



Board of Directors Meeting
April 13, 2023

**Houston Downtown Management District
Board of Directors Meeting
April 13, 2023**

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

March 9, 2023

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 March 9, 2023, at 12:00 p.m., in-person inside the Lyondell Basell Tower, Exchange Conference Center, Conference Rooms B & C, located at 1221 McKinney Street, Houston, TX 77010, and the roll was called of the duly appointed members of the Board, to-wit:

BOARD MEMBERS

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

and all of the above were present, with the exception of Directors Crystal Allen, Marcus Davis, Terry Demchak, Marian Harper, C.C. Huang, Angus Hughes, Toni Jackson, Robbi Jones, Cat Nguyen, Randy Pryor, Valerie Williams, and Ted Zwiieg.

Also in attendance were Kris Larson, President/CEO; Allen Douglas, COO & General Counsel; Jana Gunter, Director of Finance; and staff members Jenna Beasley, Jordan Cutler, Brett DeBord, Scott Finke, Jacque Gonzalez, Keith Gould, David Gwin, Lonnie Hoogeboom, James Kennedy, Dusty McCartney, Jamie Perkins, and Ann Taylor; all with the District; Varun Cidambi and Albert Sanchez with Central Houston, Inc.; Algenita Davis, Consultant to the District; and outside counsel Mary Buzak of Bracewell.

Guests attending from the Coalition for the Homeless included Mike Nichols, President & CEO; Ana Rausch, Vice President of Program Operations; Sara Martinez, Vice President of Communications & Development; and Catherine Villarreal, Director of Communications.

WELCOME

Chair Ashby presided over the meeting and welcomed all directors, consultants, and other meeting attendees. Jamie Perkins served as Assistant Secretary.

Anticipating the arrival of additional Directors, a quorum was not established at this point in the meeting; therefore, all business items were shifted to be discussed and acted upon later in the meeting.

For those in attendance, the presentation portion of the meeting began at approximately 12:18 PM.

PUBLIC COMMENT

Chair Ashby asked if anyone from the public had comments. There were no comments from the public.

PROJECT SPOTLIGHT: HOUSTON'S PROGRESS ON ENDING HOMELESSNESS

President Larson introduced guests from the Coalition for the Homeless and spoke of the District's relationship with the Coalition working toward the common goal of sustainable, long-term housing for the homeless. Ms. Martinez and Ms. Rausch shared a presentation highlighting the Coalition's efforts and strategies used in working with local and governmental agencies to streamline services and remove barriers to housing homeless individuals. Questions were asked and answered, and discussion ensued. No further action was required.

QUORUM ESTABLISHED

The additional Directors arrived, and a quorum was established. Chair Ashby indicated the business portion of the meeting was now beginning.

REPORT FROM THE NOMINATING COMMITTEE

President Larson shared the Nominating Committee report. He presented the Committee's recommendation to appoint newly elected Directors to vacant Positions and renew currently seated Directors in Positions 24-30 to serve for a four-year term. He noted newly appointed Directors for Positions 26 and 30 included Kinder Baumgartner of SWA Design and Lacey Jacobs of Midway, respectively.

Nominee recommendations for unexpired Positions 2, 6, 14, and 21 included Frem Reggie of Hines, John Schafer of Hyatt Regency, Sean Liu of Brookfield, and Kelly Foreman of Amegy Bank, respectively.

With the recent retirement of the District's long-standing Vice Chair and Treasurer, Ted Zwieg, Robbi Jones was nominated to serve as interim Vice Chair and Treasurer until a successor is duly elected and qualified.

Finally, President Larson noted upon Board approval of the aforementioned nominations, the slate of nominees will go to the City of Houston Boards and Commissions for vetting and approval.

Chair Ashby called for questions or discussion. Hearing none a motion was called, moved, and seconded, and the Board approved the Nominating Committee recommendations as presented.

PROGRAM AUTHORIZATIONS

Marketing & Communications

President Larson presented a request for Board consideration for the Street Art for Mankind Project. He provided a brief history, explaining the project is moving into Phase 2, which includes the creation of eight additional murals. This authorization allows the President/CEO to enter into an agreement and related expenditures not to exceed an amount of \$270,000.

Chair Ashby called for questions and discussion. Hearing none, a motion was called, moved by Director Herrera, and seconded by Director Ramos, and the Street Art for Mankind request was approved as presented.

Planning, Design & Capital Projects

Chair Ashby invited Lonnie Hoogboom to introduce a request which authorizes the President/CEO to enter into an agreement with Design Workshop and its related expenditures for the More Space: Main Street 2.0 project in an amount not to exceed \$870,000.

After calling for questions and hearing none, Chair Ashby made a motion, moved by Director McKenzie and seconded by Director Herrera, and the Board approved the authorization as presented.

Economic Development

Varun Cidambi, Research and Economic Development Specialist, introduced the next item for consideration. He explained the purpose of procuring pedestrian counting technology and how the information will be used, with a dollar amount not to exceed \$45,000. There were no questions and discussion did not occur.

Director Ashby called for a motion, moved by Director Ramos and seconded by Director Kennedy, and the request was approved as presented.

Marketing & Communications

Moving back to Marketing & Communication items, Chair Ashby invited Ann Taylor, Director of Engagement, to present the next several items for Board consideration.

Ms. Taylor started with a request authorizing the President/CEO to enter into an agreement and its related expenditures for the Downtown Resident Program in an amount not to exceed \$30,000. With no questions or discussion, Chair Ashby called for a motion, moved by Director Boykins and seconded by Director Kennedy, and the item was approved as presented.

Next, she introduced a request that would authorize the President/CEO to enter into agreements and the related expenditures for social media presence and maintenance in an amount not to exceed \$25,000. Hearing no questions or discussion, Chair Ashby called for a motion, moved by Director Kennedy and seconded by Director Crawford, and the social media presence and maintenance request was approved as presented.

Ms. Taylor continued with a third authorization permitting the President/CEO to enter into agreements and the related expenditures for Trebly Park Marketing matters in an amount not to exceed \$20,000. Hearing no questions or discussion, Chair Ashby called for a motion, moved by Director Ramos and seconded by Director Massad, and the Trebly Park Marketing request was approved as presented.

The next item Ms. Taylor presented was a request that would allow the President/CEO to enter into agreements and related expenditures for Marketing and Promotional items for the District in an amount not to exceed \$20,000. Chair Ashby called for a motion, moved by Director Ramos and seconded by Director McKenzie, and the item was approved as presented.

Finally, the last item Ms. Taylor brought forth allowed the President/CEO to enter into agreements and related expenditures to hire a consultant for company-wide website consolidation in an amount not to exceed \$75,000. Hearing no questions or discussion, Chair Ashby called for a motion, moved by Director Crawford and seconded by Director Massad and the website consolidation request was approved as presented.

APPROVAL OF MINUTES

The Board considered approving the minutes of the February 9, 2023 regular meeting of the Board of Directors. Hearing no comments or corrections, Chair Ashby called for a motion, moved by Director Ramos and seconded by Director Kennedy, and the February 9, 2023 minutes were approved as presented.

ITEMS PERTAINING TO FINANCE AND ADMINISTRATIVE MATTERS

Approval of Financial Statements and Ratification of Expenditures

Chair Ashby invited Jana Gunter to present the interim financial statements and check registers for the period of February 28, 2023. Ms. Gunter shared highlights from the February statements and check registers. No questions or discussion occurred.

Upon a motion made, moved, and seconded the Board accepted the February financial statements and check registers as presented.

DIRECTORS' QUESTIONS ON OTHER INITIATIVES

There were no questions or other matters brought forth by the Board.

OTHER BUSINESS

Chair Ashby noted the next Board meeting is scheduled for April 13, 2023 and will be held in person. There being no further business to come before the Board, the meeting was adjourned at 1:31 PM.

