

**DOWNTOWN
HOUSTON+**



Board of Directors Meeting
November 14, 2024

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

October 10, 2024

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 October 10, 2024 at 12:00 PM inside the H-Town 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 | Antoinette “Toni” Jackson |
| Sean Alley | Lacee Jacobs |
| Leslie Ashby | Robbi Jones |
| Kinder Baumgartner | Roland Kennedy |
| Genora Boykins | Sean Liu |
| Clay Crawford | Ben Llana |
| Marcus Davis | Nick Massad |
| Jacques D’Rovencourt | Sherea McKenzie |
| Kelly Foreman | Kenny Meyer |
| Irma Galvan | Randy Pryor |
| Marian Harper | Edna Ramos |
| Gilbert A. Herrera | Frem Reggie |
| C.C. Huang | John Schafer |
| Angus Hughes | Richard Torres |

and all of the above were present, with the exception of Chair Ashby, and Directors Allen, Alley, Baumgartner, Crawford, D’Rovencourt, Hughes, Jackson, Kennedy, Meyer, Pryor, Ramos, and Reggie.

Also in attendance were Kris Larson, President/CEO; Allen Douglas, COO; Jana Gunter, Director of Finance; staff members Christal Ayala, David Cisneros, Brett DeBord, David Fields, Scott Finke, Jacque Gonzalez, Keith Gould, Cassie Hoeprich, Justin Jerkins, Dusty McCartney, Jamie Perkins, Albert Sanchez, Ann Taylor and Candace Williams, all with the District; Agentia Davis, Consultant to the District; Clark Lord, outside counsel to the District, with Bracewell LLP; Tina Ortiz with the City of Houston Parks Department; and Linda Trevino with METRO.

WELCOME

Vice Chair Jones presided over the meeting and welcomed all directors, consultants, and other meeting attendees. Marian Harper served as Secretary.

Quorum was established and the meeting began at approximately 12:08 PM.

PUBLIC COMMENT

Vice Chair Jones asked if anyone from the public had comments. No comments were brought forth from the public.

APPROVAL OF MINUTES

The Board considered approving the minutes of the September 19, 2024 regular board meeting.

Hearing no questions or need for discussion, Vice Chair Jones called for a motion; moved by Director Schaefer; seconded by Director Galvan; and the September 19th minutes were approved, as presented.

PROGRAM AUTHORIZATIONS

Planning & Design

Vice Chair Jones invited David Fields to present a request for Board consideration. Mr. Fields introduced an authorization that would allow for the execution of an amended agreement with Central Houston Civic Improvement, Inc., and related expenditure in support of the North Houston Highway Improvement Project, in an amount not to exceed \$250,000. No questions were asked, and discussion did not occur.

A motion was called, moved by Director Massad, and seconded by Director Torres, and the request to enter into an amended agreement and expenditure in support of the North Houston Highway Improvement Project was approved, as presented.

Capital Projects

Next, Vice Chair Jones called on Brett DeBord to introduce a request that would allow the President/CEO to enter into an agreement with Landscape Art to replace 174 trees lost in the high wind events during the May Derecho and Hurricane Beryl, in an amount not to exceed \$300,000. Questions were asked and answered, and discussion ensued.

A motion was called, moved by Director Galvan; seconded by Director Foreman, and the request to enter into an agreement with Landscape Art to replace trees lost in the spring and summer high wind events was approved, as presented.

Operations & Maintenance

Mr. DeBord was asked to continue, and presented the following items for Board consideration:

- i. a request to authorize the President/CEO to enter into an interlocal agreement with METRO (contingent upon METRO's board approval later this month) for reimbursement to the District for cleaning services on METRO rail platforms, for an anticipated revenue amount of \$865,000;
- ii. to authorize the President/CEO to enter into an amended agreement with Block by Block to include METRO rail platform cleaning in its scope of services, plus additional 2024 expenditures in an amount not to exceed \$6,123,800 (a \$25,000 increase from prior authorizations 2404.04 and 2312.26); and
- iii. to authorize the President/CEO to enter into an amended agreement with Hardy & Hardy to include METRO rail platform cleaning in its scope of services, plus additional 2024 expenditures in an amount not to exceed \$103,000 (a \$20,000 increase from prior authorization 2312.03).

Questions were asked and answered, and discussion ensued. A motion to approve all three requests was called by Vice Chair Jones, moved by Director Schafer; seconded by Director Boykins, and the three requests associated with the METRO rail platform cleaning were approved as presented.

ITEMS PERTAINING TO FINANCE AND ADMINISTRATIVE MATTERS

Approval of Financial Statements and Ratification of Expenditures

Vice Chair Jones asked Richard Torres to present the interim financial statements and check registers for the period ending September 30, 2024. Director Torres shared highlights from the September statements and check registers. Questions were asked and answered.

Upon a motion made by Vice Chair Jones, moved by Director Massad; seconded by Director Galvan; the Board accepted the September 2024 interim financial statements and check registers as presented.

Authorize Expenditure for Tax Assessor/Collector

Jana Gunter was called on to present a request that would authorize expenditures for professional tax collector/assessor services with Utility Tax Services, in an amount not to exceed \$52,000. Questions were asked and answered.

Vice Chair Jones called for a motion; moved by Director Herrera; seconded by Director Massad; and the board approved this request as presented.

Report and Recap from Board Retreat

President Larson provided highlights to the full board from the September 27th District Board Retreat. These included a review of the stakeholder's survey, budget planning, the upcoming District Service Plan renewal, and discussion on board members' expectations. Next, he invited those Directors who attended to share their takeaways from the retreat. Questions were asked and answered, and discussion ensued. No action from the Board was required.

STOREFRONT GRANT PROGRAM UPDATE

Vice Chair Jones invited Cassie Hoeprich and David Cisneros to share updates on the Storefront Grant Program. Ms. Hoeprich opened with a brief recap of the program's history, then Mr. Cisneros provided additional detail with regard to the number of applicants and grants awarded to date. Questions were asked and answered, and discussion ensued.

Mr. Cisneros concluded by noting additional grants will be awarded, with vetting and selection to take place at the upcoming Thrive Committee meeting. An update of grants awarded will be shared at the November board meeting. No action was required.

2025 BUDGET PLANNING WORK SESSION

Vice Chair Jones called on President Larson to begin discussion on 2025 budget planning. He began by reviewing the stakeholder survey results. Next, President Larson outlined the 2025 District Priorities identified through Director discussions at the September board meeting and retreat. He then engaged Directors in a deep dive into those identified focus areas.

President Larson concluded by noting a public stakeholder meeting will be scheduled to receive input from the public, and a draft budget will be brought to the full Board for review at November Board meeting. Action from the Board was not required.

QUESTIONS & OTHER BUSINESS

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

NEXT MEETINGS & ADJOURNMENT

Vice Chair Jones announced the dates of the upcoming October committee meetings, then stated the next Board meeting is scheduled for November 14, 2024. There being no further business to come before the Board, the meeting ended at 1:28 PM.

Marian Harper, Secretary
Houston Downtown Management District

DRAFT

YTD October 2024 Balance Sheet

Assets

Cash Balance is \$1.3M
TexPool Investments \$11.9M
2023 Assessments Due: 98.8% have been collected
2023 Assessments Receivable \$230K

