



Board of Directors Meeting
May 11, 2023

**Houston Downtown Management District
Board of Directors Meeting
May 11, 2023**

TABLE OF CONTENTS

	PAGE
Minutes of the April 13, 2023 meeting of the board of directors	3
Items pertaining to finance and administrative matters:	
• Approval of interim financial statements and ratification of expenditures and check registers for April 30, 2023	13
• First Quarter DBE Report.....	21
• Resolution of Appreciation for Retiring Director	22
Project Spotlight: Presentation and Update on the Cotswold Fountains	No Materials
Consider Adoption of Fund Balance and Reserve Policy	23
Program Authorizations:	
<i>Operations</i>	
• Authorize President/CEO to execute agreement and expenditures to lease space for satellite operations center	27
• Authorize President/CEO to execute agreement and expenditures for standby emergency contractor	28
<i>Planning, Design & Capital Projects</i>	
• Authorize President/CEO to execute agreement and expenditures for hiring a consultant for pedestrian lighting.....	29
• Authorize President/CEO to execute agreement and expenditures for North Houston Highway Improvement Project funding to Central Houston Civic Improvement.....	30
<i>Marketing & Communications</i>	
• Authorize the execution of agreements and expenditures for the Downtown Field Guides	31
Goal-Based Updates:	
• Goal 1: Champion Downtown.....	33
• Goal 2: Enhance Downtown	34
• Goal 3: Connect Downtown	35
• Goal 4: Thrive Downtown.....	36
• Goal 5: Stakeholder Engagement	37
Operations Dashboard	38

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

April 13, 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 April 13, 2023, at 12:00 p.m., in-person inside the Large Conference Room of the District’s office, 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	Sean Liu
Clay Crawford	Benjamin Llana
Marcus Davis	Nick Massad III
Terry Demchak	Sherea A. McKenzie
Jacques D’Rovencourt	Kenny Meyer
Kelly Foreman	Cat Nguyen
Irma Galvan	Randy Pryor
Marian Harper	Edna Ramos
Gilbert A. Herrera	Frem Reggie
C.C. Huang	Grace Rodriguez
Angus Hughes	John Schafer
Toni Jackson	Richard Torres

and all of the above were present, with the exception of Directors Crystal Allen, Marcus Davis, Irma Galvan, Angus Hughes, Toni Jackson, Sean Liu, Ben Llana, Nick Massad, Cat Nguyen, John Schafer, and Richard Torres.

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 Streetsense included Donna Oetzel, Andrea Lee, and Clarie Strickland. Also attending was Linda Trevino with METRO; Kris Zagyyva with Block by Block; and Burke Wendt with Morgan, Lewis & Bockius LLP.

WELCOME

Chair Ashby presided over the meeting and welcomed all directors, consultants, and other meeting attendees. Marian Harper served as Secretary. The meeting began at approximately 12:14 PM.

PUBLIC COMMENT

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

APPROVAL OF MINUTES

The Board considered approving the minutes of the March 9, 2023 regular meeting of the Board of Directors. A correction was noted on page 2 where it referenced Ted Zwieg retiring as Vice Chair and Treasurer. This was corrected to show Ted Zwieg retiring as Vice Chair.

Hearing no additional comments or corrections, Chair Ashby called for a motion, moved by Director Kennedy and seconded by Director Harper, and the March 9, 2023 minutes were approved as corrected.

ITEMS PERTAINING TO FINANCE AND ADMINISTRATIVE MATTERS

Approval of Financial Statements and Ratification of Expenditures

Chair Ashby invited Treasurer Robbi Jones to present the interim financial statements and check registers for the period of March 31, 2023. Treasurer Jones shared highlights from the March statements and check registers. No questions or discussion occurred.

Upon a motion made by Chair Ashby, moved by Director Harper, and seconded by Director Kennedy, the Board accepted the March financial statements and check registers as presented.

First Quarter Investment Report

Treasurer Jones continued by sharing highlights of the First Quarter Investment Report. There were no questions and discussion did not occur. Upon a motion made, moved by Director Crawford and seconded by Director Boykins, the First Quarter Investment Report was accepted as presented.

PROGRAM AUTHORIZATIONS

Operations

Brett DeBord presented a request for Board consideration for the President/CEO to enter into an agreement and related expenditures for the downtown banner refresh, in an amount not to exceed \$335,000.

Chair Ashby called for questions and discussion. Hearing none, a motion was called, moved by Treasurer Jones, and seconded by Director Huang, and the downtown banner refresh request was approved as presented.

NCAA FINAL FOUR RECOGNITIONS

President Larson spoke of the successful NCAA Final Four event and took a moment to recognize District staff who contributed their efforts above and beyond what was required to ensure an excellent visitor experience. Jenna Beasley, Jordan Cutler, Scott Finke, Keith Gould, Ellen Johnson, James Kennedy, and Albert Sanchez were all recognized in their respective roles for their contributions to the event. Next, President Larson invited Kris Zagyva and team members from Block by Block to the front of the room. Larson shared letters received from various leaders and visitors commenting on the Block by Block team's hard work and public hospitality. The Board acknowledged the team members outstanding efforts and thanked all. No further action was required.

FUND BALANCE AND RESERVE POLICY DISCUSSION AND UPDATE

President Larson referred to the materials previously provided and gave a recap of the feedback received from the last Fund Balance Policy discussion. He shared a revised draft of the proposed policy, summarized next steps, and opened the topic to questions and discussion. Discussion ensued and questions were asked and answered. President Larson closed by stating the draft policy will be presented to the Board for adoption at the May Board meeting. No further action was needed.

PROJECT SPOTLIGHT: CROSS-ORGANIZATIONAL REBRANDING

Chair Ashby called on President Larson to introduce this item. President Larson shared a summary of the upcoming rebranding project and how it fits into the District's inter-organizational goals. Next, he asked Ann Taylor to provide additional details.

Ms. Taylor elaborated further on the project's goals, notably to have one public facing company and brand. Next, she introduced the team from Streetsense. Donna Oetzel from Streetsense provided a short summary about the company and notable items from their portfolio. Next, Ms. Oetzel shared a presentation outlining milestones of the project and talking points for the board to consider and provide feedback.

Discussion ensued and questions were asked and answered. Ms. Taylor closed by asking the Board to participate in a survey developed in conjunction with Streetsense. No further action was required.

DIRECTORS' QUESTIONS ON OTHER INITIATIVES

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

OTHER BUSINESS

President Larson took a moment to introduce the District's newest team member, Candace Williams. Ms. Williams joins the team as Administrative Assistant and Board Liaison.

Chair Ashby noted the next Board meeting is scheduled for May 11, 2023 and will be held in person. There being no further business to come before the Board, the meeting was adjourned at 1:29 PM.

