\$780.00
** 7305699	08/22/22	3279	GRAINGER	\$157.50

HOUSTON DOWNTOWN MANAGEMENT DISTRICT

AP Check Register (Current by Bank)

Check Dates: 8/1/2022 to 8/31/2022

Check No.	Date	Vendor ID	Payee Name	Amount
-----------	------	-----------	------------	--------

BANK ID: A - OPERATING ACCT-JPMORGAN

** 8136889	08/23/22	8066	READYREFRESH	\$79.91
** 8136897	08/23/22	8355	STERLING EXPRESS SERVICES, INC	\$145.00
** 8136905	08/23/22	0490	ASSOCIATED LANDSCAPE SERVICES	\$5,250.00
** 8136909	08/23/22	1689	CB CAFES MAIN, LLC	\$71.00
** 8136911	08/23/22	2761	FILM LAB CREATIVE	\$9,422.50
** 8136914	08/23/22	6298	JORDAN SMITH	\$14.35
** 8136917	08/23/22	5211	KEITH GOULD	\$21.46
** 8136919	08/23/22	5634	LESLIE'S SWIMMING POOL SUPPLY	\$349.08
** 8136921	08/23/22	5710	LVA 4 HOUSTON GREENSTREET LP	\$19,996.30
** 8136923	08/23/22	7783	PUBLIC CONTENT, LLC	\$7,500.00
** 8136925	08/23/22	8168	SEAL SECURITY SOLUTIONS, LLC	\$67,737.60
** 8136927	08/23/22	8151	SEARCH HOMELESS SERVICES	\$9,906.43
** 8136929	08/23/22	8552	TEXAS OUTHOUSE, INC.	\$374.53
** 8136931	08/23/22	0843	THE BLACK SHEEP AGENCY	\$15,645.00
** 8136933	08/23/22	8609	TOUCH & AGREE PROPERTY	\$2,769.00
** 8136935	08/23/22	9089	WE 68 LLC	\$4,002.00

BANK A REGISTER TOTAL:	\$1,163,874.36
-------------------------------	-----------------------

BANK ID: B - CAPITAL ACCT-JPMORGAN

4009133	08/08/22	3298	GULF COAST PAVERS,INC.	\$2,250.00
---------	----------	------	------------------------	------------

BANK B REGISTER TOTAL:	\$2,250.00
-------------------------------	-------------------

GRAND TOTAL :	\$1,166,124.36
----------------------	-----------------------

* Check Status Types: "P" - Printed ; "M" - Manual ; "V" - Void (Void Date) ; "A" - Application ; "E" - EFT

** Denotes broken check sequence.

**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

September 8, 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.



STRATEGIC ALIGNMENT PLAN



BLOCK BLOCK





TABLE OF CONTENTS

I.	TABLE OF CONTENTS	3
II.	INTRODUCTION	4
III.	PLAN DEVELOPMENT PROCESS AND TIMELINE	6
IV.	EXTERNAL FACTORS AND TRENDS	7
V.	STRATEGIC PIVOTS	10
VI.	ORGANIZATIONAL FRAMEWORK	12
VII.	VISION AND MISSION STATEMENTS	13
VIII.	ORGANIZATIONAL PURPOSE STATEMENTS	15
IX.	ORGANIZATIONAL GOALS AND OBJECTIVES	
	GOAL 1	16
	GOAL 2	20
	GOAL 3	24
	GOAL 4	28
	GOAL 5	32
X.	ORGANIZATIONAL STRUCTURE AND STAFFING	36
	APPENDICES	
A.	COMPARABLE PLACE MANAGEMENT ORGANIZATIONS SURVEY	40
B.	BOARD AND STAFF LISTS	41



INTRODUCTION

Since its founding in 1983, Central Houston Inc. (CHI), a 501(c)6 organization, has led or assisted in countless efforts which have reimagined, reshaped, catalyzed, and improved Downtown Houston. CHI has historically convened business, real estate, non-profit, governmental agencies, and philanthropic leaders together to advance strategic planning, investments, and other community-building initiatives.

Included among those initiatives was the establishment and/or administration of several public agencies which generate sustainable revenue streams to fund on-going programs and projects in Downtown. While some of those entities were spun off and are now managed independently, CHI continues to serve as the operator of two robust financial engines dedicated to Downtown's vitality:

- The first, the Downtown Redevelopment Authority (DRA), comprised of a 9-member board of directors appointed by the taxing entities, manages Tax Increment Reinvestment Zone (TIRZ) #3. A TIRZ is a tool created by the City of Houston which captures incremental increases in property tax value generated over time within a defined geographic area. Since 2012, CHI has provided the staff and administration to the DRA via a contract with the City of Houston. TIRZ 3 is currently authorized through 2043.
- The second, the Houston Downtown Management District (HDMD), was formed by an act of the Texas Legislature in 1995 and has been in operation since 1996. The HDMD implements a special assessment on real estate within Downtown Houston and operates under the direction of a 30-member board of directors. CHI has provided the staff and administration to the HDMD since its inception. The HDMD was renewed most recently in 2020 for a term of five years.



Though the collective work of the entities can be traced back for decades, efforts to foster collaboration among the CHI, HDMD and DRA boards were historically minimal. In 2021, facing a transition in executive leadership, directors chosen from the three respective boards collaborated to form an executive search committee to replace the retiring founding CEO of CHI, Bob Eury. Through the search committee experience and motivated by the emergent short and unknown long-term effects of the Covid-19 pandemic, board leaders developed an interest in continued collaboration between the three entities and a revisiting of Downtown’s priorities and needs. Such interest gave rise to this Strategic Alignment Plan (SAP).

This SAP is designed to unite CHI, HDMD, and DRA Boards of Directors in pursuit of a shared vision for Downtown, provide a defined mission for the entities working collectively, and orchestrate staff efforts through five strategic goals which will, over time, shape the entities’ respective budgets and work plans. It is intended to work within the boundaries of, and not replace or conflict, with HDMD’s 2020 District Plan and the DRA’s Project Plan. Additionally, the SAP proposes metrics to assist in monitoring progress plus a refreshed organizational structure capable of delivering on the expectations set forth in this plan. Finally, the experience of crafting the SAP together was intended to instill a shared purpose for the three boards and their scores of board members, optimize the use of organizational resources toward the aligned vision, and foster a stronger sense of unity among the staff at CHI.





PLAN DEVELOPMENT PROCESS AND TIMELINE

The concept of this SAP began through the concurrence of the chairs of CHI, HDMD, and DRA Boards of Directors who recognized the rare opportunity presented through the change in executive leadership. After successfully completing the executive search, board officers sought to continue building opportunities, both procedural and structural, for the three boards to collaborate in furthering their work to advance Downtown Houston.

Building off this intent, CHI staff proposed a series of iterative, progressive engagement opportunities for the members of the three boards, plus the organization's staff, to be involved in developing this plan. The steps included planning workshops to kick off the process, online surveys to provide input and suggestions, multiple in-person review presentations to each board, plus two virtual sessions for board members to collaborate in reviewing and improving the plan content. While not exhaustive, the list on this page provides a summary of the engagement conducted over the six-month plan development period.

- **April 12** – CHI All-Member strategic priorities workshop
- **April 18-25** – Pre-workshop survey to Executive Committees of CHI, HDMD, and DRA Boards
- **April 29** – Half-day strategic planning workshop for Executive Committees of CHI, HDMD, and DRA Boards
- **May 9** – CHI Staff Leadership Team Review of First Draft Mission & Vision
- **May 10** – DRA Board Presentation & Review: First Draft Mission & Vision
- **May 12** – HDMD Board Presentation & Review: First Draft Mission & Vision
- **May 18** – CHI Board Presentation & Review: First Draft Mission & Vision
- **June 1** – Recap article on First Draft Mission & Vision circulated to all Board members in *What's Next* email newsletter from CEO
- **June 1-15** – Survey for Board members to submit written feedback on First Draft Mission & Vision
- **June 17** – First virtual session open to all Board members to review 2nd Draft of Mission & Vision
- **July 5** – All CHI staff presentation & review of 3rd draft of Mission & Vision plus strategic goals (becomes Strategic Alignment Plan Framework)
- **July 15** – Second virtual session open to all Board members to review 4th draft of Strategic Alignment Plan Framework
- **August 1** – Recap article on revised Strategic Alignment Plan mission, vision, and goals circulated to all Board members in *What's Next* email newsletter from CEO
- **August 1** – All CHI staff presentation and review of revised Strategic Alignment Plan Framework
- **August 9** – DRA Board Presentation & Review: Revised Strategic Alignment Plan Framework
- **August 10** – CHI Executive Committee Presentation: Revised Strategic Alignment Plan Framework
- **August 11** – HDMD Board Presentation & Review: Revised Strategic Alignment Plan Framework
- **September 8** – CHI Executive Committee consideration of Final Draft Strategic Alignment Plan
- **September 8** – HDMD Board consideration of Final Draft Strategic Alignment Plan
- **September 13** – DRA Board consideration of Final Draft Strategic Alignment Plan
- **September 15** – CHI Board consideration of Final Draft Strategic Alignment Plan

EXTERNAL FACTORS AND TRENDS

This SAP was developed within the context of certain macro-level factors and trends affecting Downtown Houston and cities across the globe. While not an exhaustive list, many of these topics are top-of-mind for community stakeholders. Although beyond the direct control of CHI and its affiliates, these issues impact perceptions of Downtown's vitality and thus demand the attention of the organizations as they reflect upon their roles, challenges, and opportunities faced.

RETURN-TO-OFFICE RATES

Halfway through the third quarter of 2022, Downtown's return-to-office rates have plateaued at 53% and even dipped a few percentage points during the summer. The broad adoption of hybrid in-office rhythms has produced a new normal, at least through the timing of the publication of this plan.

Getting a higher percentage of workers back to the office is critical to Downtown's future, as historically, workers have served as a primary driver of consumer spending. Their diminished presence directly impacts the health of the storefront and tunnel economies. The decreased pedestrian vibrancy on the street level also leads to negative perceptions of safety and overall community vitality.

This phenomenon is contrasted by increased utilization of other land uses in Downtown, most notably recreation and entertainment. Use of parks and attendance at sporting and performing arts events have all reached, or exceeded, pre-pandemic levels. Even hotel occupancy has rebounded more expeditiously than return-to-office rates, and residential occupancy has remained relatively stable

throughout the 2020-2022 pandemic timeline. This is an indication that people do value place, especially in how and where they choose to enjoy their personal time.

The broad challenge ahead means that the traditional understandings of the workplace must be expanded to convey something more than the physical space where work is conducted. Indeed, productive workplaces support the building and transfer of institutional knowledge, foster camaraderie and collaboration, and deliver the spontaneous collisions that have long served as a competitive advantage for Downtowns in attracting both tenants and talent. This means it is essential to reposition the workplace, and Downtown for that matter, as a broader, intentional ecosystem of professional development, opportunity, community and discovery. This repositioning of Downtown will require an evaluation of transportation, land use, activation strategies, and urban design priorities to establish the neighborhood as a place embraced and enjoyed by more employees beyond their workday obligations.