Jamie Perkins, Assistant Secretary
Houston Downtown Management District

YTD March 2023 Balance Sheet

Assets

Operating Cash Balance is \$2.0M

TexPool Investment Funds \$22.8M

2022 Assessments Due: 96% have been collected

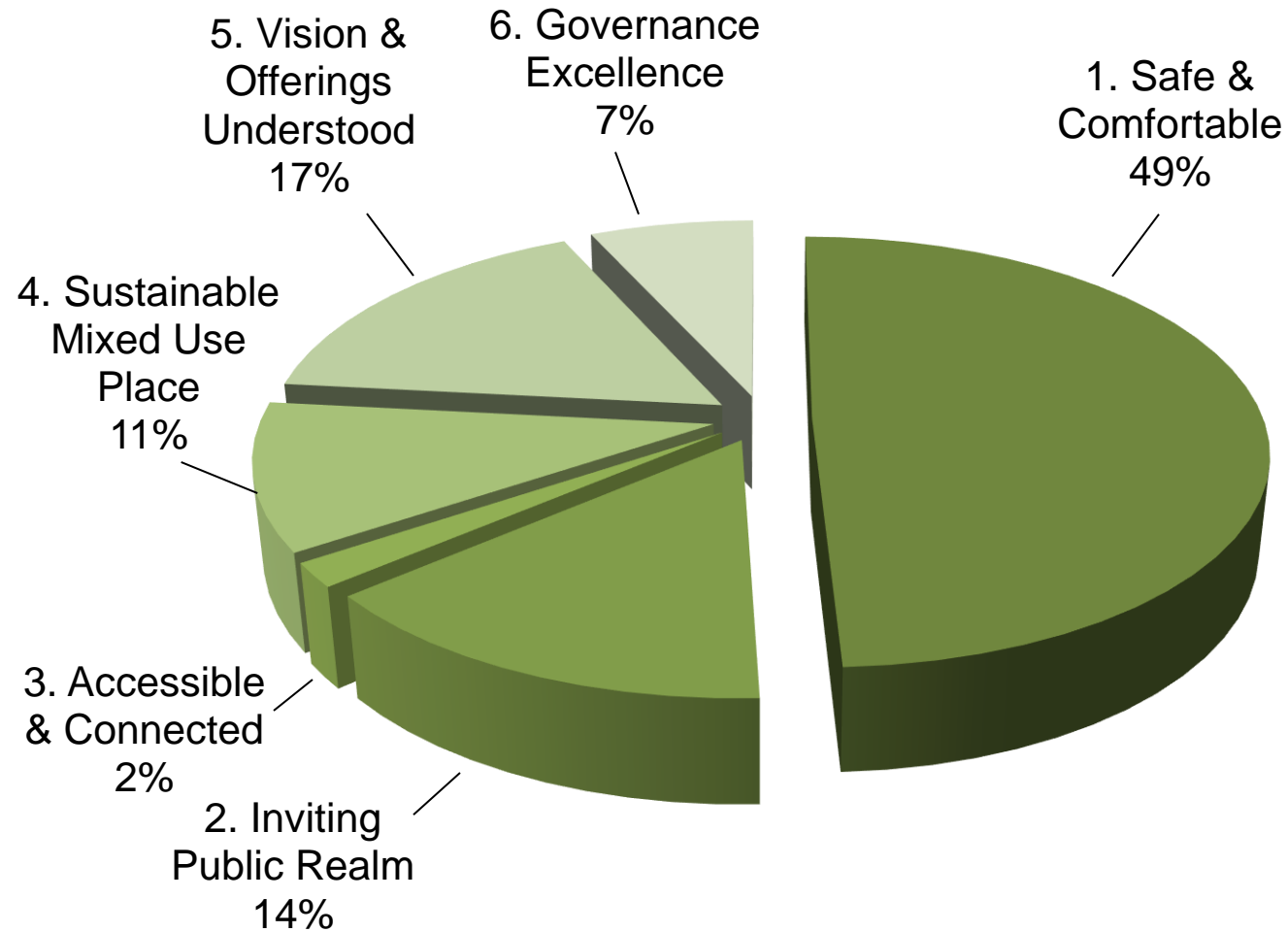
2022 Assessments Receivable \$725K

Accounts Receivable include \$405K due from
City of Houston for Downtown Living Initiative payments.

Liabilities

Reserves for Property Value Protests are \$1.4M reflecting a
projected loss rate of 11.7% for 2022 tax assessments.

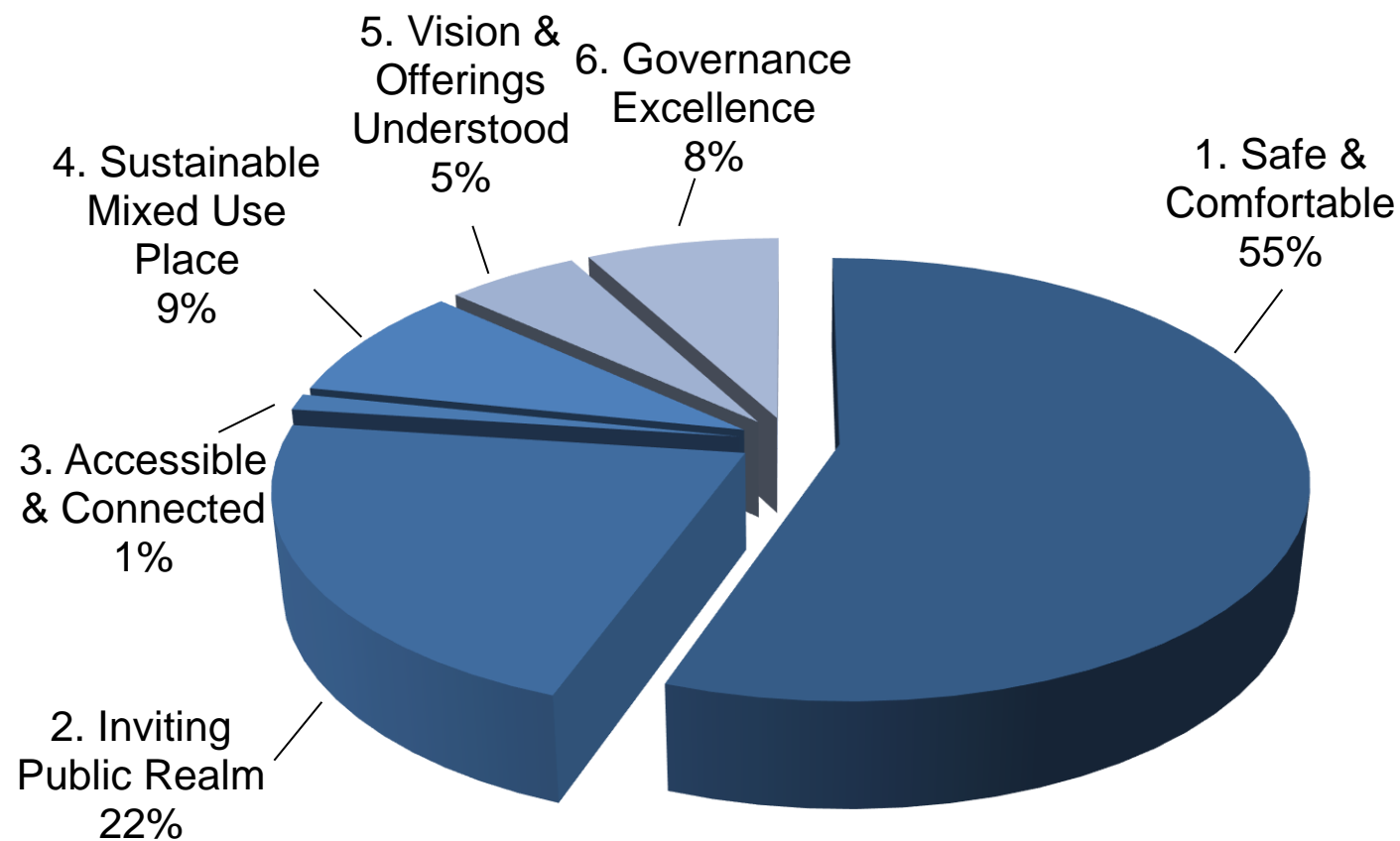
YTD March 2023 Budget



Total: \$5,053,178

Operating: \$4,171,102 Capital: \$882,076

YTD March 2023 Spending



Total: \$2,928,564 (\$2.1M below YTD 2023 Budget)

Operating: \$2,863,675 Capital: \$64,889

March 2023 Variance from Budget Highlights

- **Safe & Comfortable – (\$471K) under budget**
 - Under budget (\$111K) in Safety Guides and (\$82K) in Private Security.
 - Under budget (\$123K) in Homeless Outreach programs.
 - Under budget (\$14K) in Street Lighting Expense, amenities and maintenance.
 - Under budget (\$13K) in Street Teams cleaning sidewalks and bus stops, (\$13K) Trash Collection expense, (\$33K) in Paver Repair and Maintenance, (\$54K) in Landscaping and tree maintenance, (\$20K) in Irrigation maintenance and repair and (\$6K) in staffing.
- **Vibrant, Sustainable Mixed-Use Place – (\$217K) under budget**
 - Under budget (\$19K) in Economic Development.
 - Under budget (\$7K) in Attracting more Residential Development
 - Under budget (\$190K) in Downtown Living Initiative 2021 rebates payments forecasted to be paid in 1Q 2023.

March 2023 Variance from Budget Highlights

- Downtown's Vision and Offering Understood by All – (\$534K) under budget
 - Under budget (\$229K) in Marketing Expenditures and (\$50K) in staffing.
 - Under budget (\$250K) in Planning Consultants & Expenses for NHHIP and (\$5K) in staffing.
- Capital Improvement – (\$817K) under budget
 - Under budget (\$375K) in Landscape Amenities-Irrigation.
 - Under budget (\$35K) in Banners, (\$30K) in Storefront/Streetscape Grants, (\$9K) for Trebly Park furnishings and (\$40K) in Landscape Enhancements-Urban Canopy.
 - Under budget (\$95K) for Vehicular and Pedestrian Wayfinding, (\$50K) for Sidewalk Infill Projects and (\$134K) for Southeast Sidewalks TxDot project.
 - Over budget \$9K for DLI 2022 rebate budgeted for June 2023 paid out earlier in the year.
 - Under budget (\$57K) in Capital Replacement expenditures due to no repairs have been made in the first quarter of the year.