Marian Harper, Secretary
Houston Downtown Management District

YTD April 2023 Balance Sheet

Assets

Operating Cash Balance is \$352K

TexPool Investment Funds \$20.8M

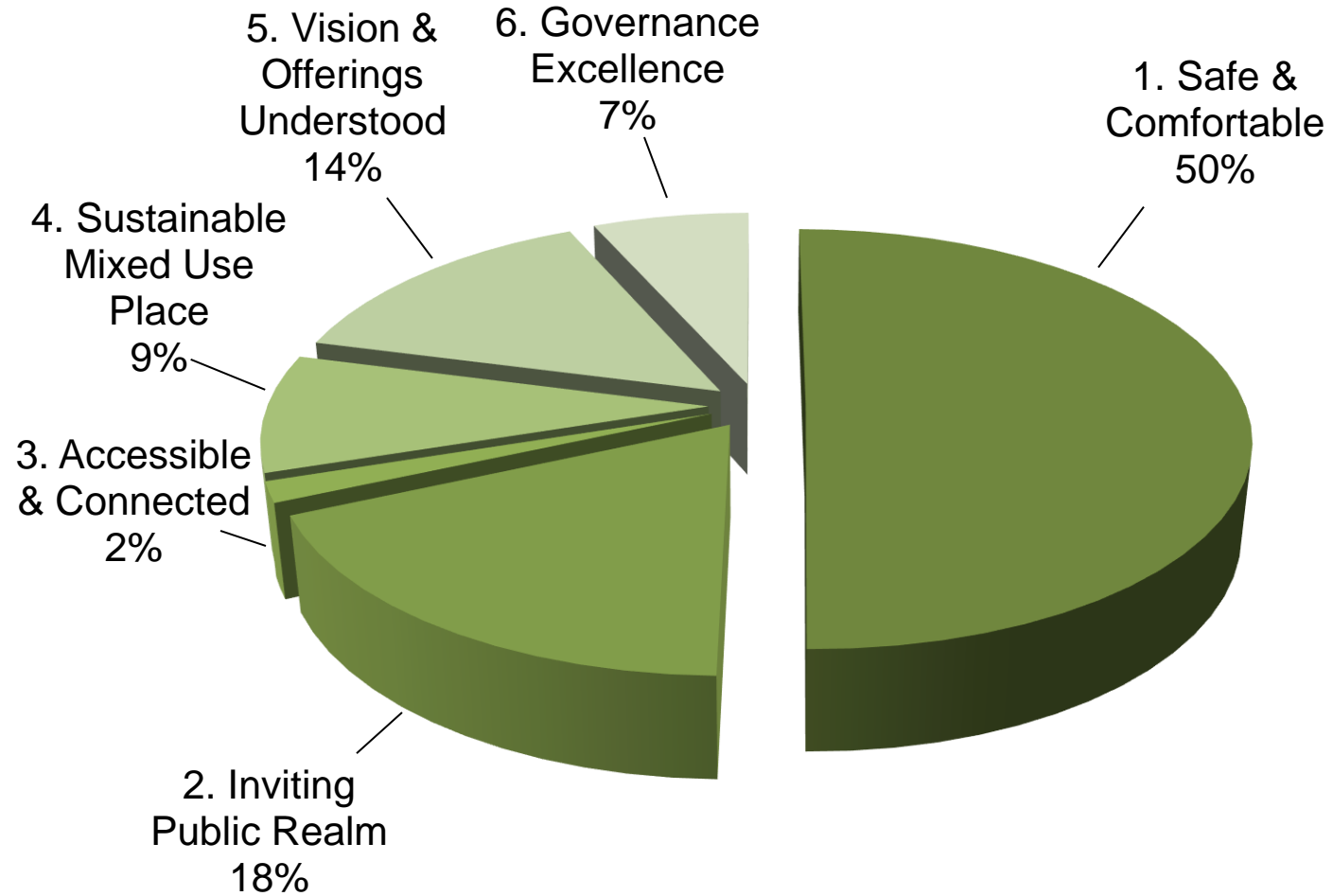
2022 Assessments Due: 97% have been collected

2022 Assessments Receivable \$665K

Liabilities

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

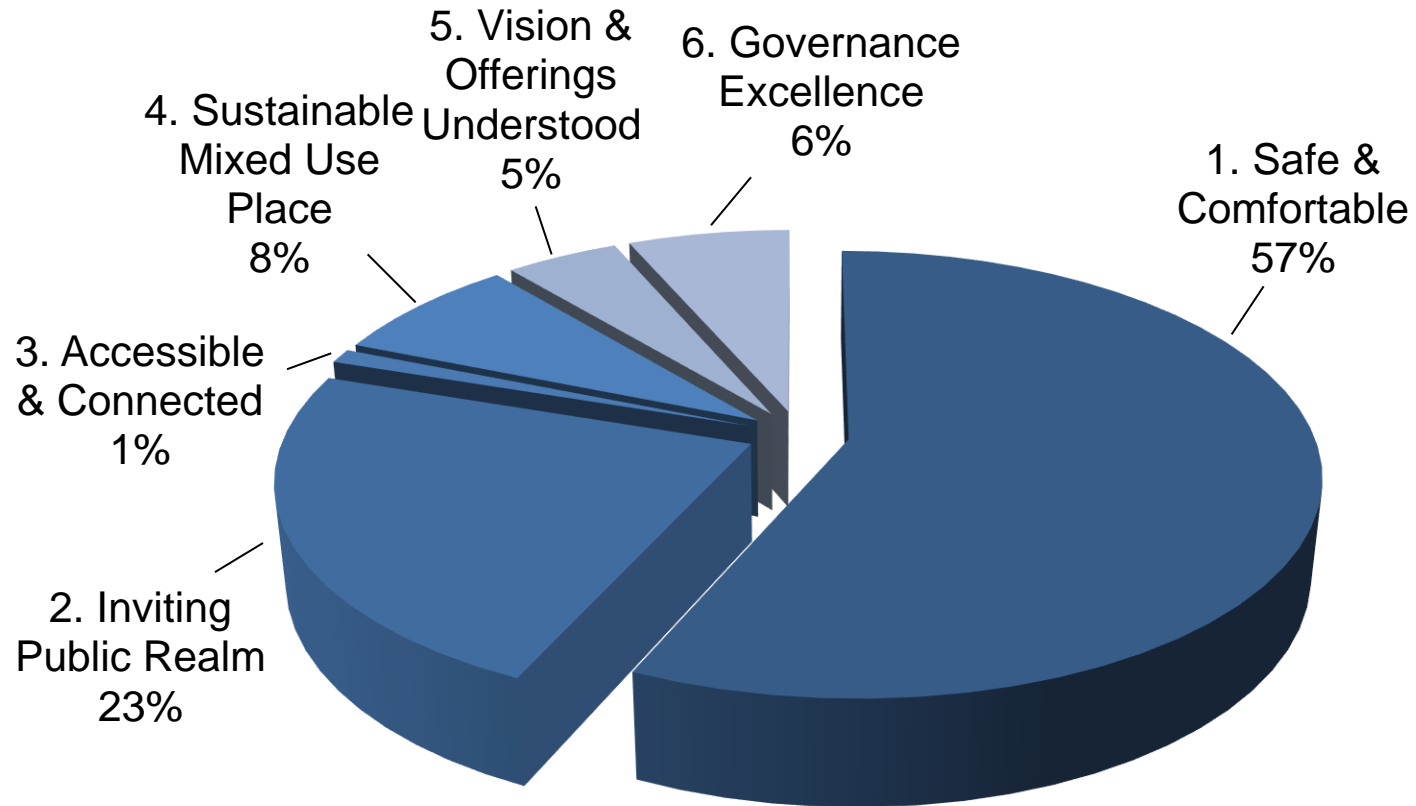
YTD April 2023 Budget



Total: \$6,713,710

Operating: \$5,715,534 Capital: \$998,176

YTD April 2023 Spending



Total: \$4,872,414 (\$1.8M below YTD 2023 Budget)

Operating: \$4,419,057 Capital: \$453,357

April 2023 Variance from Budget Highlights

- **Safe & Comfortable – (\$365K) under budget**
 - Under budget (\$120K) in Safety Guides and (\$82K) in Private Security.
 - Under budget (\$144K) in Homeless Outreach programs.
 - Under budget (\$18K) in Street Lighting Expense, amenities and maintenance.
 - Over budget \$79 in Street Teams cleaning sidewalks and bus stops, \$2K Trash Collection expense, \$2K in Paver Repair and Maintenance and \$2K in Operations admin. Under budget (\$50K) in Landscaping and tree maintenance, (\$21K) in Irrigation maintenance and repair and (\$7K) in staffing.
- **Vibrant, Sustainable Mixed-Use Place – (\$175K) under budget**
 - Under budget (\$61K) in Economic Development.
 - Under budget (\$104K) in Downtown Living Initiative 2021 rebates payments forecasted to be paid in 1Q 2023.
 - Under budget (\$10K) for Learn Central School Information

April 2023 Variance from Budget Highlights

- Downtown's Vision and Offering Understood by All – (\$614K) under budget
 - Under budget (\$292K) in Marketing Expenditures and (\$64K) in staffing.
 - Under budget (\$250K) in Planning Consultants & Expenses for NHHIP and (\$6K) in staffing. Funding for NHHIP will be authorized today.
- Capital Improvement – (\$545K) under budget
 - Under budget (\$375K) in Landscape Amenities-Irrigation.
 - Under budget (\$19K) in Banners, (\$57K) in Storefront/Streetscape Grants, (\$9K) for Trebly Park furnishings and (\$80K) in Landscape Enhancements-Urban Canopy.
 - Under budget (\$95K) for Vehicular and Pedestrian Wayfinding, (\$75K) for Sidewalk Infill Projects. Over budget \$228K for Southeast Sidewalks TxDot project due to timing of invoices..
 - Over budget \$17K for DLI 2022 rebate budgeted for June 2023 paid out earlier in the year.
 - Under budget (\$79K) in Capital Replacement expenditures due to repairs have been minimal the first four months of the year.