UNCERTAINTY ABOUT THE NORTH HOUSTON HIGHWAY IMPROVEMENT PROJECT

Since March 2021, TxDOT's North Houston Highway Improvement Project (NHHIP) has endured legal and political challenges that have stalled its progress. This is a significant setback. CHI and its affiliate organizations have spent nearly two decades engaging with stakeholders in the planning and design of parks and other connective urban spaces that are singular opportunities to reconnect central city neighborhoods surrounding Downtown. But this vision of a reconnected community is fully contingent on TxDOT implementing Segment 3 of the NHHIP.

While the community waits to learn the outcomes of legal challenges (such as the FHWA Title VI investigation and the lawsuit filed by Harris County), inflation, cost escalation, political discord and general uncertainty contribute to a sense of unease about the project's implementation timeline and viability. Moreover, the recent selection of Houston as a host city for the 2026 FIFA World Cup presents additional considerations which could also impact NHHIP's construction schedule and project costs.

This pause, both in project development and momentum, heightens uncertainty for the edges of Downtown where the project would have a transformational effect. The uncertainty carries into real estate adjoining the project's footprint which, understandably, awaits clarity of the NHHIP's future. Published in 2017, CHI's *Plan Downtown: Converging Culture, Lifestyle & Commerce*, advances a transformational vision of a Downtown ringed with a "green loop" of trails, parks, and open spaces made possible only through the implementation of the NHHIP, which places greater urgency for CHI and others on the disentanglement and resolution of the current legal, political and design challenges.

IMPACTED PERCEPTIONS OF PUBLIC SAFETY

Efforts to improve the perception and reality of public safety are foundational to Downtown organizations focused on revitalization. Indeed, CHI, DRA and HDMD have all historically funded and advanced such efforts and continue to do so today. Since the onset of the pandemic, perceptions of public safety have been negatively affected by the sluggish return to work rate, persistence of visible homelessness, a reluctance to enforce nuisance ordinances, slow processing of criminal cases, lowered bail thresholds, plus diminished law enforcement presence due to myriad factors. These conditions lead to a higher concentration of situations that affect perceptions of safety relative to pre-pandemic comparisons.

How Downtown's stakeholders perceive public safety defines the reality. Though unsupported by crime data, negative perceptions of public safety persist. In many cases, the justification and experiences of stakeholders are not reflective of illegal activity per se; rather, they are informed by a perception of disorder in the public realm. Contributing





to those perceptions are situations such as the presence of impoverished-appearing individuals panhandling which can prompt feelings of discomfort, close-calls with inexperienced and/or immature scooter riders, loud music and automotive-related sounds emitted from vehicles late at night, and/or the general feeling that either law enforcement levels are diminished and that public agencies do not prioritize responses to such situations.

To ensure that public safety is not used as rationale that creates a barrier between Downtown and its economic, social, and reputational wellbeing, it is critical that CHI and its affiliates maintain a high-level and pro-active role in studying and developing deterrence strategies to

mitigate current and emergent conditions that complicate the public's perception of safety in Downtown. This includes continuing to foster strong relationships with law enforcement entities, but also building cooperative partnerships with property owners/managers, security agencies, and peer organizations focused on the well-being of Downtown's public spaces. Moreover, academic research has shown that individuals are open to changing their opinions on public safety when credible information is provided by an authoritative source – this is an important role and opportunity for CHI and its affiliates: to fill the information gap.

LONG TERM CONFIDENCE

Amid the challenges, the real estate market has seen an impressive wave of investment. This investment level, an indication of confidence in Downtown's future, is showcased across multiple property types, including residential, office, hospitality, and retail.

A total of 1,317 residential units will be delivered in 2022 – the third time over the past decade where housing supply has increased by more than 1,000 units in a single year. Highlights of new residential products include HighStreet Residential's 43-story tower called *Parkside Residences* and Hines's 46-story, 373-unit multifamily residential tower, *Brava*, and Fairfield's 284-unit mid-rise in the southeast quadrant of Downtown. After surpassing the critical 10,000 resident population threshold in 2021, these additions help with Downtown emergence as a multi-dimensional, mixed-use neighborhood.

Meanwhile, Hines is also welcoming office tenants into its new 47-story *Texas Tower*, fifty years after the Houston-based company opened its first Downtown building. Hines will also relocate its global headquarters into the 1.1 million-square-foot skyscraper. Swedish subsidiary Skanska USA continues construction of *1550 on the Green* overlooking Discovery Green, which will be the company's greenest office project in Texas when completed. Brookfield Properties continues its commitment to Downtown through recent renovations

of Allen Center and, more recently during the pandemic, with extensive renovations of the iconic Houston Center. Brookfield will complete a 21st century make-over later this year of *The Highlight* – the rebranded, redesigned 196,000-square-foot food and beverage, entertainment, and lifestyle center.

POST Houston, the 555,000-square-foot adaptive re-use of the former Barbara Jordan US Post Office, has established itself as a catalytic mixed-use anchor on the north side of Downtown. Project components include a five-acre rooftop park, 5,000-seat state-of-the-art concert venue, *713 Music Hall*, and a Tokyo-style food hall boasting a critically acclaimed roster of 20+ international vendors.

There are other noteworthy signals of strong confidence in Downtown: In early 2023, Houston First Corporation will complete its comprehensive renovation of the former Jones Plaza to Lynn Wyatt Square for the Performing Arts, a new vision of urban greenspace at the center of Downtown's Theater District. This park is principally funded by DRA and matched in philanthropy by Lynn Wyatt. Additionally, in an emerging residential neighborhood in southern Downtown, the DRA's Trebly Park will open in the fall of 2022 and will be maintained and programmed by HDMD.



STRATEGIC PIVOTS

Based on external factors and the inputs provided by Board members, this plan suggests four key pivots for the organizations:

1. COLLABORATION AMONG BOARDS

This plan aims to shift the culture of the siloed organizations to one that enables intentional collaboration between the boards, both structurally and in spirit. The organizations will have a stronger, unified voice once they integrate and mobilize the many stakeholders who have a shared interest in the Downtown community. This plan also envisions that the organizations move toward a collective impact model whereby greater outcomes are achievable through the strategic alignment of each entity's respective resources.

2. FOCUS ON STREET LEVEL

While Downtown includes world class parks, glimmering skyscrapers, professional sports facilities and much more, activity at street level remains below a familiar and expected standard for great urban centers. This plan presents a tactical, "block by block" place-enhancement approach to improving the walking experience, starting initially with the paths of travel for visitors who do not already have routinized travel patterns and visit Houston with expectations of finding a vibrant urban neighborhood.



3. EXPANSION OF LOCAL ECONOMIC DEVELOPMENT

Throughout the board engagement process for this plan, one of the most resonant themes discussed was the desire and necessity for more retail, restaurants, attractions, office tenants, residents, and reasons to be Downtown. This plan recommends that the organizations create or reauthorize an expanded economic development toolbox and increase staff capacity to advance business recruitment and retention, plus promote advocacy efforts that advance Downtown's economic interests. It also conceives of a focus on storefront business recruitment to add more amenities to the public realm.

4. FROM MARKETING TO ENGAGEMENT

More than a semantic differentiation, this plan recommends a more inclusive approach to engaging with a wider array of stakeholders. Such intention will help deepen more of the community's relationships with Downtown, help attract a broader array of customers, create opportunities to connect more stakeholders to the organization, expand the organization's reach and reputation, and provide CHI staff with a richer appreciation for how its work impacts the community at large.

ORGANIZATIONAL FRAMEWORK

The graphic below illustrates the framework for this SAP. Overarching is the vision for Downtown Houston, followed by the shared mission statement which defines the collective role of the three organizations in achieving the vision. Supporting the mission are five goals, or specific outcomes that CHI, DRA, and HDMD are jointly working towards. Each goal has measurable objectives that determine goal attainment. Each objective is followed by specific tactics that guide implementation. Tactics will be determined annually as a part of the budget processes, though the SAP does provide example tactics for year 1 of the plan’s implementation. Finally, key metrics are included for each goal to track progress and ensure the organization is ultimately achieving its mission.

VISION

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

MISSION

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

GOALS

GOAL 1

Champion major projects, initiatives, and investment that will improve Downtown

GOAL 2

Enhance and maintain a comfortable, welcoming, and well-managed public realm

GOAL 3

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

GOAL 4

Foster a vital and thriving economy through business growth, residential expansion, and enhanced reasons to be in Downtown

GOAL 5

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

OBJECTIVES



TACTICS



KEY METRICS





OUR VISION FOR DOWNTOWN HOUSTON

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

An aerial photograph of downtown Houston, Texas, featuring a dense cluster of skyscrapers and modern buildings. In the foreground, the distinctive, curved roof of Minute Maid Park is visible. The image is overlaid with several large, semi-transparent geometric shapes in vibrant colors: a yellow triangle on the left, a blue diamond in the center, a red diamond at the bottom, and a white triangle on the bottom left. The text 'OUR SHARED MISSION' is prominently displayed in white, bold, sans-serif font on the right side of the image.

OUR SHARED MISSION

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

ORGANIZATIONAL PURPOSE STATEMENTS

CENTRAL HOUSTON, INC. (CHI)

CHI creates a community to advocate and advance the vision for Downtown. Its efforts are led by a prestigious board of business and community leaders and funded through a membership-based non-profit organization.

DOWNTOWN REDEVELOPMENT AUTHORITY / TIRZ3 (DRA)

DRA improves the economic wellbeing of Downtown through capital and operational investments in parks, infrastructure, safety, and other public realm improvements. Its initiatives are governed by a city-appointed or confirmed board and made possible through reinvesting incremental property taxes realized within its zone's boundaries.

HOUSTON DOWNTOWN MANAGEMENT DISTRICT (HDMD)

HDMD protects and beautifies the public realm, centralizes the marketing and programming for Downtown, plans and implements an array of enhancements, and drives economic development. Its services are guided by a board representing the district's diversity and funded through a fair and proportionate assessment on real property.



GOAL 1

Champion major projects, initiatives and investments that improve Downtown





WHY THIS MATTERS

Downtowns are never finished. They are evolving, dynamic, and comprised of growing and diversifying stakeholder constituencies. Decades of unprecedented growth and investment have delivered tens of thousands of new stakeholders to Downtown Houston. This plan recognizes the opportunity to build off the past successes of CHI and its affiliates, and to do so in a proactive way that affirms its reputation as the leadership organization for Downtown. Through a relentless commitment to fortifying extra-organizational partnerships, CHI can bolster its role as the essential convener of Downtown influence toward the shared vision presented in this plan.