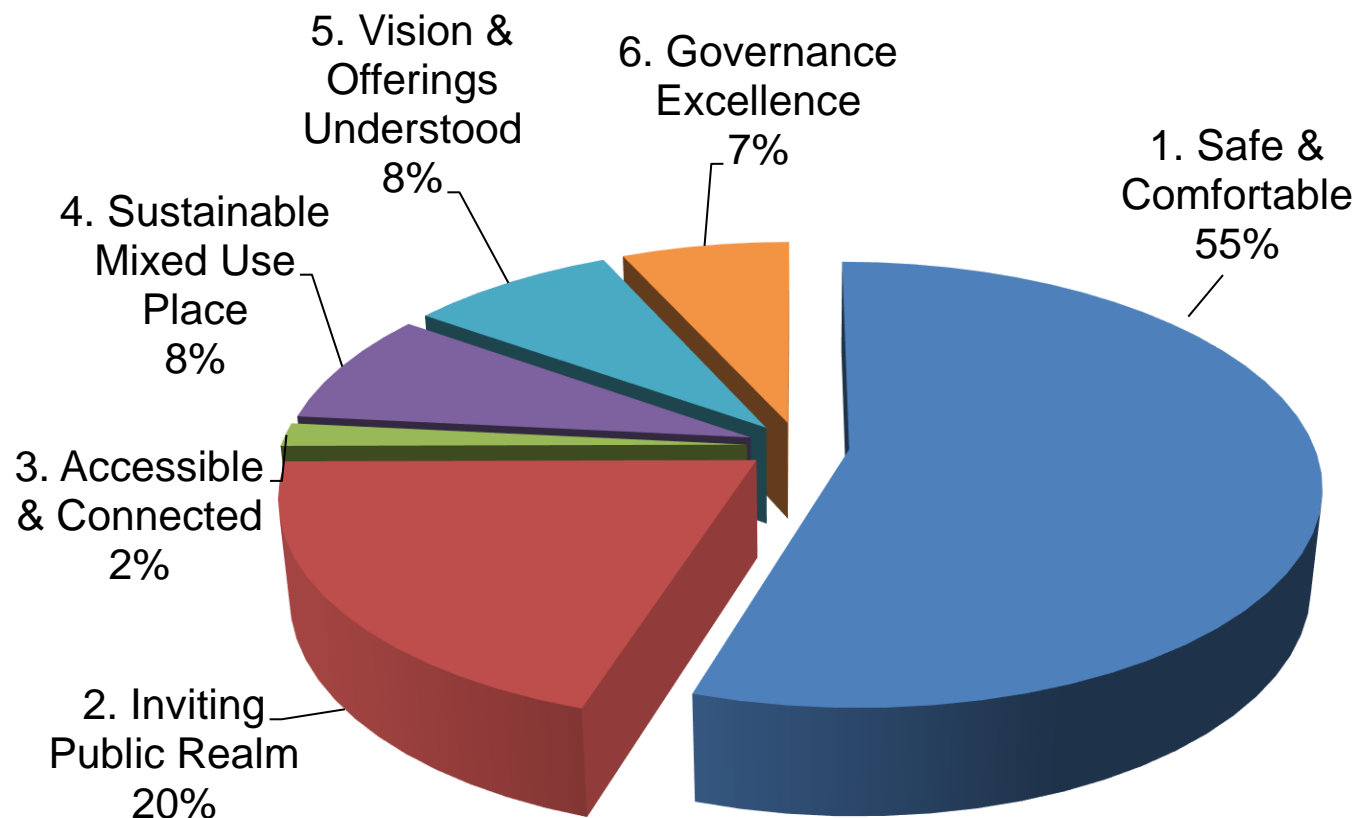
Liabilities

Reserves for Property Value Protests are \$851K
\$1.3M in refunds have been returned to property owners due to lower HCAD property values as a result of protests.
Based on the 5-year loss rate of 12.6% the District needs to increase reserves by \$56K, an 3% increase.

Fund Balance

Unrestricted Fund Balance is \$6.4M, \$1.6M in excess of 2023 Minimum Fund Balance Target of \$4.8M set October 31, 2023