Check register for March 2023

- Total checks issued in March 2023 were \$1.5 million.
 - Central Houston, Inc. - \$453,638
 - Block by Block - \$347,563
 - Color Specialists - \$151,808
 - Seal Security Solutions, Inc. - \$69,169
 - Associated Landscape Services - \$47,127
 - Central Houston Civic Improvement - \$46,155
 - 1000 Main LLC - \$44,532



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 March 31, 2023 and 2022, 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
April 7, 2023

**Houston Downtown Management District
Governmental Fund Balance Sheets and
Statement of Net Position
March 31, 2023 and March 31, 2022**

	2023			2022		
	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	\$ 17,983,174	\$ 5,026,788	\$ 23,009,962	\$ 19,096,600	\$ 4,326,377	\$ 23,422,978
Assessments Due	667,455	57,259	724,714	455,830	18,382	474,212
Accounts Receivable	535,325	-	535,325	536,455	4,800	541,255
Prepaid Expense	26,235	-	26,235	26,235	-	26,235
Inventory	-	-	-	-	-	-
Property & Equipment, Net	565,837	840	566,677	701,596	10,968	712,564
Right of Use Lease Asset 1313 Main, Net	2,585,811	-	2,585,811	2,820,885	-	2,820,885
Intercompany Rec/Pay	(1,196,568)	1,196,568	-	(1,233,870)	1,233,870	-
Total Assets	\$ 21,167,268	\$ 6,281,456	\$ 27,448,723	\$ 22,403,730	\$ 5,594,397	\$ 27,998,128
Liabilities						
Accounts Payable & Accrued Expenses	\$ 885,551	\$ 800	\$ 886,351	\$ 1,149,197	\$ 43,000	\$ 1,192,197
Lease Liability 1313 Main	2,718,923	-	2,718,923	2,898,015	-	\$ 2,898,015
Deferred Revenue	-	-	-	-	-	-
Reserve for Refunds due to Property Protests	1,304,554	100,272	1,404,825	1,158,149	83,559	1,241,708
Total Liabilities & Deferred Revenue	4,909,028	101,072	5,010,100	5,205,361	126,559	5,331,920
Fund Balances						
Unreserved, Undesignated	15,458,240		15,458,240	16,398,370		16,398,370
Unreserved, Designated for Catastrophy	800,000		800,000	800,000		800,000
Reserved for Capital Projects		6,180,384	6,180,384		5,467,838	5,467,838
	16,258,240	6,180,384	22,438,624	17,198,370	5,467,838	22,666,208
Total Liabilities, Deferred Revenue & Fund Balances	\$ 21,167,268	\$ 6,281,456	\$ 27,448,723	\$ 22,403,730	\$ 5,594,397	\$ 27,998,128

Houston Downtown Management District
Statement of Activities
For the Three Months Ended March 31, 2023

	<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	65,540	-	65,540	186,000	(120,460)
Project Revenue	10,731	-	10,731	33,125	(22,394)
Other Income	687	-	687	-	687
Interest Income	129,010	56,525	185,536	90,000	95,536
Total Revenues	\$ 205,969	\$ 56,525	\$ 262,494	\$ 309,125	\$ (46,631)
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 486,335	\$ -	\$ 486,335	\$ 682,053	\$ 195,718
Reduced Presence of Homeless & Street Persons	130,568	-	130,568	253,783	123,215
Downtown Sidewalks are Comfortably Lighted	25,397	-	25,397	39,881	14,485
Downtown Clean & Well-Kept Appearance	894,180	-	894,180	1,029,324	135,145
Remove Signs of Disorder in Downtown	23,048	-	23,048	21,830	(1,218)
Prepare for Emergencies	28,591	-	28,591	32,192	3,601
	1,588,118	-	1,588,118	2,059,063	470,945
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	111,289	-	111,289	28,581	(82,708)
Public Spaces Managed, Programmed, & Delightful	355,742	-	355,742	388,143	32,401
Place of Civic Celebration	151,890	-	151,890	186,557	34,667
	618,921	-	618,921	603,280	(15,640)
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	5,475	-	5,475	5,557	82
Convenient Circulation Without Personal Vehicle	-	-	-	-	-
Easy To Find Way Around	7,551	-	7,551	44,579	37,028
Connect Neighbors & Districts Inside/Outside Downtown	19,483	-	19,483	23,778	4,295
Convenient, Understandable & Managed Parking	1,503	-	1,503	1,847	344
	34,011	-	34,011	75,760	41,749
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	136,123	-	136,123	155,332	19,209
Exciting Neighborhoods to Live In	97,801	-	97,801	295,295	197,494
Competitive Shopping Place	5,003	-	5,003	5,078	75
Remarkable Destination for Visitors	4,059	-	4,059	4,120	61
	242,985	-	242,985	459,824	216,839
Downtown's Vision & Offering Understood By All					
Market to Region	80,225	-	80,225	358,847	278,621
Promote Downtown's Ease of Use	23,094	-	23,094	23,668	574
Vision/Development Framework Understood By All	39,197	-	39,197	293,820	254,624
Tools to Assist Continued Redevelopment	6,573	-	6,573	6,672	99
Develop & Maintain Information to Support Downtown	5,319	-	5,319	5,399	80
	154,408	-	154,408	688,406	533,998
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	168,709	-	168,709	220,081	51,372
Communications to Owners, Tenants & Others	11,962	-	11,962	13,137	1,175
Preservation of Districts' Capital Assets	44,561	-	44,561	51,550	6,989
	225,232	-	225,232	284,769	59,537
Capital Improvement & Expenditures					
Downtown Feels Safe & Comfortable	-	-	-	375,000	375,000
Public Realm is Charming, Inviting, & Beautiful	-	4,404	4,404	118,000	113,596
Accessible to Region & Easy to Get Around	-	38,248	38,248	317,976	279,728
Vibrant, Sustainable Mixed-Use Place	-	8,607	8,607	-	(8,607)
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	13,630	13,630	71,100	57,470
	-	64,889	64,889	882,076	817,187
Total Expenses	\$ 2,863,675	\$ 64,889	\$ 2,928,564	\$ 5,053,178	\$ 2,124,614
Depreciation Expense	22,032	280	22,312	25,950	3,638
Excess of Revenue Over Expenses GAAP Basis	\$ (2,679,738)	\$ (8,643)	\$ (2,688,382)	\$ (4,770,003)	\$ 2,081,621

**Houston Downtown Management District
Statement of Activities
For the Three Months Ended March 31, 2023 and March 31, 2022**

	Operating YTD Actual	Capital YTD Actual	2023 Total YTD Actual	2022 Total YTD Actual	Fav (Unfav) Variance
Revenues					
Assessment Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Operations Revenue	65,540	-	65,540	114,064	(48,524)
Project Revenue	10,731	-	10,731	11,629	(898)
Other Income	687	-	687	(18,355)	19,042
Interest Income	129,010	56,525	185,536	4,215	181,321
Total Revenues	\$ 205,969	\$ 56,525	\$ 262,494	\$ 111,553	\$ 150,941
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 486,335	\$ -	\$ 486,335	\$ 471,213	\$ (15,121)
Reduced Presence of Homeless & Street Persons	130,568	-	130,568	84,124	(46,444)
Downtown Sidewalks are Comfortably Lighted	25,397	-	25,397	28,771	3,374
Downtown Clean & Well-Kept Appearance	894,180	-	894,180	965,042	70,863
Remove Signs of Disorder in Downtown	23,048	-	23,048	8,720	(14,328)
Prepare for Emergencies	28,591	-	28,591	24,223	(4,368)
	1,588,118	-	1,588,118	1,582,093	(6,025)
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	111,289	-	111,289	15,578	(95,711)
Public Spaces Managed, Programmed, & Delightful	355,742	-	355,742	182,327	(173,414)
Place of Civic Celebration	151,890	-	151,890	84,048	(67,842)
	618,921	-	618,921	281,954	(336,967)
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	5,475	-	5,475	2,742	(2,733)
Convenient Circulation Without Personal Vehicle	-	-	-	-	-
Easy To Find Way Around	7,551	-	7,551	14,522	6,971
Connect Neighbors & Districts Inside/Outside Downtown	19,483	-	19,483	2,583	(16,900)
Convenient, Understandable & Managed Parking	1,503	-	1,503	2,600	1,097
	34,011	-	34,011	22,447	(11,564)
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	136,123	-	136,123	134,906	(1,217)
Exciting Neighborhoods to Live In	97,801	-	97,801	149,136	51,335
Competitive Shopping Place	5,003	-	5,003	4,362	(641)
Remarkable Destination for Visitors	4,059	-	4,059	15,459	11,400
	242,985	-	242,985	303,863	60,878
Downtown's Vision & Offering Understood By All					
Market to Region	80,225	-	80,225	194,365	114,140
Promote Downtown's Ease of Use	23,094	-	23,094	6,935	(16,159)
Vision/Development Framework Understood By All	39,197	-	39,197	321,516	282,319
Tools to Assist Continued Redevelopment	6,573	-	6,573	21,103	14,530
Develop & Maintain Information to Support Downtown	5,319	-	5,319	7,935	2,616
	154,408	-	154,408	551,853	397,445
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	168,709	-	168,709	176,045	7,336
Communications to Owners, Tenants & Others	11,962	-	11,962	8,709	(3,253)
Preservation of Districts' Capital Assets	44,561	-	44,561	43,944	(616)
	225,232	-	225,232	228,699	3,467
Capital Improvement & Expenditures					
Downtown Feels Safe & Comfortable	-	-	-	-	-
Public Realm is Charming, Inviting, & Beautiful	-	4,404	4,404	-	(4,404)
Accessible to Region & Easy to Get Around	-	38,248	38,248	79,500	41,252
Vibrant, Sustainable Mixed-Use Place	-	8,607	8,607	13,461	4,854
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	13,630	13,630	72,822	59,193
	-	64,889	64,889	165,783	100,894
Total Expenses	\$ 2,863,675	\$ 64,889	\$ 2,928,564	\$ 3,136,691	\$ 208,128
Depreciation Expense	22,032	280	22,312	24,901	2,589
Excess of Revenue Over Expenses GAAP Basis	\$ (2,679,738)	\$ (8,643)	\$ (2,688,382)	\$ (3,050,040)	\$ 361,658

Houston Downtown Management District

Variance Analysis

For the Three Months Ended March 31, 2023

Revenue

1) Operations revenue is under budget (\$69K) in Metro bus stop cleaning, (\$15K) in Main Street Fountain Reimbursements, (\$44K) in Cotswold Fountain Reimbursements and (\$14K) in Trebly Park Tout Suite Utility Reimbursements. Project revenue is under budget (\$22K) for the Theater District Staff Reimbursement. The budget shortfalls are due to timing of invoicing or services have not been rendered yet. The Trash Program is over budget \$21K. Interest income is over budget \$96K due to more favorable rates than projected.