GOAL 1

SHORT (S) = BEGIN YRS 1+2
MEDIUM (M) = YRS 2+3
LONG (L) = YRS 4+5

IMPLEMENTATION TIMELINE

STRATEGIES AND OBJECTIVES

		S	M	L
1.1	Build and maintain cross-sector 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	Plan collaboratively for Downtown’s evolving edges, connections, and major attractions.	★	→	→
1.4	Guide the implementation of Plan Downtown, the HDMD Service & Improvement Plan, and TIRZ Project Plan.	★	→	→
1.5	Collaborate with partners such as the City of Houston, Harris County, Greater Houston Partnership and Houston First to leverage opportunities for shared strategies to improve Downtown Houston.	★	→	→
1.6	Explore opportunities to integrate emergent technologies and resiliency by improving infrastructure to manage and mitigate the effects of climate change.		★	→
1.7	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.	★	→	→
1.8	Model organizational accountability by establishing a dashboard of metrics to measure outcomes associated with this plan specifically, and the health of Downtown generally.	★	→	→
1.9	Explore opportunities to assume management and administration of geographically relevant and mission-aligned tools.	★	→	→

KEY METRICS:

- Number of stakeholders involved as members or Board volunteers
- Legislative outreach and engagement
- Major project advancement
- Number of partners involved in project collaboration

KEY INDICATORS:

- Modal split
- Reciprocal engagement among partners
- Membership trends
- Board member attendance

RECOMMENDED LEAD AGENCIES



POTENTIAL 2023 TACTIC

●	●	●	Recruit 5 new entities to serve on CHI or HDMD boards
●	●	●	Explore creation of civic opportunities implementation oversight entity
●	●	●	Partner with Midtown to conduct study on the future of Pierce Elevated
●	●	●	Excel in hosting 2023 NCAA Men’s Final Four (from HDMD S&I Plan, Goal 2)
●	●	●	Partner with Houston First & City of Houston on unified holiday lighting program
	●	●	N/A
	●		Support efforts to improve frequencies of regional park-and-ride services
●			Create public facing dashboard on organizational website
●		●	Pursue opportunities to administer TIRZ 24 and maintain Harris County’s participation in TIRZ 3



GOAL 2

Enhance and maintain a comfortable, welcoming, and well-managed public realm





WHY THIS MATTERS

Cleanliness and safety are fundamental in shaping the perception of place, and foundational to a place management organization's success. Welcoming communities that deliver positive, memorable human experiences generate encouraging word of mouth and beneficial media coverage. For years, the HDMD has funded critical place management services which have propelled Downtown's cleanliness to be the envy of large American cities. This plan presents ideas to expand upon the current successes to make greater impact on real and perceived levels of crime, reduce visible homelessness, and support the continued greening and beautification of the public realm. Ensuring Downtown is clean, safe, and welcoming is essential to instilling community pride, preserving value, and encouraging new investment for sustained prosperity.



GOAL 2

SHORT (S) = BEGIN YRS 1+2
MEDIUM (M) = YRS 2+3
LONG (L) = YRS 4+5

IMPLEMENTATION TIMELINE

STRATEGIES AND OBJECTIVES

S M L

2.1	Maintain and advance the standard of care for Downtown’s cleanliness and well-kept appearance.	★ →
2.2	Cultivate nature across Downtown, including its urban forest, planters, and other greenspace elements.	★ →
2.3	Partner with local agencies to provide an exceptional network of parks and greenspaces in Downtown.	★ →
2.4	Quickly and pro-actively respond to blighting influences such as graffiti and building damage.	★ →
2.5	Maintain and enhance wayfinding systems throughout Downtown to help guide visitors and connect them to points of interest.	★ →
2.6	Deploy welcoming ambassador teams within the public realm to improve visitor experiences and augment public safety	★ →
2.7	Expand collaboration and explore novel approaches to maintain a low crime rate and make Downtown feel safe	★ →
2.8	Utilize data and analytic tools to understand the prevalence of criminal activity and shape programmatic responses.	★ →
2.9	Pro-actively address perceptions and reporting that affect the image and reputation of Downtown.	★ →
2.10	Broadly address the needs of people experiencing homelessness and the associated impacts.	★ →
2.11	Prepare for and respond to emergencies.	★ →

KEY METRICS:

- Stakeholder perception of cleanliness
- Stakeholder perception of safety
- Percentage of healthy trees / block faces with street trees or planters

KEY INDICATORS:

- Part I crime rates
- Exit surveys from visitors
- Utilization of Downtown parks and greenspaces
- Counts of persons experiencing homelessness

RECOMMENDED LEAD AGENCIES



POTENTIAL 2023 TACTIC

	●		Pursue repair and reconstitution of Cotswold fountains in conjunction with Houston First
	●	●	Identify opportunities to expand the urban tree canopy
	●	●	Develop programming plans for Trebly and Market Square Parks that provide recovery time for park elements
	●		Respond to all instances of graffiti within 24 hours of it being reported
	●		Update static and electronic kiosk wayfinding systems with appropriate changes, venue names, etc.
	●		Explore creation of "game day" ambassador uniforms to support a fun atmosphere
	●	●	Explore opportunities to engage with additional law enforcement services where most needed
	●	●	Revisit and revise tactical priorities for HPD on and off-duty programs
●	●		Develop language and summary charts for property managers, brokers, etc. to express safety
●	●	●	Implement a specific augmentation to current programs to improve hot spot conditions
	●		Review and revise Emergency Action Plan as needed to reflect current conditions and personnel



GOAL 3

Drive vibrancy through improved street-level connectivity, a commitment to walkability, and inclusive programming strategies





WHY THIS MATTERS

Despite well-maintained sidewalks linking innumerable nodes of activity, attractions, institutions, and other points of interest, an improved sense of connectedness is often cited as a desire from Downtown stakeholders. Due in part to a series of existing design challenges, including inactive ground floor conditions, monolithic garage walls and surface lots, generous rights-of-way, limited pedestrian-zone protection features such as awnings, plus a redundant network of subterranean tunnels and skywalks, Downtown experiences a low utilization rate of the public realm for a city of Houston's size and stature. Further, Downtown's legacy as an auto-oriented business district is evident in how parts of the city are designed to move people in and out of Downtown quickly during periods of peak demand. Collectively, these aspects of the public realm result in a diminished ability for the built environment to reinforce or reward walking and non-motorized travel.

The resultant lack of pedestrian vibrancy impacts the perception of the city, especially among younger generations who place a premium on walkable urbanism. It also leads to feelings of vulnerability and a negative perception of safety, provoking the decades-old association among older generations between cities and crime. Bettering these derivative perceptions is essential to improving Downtown's competitiveness for attracting commercial tenants, residents, and continued investment. There exist opportunities to retrofit and connect Downtown's activity nodes via a modal design hierarchy, placemaking, and an implementation strategy that focuses activity along strategic corridors and block faces. As Downtown continues to evolve as a multi-dimensional neighborhood, enhancements to the public realm such as an improved pedestrian environment will benefit all users by expanding their desire to be in, and feel comfortable exploring, Downtown.



GOAL 3

SHORT (S) = BEGIN YRS 1+2
MEDIUM (M) = YRS 2+3
LONG (L) = YRS 4+5

IMPLEMENTATION TIMELINE

STRATEGIES AND OBJECTIVES

		S	M	L
3.1	Plan, design, and construct public infrastructure that supports safety and equity.	★	→	→
3.2	Leverage Downtown’s adjacency to the Buffalo Bayou as an integral part of the Downtown experience.		★	→
3.3	Partner with Houston First in advancing strategies that connect visitors to Downtown places and experiences.	★	→	→
3.4	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.	★	→	→
3.5	Partner with public and private property owners to beautify targeted corridors or block faces to improve connectivity.	★	→	→
3.6	Facilitate the development of pop-up uses, temporary installations, and other storefront or site activation strategies to help enliven the public realm.	★	→	→
3.7	Utilize public art and other place enhancement strategies to improve walkability where built conditions limit storefront activations.	★	→	→
3.8	Prioritize investments in pedestrian lighting on key walking corridors and near residential buildings.	★	→	→
3.9	Support efforts to enable a more festive game day atmosphere better integrated into the built environment.	★	→	→
3.10	Explore opportunities to reimagine the tunnel system which prioritizes utilization of sidewalks but preserves the tunnels as a secondary option during bad weather.		★	→
3.11	Plan and implement an events and programming strategy that appeals to diverse audiences and drives vibrancy in strategic areas.	★	→	→
3.12	Leverage partnerships to produce smaller scale, high impact activations and events that appeal to a diverse set of Downtown stakeholders and visitors.	★	→	→
3.13	Develop programs and use strategies to connect area employers and residents with Downtown parks.	★	→	→

KEY METRICS:

- Percentage of active vs. inactive block faces
- Percentage of block faces with adequate pedestrian lighting
- Attendance and demographic composition of event attendees

KEY INDICATORS:

- Condition of infrastructure
- Pedestrian counts on key corridors
- Park utilization
- Accessibility audits of the public realm

RECOMMENDED LEAD AGENCIES



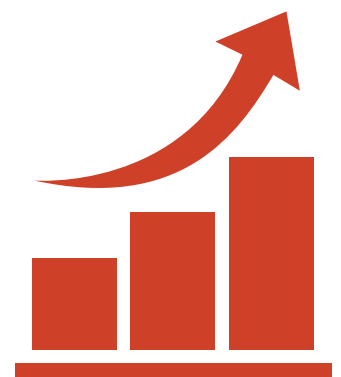
POTENTIAL 2023 TACTIC

	●	●	Advance improved pedestrian crossing Congress St. bridge across Franklin to connect POST HTX with Theater District
	●	●	N/A
	●	●	Collaborate with Houston First to develop a new banner campaign that reinforces place branding
	●	●	Complete existing conditions survey and analysis and submit recommended corridors for prioritization
	●	●	Develop financial incentive program to support modification and activation of ground floor to support and reinforce connectivity aspirations.
	●	●	Identify and implement 3 storefront activations along key corridors
	●		Explore second major murals program to complement 2022's program
	●	●	Complete public realm lighting study and implementation plan
●			Convene task force of local sports organizations to develop implementation approach
●			N/A
	●		Develop and implement a 2023 strategy that includes at least 20 events designed to attract new audiences into Downtown
	●		Support the implementation of a regular Farmer's Market in Downtown
	●		Expand wi-fi in Downtown to ensure that parks have excellent public access



GOAL 4

Foster a vital and thriving economy through business growth, residential expansion, and enhanced reasons to be in Downtown

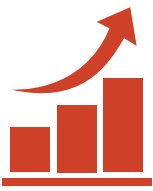




WHY THIS MATTERS

Pressures associated with economic competition among peer cities, pandemic recovery, constrained municipal resources, and the lack of a clear leader for Downtown-focused business attraction compel CHI and its affiliates to expand the breadth of its economic development focus. Pandemic-related closures within the storefront economy and lower office space occupancy were vocalized as critical concerns by board members engaged in this strategic alignment process, making it clear that leadership desired CHI to play a broader role in advancing the economic interests of Downtown.