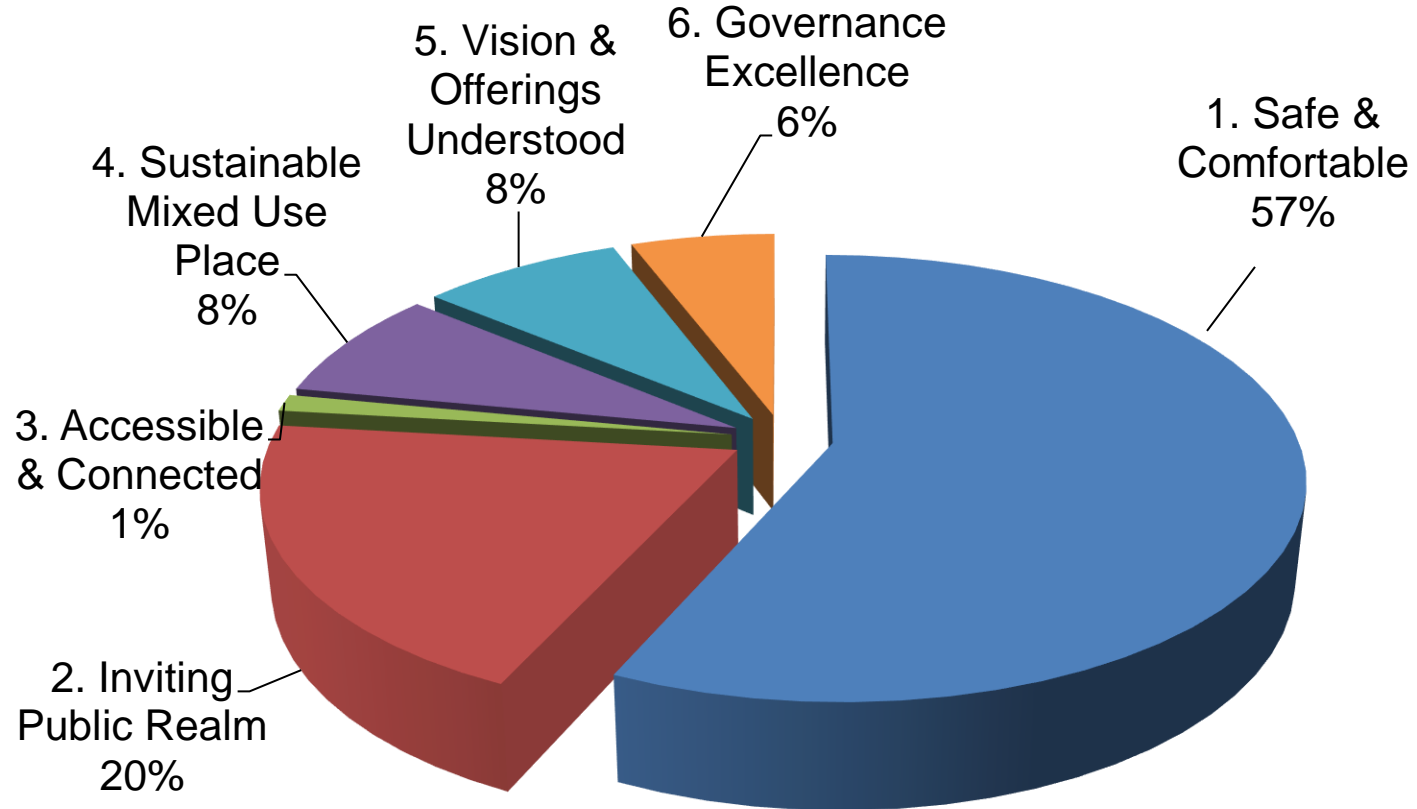
2024 Annual Budget



Total: \$22,918,133

Operating: \$20,132,219 Capital: \$2,785,914

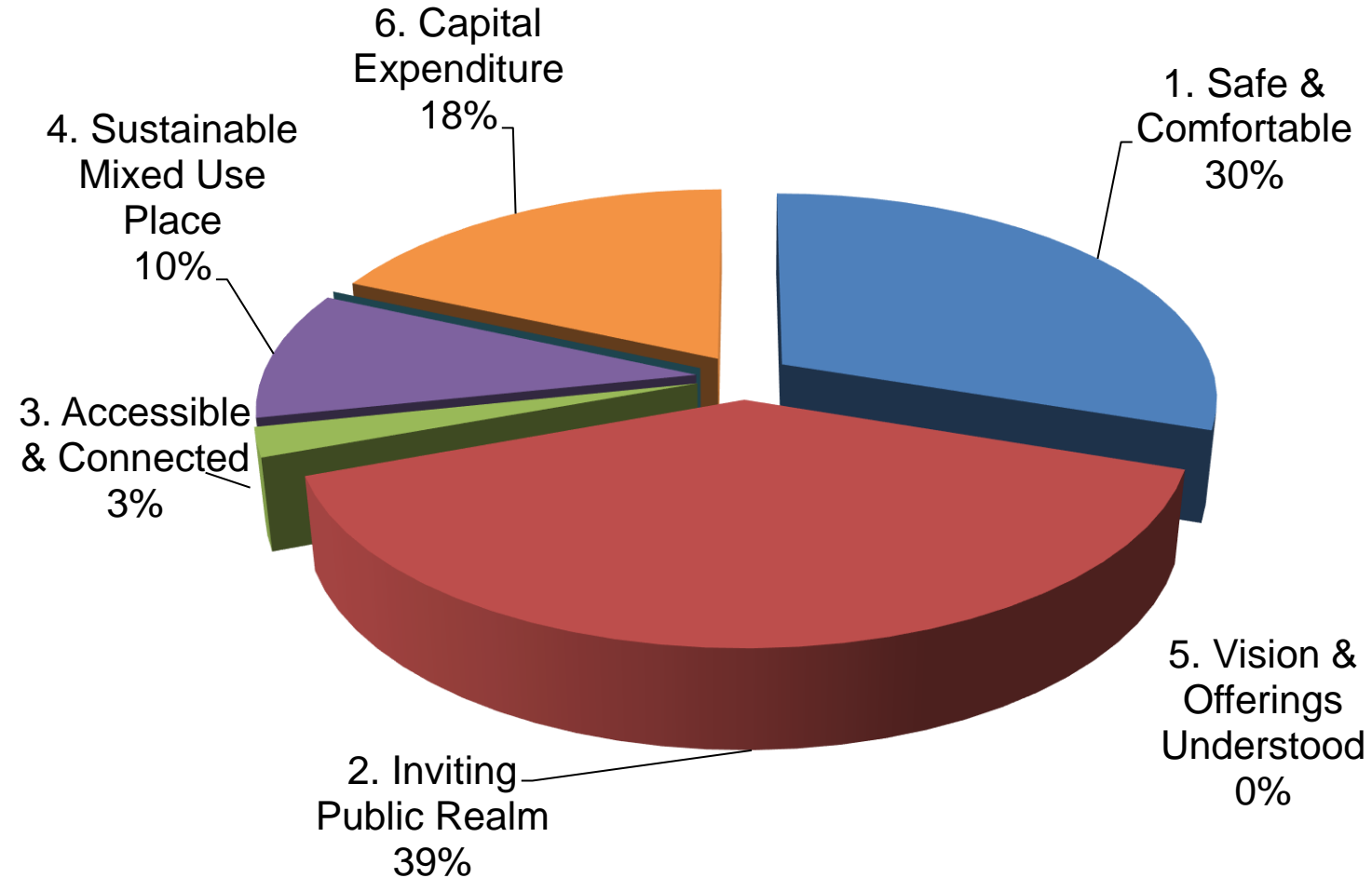
October 2024 Operating Spending



Total: \$13,334,528

Budget Expended 67% over 73% of 2024

October 2024 Capital Spending



Total: \$623,271

Budget Expended 25% over 83% of 2024

October 2024 Budget Notes

Revenues

The District will approve the 2024 assessment rate in November. District wide taxable value is \$13.8 billion at October 31, 2024. If assessed at the current rate of .1325 per \$100 it would yield \$17.3 million in revenue. \$16 million assigned to Operating and \$1.3 assigned to Capital.

Operating Expenses

Categories not anticipated to meet budget are the following:

- Goal 1f – Prepare for Emergencies – The District has exceeded budget due to the unanticipated emergency response required to clean up Downtown after the May “Derecho” storm and Hurricane Beryl July storm. We anticipate that we will receive a 50% or \$220K in reimbursement from FEMA to restore the Board Designated Reserve fund utilized to fund the expenses.

October 2024 Notes

Operating Expenses, continued

- Goal 3a – Effective Transit Access more Places – The District approved an allocation of \$150,000 for the Fort Bend Park and Ride for 2024. Park and Ride services had been suspended in prior years and the funding the District initially provided is still available for their use. Fort Bend will not be requesting the funds in this calendar year.

Capital Expenses

- Accessible to Entire Region – The allocated budget of \$550,000 is a contingency fund for the Southeast Sidewalks TxDOT. The District anticipates that TxDot will settle the balance below budget and in the last quarter of the year.

Check register for October 2024

- Total checks issued in October 2024 were \$1.5 million
 - Central Houston, Inc.
 - Admin Contractor (Aug/Sept) - \$535,283
 - Property Owners
 - Assessment Refunds - \$284,762
 - Seal Security Solutions, LLC
 - Public Safety - \$79,605
 - Finger FSC Crawford, Ltd
 - DLI Rebate - \$77,499
 - One Experiential
 - Holiday Décor - \$69,126

2024 Investment Report

3Q – 7/1/2024 thru 9/30/2024

	7/1/2024			Net Changes	9/30/2024		
	Operating	Capital	Total		Operating	Capital	Total
JPMorgan Chase	\$644K	\$638K	\$1,282K	(\$52K)	\$742K	\$488K	\$1,230K
TexPool Prime*	\$13,198K	\$4,066K	\$17,264K	(\$3,884K)	\$9,258K	\$4,122K	\$13,380K
Total Cash	\$13,842K	\$4,704K	\$18,546K	(\$3,936K)	\$10,000K	\$4,611K	\$14,610K

*Avg. Daily Yield: 5.39%



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 October 31, 2024 and 2023, and the related statements of activities for the months then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

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

Sincerely,

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

Houston, Texas
November 8, 2024

**Houston Downtown Management District
Governmental Fund Balance Sheets and
Statement of Net Position
For the period ended October 2024, and October 2023**

	2024			2023		
	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	8,576,994	4,588,994	13,165,988	7,318,389	4,245,401	11,563,790
Assessments Due	212,808	17,378	230,186	336,084	28,603	364,686
Accounts Receivable	653,187	-	653,187	763,938	-	763,938
Prepaid Expense	26,235	-	26,235	26,235	-	26,235
Property & Equipment, Net	535,278	-	535,278	541,325	187	541,512
Right of Use Lease Assets, Net	2,475,175	-	2,475,175	2,564,336	-	2,564,336
Intercompany Rec/Pay	(1,175,048)	1,175,048	-	(1,092,691)	1,092,691	-
Total Assets	11,304,628	5,781,419	17,086,047	10,457,616	5,366,881	15,824,497
Liabilities						
Accounts Payable & Accrued Expenses	1,835,050	59,836	1,894,885	583,540	-	583,540
Lease Liabilities	2,678,925	-	2,678,925	2,726,450	-	2,726,450
Deferred Revenue	-	-	-	-	-	-
Reserve for Refunds due to Property Protests	807,394	43,732	851,126	601,159	34,894	636,054
Total Liabilities & Deferred Revenue	5,321,369	103,567	5,424,937	3,911,149	34,894	3,946,044
Fund Balances						
Unreserved, Undesignated	5,483,451	-	5,483,451	5,746,467	-	5,746,467
Unreserved, Designated for Catastrophy	499,808	-	499,808	800,000	-	800,000
Reserved for Capital Projects	-	5,677,852	5,677,852	-	5,331,987	5,331,987
	5,983,259	5,677,852	11,661,111	6,546,467	5,331,987	23,756,907
Total Liabilities, Deferred Revenue & Fund Balances	11,304,628	5,781,419	17,086,047	10,457,616	5,366,881	15,824,497

Houston Downtown Management District
Statement of Activities
For the period ended October 2024, and October 2023