Operating Budget

Expenses

- 2) Goal 1a-Collaboration to Maintain Low Crime Rate-Under budget (\$111K) in Safety Guides and (\$82K) in Private Security.
- 3) Goal 1b-Reduced Presence of Homeless & Street Persons-Under budget (\$123K) in homeless outreach programs.
- 4) Goal 1c-Downtown Sidewalks are Comfortably Lighted-Under budget (\$14K) in Street Lighting Expense, amenities and maintenance.
- 5) Goal 1d-Downtown Noted for Cleanliness & Well-Kept Appearance- Under budget (\$13K) in Street Teams cleaning sidewalks and bus stops, (\$13K) in Trash Collection expense, (\$33K) in Paver repair and maintenance, (\$54K) in Landscaping and tree maintenance, (\$20K) in Irrigation maintenance and repair and (\$6K) in staffing. Over budget \$2K in the Operations center for the warehouse lease.
- 6) Goal 2a-Key Pedestrian Streets are Inviting-Over budget \$87K in accent plants and under budget (\$5K) in staffing.
- 7) Goal 2b-Key Public Spaces Programmed and Delightful-Under budget (\$16K) in programming, (\$4K) in Trebly Park maintenance and (\$31K) in Cotswold maintenance and repairs. Over budget \$5K in Main Street Square maintenance and \$14K in Market Square Park maintenance.
- 8) Goal 2c-Place of Civic Celebration-Under budget (\$11K) in Seasonal Banner program, (\$7K) in Banner/Pot maintenance, (\$71K) in Art Blocks programming and (\$3K) in staffing. Over budget \$9K in Allen Parkway maintenance, and \$48K in Holiday Logistics.
- 9) Goal 3c-Easy to Find Way Around-Under budget (\$3K) in Maintaining Wayfinding, (\$30K) in Wayfinding Above & Below Map and (\$4K) in staffing.
- 10) Goal 4a-Best Place to Work in the Region-Under budget (\$19K) in Economic Development.
- 11) Goal 4b-Attracting more Residential Development is under budget (\$7K), Exciting Neighborhoods To Live In-under budget (\$190K) due to DLI payouts are forecasted to be paid out in June, 2023.
- 12) Goal 5a-Market to Region-Under budget (\$229K) in marketing expenditures and (\$50K) in staffing.
- 13) Goal 5c-Planning Consultants & Expenses for NHHIP under budget (\$250K) and (\$5K) in staffing.
- 14) Goal 6a-Complete engagement by all stakeholders in District - Under budget (\$9K) in Operations, (\$5K) in Marketing and Communications, (\$9K) in Economic Development, (\$13K) in Planning Design & Construction, (\$10K) in Administration Assessment Collection and Insurance and (\$4K) in staffing.
- 15) Goal 6c-Preservation of District's Capital Assets - Under budget (\$7K) in insurance expense due to renewals coming in lower than forecasted.

Capital Budget

- 16) Under budget (\$375K) in Landscape Amenities-Irrigation.
- 17) Under budget (\$35K) in Banners, (\$30K) in Storefront/Streetscape Grants,(\$9K) for Trebly Park furnishings and (\$40K) in Landscape Enhancements-Urban Canopy.
- 18) Under budget (\$95K) for Vehicular and Pedestrian Wayfinding, under budget (\$50K) for Sidewalk Infill Projects and under budget (\$134K) for Southeast Sidewalks TxDOT project.
- 19) Over budget \$9K for DLI rebate budgeted for June 2023 payout earlier in the year.
- 20) Under budget (\$57K) in Capital Replacement Expenditure due to no repairs have been made in the first quarter of the year.

4/4/23
11:09:30 AM

HOUSTON DOWNTOWN MANAGEMENT DISTRICT

Page: 1

AP Check Register (Current by Bank)

Check Dates: 3/1/2023 to 3/31/2023

Check No.	Date	Status*	Vendor ID	Payee Name	Amount
BANK ID: A - OPERATING ACCT-JPMORGAN					101.000
35285	03/01/23	P	1200	CENTRAL HOUSTON, INC	\$257,593.89
35304	03/01/23	P	3712	1000 MAIN LLC	\$44,531.89
35305	03/01/23	P	999954	CASPIAN ENTERPRISES, INC	\$1,342.90
35306	03/01/23	P	99991	COMMERCE MAIN STREET	\$142.58
35307	03/01/23	P	5648	LINEBARGER GOGGAN BLAIR	\$514.22
35308	03/01/23	P	99914	SJ MEDICAL CENTER LLC	\$7,349.00
35309	03/01/23	P	99990	WEINROTH CONSULTANCY LTD	\$288.48
7173195	03/07/23	M	8066	READYREFRESH	\$183.78
7173199	03/07/23	M	9067	WASTE MANAGEMENT OF TEXAS, INC	\$192.27
7173201	03/07/23	M	0490	ASSOCIATED LANDSCAPE SERVICES	\$24,615.27
7173208	03/07/23	M	0027	AT&T	\$2,764.66
7173211	03/07/23	M	0361	ALBERT SANCHEZ	\$138.36
7173214	03/07/23	M	0853	CAMARATA MASONRY SYSTEMS, LTD	\$6,552.17
7173223	03/07/23	M	3573	HARRIS COUNTY TREASURER	\$9,242.00
7173227	03/07/23	M	4430	INTERNATIONAL DOWNTOWN ASSOC.	\$10,000.00
7173232	03/07/23	M	5540	LINCOLN COLWELL	\$1,640.00
7173236	03/07/23	M	7086	NORTHERN TOOL & EQUIPMENT	\$569.97
7173240	03/07/23	M	7712	POWER PEST CORP	\$7,820.00
7173244	03/07/23	M	8119	ROADRUNNER RECYCLING, INC	\$1,941.69
7173246	03/07/23	M	3948	THE HARRIS CENTER FOR	\$18,666.67
7173248	03/07/23	M	8609	TOUCH & AGREE PROPERTY	\$2,521.60
7173250	03/07/23	M	8655	TRIPLE R BROTHERS, LTD	\$89.97
7316651	03/15/23	M	1689	CB CAFES MAIN, LLC	\$96.25
9278623	03/15/23	M	1801	DIRECTV	\$97.98
9278631	03/15/23	M	8355	STERLING EXPRESS SERVICES, INC	\$84.00
9278637	03/15/23	M	0490	ASSOCIATED LANDSCAPE SERVICES	\$1,602.05
9278642	03/15/23	M	7995	INCONTROL CONSTRUCTION LLC	\$15,656.88
9278649	03/15/23	M	8168	SEAL SECURITY SOLUTIONS, LLC	\$69,168.80
9278661	03/15/23	M	0352	ALWAYS IN SEASON DECORATING	\$38,610.79
9278664	03/15/23	M	9819	BRYAN K BENNETT	\$1,973.00
9278672	03/15/23	M	1665	COLOR SPECIALISTS LANDSCAPING	\$27,444.80
9278676	03/15/23	M	1601	COOPWOOD'S AIR CONDITIONING	\$1,176.05
9278680	03/15/23	M	1735	CORE DESIGN STUDIO	\$250.00
9278683	03/15/23	M	2082	D9 DESIGNS, LLC	\$676.00
9278686	03/15/23	M	2112	EAST END DISTRICT	\$340.00
9278688	03/15/23	M	3550	HARDY & HARDY	\$3,550.00
9278690	03/15/23	M	3630	HOME DEPOT CREDIT SERVICES	\$77.04
9278696	03/15/23	M	5211	KEITH GOULD	\$63.02
9278700	03/15/23	M	5961	MELISSA TAYLOR	\$1,675.00
9278702	03/15/23	M	5703	MICHAEL LOESSIN	\$500.00
9278704	03/15/23	M	7400	PFEIFFER & SON, LTD	\$7,197.00
9278706	03/15/23	M	8373	SP PLUS PARKING	\$446.00
9278708	03/15/23	M	3948	THE HARRIS CENTER FOR	\$18,666.67
9278710	03/15/23	M	9045	WESTERN FIRST AID & SAFETY	\$215.89
92786800	03/15/23	M	1692	COSTAR GROUP, INC.	\$1,115.07
7316580	03/17/23	M	1689	CB CAFES MAIN, LLC	\$153.60
9278693	03/17/23	M	5950	JANA GUNTER	\$15.32
5987	03/21/23	M	5987	MAINTENANCE TO GO	\$11,428.70
621470	03/21/23	M	0490	ASSOCIATED LANDSCAPE SERVICES	\$556.75
621482	03/21/23	M	1596	CLAY'S GLASS SERVICE	\$800.00
621488	03/21/23	M	1665	COLOR SPECIALISTS LANDSCAPING	\$1,463.00
621492	03/21/23	M	1735	CORE DESIGN STUDIO	\$400.00
621498	03/21/23	M	3298	GULF COAST PAVERS, INC.	\$21,600.00
621501	03/21/23	M	5710	LVA 4 HOUSTON GREENSTREET LP	\$19,996.30
621505	03/21/23	M	9113	NCTP-CPAS PLLC	\$1,700.00
621508	03/21/23	M	9948	ORKIN PEST CONTROL	\$130.99

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

** Denotes broken check sequence.

4/4/23
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HOUSTON DOWNTOWN MANAGEMENT DISTRICT

Page: 2

AP Check Register (Current by Bank)