As place management organizations elsewhere have done, CHI can support property owners in recruiting businesses to fill storefronts and position the business mix to better serve local needs. Attracting more neighborhood-serving businesses signals that Downtown is more than just a business district or tourist destination; it is a vibrant neighborhood. Further, the organization should expand upon its tracking and collection of market and demographic data and pivot into data-backed, compelling economic opportunity marketing initiatives to support tenant recruitment and retention efforts. These efforts can help build CHI's reputation and efficacy within the community and position it to serve as the convener to define and advance big-picture economic development strategies for Downtown Houston.



GOAL 4

SHORT (S) = BEGIN YRS 1+2

MEDIUM (M) = YRS 2+3

LONG (L) = YRS 4+5

IMPLEMENTATION TIMELINE

STRATEGIES AND OBJECTIVES

S M L

4.1	Promote Downtown as the region’s primary business, entertainment and cultural center.	★ →
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.	★ →
4.3	Develop a brand positioning for Downtown that embodies its strengths and competitive differentiation.	★ →
4.4	Collaborate with key partners to develop an economic development vision and strategy for Downtown.	★ →
4.5	Work with local government build partnerships to reform regulatory processes to expedite timetables and decrease barriers to entry.	★ →
4.6	Facilitate the delivery of more residential development, building toward a residential population of 15,000 by 2027.	★ →
4.7	Support efforts to build a Downtown community that is home to a diverse population.	★ →
4.8	Develop tools and supporting materials to attract, retain and grow office tenants among key industries that diversify the composition of Downtown employers.	★ →
4.9	Research and develop return-to-office strategies to accelerate the return of employees to Downtown.	★ →
4.10	Continue investing in innovation and technology start-ups to support the diversification of the Downtown employment base.	★ →
4.11	Foster a thriving storefront economy, prioritizing recruitment efforts, where possible, to fill available properties that have favorable co-tenancy on key corridors.	★ →
4.12	Develop focused marketing materials and incentive programs intended to support storefront recruitment efforts.	★ →
4.13	Assist Downtown businesses owners and managers in navigating municipal regulatory processes.	★ →
4.14	Encourage, support and promote new attractions that expand what Downtown offers.	★ →
4.15	Be the go-to organization for Downtown market research and intelligence.	★ →
4.16	Enhance and expand data capabilities and reporting to provide more detailed intelligence to stakeholders and prospects.	★ →

KEY METRICS:

- Number of tenant prospects toured through Downtown
- Number of applicants to CHI-managed business development programs
- Number of research / data requests fulfilled from stakeholders & media

KEY INDICATORS:

- Storefront occupancy
- Return-to-office rates
- Office space occupancy
- Number of residential units and affordability percentage

RECOMMENDED LEAD
AGENCIES**POTENTIAL 2023 TACTIC**

●	●	●	Develop and execute a marketing campaign promoting Downtown's assets
●			N/A
●	●	●	Develop a regional campaign for promoting Downtown as the premiere location for business
●			N/A
●	●	●	Solicit assistance from the Mayor's office to determine potential for expedited permitting processes
	●	●	Conduct feasibility analysis of establishing a "Downtown Living Initiative 2.0"
●		●	Explore the creation of an affordable housing fund
●			Partner with GHP to explore the creation of an incentive tool used to improve office building occupancy and diversity of industrial composition
	●		Design and implement an activation strategy intended to complement the Downtown working experience
		●	Revisit relationships with implementation partners at Downtown LaunchPad to optimize outputs of programs and benefits for Downtown
	●	●	Hire a storefront business recruiter, prepare recruitment strategy on key corridors identified in 3.4
	●	●	Explore creation of façade grant or other tenant build-out assistance programs
●			N/A
●			N/A
●	●	●	Pro-actively distribute market intelligence and insight to relevant publications, investors, media, and partners
	●		Develop a quarterly market report that aggregates the highlights of market conditions in Downtown



GOAL 5

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





WHY THIS MATTERS

While the history of CHI includes strong partnerships between the public, private, and non-profit sectors, the focus of this strategic plan offers a more intentionally human-scaled, tactical, and inclusive focus. Accomplishing the diverse goals and objectives of this plan will necessitate partnerships and engagement at every level, from the institutional investor to the individual.

Intentional collaboration and adding more ways to be informed, participate, and serve will be required to achieve this broad level of engagement. Through the hundreds of opportunities to shape the decisions that need to be made each year, CHI can enable a platform for nurturing the engagement of a broader cross section of stakeholders who desire to have a voice in shaping the direction of their community. Opportunities exist to expand engagement on practical, political, and aspirational levels to help identify priorities, shape program designs, and leverage resources to address issues and opportunities. CHI can seize this opportunity to engage a broader stakeholder base, and in doing so, mobilize a stronger, collective voice to advocate for the interests of Downtown.



GOAL 5

SHORT (S) = BEGIN YRS 1+2
MEDIUM (M) = YRS 2+3
LONG (L) = YRS 4+5

IMPLEMENTATION TIMELINE

STRATEGIES AND OBJECTIVES

		S	M	L
5.1	Develop a representative engagement structure that provides stakeholders the opportunity to inform decision making and advise on the direction of Downtown.	★	→	
5.2	Expand CHI-produced events and engagement opportunities to offer broader opportunities for stakeholders to engage with and participate in the Downtown community.	★	→	
5.3	Evolve and optimize the CHI Membership model to expand audience and increase stakeholder engagement.	★	→	
5.4	Explore the potential for simplifying stakeholders' awareness of CHI and its affiliates by unifying their brand identities.	★	→	
5.5	Consolidate websites to be more user-friendly, Downtown-focused, and valued as the most critical information clearinghouse about Downtown.	★	→	
5.6	Improve and expand external communications to increase awareness of CHI, its actions, and general Downtown happenings.	★	→	
5.7	Develop programs and collateral to orient new companies, employees, and residents to Downtown.	★	→	
5.8	Advance efforts to spotlight the initiatives, moments, and entities advancing Downtown as an inclusive community.	★	→	
5.9	Provide a resource to support communications and engagement with residential and collaborative associations within Downtown and its near neighborhoods.	★	→	

KEY METRICS:

- Number of CHI members, member satisfaction
- Attendance of Board members at Board and committee meetings
- Social media following and engagement
- Number of times CHI is quoted in media as subject matter expert

KEY INDICATORS:

- Percentage of stakeholders aware of CHI & its affiliates

RECOMMENDED LEAD AGENCIES



POTENTIAL 2023 TACTIC

●	●	●	Launch the collaborative board committee model as described in this plan
●	●	●	Reposition CHI Annual meeting as collaborative “State of Downtown” Event
●			Implement Board-approved model / changes in 2023
●	●	●	Draft and release RFP for revised brand identity, select consultant and manage design
●	●	●	Draft and release RFP for consolidated web presense, select consultant and manage design
●	●	●	Refresh newsletters, social media and public relations efforts to include focus on the work of CHI and its affiliates to deepen stakeholder’s awareness of the organizations’ efforts.
	●		Develop welcome packet, social media features and outreach program to provide personal touch in welcoming new businesses into Downtown and developing new relationships.
	●		Create new social media content through the lens of inclusion, focusing on the contributions of stakeholders from a variety of backgrounds and their contributions to Downtown’s progress.
●	●		Identify resident leaders interested in serving on CHI’s new collaborative committees. Further engage them in exploring conceiving a resident focused association.

ORGANIZATIONAL STRUCTURE AND STAFFING

To achieve the goals and objectives of the plan, three strategies to optimize the CHI model are recommended:

1. Establish collaborative board committees to provide insight and guidance over plan implementation,
2. Expand the role of the organization's 501(c)3 entity, Central Houston Civic Improvements, to solicit and receive funds, and
3. Provide additional staff capacity to deliver on the new and enhanced service areas.

COLLABORATIVE BOARD COMMITTEES

Committees provide a forum for meaningful engagement and a deeper dive on issues than can be accomplished at monthly board meetings. Each of the current boards have committee structures that can be realigned to better match the strategic plan work program. Rather than having board committees siloed and exclusive to individual organizations, this restructuring would enable intentional collaboration among members from the different boards in pursuit of shared objectives. It will also provide the board-committee liaisons the benefit of hearing perspectives from other stakeholders to help color eventual recommendations to their respective boards.

Committees are also a great place to engage with CHI members and other stakeholders who have relevant expertise and help nurture the next generation of leadership. Based on their expertise and/or area of interest, board members can elect to be on one or more of the following committees.

Additional considerations:

- These cross-over program committees create a "middle ground" where staff, representatives from the three boards, members and stakeholders work together on the design of programs and monitoring results,
- Provide meaningful engagement opportunities for both board and non-board members, and
- Offer a platform for identifying and training new board leadership for the organization.
- Because of the inter-organizational nature and big picture breadth of Goal 1, its implementation will be governed through the existing boards or other ad hoc committees organized when needed.
- Existing CHI, DRA, and HDMD executive and fiduciary committees, such as audit, 401k investment, DBE, nominating, and personnel, remain in place.

ENHANCE DOWNTOWN COMMITTEE (GOAL 2)

(Formerly Public Safety and Maintenance Operations Committees)

This committee will offer feedback, guidance, and recommendations to staff and the boards to enhance and strengthen the organizations' investments in maintaining, securing, and beautifying Downtown consistent with the objectives in Goal 2.

CONNECT DOWNTOWN COMMITTEE (GOAL 3)

(Formerly Transportation, Planning, Design, and Capital Projects Committees)

This committee will provide feedback, guidance and recommendations to staff and the boards related to

strategically designing, improving, and activating the public realm consistent with the objectives in Goal 3.