	<u>Operating YTD Actual</u>	<u>Capital YTD Actual</u>	<u>Total YTD Actual</u>	<u>2024 Budget</u>	<u>% Budget Received</u>	<u>% Year Elapsed</u>	<u>Notes</u>
Revenue							
Assessment Revenue	-	-	-	16,910,573	0%	83%	1
Operations Revenue	654,249	-	654,249	815,000	80%	83%	
Project Revenue	199,915	-	199,915	180,000	111%	83%	
Other Income	19,937	-	19,937	-	N/A	83%	
Interest Income	609,020	165,074	774,094	963,000	80%	83%	
Total Revenues	\$ 1,483,121	\$ 165,074	\$ 1,648,195	19,863,573	8%	83%	
					% Budget Expended		
Expenses							
Downtown Feels Safe & Comfortable at All Times							
Collaboration to Maintain Low Crime Rate	2,565,978	-	2,565,978	3,817,393	67%	83%	
Reduced Presence of Homeless & Street Persons	787,322	-	787,322	1,467,302	54%	83%	2
Downtown Sidewalks are Comfortably Lighted	150,506	-	150,506	229,735	66%	83%	
Downtown Clean & Well-Kept Appearance	3,931,454	-	3,931,454	5,347,379	74%	83%	
Remove Signs of Disorder in Downtown	58,241	-	58,241	70,241	83%	83%	
Prepare for Emergencies	423,502	-	423,502	114,365	370%	83%	3
	7,917,004	-	7,917,004	11,046,415	72%	83%	
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City							
Key Pedestrian Streets are Inviting	427,252	-	427,252	632,959	68%	83%	
Public Spaces Managed, Programmed, & Delightful	1,613,534	-	1,613,534	1,967,203	82%	83%	
Place of Civic Celebration	685,134	-	685,134	1,433,214	48%	83%	4
	2,725,921	-	2,725,921	4,033,376	68%	83%	
Accessible to Region & Easy to Get Around							
Effective Transit Access More Places, More Hours	16,619	-	16,619	170,145	10%	83%	5
Convenient Circulation Without Personal Vehicle	-	-	-	-	N/A	83%	
Easy to Find Way Around	82,709	-	82,709	95,000	87%	83%	6
Connect Neighborhoods & Districts Inside/Outside Downtown	53,224	-	53,224	63,678	84%	83%	
Convenient, Understandable & Managed Parking	10,626	-	10,626	12,780	83%	83%	
	163,179	-	163,179	341,603	48%	83%	
Vibrant, Sustainable Mixed-Use Place							
Best Place to Work in Region	287,931	-	287,931	535,854	54%	83%	
Exciting Neighborhoods to Live In	750,444	-	750,444	1,087,732	69%	83%	
Competitive Shopping Place	15,666	-	15,666	19,202	82%	83%	
Remarkable Destination for Visitors	14,256	-	14,256	17,316	82%	83%	
	1,068,296	-	1,068,296	1,660,104	64%	83%	
Downtown's Vision & Offering Understood By All							
Market to Region	496,820	-	496,820	959,323	52%	83%	7
Promote Downtown's Ease of Use	80,919	-	80,919	123,833	65%	83%	
Vision/Development Framework Understood By All	470,158	-	470,158	549,768	86%	83%	
Tools to Assist Continued Redevelopment	22,534	-	22,534	28,456	79%	83%	
Develop & Main Information to Support Downtown	19,291	-	19,291	23,438	82%	83%	
	1,089,721	-	1,089,721	1,684,818	65%	83%	
District Governance & Service Known for Excellence							
Engage Stakeholders in Decision Making	678,126	-	678,126	1,143,735	59%	83%	
Communications to Owners, Tenants & Others	50,633	-	50,633	71,321	71%	83%	
Preservation of District's Capital Assets	46,972	-	46,972	46,900	100%	83%	
	775,732	-	775,732	1,261,956	61%	83%	
Capital Improvement & Expenditures							
Downtown Feels Safe & Comfortable	-	187,868	187,868	231,700	81%	83%	
Public Realm is Charming, Inviting & Beautiful	-	244,640	244,640	1,210,000	20%	83%	8
Accessible to Region & Easy to Get Around	-	14,247	14,247	750,000	2%	83%	9
Vibrant, Sustainable Mixed-Use Place	-	62,575	62,575	338,214	19%	83%	10
Downtown's Vision & Offering Understood By All	-	-	-	-	N/A	83%	
Capital Replacement Expenditure	-	113,941	113,941	256,000	45%	83%	11
	-	623,271	623,271	2,785,914	22%	83%	
Total Expenses	13,739,853	623,271	14,363,124	22,814,186	63%	83%	
Depreciation Expense	76,074	0	76,074	150,846	50%	83%	12
Fund Balance Allocation				3,101,459			
Excess of Revenue Over Expenses GAAP Basis	(12,332,806)	(458,197)	(12,791,003)	-			

Houston Downtown Management District
Statement of Activities
For the period ended October 2024, and October 2023

	Operating YTD Actual	Capital YTD Actual	2024 Total YTD Actual	2023 Total YTD Actual	Fav (Unfav) Variance	% Var
Revenue						
Assessment Revenue	-	-	-	-	-	N/A
Operations Revenue	654,249	-	654,249	570,640	83,609	15%
Food Service Rent	42€ 30,843	-	30,843	32,889	(2,045)	
Food Services Utilities Reimbursement	42€ 15,363	-	15,363	7,006	8,357	
DRA Project Reimbursements	42€ 148,708	-	148,708	149,145	(436)	
Downtown magazine advertising	427 5,000	-	5,000	-	5,000	
Project Revenue	199,915	-	199,915	189,039	10,876	6%
Other Income	19,937	-	19,937	16,038	3,900	24%
Interest Income	609,020	165,074	774,094	709,613	64,481	9%
Total Revenues	\$ 1,483,121	\$ 165,074	\$ 1,648,195	\$ 1,485,330	\$ 162,865	11%
Expenses						
Downtown Feels Safe & Comfortable at All Times						
Collaboration to Maintain Low Crime Rate	2,565,978	-	2,565,978	2,222,268	(55,557)	-3%
Reduced Presence of Homeless & Street Persons	787,322	-	787,322	707,065	(80,258)	-11%
Downtown Sidewalks are Comfortably Lighted	150,506	-	150,506	153,541	3,034	2%
Downtown Clean & Well-Kept Appearance	3,931,454	-	3,931,454	4,254,641	323,187	8%
Remove Signs of Disorder in Downtown	58,241	-	58,241	71,695	13,454	19%
Prepare for Emergencies	423,502	-	423,502	101,755	(321,747)	-316%
	7,917,004	-	7,917,004	7,510,965	(406,039)	-5%
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City						
Key Pedestrian Streets are Inviting	427,252	-	427,252	444,725	17,472	4%
Public Spaces Managed, Programmed, & Delightful	1,613,534	-	1,613,534	1,424,392	(189,142)	-13%
Place of Civic Celebration	685,134	-	685,134	1,171,207	486,073	42%
	2,725,921	-	2,725,921	3,040,324	314,403	10%
Accessible to Region & Easy to Get Around						
Effective Transit Access More Places, More Hours	16,619	-	16,619	24,515	7,895	32%
Convenient Circulation Without Personal Vehicle	-	-	-	-	-	N/A
Easy to Find Way Around	82,709	-	82,709	55,927	(26,782)	-48%
Connect Neighborhoods & Districts Inside/Outside Downtown	53,224	-	53,224	103,752	50,528	49%
Convenient, Understandable & Managed Parking	10,626	-	10,626	6,871	(3,755)	-55%
	163,179	-	163,179	191,065	27,886	15%
Vibrant, Sustainable Mixed-Use Place						
Best Place to Work in Region	287,931	-	287,931	223,832	(64,099)	-29%
Exciting Neighborhoods to Live In	750,444	-	750,444	715,299	(35,145)	-5%
Competitive Shopping Place	15,666	-	15,666	20,868	5,202	25%
Remarkable Destination for Visitors	14,256	-	14,256	13,575	(681)	-5%
	1,068,296	-	1,068,296	973,574	(94,722)	-10%
Downtown's Vision & Offering Understood By All						
Market to Region	496,820	-	496,820	521,427	24,607	5%
Promote Downtown's Ease of Use	80,919	-	80,919	87,641	6,722	8%
Vision/Development Framework Understood By All	470,158	-	470,158	553,887	83,729	15%
Tools to Assist Continued Redevelopment	22,534	-	22,534	22,627	93	0%
Develop & Main Information to Support Downtown	19,291	-	19,291	22,389	3,098	14%
	1,089,721	-	1,089,721	1,207,972	118,251	10%
District Governance & Service Known for Excellence						
Engage Stakeholders in Decision Making	678,126	-	678,126	644,675	(33,451)	-5%
Communications to Owners, Tenants & Others	50,633	-	50,633	47,766	(2,868)	-6%
Preservation of District's Capital Assets	46,972	-	46,972	44,561	(2,412)	-5%
	775,732	-	775,732	737,001	(38,731)	-5%
Capital Improvement & Expenditures						
Downtown Feels Safe & Comfortable	-	187,868	187,868	169,992	(17,877)	-11%
Public Realm is Charming, Inviting & Beautiful	-	244,640	244,640	176,299	(68,341)	-39%
Accessible to Region & Easy to Get Around	-	14,247	14,247	510,610	496,363	97%
Vibrant, Sustainable Mixed-Use Place	-	62,575	62,575	60,983	(1,592)	-3%
Downtown's Vision & Offering Understood By All	-	-	-	-	-	N/A
Capital Replacement Expenditure	-	113,941	113,941	93,988	(19,953)	-21%
	-	623,271	623,271	1,011,872	388,601	38%
Total Expenses	13,739,853	623,271	14,363,124	14,672,773	309,649	2%
Depreciation Expense	76,074	0	76,074	76,038	(36)	0%
Excess of Revenue Over Expenses GAAP Basis	(12,332,806)	(458,197)	(12,791,003)	(13,263,481)	(472,478)	4%

Houston Downtown Management District

Budget Notes

For the Ten Months Ended October 31, 2024

Revenue

1) The District will reach budget in November when assessments are invoiced after the board approves the 2024 assessment rate. Taxable value at 10/31/2024 is \$13.8 billion. Assessed at the 2023 rate of .1325 would result in \$17.3 million of revenue net of reserves.

Operating Budget

Expenses

2) Goal 1b-Reduced Presence of Homeless & Street Persons-The allocated budget for homeless outreach programs will be utilized during the last quarter of 2024.