Check register for April 2023

- Total checks issued in April 2023 were \$2.4 million.
 - Block by Block - \$514,135
 - TXDot - \$362,259 (Southeast Sidewalks)
 - Central Houston, Inc. - \$336,801
 - (DLI) Bel Air Multi 1711 LLC - \$224,805
 - (DLI) DPR Downtown Houston LLC - \$268,796
 - Street Art Mankind Corp. - \$134,500
 - Color Specialists Landscaping - \$83,376
 - Seal Security Solutions, LLC - \$76,322

2023 Disadvantaged Business Enterprise Program (DBE) Activity Report (1/1 – 3/31)

	2023			2022		
	Operating	Capital	Total	Operating	Capital	Total
Total Certified MWBE	\$503K		\$503K	\$433K	\$52K	\$485K
Adj. Total Spending	\$2,864K	\$65K	\$2,929K	\$2,956K	\$186K	\$3,142K
Less: Qualified Exclusions	(\$1,672K)	-	(\$1,672K)	(\$1,822K)		(\$1,822K)
Qualifying Total Spending	\$1,192K	\$65K	\$1,257K	\$1,133K	\$186K	\$1,319K
% MWBE Certified	42.2%	0.0%	40.0%	38.2%	28.1%	36.8%
Total Self-Certified MWBE	\$22K	-	\$22K	\$81K	-	\$81K
% Cert. + Self Cert.	44.0%	0.0%	41.8%	45.4%	28.1%	43.0%
GOAL			25.0%			25.0%



To Management
Houston Downtown Management District

Management is responsible for the accompanying financial statements of the Houston Downtown Management District (the District), which comprise the governmental fund balance sheets and statements of net position as of April 30, 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,

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

Houston, Texas
May 8, 2023

**Houston Downtown Management District
Governmental Fund Balance Sheets and
Statement of Net Position
April 30, 2023 and April 30, 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	\$ 16,516,791	\$ 4,664,519	\$ 21,181,310	\$ 17,759,422	\$ 4,074,025	\$ 21,833,447
Assessments Due	612,822	52,609	665,432	429,014	15,888	444,901
Accounts Receivable	149,147	-	149,147	141,948	4,800	146,749
Prepaid Expense	26,235	-	26,235	26,235	-	26,235
Inventory	-	-	-	-	-	-
Property & Equipment, Net	558,493	747	559,240	618,826	9,873	628,699
Right of Use Lease Assets, Net	2,616,094	-	2,616,094	2,801,295	-	2,801,295
Intercompany Rec/Pay	(1,191,634)	1,191,634	-	(1,226,168)	1,226,168	-
Total Assets	\$ 19,287,948	\$ 5,909,510	\$ 25,197,458	\$ 20,550,572	\$ 5,330,755	\$ 25,881,327
Liabilities						
Accounts Payable & Accrued Expenses	\$ 381,951	\$ -	\$ 381,951	\$ 546,417	\$ 43,000	\$ 589,417
Lease Liability 1313 Main	2,754,606	-	2,754,606	2,883,164	-	\$ 2,883,164
Deferred Revenue	-	-	-	-	-	-
Reserve for Refunds due to Property Protests	1,287,760	98,708	1,386,468	1,158,149	83,559	1,241,708
Total Liabilities & Deferred Revenue	4,424,317	98,708	4,523,025	4,587,729	126,559	4,714,288
Fund Balances						
Unreserved, Undesignated	14,063,631		14,063,631	15,162,843		15,162,843
Unreserved, Designated for Catastrophy	800,000		800,000	800,000		800,000
Reserved for Capital Projects		5,810,802	5,810,802		5,204,196	5,204,196
	14,863,631	5,810,802	20,674,433	15,962,843	5,204,196	21,167,039
Total Liabilities, Deferred Revenue & Fund Balances	\$ 19,287,948	\$ 5,909,510	\$ 25,197,458	\$ 20,550,572	\$ 5,330,755	\$ 25,881,327

**Houston Downtown Management District
Statement of Activities
For the Four Months Ended April 30, 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	158,024	-	158,024	304,000	(145,976)
Project Revenue	16,058	-	16,058	81,667	(65,608)
Other Income	1,092	-	1,092	-	1,092
Interest Income	199,800	75,505	275,305	120,000	155,305
Total Revenues	\$ 374,974	\$ 75,505	\$ 450,479	\$ 505,667	\$ (55,188)
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 762,316	\$ -	\$ 762,316	\$ 967,765	\$ 205,449
Reduced Presence of Homeless & Street Persons	193,850	-	193,850	338,377	144,526
Downtown Sidewalks are Comfortably Lighted	34,916	-	34,916	53,175	18,260
Downtown Clean & Well-Kept Appearance	1,448,808	-	1,448,808	1,440,521	(8,287)
Remove Signs of Disorder in Downtown	29,318	-	29,318	29,107	(211)
Prepare for Emergencies	38,014	-	38,014	42,922	4,908
	2,507,222	-	2,507,222	2,871,867	364,645
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	190,915	-	190,915	214,774	23,859
Public Spaces Managed, Programmed, & Delightful	524,258	-	524,258	575,301	51,043
Place of Civic Celebration	317,023	-	317,023	247,076	(69,947)
	1,032,196	-	1,032,196	1,037,151	4,955
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	7,299	-	7,299	7,409	110
Convenient Circulation Without Personal Vehicle	-	-	-	-	-
Easy To Find Way Around	10,218	-	10,218	49,439	39,221
Connect Neighbors & Districts Inside/Outside Downtown	25,977	-	25,977	31,704	5,726
Convenient, Understandable & Managed Parking	2,254	-	2,254	2,462	208
	45,748	-	45,748	91,013	45,265
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	145,753	-	145,753	207,109	61,355
Exciting Neighborhoods to Live In	185,678	-	185,678	299,481	113,803
Competitive Shopping Place	6,670	-	6,670	6,770	100
Remarkable Destination for Visitors	5,412	-	5,412	5,493	81
	343,513	-	343,513	518,853	175,340
Downtown's Vision & Offering Understood By All					
Market to Region	102,945	-	102,945	459,295	356,351
Promote Downtown's Ease of Use	30,792	-	30,792	31,557	765
Vision/Development Framework Understood By All	52,262	-	52,262	308,427	256,165
Tools to Assist Continued Redevelopment	8,764	-	8,764	8,896	132
Develop & Maintain Information to Support Downtown	7,092	-	7,092	7,199	107
	201,855	-	201,855	815,374	613,519
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	227,573	-	227,573	312,209	84,636
Communications to Owners, Tenants & Others	16,388	-	16,388	17,517	1,129
Preservation of Districts' Capital Assets	44,561	-	44,561	51,550	6,989
	288,521	-	288,521	381,275	92,754
Capital Improvement & Expenditures					
Downtown Feels Safe & Comfortable	-	-	-	375,000	375,000
Public Realm is Charming, Inviting, & Beautiful	-	23,393	23,393	188,000	164,607
Accessible to Region & Easy to Get Around	-	400,508	400,508	342,976	(57,532)
Vibrant, Sustainable Mixed-Use Place	-	16,627	16,627	-	(16,627)
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	12,830	12,830	92,200	79,370
	-	453,357	453,357	998,176	544,819
Total Expenses	\$ 4,419,057	\$ 453,357	\$ 4,872,414	\$ 6,713,710	\$ 1,841,296
Depreciation Expense	29,376	373	29,749	34,600	4,851
Excess of Revenue Over Expenses GAAP Basis	\$ (4,073,458)	\$ (378,225)	\$ (4,451,684)	\$ (6,242,644)	\$ 1,790,960

**Houston Downtown Management District
Statement of Activities
For the Four Months Ended April 30, 2023 and April 30, 2022**