Check Dates: 3/1/2023 to 3/31/2023

Check No.	Date	Status*	Vendor ID	Payee Name	Amount
621512	03/21/23	M	8325	SOUTHERN CHINESE DAILY NEWS	\$1,200.00
621524	03/21/23	M	8562	TEXAS WASTE COMPANY	\$630.12
621529	03/21/23	M	8609	TOUCH & AGREE PROPERTY	\$2,521.60
621533	03/21/23	M	9089	WE 68 LLC	\$3,972.50
1973640	03/27/23	M	8066	READYREFRESH	\$99.89
1973643	03/27/23	M	4704	JOHNSON CONTROLS SECURITY	\$642.03
1973647	03/27/23	M	1812	ANNETTE MICHELLE MARIN	\$390.00
1973650	03/27/23	M	9089	WE 68 LLC	\$1,052.64
1973652	03/27/23	M	0027	AT&T	\$2,993.69
1973654	03/27/23	M	1543	CITY OF HOUSTON	\$810.09
1973656	03/27/23	M	5987	MAINTENANCE TO GO	\$15,195.60
1973658	03/27/23	M	9948	ORKIN PEST CONTROL	\$130.99
1973660	03/27/23	M	3400	RAFFLE PARKING COMPANY,LLC	\$900.00
1973662	03/27/23	M	8151	SEARCH HOMELESS SERVICES	\$11,316.34
1973666	03/27/23	M	0594	STREETSENSE	\$14,800.00
1973668	03/27/23	M	8552	TEXAS OUTHOUSE, INC.	\$2,110.00
1973670	03/27/23	M	9081	WESTPARK COMMUNICATIONS, L.P	\$60.38
3898054	03/29/23	M	1801	DIRECTV	\$97.98
3898057	03/29/23	M	0490	ASSOCIATED LANDSCAPE SERVICES	\$20,352.50
3898066	03/29/23	M	0511	BLOCK BY BLOCK	\$347,563.23
3898075	03/29/23	M	3548	HAMILTON PLUMBING SERVICE	\$5,325.07
3898079	03/29/23	M	7995	INCONTROL CONTRUCTION LLC	\$4,780.00
3898087	03/29/23	M	7400	PFEIFFER & SON, LTD	\$8,140.41
3898095	03/29/23	M	0034	ABC HOME & COMMERCIAL SERVICES	\$390.00
3898102	03/29/23	M	0321	AIR POWER SERVICES, INC	\$486.00
3898107	03/29/23	M	1790	BRETT DEBORD	\$165.32
3898109	03/29/23	M	1225	CENTRAL HOUSTON CIVIC IMPROVEM	\$46,155.00
3898113	03/29/23	M	1200	CENTRAL HOUSTON, INC	\$196,044.00
3898117	03/29/23	M	2960	CERTAPRO PAINTERS OF	\$3,919.85
3898119	03/29/23	M	1597	CLUTCH CONSULTING GROUP LLC	\$2,200.00
3898123	03/29/23	M	1665	COLOR SPECIALISTS LANDSCAPING	\$122,899.95
3898127	03/29/23	M	6298	JORDAN CUTLER	\$5.00
3898131	03/29/23	M	5211	KEITH GOULD	\$62.55
3898133	03/29/23	M	6994	NEUE CREATIVE	\$4,550.00
3898135	03/29/23	M	7712	POWER PEST CORP	\$7,820.00
3898139	03/29/23	M	8743	UP ART STUDIO, LLC	\$8,600.00
3898218	03/29/23	M	8609	TOUCH & AGREE PROPERTY	\$2,521.60

BANK A REGISTER TOTAL: **\$1,488,532.65**

BANK ID: B - CAPITAL ACCT-JPMORGAN

102.000

9278668	03/15/23	M	0853	CAMARATA MASONRY SYSTEMS, LTD	\$2,098.00
621543	03/21/23	M	9068	WILDCAT ELECTRIC SUPPLY	\$2,110.00
1970345	03/27/23	M	4001	HUITT~ZOLLARS, INC	\$2,453.20

BANK B REGISTER TOTAL: **\$6,661.20**GRAND TOTAL : **\$1,495,193.85**

* 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 JANUARY 1, 2023 THROUGH MARCH 31, 2023**

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
<u>HDMD</u>										
<u>OPERATING ACCOUNTS JP MORGAN CHASE</u>										
OPERATING	736,741.91	736,741.91	0.00	0.00	(658,418.87)	78,323.04	78,323.04	0.34%	N/A	1.00
CAPITAL	114,153.16	114,153.16	0.00	0.00	27,939.94	142,093.10	142,093.10	0.62%	N/A	1.00
TOTAL	850,895.07	850,895.07	0.00	0.00	(630,478.93)	220,416.14	220,416.14	0.96%		1.00
<u>POOLED FUNDS - TEXPOOL</u>										
OPERATING	4,675,840.17	4,675,840.17	0.00	129,010.42	13,100,000.00	17,904,850.59	17,904,850.59	77.81%	4.7453%	16.00
CAPITAL	4,978,169.83	4,978,169.83	0.00	56,525.15	(150,000.00)	4,884,694.98	4,884,694.98	21.23%	4.6824%	23.00
TOTAL	9,654,010.00	9,654,010.00	0.00	185,535.57	12,950,000.00	22,789,545.57	22,789,545.57	99.04%		
TOTAL HDMD	10,504,905.07	10,504,905.07	0.00	185,535.57	12,319,521.07	23,009,961.71	23,009,961.71	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



Fund Balance Policy and Reserve Fund V 2.1

I. Purpose

The purpose of the Reserve Fund for The Houston Downtown Management District (HDMD) is to help ensure the long-term ability of the organization to meet its mission. In so doing, this objective bridges District Management Plans. The Reserve Fund will also establish the target fund balance to ensure that the HDMD is an appropriate steward of stakeholder assessments. The HDMD will maintain the reserve to achieve the following objectives:

- To manage cash flow, maintain financial flexibility, and sustain operations through delays in assessment collection;
- To provide an internal source of funds to respond before, during or after a natural disaster; and
- To ensure that the Board has the ability to access capital in the event of an unbudgeted Board-approved investment or other priority.

The Reserve Fund is not intended to replace a permanent loss of funds or address an ongoing budget deficit. It is the intention of the HDMD that any planned use of reserves be accompanied with a replenishment strategy to ensure that future HDMD Boards are provided comparable financial solidarity.

II. Definitions and Goals

The Reserve Fund is defined as a special reserve set aside by action of the HDMD Board of Directors. Its ongoing operation and oversight are delegated to the HDMD Executive Committee, though any expenditure decisions must abide by financial authorization requirements established by the State of Texas, including requisite Board authorizations.

A. Target Minimum Amount

The minimum amount to be designated for the Fund Reserve will be established as an amount sufficient to maintain ongoing operations and programs for a set period of time, measured in months. The Reserve Fund serves a dynamic role and will be reviewed and adjusted in response to internal and external changes.

The target minimum and maximum Reserve Fund balances are calculated using the average total monthly operating expenses for the HDMD in the subject year. The minimum Reserve Fund balance is equal to 2.5 months of operating expenses, and the maximum shall be 3.5 months of operating expenses.

The calculation of average monthly operating expenses includes all recurring, predictable expenses such as clean and safe services, maintenance, beautification, marketing, economic development, staff

salaries and benefits, office expenses, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation.

B. Funding Reserves

To establish the Reserve Fund, the HDMD Board of Directors has designated \$4.0 M of existing accumulated liquid net assets, a figure equivalent to 2.5 months of 2022 average monthly operating expenses which is inclusive of the existing \$800k storm damage reserve, as the beginning balance of the fund.

The amount of the Reserve Fund target will be considered each year as part of the annual budgeting process. This amount will be reported to the Board of Directors and included in the regular financial reports. The Board of Directors may from time to time direct that a specific source of revenue be set aside for its reserves. Should it be required, the Reserve Fund will be funded annually as an expense included in the organization's annual budget.

III. Investing Reserves

The Reserve Fund will be funded and available in cash or cash equivalent funds, in accordance with the risk preferences, liquidity needs and investment objectives of the HDMD Board. The reserves will be comingled with the general cash accounts of the organization but segregated in financial reporting.

IV. Shortfalls

If the Reserve Fund is and has been less than 25% of the target reserve amount for two consecutive years, the Board of Directors will adopt an operational budget with a projected surplus sufficient to rebuild the Reserve Fund to its targeted reserve level as expeditiously as possible.

V. Accounting for Reserves

The Reserve Fund will be listed separately in the unrestricted net assets section of the organization's statement of financial position as "Board-Designated Reserve" and the status of borrowings from the reserve will be reported in financial reports to the Board.

VI. Using Reserves

A. Management identifies appropriate use

The President & CEO will identify reasons for accessing the reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. As a part of this process, the President & CEO will do the following:

- Analyze the reason for the needed funds;
- Assess the availability of any other sources of funds before using reserves (e.g. line of credit); and
- Evaluate the time period that the funds will be required, and then replenished.

B. Board authorizes use and monitors reserves

The President & CEO will submit a request to the HDMD Board Treasurer in writing, which will include the analysis and determination of the use funds and plans for replenishment (as outlined above). The Treasurer will review the request, and if supported by the HDMD Executive Committee, will recommend approval to the HDMD Board of Directors to authorize use from the fund.

With HDMD Board authorization, President & CEO may access the reserves for purposes as outlined in the Purpose section of this Policy so long as the Board also establishes a repayment schedule to replenish the funds as expeditiously as possible.

1. Borrowing from reserves

Any funds borrowed from the Reserve Fund to maintain organizational cash flow for longer than three months must be paid back through a prescribed repayment schedule. The President & CEO shall request approval of any such usage and the proposed repayment schedule from the HDMD Board of Directors. If approved, the amount of funds utilized to meet short-term cash flow needs shall be reported at the next full Board meeting. At any time that a borrowing from the Reserve is outstanding, the status of the borrowing and payments made will be reviewed at Board meetings.