THRIVE DOWNTOWN COMMITTEE (GOAL 4)

(Formerly Economic Development, Office, and Retail Committees)

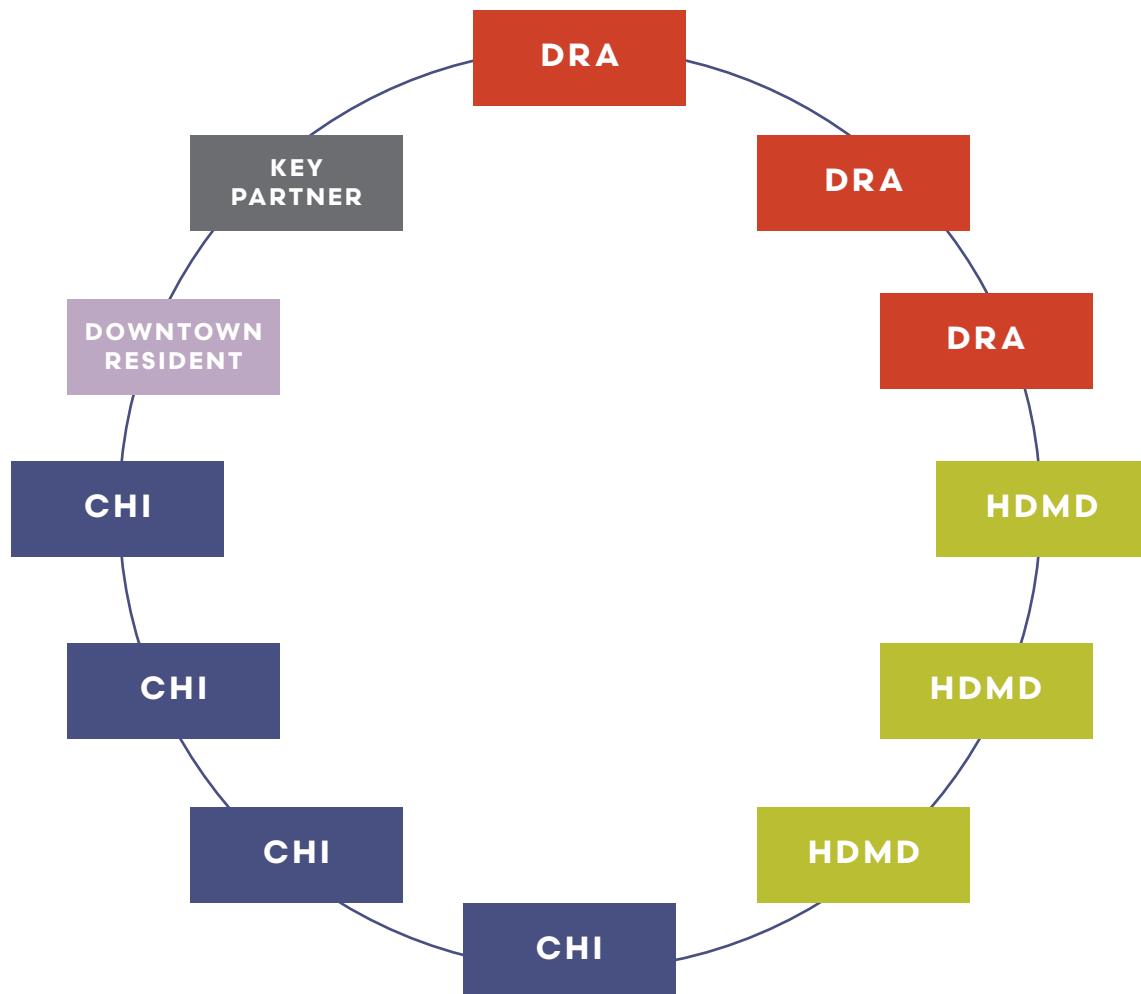
This committee will provide feedback, guidance and recommendations to staff and the boards related to research, economic development, and business attraction and retention programs consistent with the objectives in Goal 4.

STAKEHOLDER ENGAGEMENT COMMITTEE (GOAL 5)

(Formerly Marketing and Communications Committee)

This committee will assist staff and the board in developing communications and engagement programs, projects, and strategies intended to reach, inform, and benefit area stakeholders consistent with the objectives in Goal 5.

EXAMPLE COMPOSITION OF A COLLABORATIVE BOARD COMMITTEE



EXPANDED ROLE FOR CHI'S 501(c)3 AFFILIATE

CHI, through its revenue-generating tools of membership and public financing via HDMD and DRA, enjoys a relatively diverse bundle of revenue types to fund operations of the organization. Increasingly, place management organizations have diversified their funding sources to support and accelerate the delivery of a wide variety of programs. A non-profit 501(c)(3) affiliate is commonly used to collect revenue from grants, sponsorships, or other contributions, and used to fund things like public space enhancements, planning studies, and capital improvement projects.

Long established and governed by a board affiliated with CHI, Central Houston Civic Improvement (CHCI), a non-profit 501(c)(3), is recommended to be formally staffed as an operating affiliate under the umbrella of CHI. This will enable CHI to diversify funding beyond assessments, tax increment, and membership to support tactics that advance the

priorities of this plan such as capital improvements, planning efforts, initiatives that support clean and safe and reduce homelessness, and other special projects that might arise in the future.

Given that CHCI is already established, though not directly staffed, ramping up its potential would require dedicated staff capacity and focus. Sufficient overhead and administrative support already exist within the CHI organizational structure. Given the potential for resolution for the North Houston Highway Improvement Project, plus the likely need and ability to raise philanthropic funds to support implementation of the civic opportunities envisioned in the project, this presents a clear and present opportunity to leverage revenues that are not bound by the jurisdictional limitations of the existing tools.

BOARD ROLES AND RESPONSIBILITIES

This planning context provides an opportunity to reinforce board and staff roles moving forward. Model guidelines common in place management and non-profit management include the following delineation:

BOARDS OF DIRECTORS:

- Primary focus is to provide policy leadership for the organization, including developing annual goals and objectives.
- Ensure that program activities are meeting the overall mission of the organization.
- Supervise and evaluate the President & CEO, including a formal performance evaluation conducted each year.
- Serve a fiduciary role to ensure programs and budgets are consistent with the intent of each organization's formal governing documents.
- Help the organization advocate and raise funds for policies and programs that will benefit greater Downtown.

STAFF:

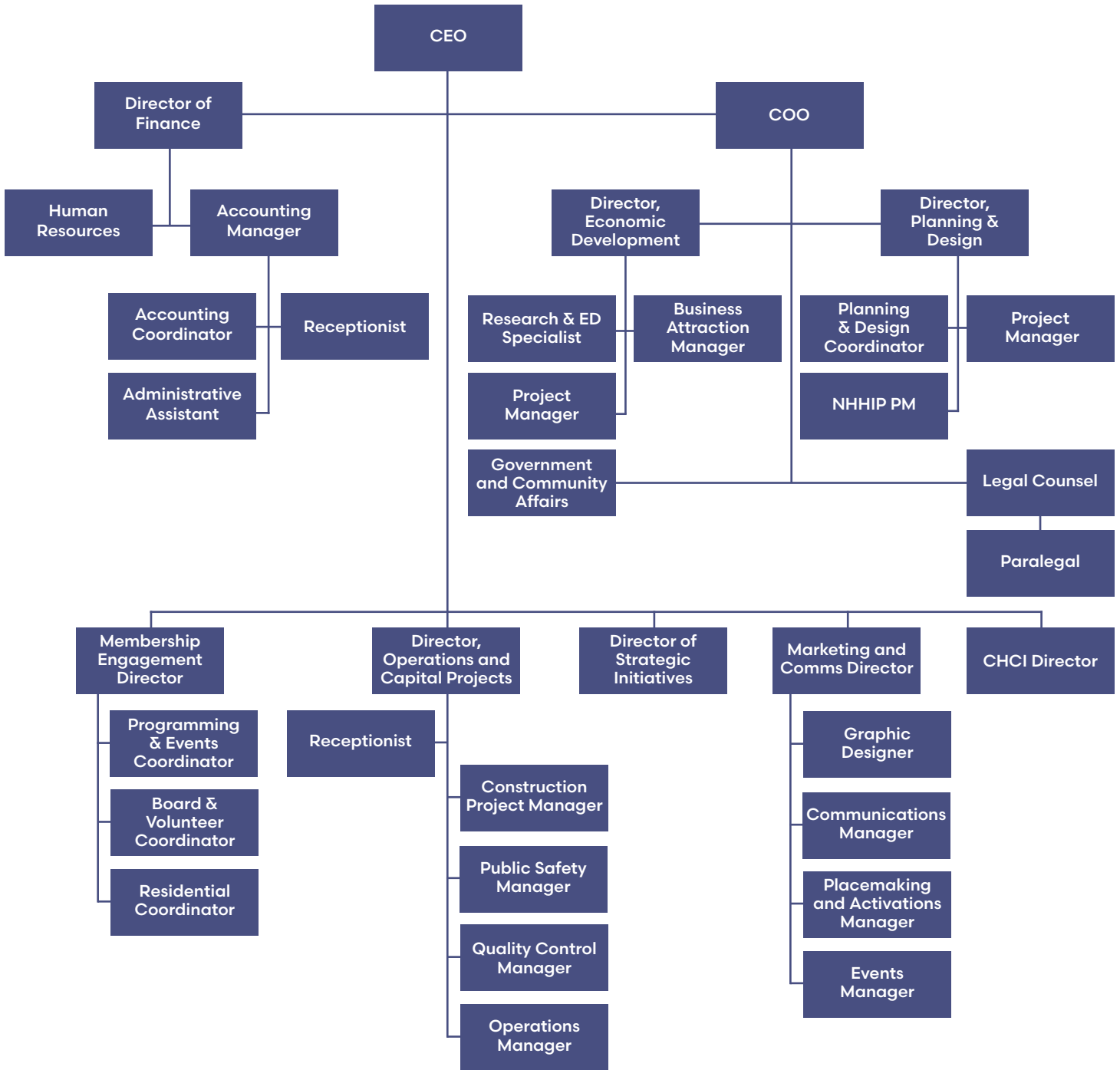
- Charged with the design, development and day-to-day execution of programs and initiatives.
- The President & CEO recruits, supervises, and evaluates all staff positions.
- The President & CEO develops organizational budgets, including all staff compensation.
- The President & CEO is the primary spokesperson for the organization, supported by appropriate staff and board officers as needed.

STAFFING ORGANIZATIONAL CHART

CHI currently supports 28 full-time equivalent positions, whereas the recommended staffing chart contains 36. As seen in the comparison summary in Appendix A, CHI is lean on staff relative to comparable place management organizations in other large cities. While the organization has managed with the existing team, the ability to meet the elevated expectations articulated in this plan will require additional staff capacity.

Formal decisions regarding the addition of staff will be made on an annual basis in conjunction with the respective organizations' budget processes. The graphic on the following page depicts a new staffing structure for the organization, which can be realized over time.

PROPOSED ORGANIZATIONAL CHART



APPENDIX A: COMPARABLE PLACE MANAGEMENT ORGANIZATIONS SURVEY

	Times Square Alliance	Downtown Seattle Association	Downtown Denver Partnership	Downtown Austin Alliance	Central Houston Inc. (w/ affiliates)
Square Blocks	25	285	120	192	325
Annual Visitors	50 M	N/A	17.4 M	N/A	
Annual Operating Budget	\$23.1M	\$22 M	\$14 M	\$10.3 M	\$46.3 M
Annual Assessment Revenue	\$14.4 M	\$16 M	\$6.4 M	\$8.4 M	\$15.1 M
Assessment per sq. block	\$576,000	\$56,140	\$53,383	\$43,750	\$46,453
Non-assessment revenue (% of budget)	38%	27%	54%	18%	68%
Sources of non-assessment revenue	Grants & sponsorship, New Years, Program Services, Interest on investments	Grants & sponsorship, private donations, membership fee & parks permits, gov't contracts & fee for service	Contracted services, sidewalk café lease, special events, mall vending, banner program, membership dues	Local gov't contributions, membership dues, contract services, management fees	Tax increment, membership, contract services
FTE: Office	35	45	39	25	28
FTE: Field	100	135	83	44	86
Operating \$ per FTE (office)	\$660,000	\$488,889	\$358,974	\$412,000	\$1,653,571
FOCUS AREAS:					
Advocacy	X	X			X
Cleaning	X	X	X	X	X
Econ Dev			X		X
Events					X
Planning		X		X	X
Holiday			X		X
Marketing	X		X		X
Member Services					X
Outreach, Homelessness		X		X	X
Park Management		X			X
Beautification			X	X	X
Safety, Hospitality	X	X	X	X	X
Transportation		X			X
Board Composition	52% prop owners, 30% businesses, 6% residents, 4% gov't 4% community boards	Business and non-profit leaders	Multiple boards: BID Board is 100% property owners	61% property owners, 25% non-owners, 14% public agencies	Multiple Boards, composition described herein.
Affiliated Orgs	N/A	501(c)3 used on limited basis	2 501(c)3 orgs, 501(c)6 for membership	501(c)3 for culture, education, and recreation	501(c)3 used on limited basis

APPENDIX B: BOARD AND STAFF ROSTERS

CHI BOARD

OFFICERS

Chair, Niloufar Molavi
Global Leader Oil & Gas, PwC

Vice Chair, Dilip Choudhuri
President & CEO, Walter P Moore.