3) Goal 1f-Prepare for Emergencies-Exceeded budget due to the unanticipated emergency response required to clean up Downtown after both the May 16 derecho storm and Hurricane Beryl. The storm expenses are being funded by the Board Designated Reserve Fund allocated for emergency expenditures. The District is working with FEMA on getting reimbursement for some of the costs.

4) Goal 2c-Place of Civic Celebration - The allocated budget will be utilized during the fourth quarter with payments for Holiday Logistics and Installation, Art and Holiday Programming, Banner, Pole and Pot Maintenance,

5) Goal 3a-Effective Transit Access More Places-Below budget (\$150K) due to the Fort Bend County Park and Ride not requesting the allocated funds. Services had been suspended in prior years and the funding the District initially provided is still available for their use.

6) Goal 3c-Easy to Find Way Around-The allocated funding for Wayfinding System-Contractor Expenses will be utilized in the fourth quarter.

7) Goal 5a-Market to Region-The allocated funding will be utilized in the fourth quarter for the Dias de los Muertos festival and Market at Trebly Park and advertising support for the Holidays.

Capital Budget

8) Public Realm Is Charming - The allocated budget will be utilized during the fourth quarter with payments for the design and production of Holiday Banners, the Lighting Plan Implementation, the Storefront/Streetscape Activation and Improved Pedestrian Connect Plan, Urban Canopy, and Park improvements.

9) Accessible to Entire Region - The allocated budget is a contingency for the Southeast Sidewalks TxDOT. The District anticipates that TxDot will settle the balance below budget and in the last quarter of the year.

10) Vibrant Sustainable Mixed-Use Place - The allocated budget is for grants to the Downtown Living Initiative program. Requests for the grants are pending due to properties disputing property values. When they are settled,

11) District Governance - The allocated budget is for Capital Replacement expenditures which includes unanticipated maintenance and repairs throughout Downtown. These types of maintenance and repairs of been delayed due to the two storms that occurred in May and July.

12) Depreciation - the allocated budget included the Capital depreciation of the banners for the full year of 2024. The banners will not be added to our fixed assets until late 2024.

Check register

Oct-24

Operating-HDMD--Operating Fund-HDMD

Date	Vendor	Document no.	Amount
Account no: 1890323643			
10/1/2024	VEN-00380--ABC Home & Commercial services		145.00
10/1/2024	VEN-00624--ADVANCED PIPE REPAIR		13,750.00
10/1/2024	VEN-00530--Antoine Holmes		520.00
10/1/2024	VEN-00404--AT&T		1,525.24
10/1/2024	VEN-00408--Avalon Music		750.00
10/1/2024	VEN-00525--Brandon Kpotie		780.00
10/1/2024	VEN-00444--BRENDAN HARRISON		461.54
10/1/2024	VEN-00614--CARLOS BARRERA		520.00
10/1/2024	VEN-00499--Catherine Sdao		3,545.39
10/1/2024	VEN-00402--Central City Co-Op		10,000.00
10/1/2024	VEN-00503--Challenge Entertainment		225.00
10/1/2024	VEN-00526--Charles Franklin		520.00
10/1/2024	VEN-00569--Christina LaFour		520.00
10/1/2024	VEN-00320--Clutch Consulting Group LLC		5,075.00
10/1/2024	VEN-00322--COLOR SPECIALIST LANDSCAPING, INC		1,105.65
10/1/2024	VEN-00519--David Russell		520.00
10/1/2024	VEN-00056--Egidio Narvaez Photographer		1,350.00
10/1/2024	VEN-00517--Franklin Burnett		260.00
10/1/2024	VEN-00083--Harris County Treasurer		10,342.00
10/1/2024	VEN-00376--INCONTROL water systems		870.00
10/1/2024	VEN-00532--Ivan Sosa-Castillo		520.00
10/1/2024	VEN-00527--Jacob Pena		260.00
10/1/2024	VEN-00340--JACQUE GONZALEZ		44.82
10/1/2024	VEN-00520--Jennifer Kennedy		694.00
10/1/2024	VEN-00528--JOELL MATHEWS		260.00
10/1/2024	VEN-00119--Johnson Controls Security Solutions		565.65
10/1/2024	VEN-00524--Jose Teran		260.00
10/1/2024	VEN-00138--Latresha White		385.00
10/1/2024	VEN-00557--Lila Vaughn		385.00
10/1/2024	VEN-00147--Lone Star Flags		7,620.00
10/1/2024	VEN-00523--Marcus Labbe		520.00
10/1/2024	VEN-00529--Moises Alfaro		520.00
10/1/2024	VEN-00179--Orkin		144.99
10/1/2024	VEN-00185--Pfeiffer & Son, LTD.		5,012.29
10/1/2024	VEN-00621--Robertson Industries		6,952.50
10/1/2024	VEN-00220--SEARCH Homeless Services		11,745.49
10/1/2024	VEN-00251--Texas Outhouse		2,357.65

Check register

Oct-24

Operating-HDMD--Operating Fund-HDMD

Date	Vendor	Document no.	Amount
Account no: 1890323643			
10/1/2024	VEN-00563--TEXAS PRIDE DISPOSAL		1,870.00
10/1/2024	VEN-00504--Today's Landscape		27,185.65
10/1/2024	VEN-00559--United By Design LLC		20,000.00
10/1/2024	VEN-00290--Verizon Wireless		667.50
10/1/2024	VEN-00302--Westpark Communications, L.P.		69.44
10/2/2024	VEN-00625--Finger FSC Crawford, Ltd	35799	77,499.00
10/7/2024	VEN-00638--1301 FANNIN OWNER LP	35800	22,928.84
10/7/2024	VEN-00579--1415 LOUISIANA LLC	35801	17,226.58
10/7/2024	VEN-00506--601 JEFFERSON TOWER (TX) LLC	35822	1,397.91
10/7/2024	VEN-00631--601 TRAVIS OWNER LLC	35802	14,537.14
10/7/2024	VEN-00642--917 MAIN LLC	35803	92.68
10/7/2024	VEN-00630--ALH PROPERTIES NO TWENTY LP	35804	1,150.30
10/7/2024	VEN-00637--CENTERPOINT ENERGY PROPERTIES	35805	22,015.43
10/7/2024	VEN-00643--CITY LOFTS LLC	35806	1,318.72
10/7/2024	VEN-00646--CPI MARQ CATALYSY OWNER LP	35807	16,381.68
10/7/2024	VEN-00644--DE 1800 ST JOSEPH LLC	35808	4,757.85
10/7/2024	VEN-00635--EPC BUILDING LLC	35809	1,046.60
10/7/2024	VEN-00647--HOUSTON CONVENTION CENTER HO	35810	78,527.35
10/7/2024	VEN-00641--HOUSTON HOTEL ASSOCIATES	35811	2,594.88
10/7/2024	VEN-00633--HOUSTON OFFICE ACQUISITION 20	35812	14,157.82
10/7/2024	VEN-00639--LA GRANGE ACQUISITION LP	35813	5,888.82
10/7/2024	VEN-00650--LCE LAW OFFICE BUILDING INC	35814	726.43
10/7/2024	VEN-00649--LYRIC CENTRE ENTERPRISES	35815	2,150.63
10/7/2024	VEN-00648--LYRIC CENTRE LLC	35816	5,424.48
10/7/2024	VEN-00640--MANZOOR HASAN	35817	1,304.29
10/7/2024	VEN-00634--MCKINNEY CBD HOUSTON LLC	35818	9,749.22
10/7/2024	VEN-00636--MILAM HOUSTON REAL ESTATE HOI	35819	19,983.70
10/7/2024	VEN-00632--TR 801 TRAVIS LLC	35820	15,065.42
10/7/2024	VEN-00645--WOODBANCH CRAWFORD LLC	35821	5,407.80
10/9/2024	VEN-00009--Ann Werme group		8,758.13
10/9/2024	VEN-00530--Antoine Holmes		260.00
10/9/2024	VEN-00324--Associated Landscape Services LLC		27,548.93
10/9/2024	VEN-00408--Avalon Music		2,050.00
10/9/2024	VEN-00525--Brandon Kpotie		260.00
10/9/2024	VEN-00627--Brenson York		440.00
10/9/2024	VEN-00614--CARLOS BARRERA		520.00
10/9/2024	VEN-00526--Charles Franklin		780.00