2. Report and monitor use of funds

The President & CEO is responsible for ensuring that the Reserve Fund is maintained and used only as described in this Policy. Upon approval for the use of Reserve, the President and finance staff will maintain records of the use of funds, plus the plan for and progress of replenishment. The HDMD Board Treasurer will provide regular reports to the Board of Directors of progress to restore the fund to the target minimum amount.

VII. Review of Policy

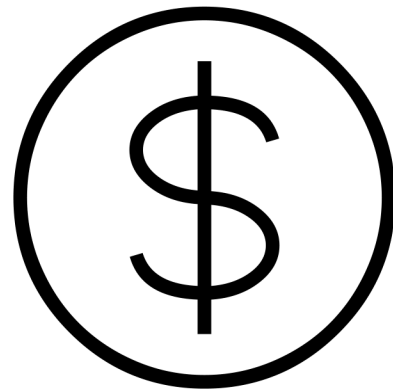
This policy will be reviewed every other year at a minimum, by the Executive Committee, or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by the Executive Committee to the Board of Directors.

Building HDMD's Fund Balance Policy

Step two of three

03.09.2023

Definitions



Fund Balance

The total accumulation of operating surpluses and deficits since the beginning of a organization's existence.

In many organizations, the "net position" at the end of the fiscal year aligns with their fund balance.



Reserves

A defined set aside of funds, either within the annual budget or within the fund balance, to address a specific type of emergency or other uncertainty.

HDMD currently has two types of reserves, called "board designated funds": the 11% reserve for protested assessments and the \$800k for storm damage.



Fund balance and reserve policy

A board-adopted policy that establishes minimum levels for designated funds to ensure stable service delivery, meet future needs, and protect against financial instability.

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

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

Liabilities

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

Net Position

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

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

Statement of Activities

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

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

**Audited
Net
Position -
Dec 31,
2021**

Audit

Reliable Funding

Because the HDMD's revenue are assessments on real property, its primary revenue source is, comparably, very reliable.

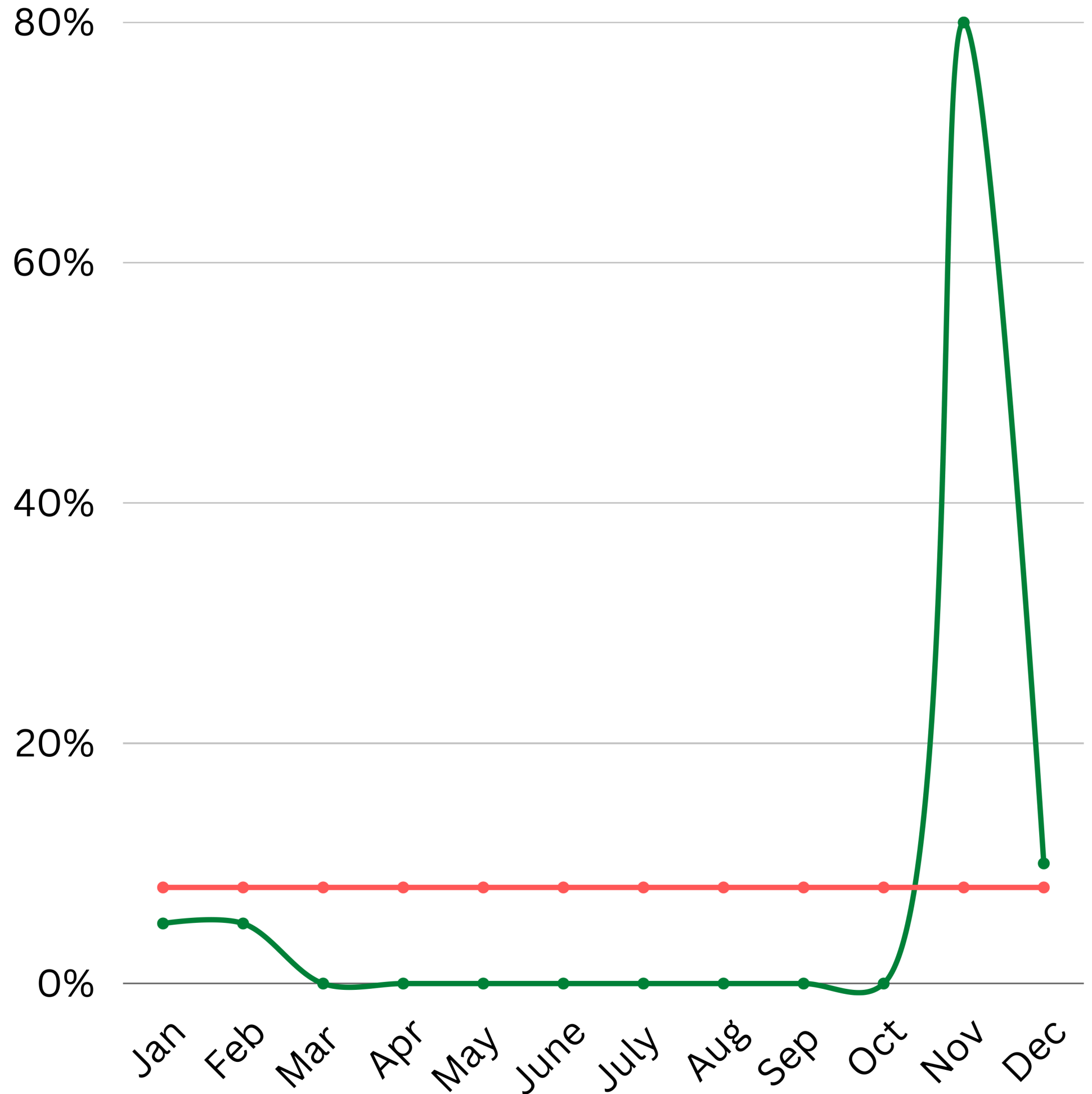
This is distinctly different from traditional non-profits which are usually funded by contributions, memberships, and grants.

In 2016, revenue recognition was changed to arrears, meaning that our revenue is booked on Nov 1 after ten months of services are provided by the HDMD.

This is why the audited net position appears to be so high.



Timing - Revenue vs. Expenditures



Two Sides of the Coin



Reliable revenue

As long as HDMD isn't discontinued, revenues remain generally reliable into the future.

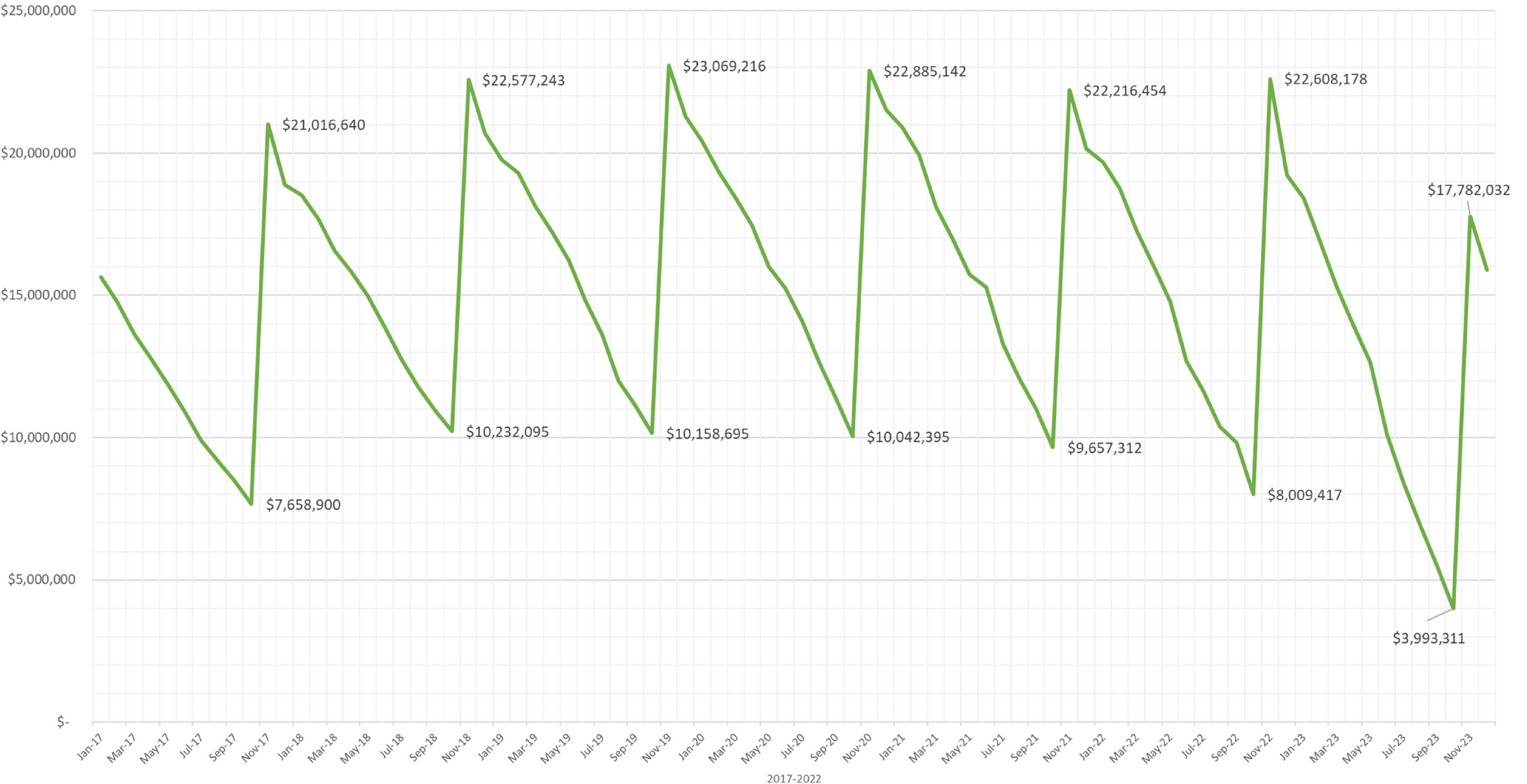


The Fund Balance pays for the next FY

The audited net position includes the payment for the work we performed this year.