	Operating YTD Actual	Capital YTD Actual	2023 Total YTD Actual	2022 Total YTD Actual	Fav (Unfav) Variance
Revenues					
Assessment Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Operations Revenue	148,497	-	148,497	205,650	(57,154)
Project Revenue	16,058	-	16,058	15,196	863
Other Income	1,092	-	1,092	44,982	(43,890)
Interest Income	199,800	75,505	275,305	9,666	265,639
Total Revenues	\$ 365,447	\$ 75,505	\$ 440,952	\$ 275,494	\$ 165,458
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 762,316	\$ -	\$ 762,316	\$ 704,475	\$ (57,841)
Reduced Presence of Homeless & Street Persons	193,850	-	193,850	123,710	(70,141)
Downtown Sidewalks are Comfortably Lighted	34,916	-	34,916	36,533	1,617
Downtown Clean & Well-Kept Appearance	1,448,808	-	1,448,808	1,486,084	37,277
Remove Signs of Disorder in Downtown	29,318	-	29,318	12,656	(16,662)
Prepare for Emergencies	38,014	-	38,014	32,365	(5,649)
	<u>2,507,222</u>	<u>-</u>	<u>2,507,222</u>	<u>2,395,824</u>	<u>(111,399)</u>
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	190,915	-	190,915	143,981	(46,934)
Public Spaces Managed, Programmed, & Delightful	524,258	-	524,258	306,604	(217,654)
Place of Civic Celebration	317,023	-	317,023	129,259	(187,764)
	<u>1,032,196</u>	<u>-</u>	<u>1,032,196</u>	<u>579,844</u>	<u>(452,352)</u>
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	7,299	-	7,299	3,656	(3,644)
Convenient Circulation Without Personal Vehicle	-	-	-	-	-
Easy To Find Way Around	10,218	-	10,218	19,085	8,868
Connect Neighbors & Districts Inside/Outside Downtown	25,977	-	25,977	3,444	(22,533)
Convenient, Understandable & Managed Parking	2,254	-	2,254	3,466	1,213
	<u>45,748</u>	<u>-</u>	<u>45,748</u>	<u>29,651</u>	<u>(16,097)</u>
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	145,753	-	145,753	134,906	(10,848)
Exciting Neighborhoods to Live In	185,678	-	185,678	255,859	70,181
Competitive Shopping Place	6,670	-	6,670	5,816	(854)
Remarkable Destination for Visitors	5,412	-	5,412	18,523	13,111
	<u>343,513</u>	<u>-</u>	<u>343,513</u>	<u>415,104</u>	<u>71,591</u>
Downtown's Vision & Offering Understood By All					
Market to Region	102,945	-	102,945	249,550	146,605
Promote Downtown's Ease of Use	30,792	-	30,792	9,246	(21,546)
Vision/Development Framework Understood By All	52,262	-	52,262	342,946	290,684
Tools to Assist Continued Redevelopment	8,764	-	8,764	27,736	18,972
Develop & Maintain Information to Support Downtown	7,092	-	7,092	11,665	4,573
	<u>201,855</u>	<u>-</u>	<u>201,855</u>	<u>641,143</u>	<u>439,288</u>
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	227,573	-	227,573	244,703	17,131
Communications to Owners, Tenants & Others	16,388	-	16,388	11,471	(4,918)
Preservation of Districts' Capital Assets	44,561	-	44,561	43,944	(616)
	<u>288,521</u>	<u>-</u>	<u>288,521</u>	<u>300,118</u>	<u>11,597</u>
Capital Improvement & Expenditures					
Downtown Feels Safe & Comfortable	-	-	-	-	-
Public Realm is Charming, Inviting, & Beautiful	-	23,393	23,393	-	(23,393)
Accessible to Region & Easy to Get Around	-	400,508	400,508	109,151	(291,357)
Vibrant, Sustainable Mixed-Use Place	-	16,627	16,627	57,613	40,986
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	12,830	12,830	118,060	105,230
	<u>-</u>	<u>453,357</u>	<u>453,357</u>	<u>284,824</u>	<u>(168,533)</u>
Total Expenses	\$ 4,419,057	\$ 453,357	\$ 4,872,414	\$ 4,646,508	\$ (225,906)
Depreciation Expense	29,376	373	29,749	33,262	3,513
Excess of Revenue Over Expenses GAAP Basis	\$ (4,082,985)	\$ (378,225)	\$ (4,461,211)	\$ (4,404,276)	\$ (56,935)

Houston Downtown Management District

Variance Analysis

For the Four Months Ended April 30, 2023

Revenue

1) Operations revenue is under budget (\$72K) in Metro bus stop cleaning, (\$30K) in Main Street Fountain Reimbursements, (\$51K) in Cotswold Fountain Reimbursements and (\$16K) in Trebly Park Tout Suite Utility Reimbursements. The Trash Program is over budget \$21K. Project revenue is under budget (\$38K) for DRA reimbursements and (\$30K) for the Theater District Staff Reimbursement. HDMD and the Theater District has eliminated this position. The budget shortfalls are due to timing of invoicing or services have not been rendered yet. Interest income is over budget \$155K due to more favorable rates than projected.

Operating Budget

Expenses

- 2) Goal 1a-Collaboration to Maintain Low Crime Rate-Under budget (\$120K) in Safety Guides and (\$82K) in Private Security.
- 3) Goal 1b-Reduced Presence of Homeless & Street Persons-Under budget (\$144K) in homeless outreach programs.
- 4) Goal 1c-Downtown Sidewalks are Comfortably Lighted-Under budget (\$18K) in Street Lighting Expense, amenities and maintenance.
- 5) Goal 1d-Downtown Noted for Cleanliness & Well-Kept Appearance- Over budget \$79K Street Teams cleaning sidewalks and bus stops, \$2K in Trash Collection expense, \$2K in Paver repair and maintenance and \$2K in Operations. Under budget (\$50K) in Landscaping and tree maintenance, (\$21K) in Irrigation maintenance and repair and (\$7K) in staffing.
- 6) Goal 1f-Prepare for Emergencies - Under budget (\$4K) in monitoring equipment and generator.
- 7) Goal 2a-Key Pedestrian Streets are Inviting-Under budget (\$18K) in accent plants and under budget (\$6K) in staffing.
- 8) Goal 2b-Key Public Spaces Programmed and Delightful-Under budget (\$17K) in Trebly Park maintenance, (\$24K) in Cotswold maintenance and repairs, (\$22K) in Main Street Square maintenance and (\$5K) in Market Square Park maintenance. Over budget \$19K in programming due to Trebly Park grand opening event in January.
- 9) Goal 2c-Place of Civic Celebration-Under budget (\$15K) in Seasonal Banner program, (\$10K) in Banner/Pot maintenance and (\$2K) in staffing. Over budget \$41K in preparation for SAM installation, \$8K in Allen Parkway maintenance, and \$48K in Holiday Logistics.
- 10) Goal 3c-Easy to Find Way Around-Under budget (\$4K) in Maintaining Wayfinding, (\$30K) in Wayfinding Above & Below Map and (\$6K) in staffing.
- 11) Goal 3d-Connect Neighbors & Districts Inside/Outside Downtown-Under budget (\$6K) in staffing.
- 12) Goal 4a-Best Place to Work in the Region-Under budget (\$61K) in Economic Development.
- 13) Goal 4b-Exciting Neighborhoods To Live In-Under budget (\$104K) due to 2021 DLI payouts forecasted to be paid out in the 1Q, 2023, and (\$10K) for Learn Central School Information.
- 14) Goal 5a-Market to Region-Under budget (\$292K) in marketing expenditures and (\$64K) in staffing.
- 15) Goal 5c-Planning Consultants & Expenses for NHHIP under budget (\$250K) and (\$6K) in staffing.
- 16) Goal 6a-Complete engagement by all stakeholders in District - Under budget (\$13K) in Operations, (\$8K) in Marketing and Communications, (\$9K) in Economic Development, (\$7K) in Planning Design & Construction, and (\$42K) in Administration and (\$5K) in staffing.
- 17) Goal 6c-Preservation of District's Capital Assets - Under budget (\$7K) in insurance expense due to renewals coming in lower than forecasted.

Capital Budget

- 18) Under budget (\$375K) in Landscape Amenities-Irrigation.
- 19) Under budget (\$19K) in Banners, (\$57K) in Storefront/Streetscape Grants,(\$9K) for Trebly Park furnishings and (\$80K) in Landscape Enhancements-Urban Canopy.
- 20) Under budget (\$95K) for Vehicular and Pedestrian Wayfinding, under budget (\$75K) for Sidewalk Infill Projects. Over budget \$228K for Southeast Sidewalks TxDOT project due to timing of invoices.
- 21) Over budget \$17K for DLI rebate budgeted for June 2023 paid out earlier in the year.
- 22) Under budget (\$79K) in Capital Replacement Expenditure due to repairs have been minimal the first four months of the year.