President and CEO, Kristopher Larson
Central Houston, Inc.

Treasurer, Alex Jessett
Chief Financial Officer, Camden Property Trust

Secretary, David Ruiz
SVP, Community Relations Manager, Bank of America

Assistant Secretary, Jamie Perkins
Assistant Secretary, Central Houston, Inc.

EX-OFFICIO

Leslie G. Ashby
Attorney at Law, Ashby, LLP

Chris Canetti
President, Houston World Cup Bid Committee

Shawn Cloonan
General Counsel, McCord Development

Curtis V. Flowers
Executive Director, JP Morgan Chase Bank, N.A.

James Nelson
Executive Director, Houston Ballet

Julie Suddeth
Board Chair, Discovery Green Conservancy, Inc.

CHAIRMEN EMERITUS

Linnet Deily
Retired - Board Member, Chevron Corporation

Doug Foshee
CEO, Sallyport Investments, LLC

Scott Prochazka
Retired - CEO, CenterPoint Energy

Anne Taylor

BOARD OF DIRECTORS

Esi Akinosho
Managing Partner, Ernst & Young LLP

Dr. Loren Blanchard
President, University of Houston-Downtown

Mary Boroughs
President, Chevron Environmental Management & Real Estate Company

Stephanie Burritt
Managing Director, Principal, Gensler

Dougal A. Cameron
President, Cameron Management

Ric Campo
Chairman & CEO, Camden Property Trust

James Casey
Senior Managing Director, Trammell Crow Company

Amy Chronis
US Oil, Gas & Chemicals Leader, Deloitte

Matthew Damborsky
Executive Vice President, Skanska USA Commercial Development

Danny David
Department Chair, Litigation (Firmwide), Baker Botts

Thomas DeBesse
Regional President, Wells Fargo

Laura G. Edrington
Managing Partner-Houston Office & Corporate Trust Chair, Locke Lord LLP

K. Gregory Erwin
Shareholder, Winstead PC

Mark C. Evans
Co-Chairman, Firm, Bracewell LLP

C. Richard Everett
Chairman & CEO, C. Richard Everett Interests

Tilman J. Fertitta
Chairman, President & CEO, Landry's, Inc.

Bradley R. Freels
Chairman, Midway Companies

Martyn E. Goossen
Vice Chairman-Private Bank, JP Morgan Chase Bank, N.A.

Fred B. Griffin
Co-Chairman, Griffin Partners, Inc.

Hillary J. Hart
Executive Director, Theatre Under The Stars

Michael Heckman
President & CEO, Houston First Corporation

Jeffery D. Hildebrand
Executive Chairman & Founder, Hilcorp Energy Company

Steven J. Kean
Chief Executive Officer, Kinder Morgan

Julie Luecht
Office Managing Principal, KPMG

John Mooz
Senior Managing President, Hines

Steve Newton
Managing Director/Area Manager, Russell Reynolds Associates

Hong Ogle
Houston Market President, Bank of America

Travis Overall
Executive Vice President, Brookfield Property Partners

Tom Paterson
Chief Operating Officer, Lionstone Investments

Kathy Payton
President & CEO, Fifth Ward Community Redevelopment Corporation

Daron Peschel
Senior Vice President, Federal Reserve Bank, Houston Branch

Theola Petteway
Executive Director, OST/Alameda Corridors Redevelopment Authority and TIRZ #7

David Stevenson
President, Amegy Bank

John Walker
President of Business Operations, Houston Dynamo

Jason Wells
EVP & CFO, Centerpoint Energy

HDMD BOARD

OFFICERS

Chair, Leslie G. Ashby

Attorney at Law, Ashby, LLP

Vice Chair, Ted Zwiag

Vice President, Operations, Brookfield Property Partners

President and CEO, Kristopher Larson

Houston Downtown Management District

Treasurer & Investment Officer, Robbi Jones

President, Kipling Jones & Co.

Secretary, Marian Harper

Vice President, Community Relations, Houston Astros LLC

Asst. Secretary & Records Mgmt Officer, Jamie Perkins

Assistant Secretary & Records Management Officer, Houston Downtown Management District

BOARD OF DIRECTORS

Genora K. Boykins

Asst. Regional General Counsel - Retired, NRG Energy

Clay Crawford

Partner, Sears Crawford L.L.P.

Jacques D’Rovencourt

General Manager, Hilton Americas-Houston

Benjamin Llana

Vice President - Development, Skanska USA

Marcus Davis

Owner, Kulture

Terry Demchak

Resident, Hermann Lofts

Irma G. Galvan

Owner, Irma’s Original

Crystal Allen

Managing Director, Transwestern Retail

Gilbert A. Herrera

President, Herrera Partners

Chung-Chih (CC) Huang

Senior Advisor, The Abercrombie Company

Angus S. Hughes

Senior Director, Cushman & Wakefield

Antoinette M. (Toni), Jackson

Partner, The Banks Law Firm

Roland Kennedy

Regional Manager, US East & Latin America, Chevron Corporation

Nicholas J. Massad III

Senior Vice President of Development, American Liberty Hospitality, Inc.

Sherea A. McKenzie

Director of Strategic Development and Initiatives, Precinct 1, Harris County, Texas

Kenny Meyer

President, MC Management and Development

John Mooz

Senior Managing President, Hines

Cat Nguyen

Vanguard Sales Representative, Republic National Distributing

Randy Pryor

Vice President, Distribution Operations, CenterPoint Energy

Edna Ramos

Downtown Property Owner

Scott Repass

Owner, Little Dipper

Grace Rodriguez

CEO/Executive Director, Impact Hub Houston

Richard R. Torres

President, CHRISTUS Foundation for Health Care

Valerie M. Williams

Immediate Past Chair, Houston Downtown Management District

DRA BOARD

OFFICERS

**Chair, Treasurer & Investment Officer,
Curtis Flowers**
Executive Director, JPMorgan Chase

Vice Chair, Michele Sabino
Consultant, Third Sector Services

Secretary, Barry Mandel
President, Discovery Green

BOARD OF DIRECTORS

Regina Garcia
Owner, Events Gifts

Keith Hamm
Professor, Political Science, Rice University

James B. Harrison
Principal Harrison, Kornberg Architects

Sherman Lewis III
Owner, The Lewis Group

Tiko Reynolds-Hausman
*Deputy Chief of Staff, Administrative
Services, Harris County Precinct 2*

William J. Taylor III
Commissioner, Harris County Precinct 1



CHI & HDMD STAFF

Yeneby Angeles

Administrative Assistant

Kathleen Chisley

Accounting Manager

Jordan Cutler

Marketing & Events Coordinator

Brett DeBord

Director of Operations & Capital Projects

Scott Finke

Operations Manager

Jacque Gonzalez

Planning & Design Coordinator

Jana Gunter

Director of Finance

Ellen Johnson

Programming & Events Manager

Martha Korn

Receptionist

Dusty McCartney

Construction Project Manager

Robert Pieroni

Economic Development Director

Kim Scates

Membership Relations Manager

Christal Ayala

Receptionist

Varun Cidambi

Research & Economic Development Specialist

Algenita Davis

Government & Community Affairs Officer

Allen Douglas

ED-DRA and General Counsel

Diana Garfias

Accounting Coordinator

Keith Gould

Quality Control Manager

Lonnie Hoogeboom

Director, Planning & Urban Design

James Kennedy

Public Safety Manager

Kristopher Larson, AICP

President & CEO

Jamie Perkins

Executive Assistant & Paralegal

Shelby Pipken

Director of Marketing & Communications





 CentralHouston

 downtown
district

 Downtown
Redevelopment
Authority

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 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 President/CEO to execute agreements and related expenditures for the maintenance of Allen Parkway.
SERVICE PLAN	2021-2025
Account Code	834.202
Budget & Year	\$750,000 (\$150,000 annually) 2022 - 2027
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 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	<p>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.</p> <p>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.</p> <p>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.</p>
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**

September 8, 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 for the name change and additional expenses)*

Trash Program / Garbage Truck:

District Operations Staff attended a meeting with the City's Deputy Director of Solid Waste Department and the Fleet Maintenance Director to discuss viable options for the City to continue providing the District with a reliable garbage truck and back-up vehicle for the Trash program. A copy of the District's Maintenance Agreement with City that outlines District and City responsibilities was provided to the Fleet Director who now has a better understanding of the services we provide downtown. The City took an inventory of their current trucks and provided us with a different truck which seems to be operating better. The trucks available are extremely old so the Fleet Manager is looking at available options including demo and new vehicles.

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

The Sycamore trees along Preston St. were trimmed up and away from buildings. Testing for better performing ground cover has begun on 3 tree wells in the 1500-1700 blocks of Main Street. Due to excessive heat and consistent dog waste, the current Iris plants have had a tough time thriving in that environment. The 3 different ground covers that are being tested are Asian Jasmine, Sandy Leaf Fig Ivy, and Wedelia.

MEMORANDUM**September 8, 2022**

Page 2 of 3

Block By Block:

Block By Block scored a 4.27 for the month of August, which is a slight increase from July's score of 4.23. The Skyline District consistently scores the highest while the Historic and County District areas typically score the lowest; therefore, we are adjusting our deployments to provide more resources to the lower scoring areas. Graffiti removals increased significantly from 1,071 the previous month to 1,433 this month. A large number of stickers are being placed on parking meters and bus stops while other traditional types of graffiti such as markers and spray paint are found more in the Warehouse District and on private property.

Homeless Encampments:

Multiple clean ups with HPD at the Beacon has produced better results with fewer individuals bedding down along the Caroline side; however, the Prairie side still harbors several people with their personal belongings. The Bagby Underpass has become a difficult area to clean and maintain. HPD can enforce the sit & lie ordinance on the sidewalks, but that ordinance does not apply to the median as the City Prosecutor has informed HPD there is no violation to write a ticket, therefore more individuals are now sleeping within the median. The recent increase in thunderstorms over the past month has resulted in an influx of people bedding down earlier at 500 Fannin. Once the storms passed, HPD cleared the area and Block By Block was able to power wash.