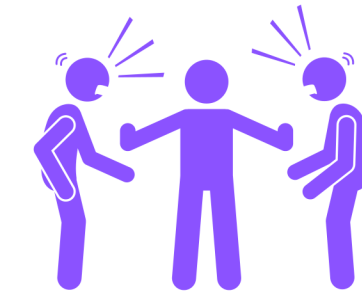
Much of that fund balance is inclusive of the revenue needed to fund next year's services.

6YR CASH FLOW Trend + 2023 Projection

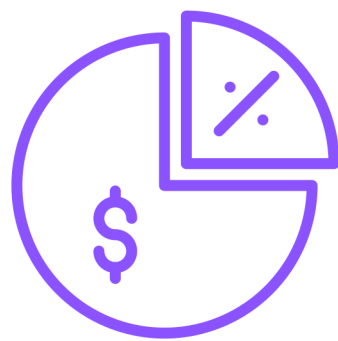


2017-2022

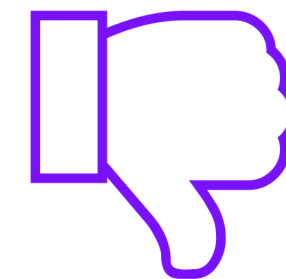
Potential Uses of Fund Balance / Reserves



**Assessment
Protests**



**Support Annual
Operations**



**District not renewed
/ wind down**

So, how much?



ExCom Discussion:

2.50 months minimum,
3.50 months maximum

Calculating the Reserve



Full Service

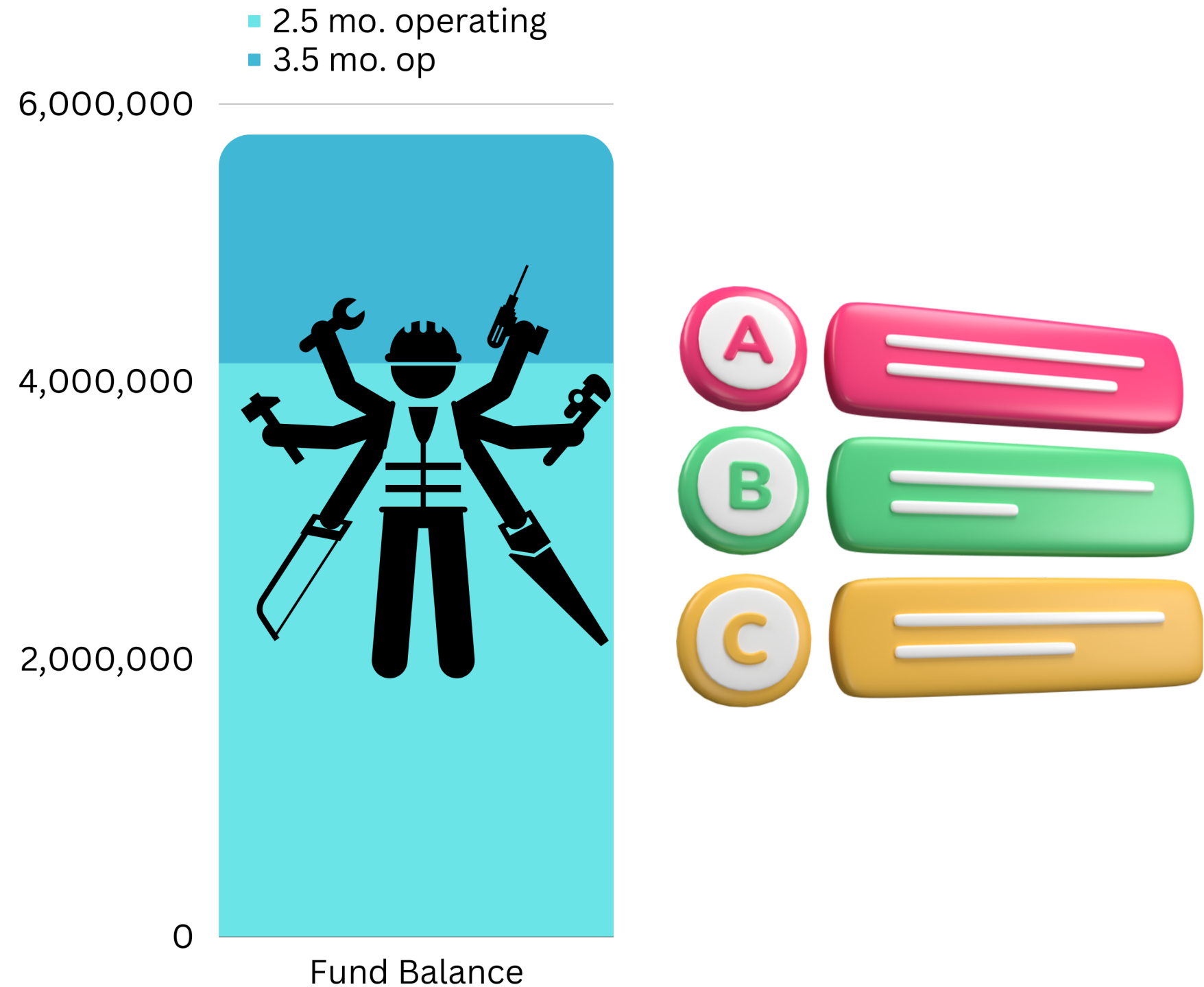
\$1,646,239 / mo

\$4.125 M - \$5.775 M

Proposed Fund & Reserve Balance

A Fund Balance and Reserve Policy should clearly state the Board's intentions:

- Purpose of reserves
- How to fund
- Maximum amount
- When to expend from each reserve
- How and when to replenish
- Procedures for Board consideration to utilize reserves



Q 1

Are you comfortable with the Fund Balance Reserve range of 2.5 - 3.5 months?

Q 2

How quickly do you think the Board should seek to replenish the reserve if utilized?

Q 3

Are there other uses or needs that you see for a reserve fund aside from those recommended by the Executive Committee?

ACTION ITEM	Authorize 2023 capital expenditures for the design and fabrication of new banners.
SERVICE PLAN	2021-2025
Account Code	582.600
Budget & Year	\$335,000 2023
REQUEST	Not to exceed \$335,000
DESCRIPTION	These expenditures will cover the costs associated with designing and fabricating new banners to be displayed throughout downtown on street light poles and the District's banner poles. This action also pays for the Final Four banners that the District fabricated to supplement the NCAA's banners.
DISCUSSION	The current poetic banners were fabricated several years ago, and the current inventory is dwindling down. The newly designed banners will create a fresh, vibrant new look along the streets of downtown. These expenditures are a capital expense, the annual maintenance for the banner program was approved in December 2022.
M/WBE Participation	Lone Star Flags & Flagpoles (fabricator) is a self-certified MWBE contractor.



CENTRAL HOUSTON, INC.

STRATEGIC ALIGNMENT PLAN UPDATES

APRIL 2023

GOAL 1

Champion major projects, initiatives and investments that improve Downtown.

1.2: Continue to advocate for the implementation of TxDOT’s North Houston Highway Improvement Project and the Civic Opportunities that reconnect communities.

Highlight: Central Houston participated in a moderated panel discussion on the North Houston Highway Improvement Project (NHHIP) as part of University of Houston Downtown’s President’s Lecture series. CHI was joined by a representative from TxDOT and the City’s Director of Transportation for a robust conversation with students, faculty, staff, and community stakeholders. The standing room only crowd engaged the panel on questions ranging from the Civic Opportunities proposed for Segment 3, to the effect construction will have on the northern reaches of Downtown, the agreements struck between the Federal Highway Administration and TxDOT, and the timing and phasing of the construction.

Participating Agencies:



1.3: Plan collaboratively for Downtown’s evolving edges, connections, and major attractions.

Highlight: Central Houston coordinated inter-agency meetings between TxDOT and Midtown and OST/Almeda TIRZs to advance planning among these entities on Segments 3A & 3B of the NHHIP, and further facilitated a meeting with TIRZ 15 and TxDOT to advance collaboration on a 72” storm drainage project that is part of the NHHIP and one of the initial construction projects to advance after the FHWA lifted the pause on the NHHIP.

Participating Agency:



GOAL 2

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

2.1: Maintain and advance the standard of care for Downtown's cleanliness and well-kept appearance.

Highlight: Since taking over the maintenance and repairs of the Cotswold fountains in early February, 6 of the 11 fountains that were previously non-operational have been restored and are now functioning properly. The bronze baseball at the Preston/Crawford fountain was cleaned, waxed, and polished in time for Astros Opening Day. Staff will continue to work diligently to bring the remaining fountains to operational status.

Participating Agency:



2.8: Utilize data and analytic tools to understand the prevalence of criminal activity and shape programmatic responses.

Highlight: The SMART reporting system utilized by our Ambassadors to track and report their safety and cleaning efforts was evaluated and streamlined to improve efficiency and accuracy of data reporting. In addition, our SEAL Private Security officers were introduced and trained on how to integrate and apply the SMART system into their data reporting methods. This new data collection strategy provides increased reporting accuracy which will guide program deployments and responses.

Participating Agencies:



GOAL 3

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

3.6: Facilitate the development of pop-up uses, temporary installations, and other storefront or site activation strategies to help enliven the public realm.