Check register

Oct-24

Operating-HDMD--Operating Fund-HDMD

Date	Vendor	Document no.	Amount
Account no: 1890323643			
10/9/2024	VEN-00331--CITY OF HOUSTON-HPARD		99.71
10/9/2024	VEN-00039--Cold Creek Productions		9,733.00
10/9/2024	VEN-00535--Column Software PBC		1,404.47
10/9/2024	VEN-00519--David Russell		520.00
10/9/2024	VEN-00330--Directv		111.23
10/9/2024	VEN-00323--Gulf Coast Pavers, Inc		32,400.00
10/9/2024	VEN-00081--Hamilton Plumbing Services		305.00
10/9/2024	VEN-00082--Hardy & Hardy		750.00
10/9/2024	VEN-00086--Home Depot Credit Services		974.72
10/9/2024	VEN-00102--Incontrol Construction LLC		16,747.20
10/9/2024	VEN-00532--Ivan Sosa-Castillo		520.00
10/9/2024	VEN-00527--Jacob Pena		260.00
10/9/2024	VEN-00520--Jennifer Kennedy		640.00
10/9/2024	VEN-00528--JOELL MATHEWS		260.00
10/9/2024	VEN-00126--Keith Gould		58.69
10/9/2024	VEN-00557--Lila Vaughn		440.00
10/9/2024	VEN-00146--Lincoln Colwell		1,770.00
10/9/2024	VEN-00523--Marcus Labbe		520.00
10/9/2024	VEN-00529--Moises Alfaro		520.00
10/9/2024	VEN-00604--Nancy Jones		780.00
10/9/2024	VEN-00177--Northern Tool & Equipment		406.06
10/9/2024	VEN-00607--One Experiential		69,125.50
10/9/2024	VEN-00212--Ronald Cooks		440.00
10/9/2024	VEN-00217--Sabrina Naulings		440.00
10/9/2024	VEN-00218--Scott Finke		170.00
10/9/2024	VEN-00226--Southern Daily News		810.00
10/9/2024	VEN-00251--Texas Outhouse		706.01
10/9/2024	VEN-00260--The Harris Center For Mental Health and IDD		21,863.42
10/9/2024	VEN-00265--Thomas Printworks		1,636.95
10/9/2024	VEN-00271--Touch Agree Property		2,547.20
10/9/2024	VEN-00279--TXU Energy		319.67
10/17/2024	VEN-00530--Antoine Holmes		455.00
10/17/2024	VEN-00016--Bartlett Tree Experts		3,600.00
10/17/2024	VEN-00654--Bitly		2,272.36
10/17/2024	VEN-00021--Bracewell		2,418.75
10/17/2024	VEN-00525--Brandon Kpotie		780.00
10/17/2024	VEN-00032--Central Houston, Inc		10,500.00

Check register

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Operating-HDMD--Operating Fund-HDMD

Date	Vendor	Document no.	Amount
Account no: 1890323643			
10/17/2024	VEN-00526--Charles Franklin		260.00
10/17/2024	VEN-00569--Christina LaFour		260.00
10/17/2024	VEN-00372--Coopwoods Air Conditioning Inc.		759.45
10/17/2024	VEN-00044--Crest Printing		456.00
10/17/2024	VEN-00519--David Russell		260.00
10/17/2024	VEN-00517--Franklin Burnett		260.00
10/17/2024	VEN-00075--Geocentric LLC		450.00
10/17/2024	VEN-00083--Harris County Treasurer		10,342.00
10/17/2024	VEN-00652--HOUSTON BUSINESS JOURNAL (AMERICAN CITY BUSINI		440.00
10/17/2024	VEN-00653--HOUSTON BUSINESS JOURNAL (AMERICAN CITY BUSINI		440.00
10/17/2024	VEN-00532--Ivan Sosa-Castillo		260.00
10/17/2024	VEN-00527--Jacob Pena		260.00
10/17/2024	VEN-00520--Jennifer Kennedy		661.50
10/17/2024	VEN-00595--Joe O'Neal		260.00
10/17/2024	VEN-00528--JOELL MATHEWS		260.00
10/17/2024	VEN-00447--Jordan Dunn-Ridgill		2,500.00
10/17/2024	VEN-00133--Kingwood Alarm LLC		420.00
10/17/2024	VEN-00557--Lila Vaughn		440.00
10/17/2024	VEN-00523--Marcus Labbe		520.00
10/17/2024	VEN-00170--Moonstar Cinema Services		5,828.00
10/17/2024	VEN-00185--Pfeiffer & Son, LTD.		12,899.14
10/17/2024	VEN-00192--Power Pest Corp dba Texas Bird Services		7,820.00
10/17/2024	VEN-00651--RCN Technologies		105.00
10/17/2024	VEN-00219--Seal Security Solutions, LLC		77,904.00
10/17/2024	VEN-00360--Stephanie Ipena		440.00
10/17/2024	VEN-00318--STERLING EXPRESS SERVICES		168.60
10/17/2024	VEN-00277--Triple R Brothers		101.22
10/17/2024	VEN-00279--TXU Energy		7,787.69
10/22/2024	VEN-00245--Swank Motion Pictures		735.00
10/23/2024	VEN-00530--Antoine Holmes		520.00
10/23/2024	VEN-00324--Associated Landscape Services LLC		736.42
10/23/2024	VEN-00404--AT&T		797.77
10/23/2024	VEN-00497--BIII GStreet LLC		21,007.05
10/23/2024	VEN-00525--Brandon Kpotie		260.00
10/23/2024	VEN-00614--CARLOS BARRERA		520.00
10/23/2024	VEN-00661--CBS GLASS AND MIRROR		790.00
10/23/2024	VEN-00425--Centra 417 San Jacinto LLC		3,125.00

Check register

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Operating-HDMD--Operating Fund-HDMD

Date	Vendor	Document no.	Amount
Account no: 1890323643			
10/23/2024	VEN-00526--Charles Franklin		520.00
10/23/2024	VEN-00569--Christina LaFour		260.00
10/23/2024	VEN-00531--Christopher Gilliam		260.00
10/23/2024	VEN-00037--City of Houston-Dept of Public Works		1,138.16
10/23/2024	VEN-00044--Crest Printing		392.00
10/23/2024	VEN-00519--David Russell		520.00
10/23/2024	VEN-00517--Franklin Burnett		260.00
10/23/2024	VEN-00082--Hardy & Hardy		3,550.00
10/23/2024	VEN-00500--Houston Public Media		8,242.43
10/23/2024	VEN-00532--Ivan Sosa-Castillo		780.00
10/23/2024	VEN-00527--Jacob Pena		260.00
10/23/2024	VEN-00520--Jennifer Kennedy		720.00
10/23/2024	VEN-00528--JOELL MATHEWS		260.00
10/23/2024	VEN-00524--Jose Teran		260.00
10/23/2024	VEN-00523--Marcus Labbe		520.00
10/23/2024	VEN-00529--Moises Alfaro		260.00
10/23/2024	VEN-00604--Nancy Jones		780.00
10/23/2024	VEN-00172--NCTP-CPAS PPLC		1,800.00
10/23/2024	VEN-00179--Orkin		66.00
10/23/2024	VEN-00185--Pfeiffer & Son, LTD.		9,810.96
10/23/2024	VEN-00219--Seal Security Solutions, LLC		1,700.00
10/23/2024	VEN-00251--Texas Outhouse		1,390.08
10/23/2024	VEN-00271--Touch Agree Property		2,547.20
10/23/2024	VEN-00660--Truly Enchanting Entertainment		1,565.00
10/23/2024	VEN-00534--Vestis Group, Inc		207.72
10/23/2024	VEN-00299--We 68 LLC		4,585.74
10/23/2024	VEN-00303--Wholesale Electric Supply		7,693.00
10/25/2024	VEN-00032--Central Houston, Inc	35823	535,283.07
10/30/2024	VEN-00380--ABC Home & Commercial services		145.00
10/30/2024	VEN-00530--Antoine Holmes		520.00
10/30/2024	VEN-00525--Brandon Kpotie		1,072.50
10/30/2024	VEN-00614--CARLOS BARRERA		520.00
10/30/2024	VEN-00526--Charles Franklin		520.00
10/30/2024	VEN-00569--Christina LaFour		260.00
10/30/2024	VEN-00662--Dance Houston		5,000.00
10/30/2024	VEN-00519--David Russell		520.00
10/30/2024	VEN-00458--DIANA GARFIAS		25.00

Check register

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Operating-HDMD--Operating Fund-HDMD