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

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

Trebly Park Project:

The Trebly Park project has made great progress inside the restaurant. Consultants have issued their preliminary punch list and the official substantial completion inspection is expected to be held in the near future. While the last food service items are being delivered late due to logistical issues, the contractor continues to push his sub-contractors to complete other aspects of the project including interior finishes, landscaping, and hardscapes. With focus shifting to the main lawn area, added power outlets are being reviewed to accommodate future holiday décor happening within the park. The selected artist "Kill Joy" will install her work on the interior café art wall the week of September 26th – October 7th.

MEMORANDUM**September 8, 2022**

Page 3 of 3

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

Downtown Public Safety Guides:

There was a slight dip in the number of ambassador interactions in August with 10,169 as compared to 12,343 in July. However, the number of overall interactions went up to 27,303 compared to 24,663 the previous month. Although the overall homeless count numbers throughout the hotspot areas are down within the specified time frame, we continue to see folks nomadically move from spot to spot. Most of our interactions involve people asking for directions to a specific roadway or individuals loitering in an area.

Off Duty HPD:

The Off Duty Officer engagements remained flat this month with 278 ambassador interactions compared to 290 in July. The number of civilities complied also stayed flat with 157 in August and 159 the previous month. Overall, the majority of the civility related issues were sitting/laying on the sidewalk. The biggest issues we experienced over the past month have been individuals congregating in certain areas.

Positive Interactions

139,047

Total

Homeless Count

412

Average

Sidewalk Cleaning

4.27

Average

Garbage Disposed (Tons)

1086

Total

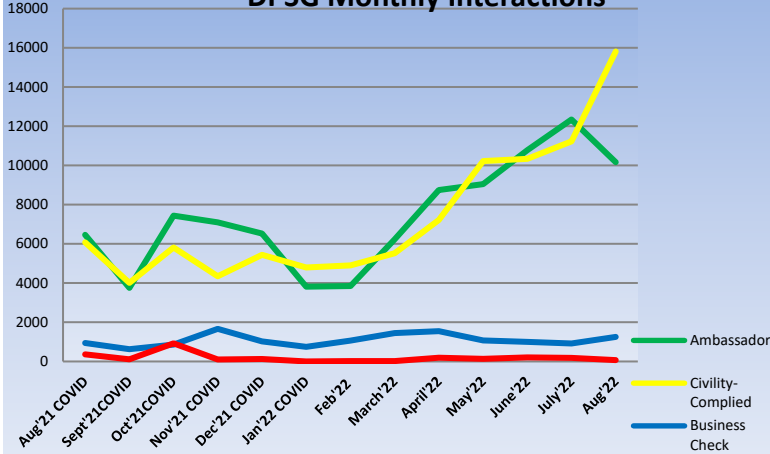
Reliability Report

75%

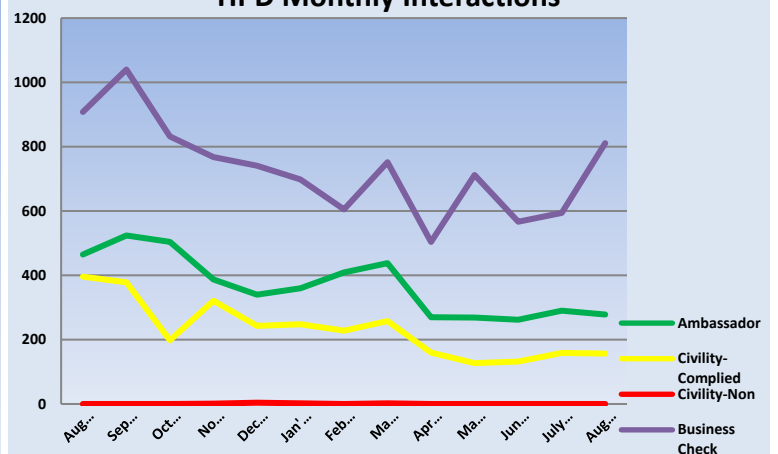
Average

Safety & Quality Control

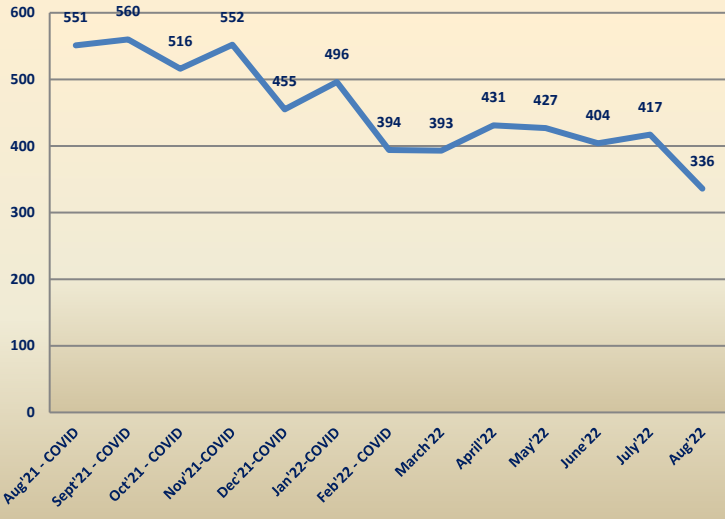
DPSG Monthly Interactions



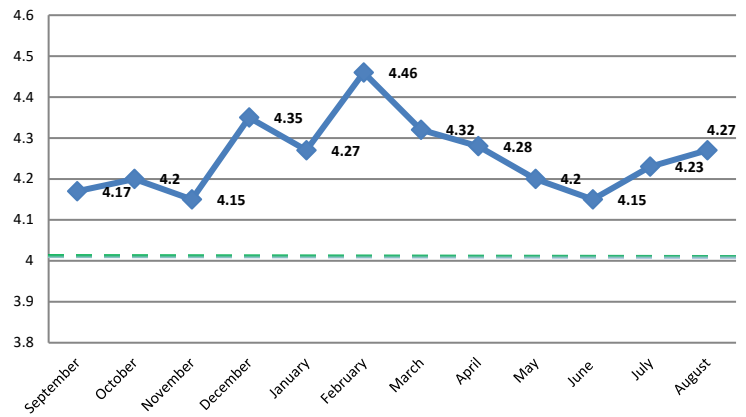
HPD Monthly Interactions



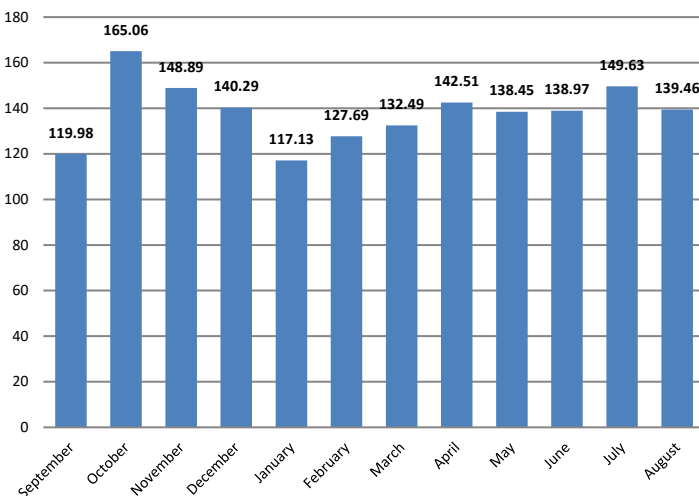
Homeless Count



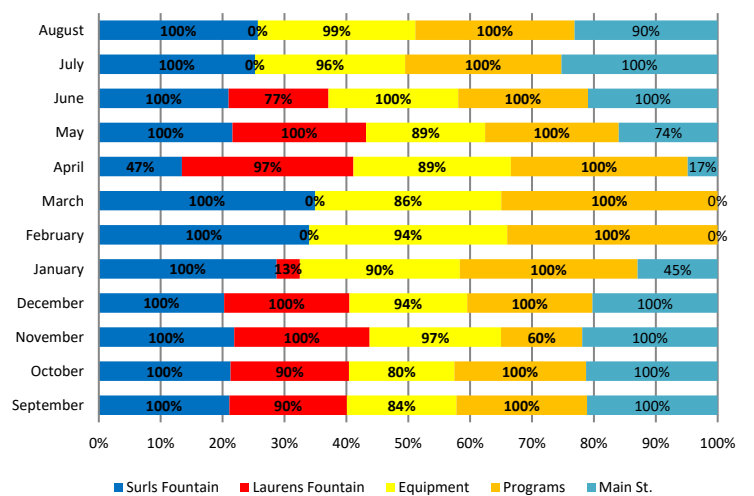
Sidewalk Cleaning



Garbage Disposed (Tons)



Reliability





MEMORANDUM

September 8, 2022

TO: Board of Directors

FROM: Robert C. Pieroni

RE: Economic Development Program Update

Update on the Office Market: Downtown is a tenant's market, with annual net absorption figures totaling a negative 654K (12 month net absorption). Downtown has a 24.8% vacancy rate, which is among the highest in region. Much of the local office-using workforce in Downtown is still largely working remotely. The return-to-office rate finally exited its 5-month plateau with a 3.1% growth increasing to 54.3%. Despite the positive increase, decisions surrounding real estate needs have been put on hold for the time being. That has been evidenced by leasing activity, which, even though it has improved, remains below pre-pandemic norms. Downtown has seen over 1.6M square feet of year-to-date leasing activity in 144 deals. Demand remains strongest for new properties. Global law firm Baker & McKenzie will be moving into Skanska's 2019-built Bank of America Tower in 2023. In 2024, Houston-based Cheniere Energy will relocate from Pennzoil Place to 150K SF in the new 2021-built Texas Tower. And global law firm Norton Rose Fulbright will anchor and have naming rights in Skanska's new 1550 On the Green office building in its Discovery West mixed-use development, which is scheduled to deliver during Q4 2023 near Discovery Green. In addition to the office tower, Skanska's three-block master plan includes apartments, restaurants, retail, and greenspace. Looking forward, efforts to improve neighborhood amenities such as these could help spur demand for office.

Policy & Program Development: With the flight to quality in Downtown Houston's office market, coupled with the reduction in demand for office space due to the shift to hybrid and remote work, older but non-historic office buildings constructed in the 1970s, 1980s and 1990s are expected to experience tenancy challenges resulting in widespread structural vacancy and obsolescence. As with the redevelopment of historic structures, there are extensive and unique costs involved in office-to-residential, office-to-institutional and other modes of adaptive use conversions. Critically, conversion costs occur on top of the base cost/investment in the pre-conversion structure and building owners will pay carrying costs during any adaptive reuse construction. The economic challenges of conversion will most likely require an incentive program to encourage adaptive reuse in much the same way that historic structures receive tax credits for renovation, or through a program similar to the Downtown Living Initiative that incentivized the construction of mid- and high-rise residential structures in the Downtown Houston market. Noting the challenges, we regard adaptive reuse as a formidable opportunity for advancing Downtown Houston's residential capacity and for creatively reimagining former office space Downtown.