Highlight: CHI recently facilitated an effort whereby The Kinder High School for the Performing and Visual Arts (KHSPVA) utilizes student artwork and performing arts sets to create displays in open ground floor areas of downtown buildings. The first of these displays is in the Parkside Residences at Discovery Green, 808 Crawford Street. The program began with a conversation during a KHSPVA Friends Board meeting when administrators were asked whether students and faculty would be interested in placing their sets, used in plays and/or other works, in the lobbies or open areas of downtown buildings. The answer was an enthusiastic “yes” and photographs taken by students were enlarged and installed in the Parkside lobby. CHI is now pursuing other such interventions, as many student works, including previously used theatrical sets that are now in storage areas throughout the school, could be put to good use and provide recognition for KHSPVA students. The displays could be ideal means to create interesting conversations in large spaces and stimulate walkability along our many corridors.

Participating Agencies:



3.9: Support efforts to enable a more festive game day atmosphere better integrated into the built environment.

Highlight: Engaged visitors and stakeholders around Downtown with creative wayfinding signage and pop ups with QR codes. These informative activations allowed visitors to easily explore Downtown apart from Final Four by providing helpful information such as bars and restaurants, hotels, parking, and current Downtown events. Additional enhancements and activations included the implementation of over 46,000 new flowers, 166 festive banners, Ambassador game day uniforms, building décor contest, and DJs playing music at key pedestrian locations throughout Downtown.

Participating Agency:



GOAL 4

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

4.15: Be the go-to organization for Downtown market research and intelligence.

Highlight: For the 39th consecutive year, CHI staff collected primary leasing and operations data from every multi-tenant office building in Downtown. This data is compiled annually into *Office Story*, a proprietary deep dive into the prior year in competitive office space leasing in Downtown. The peer-reviewed study goes further than a traditional brokerage house or market analysis by leveraging unprecedented access to the owners and operators of every competitive and non-owner-occupied office building in Downtown. Data collection concluded in March, and the report will be issued in April, 2023.

Participating Agency:



4.16: Enhance and expand data capabilities and reporting to provide more detailed intelligence to stakeholders and prospects.

Highlight: After considering several vendors, CHI has selected Field of Study to assist in designing and editing new Quarterly Reports. Field of Study will broaden the impact among the Report's stakeholders by providing accessible, comprehensible and digestible insights through data visualization. They were selected due to high-quality infographics they previously designed for the Rice Design Alliance and a strong track record of working on place-based projects such as Heights Mercantile and Sugar Land Town Square.

Participating Agencies:



GOAL 5

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

5.4: Explore the potential for simplifying stakeholders' awareness of CHI and its affiliates by unifying their brand identities.

Highlight: After seven proposals and three firm interviews, CHI chose Streetsense, "A global collective of placeshapers, brandbuilders, and storytellers." With five global hubs and hundreds of creatives, Streetsense brings us objectivity and experience with complexity and myriad audiences place-based organizations need to reach, inspire, and motivate. Their exploration with the Engage Committee's March meeting informed an online survey to capture more voices leading up to April Board discovery sessions. This effort will produce a refreshed, unified, and cohesive brand umbrella for the existing entities, and simplify stakeholders' understanding of the organization(s), improve communications efficacy, and provide clarified investment attribution.

Participating Agencies:



5.6 Improve and expand external communications to increase awareness of CHI, its actions, and general Downtown happenings.

Highlight: Securing *Houston Business Journal* and *Bisnow* opportunities enabled us to shape conversations about Downtown's future. An expert roundtable with Hines and Brookfield Properties gave insight from two firms betting big on Downtown resilience. Adding Midway achieved Goal 1.3: to "Plan collaboratively for Downtown's evolving edges, connections, and major attractions." At Bisnow's panel, Kris Larson explained how to change misperceptions: "Build a Downtown where women feel comfortable, and men will follow."

Participating Agencies:



Civility
12,549
Total

Homeless Count
317
Average

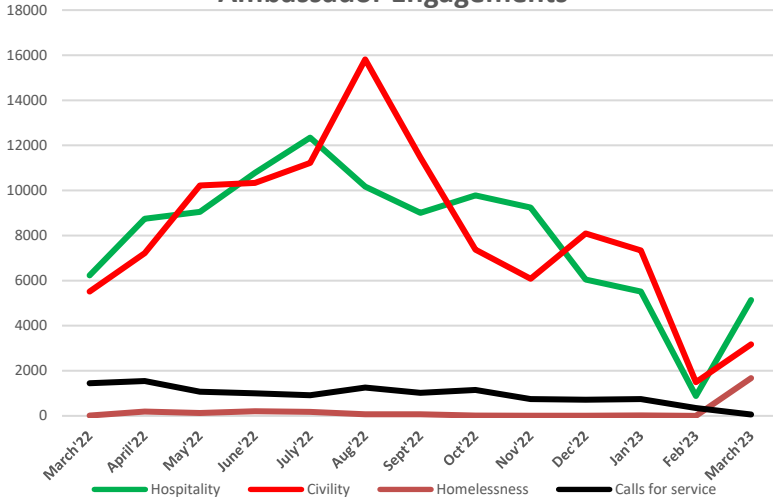
Sidewalk Cleaning
4.09
Average

Garbage Disposed (Tons)
435
Total

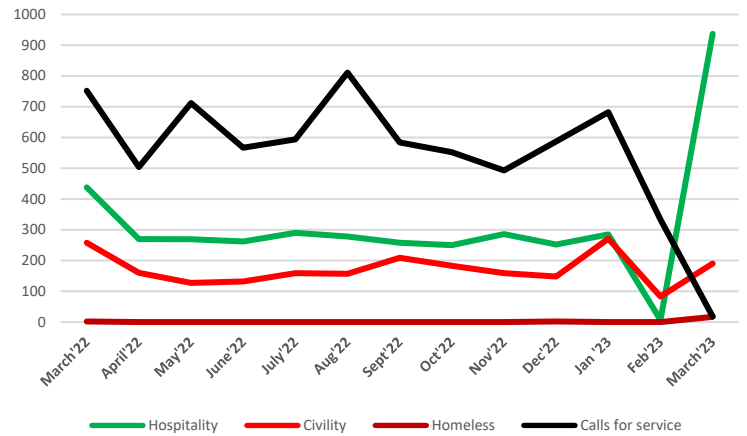
Reliability Report
74%
Average

Safety & Quality Control

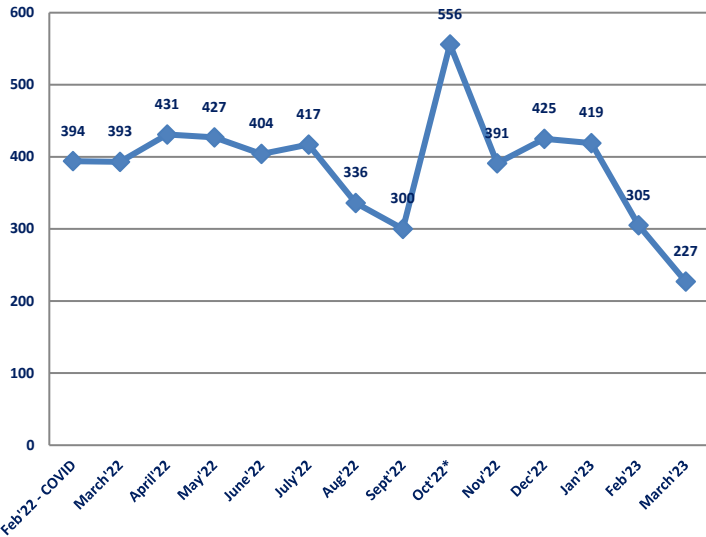
Ambassador Engagements



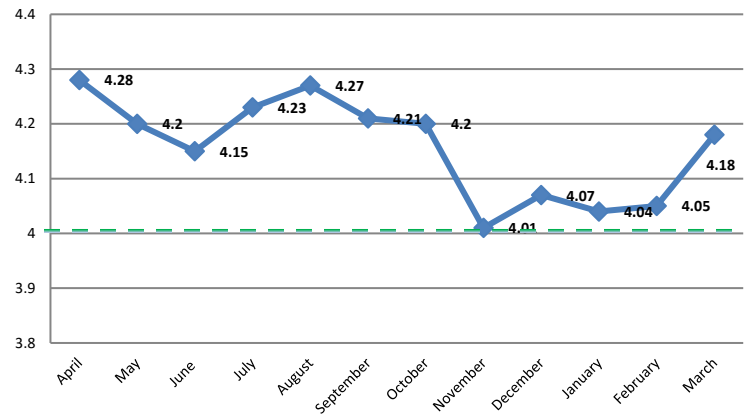
HPD/Seal Engagements



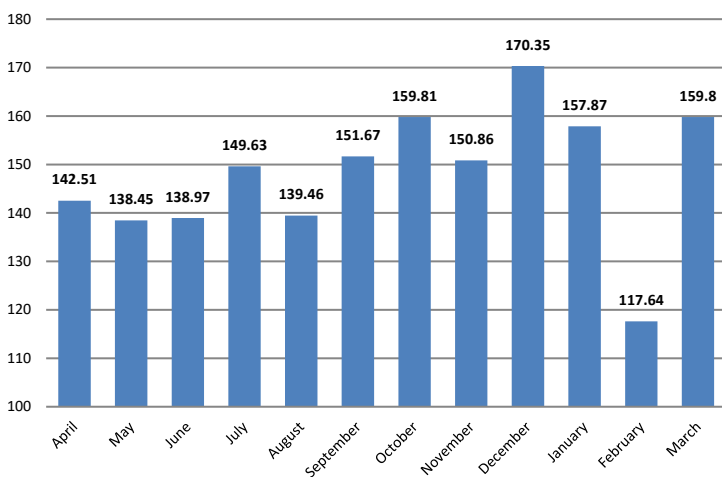
Homeless Count



Sidewalk Cleaning



Garbage Disposed (Tons)



Reliability