HOUSTON DOWNTOWN MANAGEMENT DISTRICT

AP Check Register (Current by Bank)

Check Dates: 4/1/2023 to 4/30/2023

Check No.	Date	Status*	Vendor ID	Payee Name	Amount	
BANK ID: A - OPERATING ACCT-JPMORGAN					101.000	
35310	04/01/23	P	1200	CENTRAL HOUSTON, INC	\$336,800.81	
35311	04/01/23	V	4/1/23	1200		
35312	04/01/23	V	4/1/23	1200		
35313	04/01/23	V	4/1/23	1200		
35314	04/01/23	V	4/1/23	1200		
35315	04/01/23	V	4/1/23	1200		
35316	04/01/23	V	4/1/23	1200		
35317	04/01/23	V	4/1/23	1200		
35318	04/01/23	V	4/1/23	1200		
35319	04/01/23	V	4/1/23	1200		
35320	04/01/23	V	4/1/23	1200		
35321	04/01/23	V	4/1/23	1200		
35322	04/01/23	V	4/1/23	1200		
35323	04/01/23	V	4/1/23	1200		
35324	04/01/23	V	4/1/23	1200		
35325	04/01/23	V	4/1/23	1200		
35326	04/01/23	V	4/1/23	1200		
35327	04/01/23	V	4/1/23	1200		
35328	04/01/23	V	4/1/23	1200		
35331	04/01/23	P	99978	914 PRESTON LP	\$515.18	
35332	04/01/23	P	999955	BRETT CATHCART	\$40.36	
35333	04/01/23	P	999956	CAPITAL MORTGAGE SVCS OF TEXAS	\$32.87	
35334	04/01/23	P	1504	CHEVRON FEDERAL CREDIT UNION	\$350.31	
35335	04/01/23	P	999957	CORNERSTONE HOME LENDING, INC	\$37.30	
35336	04/01/23	P	99957	FAIRFIELD BLOCK 334 LP	\$4,923.84	
35337	04/01/23	P	999958	JON S SKEELE	\$127.50	
35338	04/01/23	P	999959	KHAING SEWARD	\$46.00	
35339	04/01/23	P	5648	LINEBARGER GOGGAN BLAIR	\$378.01	
35340	04/01/23	P	999915	MANZOOR HASAN	\$878.22	
35341	04/01/23	P	999914	MASTER HOUSTON SMITH ST. LLC	\$505.98	
35342	04/01/23	P	8793	UTS, LLC	\$10,900.03	
4118275	04/04/23	M	8763	UNIVERSAL PLUMBING SUPPLY CO.	\$90.07	
34883	04/05/23	V	4/5/23	1532	CITY OF HOUSTON	(\$1,750.00)
35330	04/05/23	P	1532	CITY OF HOUSTON	\$1,750.00	
6635045	04/06/23	M	8355	STERLING EXPRESS SERVICES, INC	\$93.60	
6635051	04/06/23	M	9067	WASTE MANAGEMENT OF TEXAS, INC	\$190.22	
6635059	04/06/23	M	0490	ASSOCIATED LANDSCAPE SERVICES	\$24,769.02	
6635064	04/06/23	M	1601	COOPWOOD'S AIR CONDITIONING	\$1,427.39	
6635071	04/06/23	M	1543	CITY OF HOUSTON	\$941.46	
6635075	04/06/23	M	0361	ALBERT SANCHEZ	\$50.13	
6635078	04/06/23	M	0353	ALL AMERICAN POLY	\$14,616.00	
6635082	04/06/23	M	0550	BLUMENTHAL SHEET METAL	\$639.00	
6635084	04/06/23	M	0879	BYRON KESSER, INC	\$3,300.00	
6635086	04/06/23	M	2082	D9 DESIGNS, LLC	\$871.00	
6635090	04/06/23	M	3611	GENEVA GORDON	\$1,200.00	
6635095	04/06/23	M	3611	GENEVA GORDON	\$800.00	
6635097	04/06/23	M	3298	GULF COAST PAVERS, INC.	\$64,800.00	
6635099	04/06/23	M	3550	HARDY & HARDY	\$3,550.00	
6635102	04/06/23	M	3573	HARRIS COUNTY TREASURER	\$9,242.00	
6635106	04/06/23	M	8876	JESSICA HIPOLITO	\$750.00	
6635110	04/06/23	M	5540	LINCOLN COLWELL	\$1,850.00	
6635114	04/06/23	M	5700	LONE STAR FLAGS AND FLAGPOLES	\$1,174.50	
6635120	04/06/23	M	5961	MELISSA TAYLOR	\$1,675.00	
6635123	04/06/23	M	7319	PARK FIRST OF TEXAS, LLC	\$1,400.00	
6635126	04/06/23	M	7525	PARTYPERKS	\$1,499.94	
6635128	04/06/23	M	7400	PFEIFFER & SON, LTD	\$4,019.50	

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

** Denotes broken check sequence.

HOUSTON DOWNTOWN MANAGEMENT DISTRICT

AP Check Register (Current by Bank)

Check Dates: 4/1/2023 to 4/30/2023

Check No.	Date	Status*	Vendor ID	Payee Name	Amount
6635130	04/06/23	M	8047	RACHEL DELAROSA	\$750.00
6635132	04/06/23	M	8119	ROADRUNNER RECYCLING, INC	\$1,849.10
6635135	04/06/23	M	2550	SCOTT FINKE	\$64.35
6635138	04/06/23	M	8373	SP PLUS PARKING	\$52.00
6635143	04/06/23	M	8353	SPLICE OF LIFE PRODUCTIONS LLC	\$29,525.00
6635146	04/06/23	M	3948	THE HARRIS CENTER FOR	\$18,666.67
6635148	04/06/23	M	0009	THOMAS PRINTWORKS	\$473.29
6635152	04/06/23	M	8799	ULINE	\$118.82
6635157	04/06/23	M	9045	WESTERN FIRST AID & SAFETY	\$212.41
714447	04/13/23	M	8168	SEAL SECURITY SOLUTIONS, LLC	\$76,322.30
714462	04/13/23	M	5893	MARATHON MUSIC GROUP, LLC	\$7,000.00
7144032	04/13/23	M	1692	COSTAR GROUP, INC.	\$1,115.07
7144036	04/13/23	M	8912	VORTEX COLORADO, LLC	\$456.00
7144039	04/13/23	M	3326	DAVID GWIN	\$62.41
7144043	04/13/23	M	7995	INCONTROL CONTRUCTION LLC	\$21,554.26
7144050	04/13/23	M	5676	DJ BLOOM, LLC	\$700.00
7144054	04/13/23	M	9819	BRYAN K BENNETT	\$1,732.17
7144056	04/13/23	M	3279	GRAINGER	\$11.06
7144060	04/13/23	M	4437	INTERNATIONAL STONWORKS, INC	\$511.91
7144064	04/13/23	M	5703	MICHAEL LOESSIN	\$500.00
7144066	04/13/23	M	8027	RAE SECURITY SOUTHWEST, LLC	\$1,084.45
7144071	04/13/23	M	3989	RELIANT ENERGY	\$81.78
7144076	04/13/23	M	8801	URS INC.	\$8,392.00
7144080	04/13/23	M	9081	WESTPARK COMMUNICATIONS, L.P	\$83.38
7144052	04/17/23	M	0348	ALL ACCESS ART SHOW, LLC	\$10,490.00
9488474	04/20/23	M	6077	BARTLETT TREE EXPERTS	\$2,760.00
9488481	04/20/23	M	0511	BLOCK BY BLOCK	\$514,134.53
9488492	04/20/23	M	0598	STREET ART MANKIND CORP	\$134,500.00
9488497	04/20/23	M	0027	AT&T	\$977.89
9488501	04/20/23	M	1665	COLOR SPECIALISTS LANDSCAPING	\$83,376.75
9488505	04/20/23	M	3548	HAMILTON PLUMBING SERVICE	\$1,218.47
9488508	04/20/23	M	3915	HOUSTON CIVIC EVENTS,INC.	\$15,000.00
9488511	04/20/23	M	5211	KEITH GOULD	\$37.89
9488515	04/20/23	M	5710	LVA 4 HOUSTON GREENSTREET LP	\$19,996.30
9488518	04/20/23	M	5987	MAINTENANCE TO GO	\$8,574.55
9488521	04/20/23	M	7400	PFEIFFER & SON, LTD	\$7,016.71
9488525	04/20/23	M	2550	SCOTT FINKE	\$67.51
9488528	04/20/23	M	8151	SEARCH HOMELESS SERVICES	\$13,864.89
9488536	04/20/23	M	9089	WE 68 LLC	\$3,972.50
9489063	04/20/23	M	9902	TROY BILLINGS	\$750.00
9489063	04/20/23	V 4/20/23	9902	TROY BILLINGS	(\$750.00)
94488531	04/20/23	M	8609	TOUCH & AGREE PROPERTY	\$2,521.60
35343	04/24/23	P	0554	BEL AIR MULTI 1711. LLC	\$224,805.00
35344	04/24/23	P	99932	DPR DOWNTOWN HOUSTON LLC	\$268,796.00
1076279	04/28/23	M	0027	AT&T	\$1,495.55
1076286	04/28/23	M	1532	CITY OF HOUSTON	\$331.44
1076291	04/28/23	M	1597	CLUTCH CONSULTING GROUP LLC	\$2,000.00
1076299	04/28/23	M	2929	FORT BEND BATTERY & GOLF CARTS	\$603.15
1076308	04/28/23	M	3573	HARRIS COUNTY TREASURER	\$9,242.00
1076317	04/28/23	M	3993	DEFENDER MEDIA GROUP	\$617.40
1076326	04/28/23	M	7784	KENNEDY BRAND MEDIA	\$600.00
1076335	04/28/23	M	5700	LONE STAR FLAGS AND FLAGPOLES	\$2,494.00
1076343	04/28/23	M	5987	MAINTENANCE TO GO	\$15,464.60
1076354	04/28/23	M	9113	NCTP-CPAS PLLC	\$1,700.00
1076362	04/28/23	M	6981	NEARMAP US INC	\$8,925.00
1076372	04/28/23	M	7712	POWER PEST CORP	\$7,820.00
1076382	04/28/23	M	3400	RAFFLE PARKING COMPANY,LLC	\$900.00
1076390	04/28/23	M	8552	TEXAS OUTHOUSE, INC.	\$440.67