MEMORANDUM**September 8, 2022**

Page 2 of 2

To begin shaping an adaptive reuse incentive program, the Downtown Redevelopment Authority (DRA) seeks to identify a consulting firm to conduct third-party feasibility studies on selected buildings located within the Downtown Houston boundaries of the DRA. The first phase of a process is meant to lay the groundwork for an Office Conversion Program, designed to incentivize the rehabilitation and repurposing of underutilized office space in downtown buildings within the boundaries of the DRA.

Residential: Downtown Houston's multifamily market solidified its status as a true live/work/play environment in recent years, and residents pay a notable premium \$2.41-SF/MO to live Downtown. While the Houston metro as a whole is neither remarkably affordable nor expensive when it comes to the cost of apartment living, there are exceptions. None more so perhaps than in the Downtown Houston Submarket, which commands \$2,351/MO on average, eclipsing the metro's \$1,290/MO average price point. Month-to-month occupancy remains strong at 83.4%, and 12-month absorption continues to impress, as Downtown has seen 487 units rented over the past 12 months.

Hospitality: Downtown draws both locals and out-of-town visitors alike with its vibrant entertainment and hospitality district. The Downtown hospitality market is comprised of 8,400+ hotel rooms spread across 28 properties, including large convention hotels, luxurious five-star accommodations and beautiful historic options. In the month of August hotel occupancy reached 54.8%, which is 85.1% recovered from a 5-year August pre-pandemic average (2015 - 2019) the highest since the start of the pandemic. Other key performance indicators are continuing to remain stable: Average Daily Rate (ADR) \$178.47; Revenue Per Available Room (RevPAR) \$97.77; and Monthly Revenue \$25,613,424.

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

**MEMORANDUM**

September 8, 2022

TO: Board of Directors**FROM:** Lonnie Hoogeboom**RE:** Planning & Design and Capital Projects Update

North Houston Highway Improvement Project (NHHIP): The NHHIP remains on “pause” by order of the Federal Highway Administration (FHWA) as it investigates Title VI civil rights and environmental compliance regulations. Voluntary reconciliation between TxDOT and FHWA is in progress with resolution anticipated in the coming months. On this matter, staff participated in an online interview with FHWA on March 14, 2022; and as requested by FHWA, staff provided supplementary information on April 7, 2022.

On August 30, 2022, staff attended the Texas Transportation Commission (TTC) annual hearing in consideration of the Unified Transportation Program (UTP), which forecasts the 10-year funding allocation for development of Texas highways and roads designed, constructed, and maintained by TxDOT. In total, 82 individuals provided public comment for state-wide transportation projects. Attending staff each provided comments to the TTC offering support of the NHHIP and requesting continuance of full funding in the UTP. Greater Houston Partnership representatives also provided support of the NHHIP. Opposition, led by #StopTxDOTi45 and Rethink I-35, also offered comment. Based on the TxDOT survey completed August 8, 2022 and specific to the NHHIP, 382 individuals responded with 299 in support (78%), 66 in opposition (22%), 15 indicating an alternative concept and 2 neither in support nor opposition.

To watch the TTC Hearing, the full video (4-hours:13-minutes) is available here:

<https://txdot.new.swagit.com/videos/179686>

The UTP presentation begins at 58:51. One-minute comments by CHI+DRA+HDMD staff begin at 1:58:52 (Davis), 2:01:30 (Douglas), 2:04:00 (Hoogeboom), 2:05:07 (Larson). The Commissioner’s motion to authorize the UTP begins at 3:10:46, with unanimous passage at 3:11:05.

With the TTC authorization of the state-wide, 10-year UTP, a working budget of \$116.9 billion was approved. This estimated value is comprised of \$85.1 billion for current projects plus an additional \$31.8 billion contingency-inflation factor as recommended by TxDOT staff. \$12.5 billion is currently allocated to the Houston District, a portion of which is the NHHIP.

MEMORANDUM

September 8, 2022

Page 2 of 4

Lastly, favorable progress towards resolution of the County's suit against TxDOT has advanced over the past few weeks, 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). TxDOT conducted an internal Design Concept Conference (DCC) and provided comments to District staff, for which responses have been issued. 90% construction documents have been submitted by Huitt-Zollars and are under review by staff to confirm final requirements per the DCC. TxDOT has the project letting scheduled for May 2023.

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 met with Steve Costello, the City's Chief Recovery Officer on August 11, 2022, and received a generally favorable update as to the project's status. While there are budgetary constraints relative to the FEMA grant, the City maintains the project is still on schedule for delivery in 2027.

North San Jacinto – Design Concept Review (DCR): Having received the City's initial approval to advance this project and now with the North Canal and NHHIP both resolving towards more definitive status, staff will resume the effort to prepare and issue a Request for Qualifications for the proposed North San Jacinto streetscape and bikeway improvements – from Commerce Street to the NHHIP frontages – plus the two block stretch of Wood Street – from Main to North San Jacinto.

Congress Street Bridge: Staff is resolving an adjusted potential 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 signalized intersections at Smith and Franklin, plus a signalized intersection at Franklin and Bagby. Once the scoping diagram and estimates are completed, staff will review the project in line-item detail with Lovett Commercial to obtain its commitment to shared funding. 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.

MEMORANDUM

September 8, 2022

Page 3 of 4

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 punch-list item corrections.
- **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 October. In addition to supporting the construction team, 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 September 29, 2022, 12:00-1:30 PM, to be confirmed.



MEMORANDUM
September 8, 2022

TO: Board of Directors
FROM: Shelby Pipken, Director of Marketing and Communications
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 August had a **total circulation of 6.2M** valuing at **\$73,858**. Story highlights include a *Houston Business Journal* article about commercial real estate in Downtown, as well as blurbs for our Market Square Park movie series.

We've focused our PR efforts this month and have created a 30-60-90 day action plan with Public Content. For September, our big efforts will be Street Art for Mankind (SAM), the return to office initiatives, and Trebly Park.

Street Art for Mankind (SAM)

Campaign Goals

Public Content will work with Downtown District to will develop a PR & Marketing strategy designed for maximum impact, ensuring a groundswell of interest, intrigue and brand awareness for SAM in our ongoing mission to create vibrancy, attract local and feeder market traffic and shape/reshape perception while engaging downtown stakeholders, office workers and residents vis-à-vis the transformation of commercial office buildings into large-scale canvases for fine art with underlying messages designed to instill hope and inspiration. Within that context, we will:

MEMORANDUM

September 8, 2022

Page 2 of 4

- Fine tune press events and community celebrations in conjunction with Oct. 15 unveiling
- Develop a media roll-out strategy that includes:
 - Build Digital Press Kit
 - Announcement/Overview release
 - Key Bios
 - Fact Sheet(s)
 - Photos and video
 - Invitations to press conference and unveiling event
 - Build targeted media lists
 - Business outlets
 - Visual arts editors
 - Travel writers
 - Broadcast outlets (TV, Radio, Podcasts)
 - Hyper local portals
 - Downtown newsletters
 - Engage Texas Monthly/Houston Chronicle freelance arts writer Molly Glentzer and pitch detailed overview release under embargo for exclusive feature
 - Distribute announcement release to local and regional outlets
 - Add unveiling details and community event(s) to all event calendars
 - Send out Save-the-Date to media and stakeholders on Thursday, September 15
- Plan October Press Event (October XX)
 - Develop Overarching Vision
 - Who, What When, Where, etc.
 - PC Project Manager Amanda Calderon to secure vendors
 - F&B, Entertainment, Photographer and Videographer
 - A/V, staging, tent and chairs, as needed
 - Determine Audiences and Develop Invitation Lists (TBD)
 - Build lists after details on press, unveiling and community events have been finalized, including the following, as needed:
 - Media + influencers
 - Downtown stakeholders
 - City officials
 - Downtown residents
 - Business and civic leaders
 - Developers and landlords
 - Hotel/Apartment/Office concierges
 - Houston community at large

Return to Office Programming

Following a successful Lobbies & Libations event in August, we've developed an extensive programming plan for this Fall. Our target segment is office workers and we're starting with a new event each day of the week. The first full week will be September 19.

MEMORANDUM**September 8, 2022**

Page 3 of 4

Monday's: (TBD) We're exploring two different ideas for Monday's – a book swap meet up or a tunnel walk/workout during lunch.

Food Truck Tuesday's: Join us at Hermann Square for a food truck rally with some of the city's best street eats vendors. Listen to live music, play outdoor lawn games, and enjoy the cooler weather with us each Tuesday from 11am-1pm.

Lobbies & Libations: We're taking the show on the road to a different lobby every other Wednesday! Join us for live music, cocktails & mocktails, networking and more, from 4:30-6:30pm. Our next event, sponsored by Hines, will take place at Texas Tower on September 21.

Wellness Thursday's: Sign up for a free 15-minute chair massage, sip on some fresh juice and center your mind as we look toward the weekend!

Coffee Conversations: Join us every Friday, from 8:30-10am, at Understory for Coffee Conversations—an event that's part networking, part speaker series! We'll have a new topic and speaker each week, providing a short discussion on a variety of topics—from East River to new art in our city. We'll also be doing a book swap, so bring your favorite used book to trade with a new friend!

Holidays in Downtown

This year we're partnering with Houston First for "Downtown City Lights", a holiday campaign and experience focused solely on Downtown Houston and the holidays in our neighborhood. For the first time, we're joining forces to create a big impact this holiday season.

We have an initial plan but are still working on confirming details. As part of this partnership, Houston First will be doing the advertising/commercials for the season, while we will focus on programmatic elements throughout Downtown. Expect more info in next month's board packet.

We'll focus on six key areas:

Avenida's Sugar, Sights & Holiday Lights

- Weekly concert series from 11/19-12/30 (potentially Friday nights)
- Alley Theatre's Deck The Trees installation
- Texas Winter Lights at the Marriott Marquis
- Minions in chocolate at the Hilton

Historic Market Square/Market Square Park's Christmases Past, Present & Future

- Rotating concert series (potentially Saturday nights, to work with Avenida)
- Different themed markets each weekend
- Partnering with bars for themed specials
- Potential movie night location

Main Street/Main Street Square's Eat, Drink & Be Merry

- Food vendor pop-ups (roasted nuts, kettle corn, etc.)
- Partnering with restaurants and bars for themed specials

MEMORANDUM**September 8, 2022**

Page 4 of 4

- Photos with Santa in front of "NOEL" each weekend
- Temporary stage for concerts and performers
- Potential movie night location

Fish Plaza's See a Show & Let it Snow

- A Christmas Story reenactment outdoors
- Snow globe décor
- Live snow

Bagby's Winter Wonderland

- Pop up food vendors
- Carolers & concert choirs each weekend

Trebley Park's Sugar Plum Paradise

- Mrs. Claus & free cookies/macaroons
- Hot chocolate on the lawn
- Write & mail letters to Santa
- Potential movie night location
- Sugar/candy themed holiday décor