Date	Vendor	Document no.	Amount
Account no: 1890323643			
10/30/2024	VEN-00517--Franklin Burnett		260.00
10/30/2024	VEN-00102--Incontrol Construction LLC		925.00
10/30/2024	VEN-00532--Ivan Sosa-Castillo		520.00
10/30/2024	VEN-00527--Jacob Pena		260.00
10/30/2024	VEN-00520--Jennifer Kennedy		728.50
10/30/2024	VEN-00528--JOELL MATHEWS		260.00
10/30/2024	VEN-00524--Jose Teran		552.50
10/30/2024	VEN-00147--Lone Star Flags		6,348.00
10/30/2024	VEN-00523--Marcus Labbe		520.00
10/30/2024	VEN-00529--Moises Alfaro		2,340.00
10/30/2024	VEN-00220--SEARCH Homeless Services		12,585.79
10/30/2024	VEN-00563--TEXAS PRIDE DISPOSAL		1,987.44
			1,492,635.30

Check register

Oct-24

Capital-HDMD--Capital Fund-HDMD

Date	Vendor	Document no.	Amount
Account no: 1890323643			
10/7/2024	VEN-00638--1301 FANNIN OWNER LP	35800	1,950.54
10/7/2024	VEN-00579--1415 LOUISIANA LLC	35801	1,465.46
10/7/2024	VEN-00506--601 JEFFERSON TOWER (TX) LLC	35822	118.92
10/7/2024	VEN-00631--601 TRAVIS OWNER LLC	35802	1,236.67
10/7/2024	VEN-00642--917 MAIN LLC	35803	7.88
10/7/2024	VEN-00630--ALH PROPERTIES NO TWENTY LP	35804	97.85
10/7/2024	VEN-00637--CENTERPOINT ENERGY PROPERTIES	35805	1,872.84
10/7/2024	VEN-00643--CITY LOFTS LLC	35806	112.18
10/7/2024	VEN-00646--CPI MARQ CATALYSY OWNER LP	35807	1,393.58
10/7/2024	VEN-00644--DE 1800 ST JOSEPH LLC	35808	404.75
10/7/2024	VEN-00635--EPC BUILDING LLC	35809	89.03
10/7/2024	VEN-00647--HOUSTON CONVENTION CENTER HO	35810	6,680.28
10/7/2024	VEN-00641--HOUSTON HOTEL ASSOCIATES	35811	220.74
10/7/2024	VEN-00633--HOUSTON OFFICE ACQUISITION 20	35812	1,204.40
10/7/2024	VEN-00639--LA GRANGE ACQUISITION LP	35813	500.96
10/7/2024	VEN-00650--LCE LAW OFFICE BUILDING INC	35814	61.80
10/7/2024	VEN-00649--LYRIC CENTRE ENTERPRISES	35815	182.95
10/7/2024	VEN-00648--LYRIC CENTRE LLC	35816	461.46
10/7/2024	VEN-00640--MANZOOR HASAN	35817	110.95
10/7/2024	VEN-00634--MCKINNEY CBD HOUSTON LLC	35818	829.36
10/7/2024	VEN-00636--MILAM HOUSTON REAL ESTATE HOI	35819	1,700.00
10/7/2024	VEN-00632--TR 801 TRAVIS LLC	35820	1,281.61
10/7/2024	VEN-00645--WOODBANCH CRAWFORD LLC	35821	460.04
			22,444.25
Account no: 1890323635			
10/1/2024	VEN-00615--Big Ass Fans		5,049.00
10/1/2024	VEN-00499--Catherine Sdao		3,845.38
10/1/2024	VEN-00562--GENSLER		6,195.00
10/1/2024	VEN-00081--Hamilton Plumbing Services		3,972.24
10/9/2024	VEN-00377--Camarata Masonry Systems		3,226.00
10/9/2024	VEN-00562--GENSLER		13,730.00
10/17/2024	VEN-00445--TALON CONSTRUCTION LLC		2,650.00
			38,667.62

AGENDA ITEM	Administrative Policies & Procedures – 2024 Annual Review
REQUEST	Review and approve the continuance of the enclosed draft of the Houston Downtown Management District’s (the “District”) Administrative Policies & Procedures Manual (Admin P&P Manual).
DESCRIPTION	<p>A draft of the District’s Administrative Policies & Procedures Manual is enclosed. No material changes are proposed for this review period (with the exception of the date(s) and wording shown in redline form).</p> <p>The Manual is reviewed every year by the full Board and was extensively amended earlier this year to incorporate amended aspects of the Employee Handbook, as well as a more thorough governance section.</p>
ITEM HISTORY	<p>November 9, 2023: The required annual review of the Investment Policy, Section 15 of the Manual, was conducted. The Board approved updates and the review of Section 15 only, while the remaining Sections of the Manual underwent extensive updates and revisions.</p> <p>March 7, 2024: The Board conducted its annual review of the District’s Administrative Policies & Procedures Manual. This draft included extensive updates to align with the Central Houston Employee Handbook, as well as the newly formed Governance Section (Section 3) compiled by the Governance Task Force in late 2023 and presented to the Board for review and feedback in February 2024. These proposed revisions were approved by the Board; subject to the development of a process so that the Board may receive, review, discuss, and choose options for receiving and enabling input from Board Directors on the performance of the contract administrator.</p> <p>April - June 2024: Nominations and Executive Committees were reformed under the terms of the new Governance section, so that the Board may receive, review, discuss, and choose options for receiving and enabling input from Board Directors on the performance of the contract administrator.</p> <p>August 8, 2024: A proposed Administrative Contractor CEO/Review Process Timeline for inclusion in the Governance Section of the Administrative Policies and Procedures Manual was presented and approved by the Board.</p>

DESCRIPTION Pursuant to Section 17 of the Manual, **Adoption and Revision:**

“The Board officially finds, determines and declares that these Administrative Policies and Procedures were reviewed, carefully considered, and adopted at a regular meeting of the Board on **November 14, 2024**, and that a sufficient written notice of the date, hour, place, and subject of this meeting was posted at a place readily accessible and convenient to the public within the District and on a bulletin board located at City Hall, 901 Bagby St. Houston, TX 77002 for the time required by law preceding this meeting, as required by Chapter 551, Texas Government Code and that this meeting had been open to the public as required by law at all times during which these Code of Ethics and Policies were discussed, considered, and acting upon. The Board further ratifies, approves, and confirms such written notice and the contents and posting thereof.”

CONTACTS

HDMD: Kris Larson, President/CEO
Allen Douglas, COO & General Counsel
Jamie Perkins, EA & Paralegal

Bracewell: Clark Lord, Partner



Houston Downtown Management District

Administrative Policies & Procedures Manual

~~August 8, 2024~~

November 14, 2024

(as amended)

DRAFT

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Section 1. Definitions

- A. Accounting Personnel and/or Accountant: Includes personnel of the Administrative Contractor who perform any of the functions of business accounting on behalf of the District.
- B. Administrative Contractor: The entity, Central Houston, Inc., contracted to provide personnel and administrative support for the business of the District.
- C. Administrative Contractor's Executive: The President & CEO of Central Houston, Inc.
- D. Board: Board of Directors of the Houston Downtown Management District.
- E. Board Chair: The head of the Board of Directors.
- F. Chief Operating Officer: The person serving as the Chief Operating Officer for the Administrative Contractor of Houston Downtown Management District.
- G. Collaborative Committees: Programmatic Committees consisting of members and stakeholders from all three affiliate boards (CHI, HDMD, and DRA). May also include public stakeholders.
- H. Director: A person appointed to serve on the Board of Directors of the District.
- I. Disadvantaged Business Enterprise (DBE): shall mean a business which has been certified by the City of Houston Minority/Women/Persons with Disabilities Business Enterprises Program or through the internal HDMD qualifications listed in Section 6 herein.
- J. District: The Houston Downtown Management District or HDMD.
- K. District Officials: Directors, officers, personnel, and persons and business entities engaged in handling of the day-to-day business of and investments for the District.
- L. Field Personnel: Downtown Public Safety Guide, Street Teams and Subscription Trash Program personnel. These personnel are provided to the District by the Administrative Contractor or other third-party personnel provider(s).
- M. Fund Balance and Reserve Policy: Policy created to help ensure the long-term ability of the organization to meet its mission, provide a bridge in between Management Plans, and establish the target fund balance.