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

** Denotes broken check sequence.

HOUSTON DOWNTOWN MANAGEMENT DISTRICT

AP Check Register (Current by Bank)

Check Dates: 4/1/2023 to 4/30/2023

Check No.	Date	Status*	Vendor ID	Payee Name	Amount
1076398	04/28/23	M	8799	ULINE	\$906.60
1076406	04/28/23	M	8900	VERIZON WIRELESS	\$1,352.57
1122906	04/28/23	M	7191	ONE MARKET SQUARE PHASE I LLC	\$1,610.00

BANK A REGISTER TOTAL: \$2,034,417.24

BANK ID: B - CAPITAL ACCT-JPMORGAN 102.000

3992	04/07/23	P	8572	TEXAS DEPT OF TRANSPORTATION	\$362,259.40
9488111	04/20/23	M	5700	LONE STAR FLAGS AND FLAGPOLES	\$15,969.00
9488199	04/20/23	M	1751	DESIGN WORKSHOP, INC	\$3,020.00

BANK B REGISTER TOTAL: \$381,248.40

GRAND TOTAL : \$2,415,665.64

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

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

Reporting Period: 1/1/2023 - 3/31/2023

	2023			2022		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Total Certified MWBE	\$ 502,937	\$ -	\$ 502,937	\$ 432,935	\$ 52,415	\$ 485,350
Adjusted Total Spending	\$ 2,863,675	\$ 64,889	\$ 2,928,564	\$ 2,955,563	\$ 186,312	\$ 3,141,875
Less Qualified for Exclusion	\$ (1,671,596)	\$ -	\$ (1,671,596)	\$ (1,822,139)	\$ -	\$ (1,822,139)
Qualifying Total Spending	\$ 1,192,079	\$ 64,889	\$ 1,256,968	\$ 1,133,424	\$ 186,312	\$ 1,319,736
%MWBE Certified	42.2%	0.0%	40.0%	38.2%	28.1%	36.8%
Total Self-Certified MWBE	\$ 21,937	\$ -	\$ 21,937	\$ 81,487	\$ -	\$ 81,487
% Certified + Self-Certified	44.0%	0.0%	41.8%	45.4%	28.1%	43.0%

Houston Downtown Management District

Resolution of Appreciation

WHEREAS, TED ZWIEG was elected to the Board of Directors of the Houston Downtown Management District in 2013; and

WHEREAS, TED ZWIEG retired from Brookfield Properties and now wishes to retire from the Board of Directors having committed his experience, time, and responsibility to the District for the past ten years; and

WHEREAS, TED ZWIEG has played a key role in Downtown's business growth and development. He shared his knowledge and expertise in several capacities in his role as Senior Vice President of Operations with Brookfield Properties; and

WHEREAS, during his tenure as a Director, TED ZWIEG committed substantial time and talent to the District in his service on the Board of Directors, serving as Vice Chair of the Board; Member of the Executive Search Committee; Chair of the Public Safety Committee; and as a member of the Executive, Marketing & Communications, and Nominating Committees; and

FURTHER WHEREAS, TED ZWIEG shared substantial knowledge, advice, keen insight and sound judgment in his public service to the District and served as a champion for Downtown.

NOW, THEREFORE, be it

RESOLVED, the Board of Directors expresses its sincerest appreciation to TED ZWIEG for his service and is grateful for his service as Vice Chair and Director of the District and wishes him well in future endeavors; and

RESOLVED FURTHER, the Board of Directors directs the Secretary to transmit to TED ZWIEG a certified copy of this resolution as a permanent token of the Board's expression of gratitude.

ACTION ITEM

Approve Draft HDMD Fund Balance and Reserve Policy

DESCRIPTION

The enclosed Fund Balance and Reserve Policy establishes a target minimum and maximum fund balance and conditions governing its use. The policy is intended to be revisited by the Board every two years to ensure that it reflects the current needs of the organization.

DISCUSSION

Since January of 2023, the HDMD Executive Committee has worked with management to develop the attached draft policy. Its components have been presented to the full Board twice, including a complete policy preview with the Board at the April meeting. During the April meeting, the target minimum and maximum were recommended to be adjusted up by one-half month in comparable revenues. This is the first such policy for HDMD Board and is the outcome of a request by the Board during the winter of 2022 to have a defined understanding of the appropriate amount of funding to have in reserve.



Fund Balance Policy and Reserve Fund May 11, 2023

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 3 months of operating expenses, and the maximum shall be 4 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 \$4.8 M of existing accumulated liquid net assets, a figure equivalent to 3 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 co-mingled 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.

ACTION ITEM	Authorize President / CEO to enter into a leasehold agreement for a satellite operations center on the north side of Downtown and authorize expenditures to support the build out of the space to support a homeless outreach, law enforcement and security focused use.
SERVICE PLAN	2021-2025
Account Code	851.200 (75%), 818.800 (25%)
Budget	\$2,880,000 in two line items combined
REQUEST	\$100,000
DESCRIPTION	HDMD Satellite Outpost – HDMD management is currently exploring the potential to lease the former “Rachel’s Café” space across Prairie Street from the Beacon. This post would provide a prominent level of transparency for security & law enforcement presence and serve as a regular drop-in location for HPD officers. This strategy could keep more consistent “eyes on the street,” a method used for decades to help improve public safety. The lease would be structured for one year, with the option of two one-year renewals. The monthly lease amount is \$3,125.00.
DISCUSSION	Continued challenges and conditions in the area surrounding the Beacon have prompted the exploration of expanded and even novel interventions to help clean up the area. Prior programs, such as the pilot housing surge, continue, whereas traditional HDMD-provided services such as power-washing have increased from three to five days per week in response to continued stakeholder demands. This additional strategy can help amplify the presence of uniformed teams and deter some of the criminal and nuisance issues that are negative externalities of the Beacon’s operations.
DBE Participation	TBD

ACTION ITEM Authorize President / CEO to extend an agreement with Teamwork Construction Services to be the standby contractor for emergency response.

SERVICE PLAN 2021-2025
Account Code 925.200
Budget \$15,000

REQUEST \$5,000

DESCRIPTION Teamwork Construction Services has been the Downtown District's standby contractor for cleanup duties as directed in the event of an emergency and/or weather-related event since 2011. This action will extend the term of the agreement with Teamwork at the existing rates until May 31, 2024.

DISCUSSION The District is responsible for assisting in the cleanup efforts after a storm event. The District learned from Hurricane Ike that all personnel and equipment resources need to be arranged and staged prior to an event so the contractors understand their role and have all needed resources in line and ready to respond. The agreement sets the personnel and mobilization rates to perform the work when activated.

DBE Participation Teamwork Construction Services is not a DBE.

ACTION ITEM Authorize President / CEO to execute an agreement and related expenditures with Arup as lighting design consultant for the Downtown Houston Pedestrian Lighting Framework.

SERVICE PLAN 2021-2025
Account Code 773.400
Budget Year 2023
Budget Amount \$250,000

REQUEST For an amount not to exceed the budgeted amount of \$250,000.

DESCRIPTION Based on the May 2, 2023 submission of Proposals for lighting design services and following review by an evaluation panel of all submitted Proposals, the staff recommendation of Arup as the most qualified consultant submitting the most competitive Proposal is advanced to the Downtown District Board for consideration and authorization. Arup is a multi-disciplined global engineering and design firm with a strong presence in Houston.

DISCUSSION On April 14, 2023, the Downtown District issued a Request for Proposal to Lighting Designers for consultant procurement for the Downtown Houston Pedestrian Lighting Framework. The RFP was issued to forty-two (42) national lighting design firms. Seven (7) consulting firms responded with valid Proposals. Staff conducted evaluations of all Proposals between May 3-5, 2023. Arup emerged as the highest-ranked lighting designer most capable and most cost effective to deliver this analytical planning project, scheduled to run through the end of 2023. Pending Board authorization, negotiations between the Downtown District and Arup are in progress with final scope of services and related fees for service to be agreed upon between the parties, with an expectation the final contract value will be well within the project's budget.

DBE PARTICIPATION Arup is not eligible to certify with the City of Houston as an M/WDBE vendor, nor is Arup able to self-certify with the Downtown District.

ACTION ITEM Authorize President / CEO to execute amended agreement and expenditures with Central Houston Civic Improvement (CHCI) for planning and design services associated with the North Houston Highway Improvement Project (NHHIP).

SERVICE PLAN 2021-2025
Account Code 781.400
Budget Year 2023
Budget Amount \$250,000

REQUEST For an amount not to exceed \$250,000, this authorization continues the District's previous planning work for the NHHIP.

DESCRIPTION This requested fund transfer to CHCI provides ongoing support through the pooling of public resources to further advance the consultant efforts related to the NHHIP and civic opportunities in proximity to the future highway.

DISCUSSION CHCI is assisting the City of Houston in the identification and prioritization of multiple civic opportunities associated with the NHHIP including street and trail connections, park and detention sites, public realm enhancements, infrastructure upgrades, and highway-adjacent development opportunities. CHCI is also assisting TxDOT in establishing enhanced baseline standards for the highway construction as part of the design-bid-build (Segments 3A & 3B) and design-build (Segments 3C & 3D) contractor procurement documents. The parallel efforts for the City and TxDOT are coordinated by District staff.

DBE PARTICIPATION Not Applicable. Central Houston Civic Improvement is a 501c-3 non-profit corporation.

ACTION ITEM Authorize President/CEO to execute agreements and related expenditures for Downtown Field Guides.

SERVICE PLAN 2021-2025
Account Code 643.359
Budget Amount \$75,000 2023

REQUEST \$75,000

DESCRIPTION With the reimagining of the Downtown Magazine and the Downtown Above & Below Maps, the new Downtown Field Guide will serve as collateral and a key resource for Downtown partners and stakeholders.

This project will be executed with the assistance and guidance of a third party placemaking and marketing/graphic consultant.

DISCUSSION The Above & Below maps have not undergone updates since 2016. The new field guide will be comprised of key Downtown maps, creative stories, and other placemaking and marketing/communications initiatives.

DBE PROGRAM Field of Study Design & Brand Consultancy is DBE certified



CENTRAL HOUSTON, INC.

STRATEGIC ALIGNMENT PLAN UPDATES

MAY 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: In recent weeks, CHI management collaborated with the Mayor’s office to devise the next iteration of the Mayor’s Steering Committee on the North Houston Highway Improvement Project. CHI will support the Mayor’s team in developing content for the committees and participate as a committee member. The first meeting of the new iteration of the Steering Committee was held virtually on April 6th. The meeting was focused on comparing the MOUs / FHWA VRA, establishing a committee charter & answering questions from members. The next meeting is May 24th.

Participating Agencies:



- 1.3** 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.

Highlight: As a component of the next phase for the Big Art. Bigger Change. mural program, CHI and the HDMD were joined by Harris County and the City of Houston in supporting the program. HDMD authorized up to \$270,000 in funding for the program, while the County has pledged up to \$330,000 and the City \$70,000. Additionally, the City and County have donated walls to the program and participated on the project’s oversight committee, ensuring that the mural designs are consistent with local sensibilities.

Participating Agency:



GOAL 2

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

- 2.2** Cultivate nature across Downtown, including its urban forest, planters, and other greenspace elements.

Highlight: Earlier this year, CHI management authorized Davey Resource Group to begin implementation of their TreeKeeper smart monitoring system. DRG’s arborist inventoried and entered data for all 2,026 trees that HDMD is responsible for maintaining, which consists of right-of-way trees, Park trees, and Allen Parkway trees. 95.4% of the trees inventoried were in Good/Fair condition. The collected data will guide future maintenance initiatives and identify opportunities to expand the urban tree canopy.

Participating Agency:



- 2.8** Prepare for and respond to emergencies.

Highlight: The 2023 Downtown Emergency Preparedness/Hurricane Briefing has been scheduled for Wednesday, May 17th, from 10:00 AM to 11:00 AM in Lyondell Basell Tower’s Exchange Conference Center at 1221 McKinney Street. Presentations and discussions of respective emergency plans and preparations will be provided by HDMD, the Houston Police Department, City of Houston’s Office of Emergency Management, METRO Transit Authority, and Houston Public Works.

Participating Agencies:



GOAL 3

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

3.6 Plan, design, and construct public infrastructure that supports safety and equity.

Highlight: Generally bounded by Hamilton, Pierce, Fannin, and Polk Streets, the long-term project to improve sidewalks along 40-blockfaces in the southeast quadrant of Downtown is advancing towards construction. TxDOT is the lead agency for the project. The total construction grant is \$3,446,245, with \$2,259,445 funded by federal and state government and \$1,186,800 funded by the Downtown District as the local sponsor; the District's portion includes the full value of engineering-design services. On April 13th, the Downtown District submitted a proportional payment of \$362,259 per the construction estimate in partial fulfillment of the Advance Funding Agreement from 2022. Through the Texas Transportation Commission, TxDOT is expected to award the contract in late-May 2023, with construction to start 60-90 days after the award.

Participating Agencies:



3.8 Prioritize investments in pedestrian lighting on key walking corridors and near residential buildings.

Highlight: On April 14th, CHI management issued a Request for Proposals to forty-two lighting design consultants for the Downtown Pedestrian Lighting Framework. Seven proposals were received on May 2nd and reviewed by an evaluation panel on May 5th. A recommendation to execute an agreement and the related expenditures is scheduled for the Downtown District's Board meeting on May 11th. Fieldwork analysis and planning for prioritized implementation is scheduled to begin in late-May and run through the end of the year.

Participating Agency:



GOAL 4

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

- 4.9** Research and develop return-to-office strategies to accelerate the return of employees to Downtown.

Highlight: Return-to-office (RTO) trends continued to provide encouraging news for Downtown Houston. Relative to a 5-year average vs. pre-pandemic levels, in-office work continued to trend upward and recorded an average RTO rate of 67.70% for April, a 3.7% gain over March. Downtown posted another single-day peak RTO rate since the pandemic’s onset, as Tuesday, April 4th, recorded a 78.5% RTO rate. That rate surpassed the previous peak day of 76.6% from Tuesday, March 21st. The 3.7% month-over-month gain translates into an additional 5,275 employees Downtown throughout the workweek.

Participating Agencies:



- 4.10** Continue investing in innovation and technology start-ups to support the diversification of the Downtown employment base.

Highlight: To advance on the “Optimize the Downtown Launchpad” item from CHI’s 2023 Top 20 initiatives, CHI management hired Ryan LeVasseur as a part-time contract employee. Ryan’s 12-week scope includes assessing the Downtown Launchpad’s programmatic, operational, budgetary, and partnership structures and current conditions compared to the organization’s goals. An analysis output will consist of identifying areas that require change and/or opportunities for improvements to maximize the development of future business enterprises that choose to locate more permanently Downtown.

Before joining CHI in this capacity, Ryan was the Managing Director of Real Estate at Rice Management Company. He directed all aspects of developing the Ion, including design and construction oversight, programming, activation, and leasing. Ryan began his tenure with CHI on May 1st, the 92nd anniversary of the Empire State Building’s opening in New York in 1931.

Participating Agencies:



GOAL 5

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

- 5.5** Consolidate websites to be more user-friendly, Downtown-focused, and valued as the most critical information clearinghouse about Downtown.

Highlight: After issuing a public RFP for web design services, CHI management received more than a dozen proposals to perform the specified scope of work. *Geocentric*, a US-based web design company that specializes in websites for urban place management entities such as Central Houston and its affiliates, was selected. This effort will consolidate the organization’s six stand-alone websites into a singular site that delivers an improved user experience and a more efficient method for accessing information about Downtown & the organizations advancing it. The new website will be launched by the end of 2023.

Participating Agencies:



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

Highlight: After issuing a public RFP for public relations services, CHI management received numerous proposals from prospective agencies seeking to serve as the organization’s agency of record. Ultimately, CKP Group was selected. CKP group’s office is located in Downtown Houston, and they are a woman-owned, certified Historically Underutilized Business (HUB) in the State of Texas. To kick start their engagement, the team from CKP joined the *Goal 5 Engage Committee* for a robust discussion on stories about Downtown that the media doesn’t cover adequately.

Participating Agencies:



Engagements

39,984

Total

Homeless Count

289

Average

Sidewalk Cleaning

4.13

Average

Garbage Disposed (Tons)

587

Total

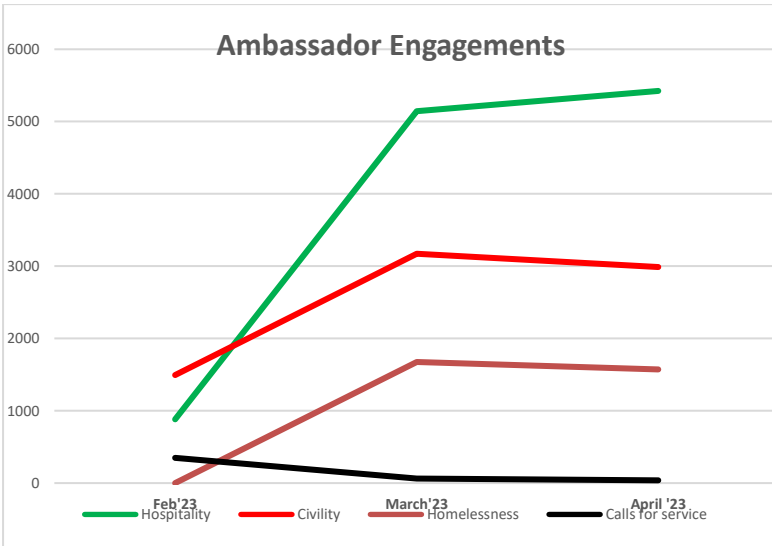
Reliability

79%

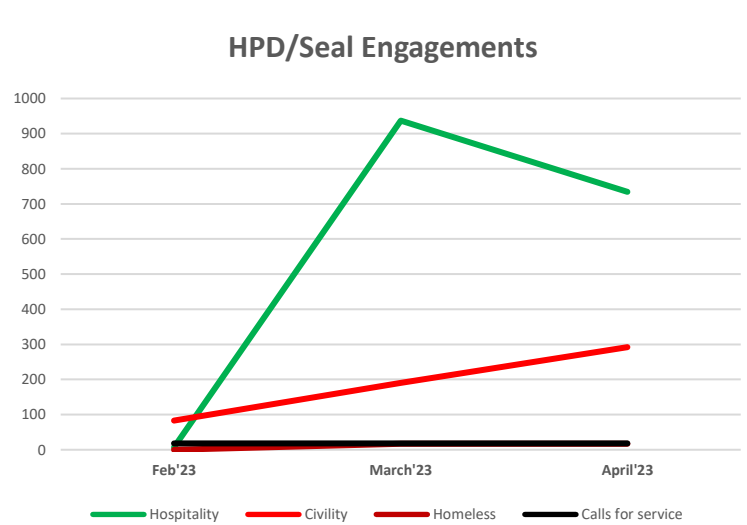
Average

Safety & Quality Control

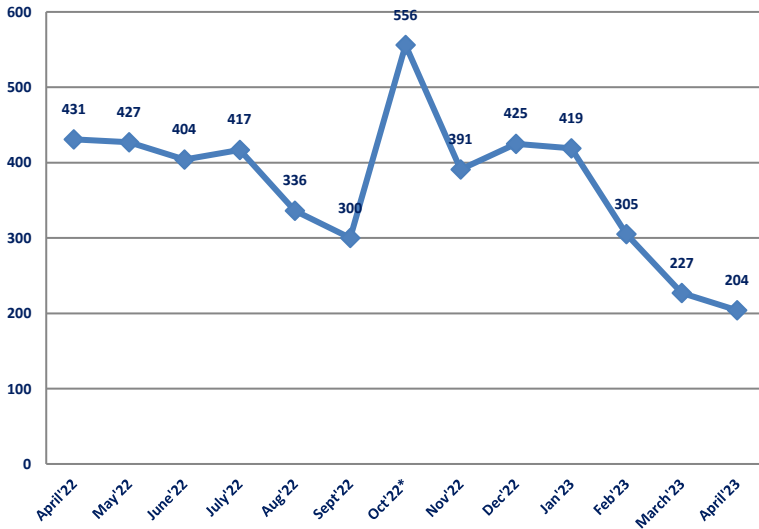
Ambassador Engagements



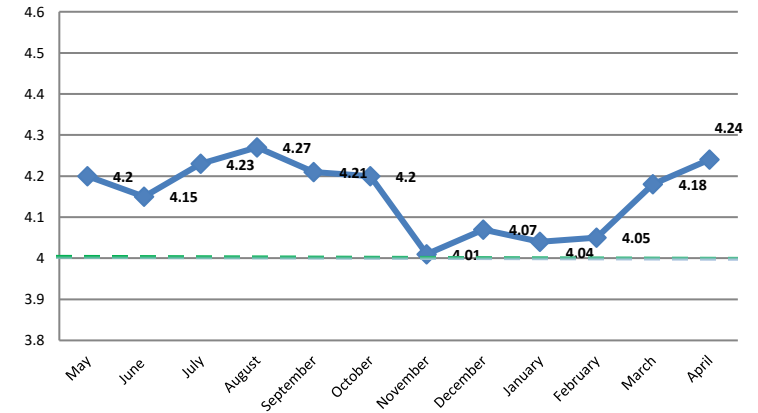
HPD/Seal Engagements



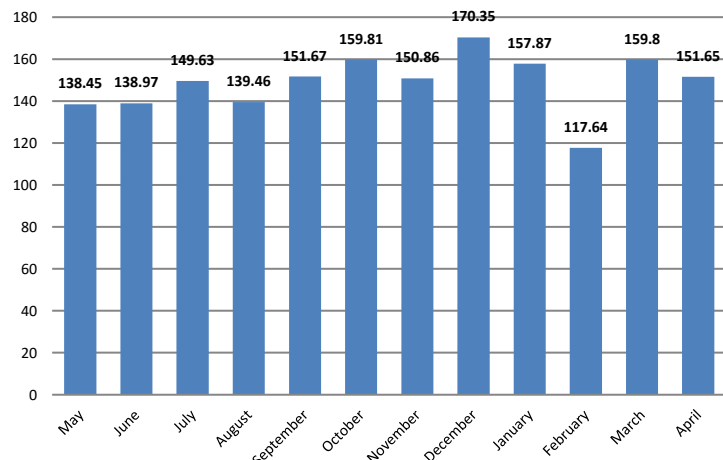
Homeless Count



Sidewalk Cleaning



Garbage Disposed (Tons)



Reliability