- N. General Counsel: The person serving as the Chief Legal Officer and Counsel for the Administrative Contractor of Houston Downtown Management District. It is the responsibility of the General Counsel to seek additional assistance from outside counsel as needed.
- O. HDMD: The Houston Downtown Management District as created by S.B. 1620 in the 74th Session of the Texas Legislature.
- P. Key Directors: Personnel provided by the Administrative Contractor to direct the work program of HDMD. Specifically, these individuals include but are not limited to: President/CEO; Chief Operating Officer; General Counsel; Director of Operations & Capital Projects; Director of Engagement; Director of Planning & Economic Development; Director of Strategic Initiatives; Director of Finance; and Director of Urban Strategy & Design.
- Q. Personnel Provider: The Administrative Contractor and other third parties may, by contractual agreement, provide personnel to the District. HDMD will have no employees. Any reference to employees or personnel contained herein refers to the personnel of the Administrative Contractor assigned to HDMD.
- R. President/CEO: The individual provided by Administrative Contractor; to oversee administration of the District for purposes of Chapter 49.054(c) of the Texas Water Code and Chapter 176 of the Texas Local Government Code.
- S. Standing Committees: Advisory committees who meet on a regular basis for purposes of consulting and advising on both focused and day-to-day organizational matters; and in turn, report to and bring recommendations on such matters to the full Board for consideration. Standing Committees consist of Audit, Executive, Finance & Investment, and Nominating Committees.
- T. Service and Improvement Plan: The current 5-year Service & Improvement Plan of the Houston Downtown Management District as approved by the Board of Directors.
- U. Public Official: Appointed member of the Board of Directors of Houston Downtown Management District.
- V. Records Management Officer/Records Administrator: Individual is provided by the Administrative Contractor and has been appointed by act of the Board to oversee administration of the District's Records Management Program. This individual is also First Assistant Secretary to the Board.
- W. Special Board Meeting: Special meetings are unscheduled meetings called from time to time by the Board for a specific purpose. Special meetings usually address issues that need immediate attention or that need more time and discussion than can be handled in a routine regular Board meeting.

Section 2. Personnel

- A. Administrative and managerial personnel are provided by the Administrative Contractor. Other “field” personnel are provided through third party contractors to HDMD. All personnel work, on behalf of the District, shall be managed by the District and developed in a manner that meets the objectives of the District. All third-party personnel are considered contractors and managed through third-party contracts.
- B. Time sheets will be kept by those employees who divide their time between activities exclusively sponsored by the Administrative Contractor and activities undertaken by the Administrative Contractor on behalf of the HDMD. Compensation will be based on established rates and allocations which will be adjusted from time to time to reflect actual time allocated.
- C. Rates of compensation for personnel will be reviewed annually and advice will be provided by the HDMD Executive Committee.
- D. Committee Chairs and Liaisons will have the opportunity to provide input in annual or more frequent reviews of Key Directors. Input will be provided to the President/CEO or Chief Operating Officer. Input for an annual review of the President/CEO will be provided verbally or in writing by HDMD’s Chair to the Administrative Contractor’s Chair.
- E. Committee Chairs and Liaisons participate in recruitment of Key Directors. Candidates for Key Director positions will be interviewed individually by the committee chairs and by volunteers from the committee. Advice on candidates will be provided to the Contractor’s President/CEO who has the responsibility for hiring and evaluating the Key Directors subject to approval of the Executive Committee.
- F. In addition to annual reviews of Key Directors, unprofessional performance of Key Directors should be reported by Committee Chairs or the Executive Committee to the Contractor’s President/CEO or Contractor’s Chair as soon as possible.
- G. It is HDMD’s policy that any personnel provider shall provide equal employment and economic opportunity at every level without regard to race, color, creed, age, disability, sex, ethnicity, familial status, genetic information, marital status, military status, pregnancy, sexual orientation, gender identity or national origin.
- H. It is HDMD’s intent that Key Personnel conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting HDMD’s business; and that the appearance of impropriety be avoided to ensure and maintain public confidence.

- I. It is HDMD's intent that Key Personnel provided to the District by the Administrative Contractor will be managed, directed and deployed solely at the direction of the District.

Section 3. Board Governance

A. Officers: The officers of the HDMD Board are the President & CEO, Chair, Immediate Past Chair, Vice Chair, Treasurer, Secretary, Audit Committee Chair (together the "Officers"). The Chair, Vice Chair, Treasurer, Secretary, and Audit Committee Chair. Officers shall be approved through a majority vote of the Board. Officers shall be drawn from currently serving Board Directors, but for the President/CEO. A Director may simultaneously hold two (2) Officer positions on an interim basis that does not extend beyond a period of six (6) months. The Board may review and assess the composition of Officer positions on a yearly basis. The Board may from time to time appoint other Officers to perform duties and exercise responsibility that the Board prescribes.

B. Responsibilities of Officers

1. Chair. The chair of the Board ("Chair") shall preside at meetings of the Board and exercise and perform such other powers and duties as may be assigned to him or her by the Board or prescribed by this Policies and Procedures Manual. The Chair shall further preside over the Executive Committee when it convenes, shall provide Board guidance, and shall assist the President & CEO in setting the Board agenda. The Chair and Vice Chair shall participate in the annual performance review of the President & CEO, including solicitation of input regarding such performance from other Directors
2. President & CEO. The President shall be the Chief Executive Officer ("CEO") of the organization and shall, subject to the control of the Board, generally supervise, direct and control the business of the organization. The President/CEO shall have such other powers and duties as may be prescribed by the Board or by this Policies and Procedures Manual.
3. Vice Chair. In the absence or disability of the Chair, the Vice Chair shall perform all the duties of the Chair and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Chair. As indicated herein, the Vice Chair shall participate in the annual performance review of the President & CEO. The Vice Chair shall have such other powers and perform such other duties as may be prescribed by the Board or by this Policies and Procedures Manual.
4. Secretary. The Secretary shall attend to the following:
 - (i) Minutes. The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board may direct, minutes of all Board meetings and actions of directors and committees of directors reporting during the Board meeting. Such meeting minutes shall include the time and place of the meeting; whether the meeting was a regular or special meeting and, if a special meeting,

how it was authorized, the notice given; the names of those present at each such meeting and the proceedings of each such meeting.

- (ii) Membership records. The Secretary shall keep, or cause to be kept, at the principal executive office, as determined by resolution of the Board, a record, showing the names and physical and electronic addresses of the Board's directors.
 - (iii) Notices, seal and other duties. The Secretary shall give, or cause to be given, notice of all meetings of the Board required by this Policies and Procedures Manual. The Secretary shall keep or cause to be kept the seal of the organization in safe custody. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board or by this Policies and Procedures Manual. If for any reason the Secretary fails to give notice of any special meeting of the Board called by one or more of the persons entitled to call the meeting, then any such person or persons may give notice of such special meeting.
 - (iv) In addition to the above, the Secretary shall have check signing authority. See Policy and Procedures Manual Sections 7.F.1., and 7.G.3.d.
5. Treasurer. The Treasurer shall attend to the following:
- (i) Books of account. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the organization, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. The books of account shall be open to inspection by any director at all reasonable times.
 - (ii) Deposit and disbursement of money and valuables. The Treasurer shall (1) deposit, or cause to be deposited, all monies and other valuables in the name and to the credit of the organization with such depositories as may be designated by the Board; (2) disburse the funds of the organization as may be ordered by the Board; (3) render to the Chair and directors, whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the organization; and (4) have such other powers and perform such other duties as may be prescribed by the Board or this Policies and Procedures Manual. See Policies and Procedures Manual, Sections 7.F.1., 7.G.3.b, c and d, 7.G.4. c. and d, 7.G.6.a, 7.G.9.a, and 7.G.11.e.
 - (iii) Duties of Chair. In the absence or disability of the Chair, and if there is no Vice Chair or if no Vice Chair is present and available, the Treasurer shall perform all the duties of the Chair and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Chair.

6. Immediate Past Chair. Should the Immediate Past Chair remain as a Director on the Board, he or she shall chair the Nominations [“Nominations” or “Nominating”?] Committee and be a designated member of the Executive Committee. As a member of the Executive Committee the Immediate Past Chair provides guidance and institutional or legacy knowledge regarding past practices and endeavors undertaken by the Board. The tenure of the Immediate Past Chair on the Executive Committee is limited to two (2) years from the date of the expiration of his or her term in the Chairs position.
7. Audit Committee Chair. As an Officer of the Board, the Audit Committee Chair shall be a member of the Executive Committee, and assume a role separate from the Treasurer of the Board. See Policies and Procedures Manual, Section 7.E. The Audit Committee Chair shall keep, or cause to keep, the Executive Committee and Board apprised of the yearly audit process and any measures needed to ensure proper fiduciary and financial controls.

C. Executive Committee

1. The HDMD Board shall establish an Executive Committee to serve in an advisory capacity to the Board and as a vehicle for reflecting expressed Board interest and providing guidance on issues ultimately attended to and decided upon by the Board. As such, the Executive Committee may offer recommendations to the Board for further deliberation and discussion; further, advisory recommendations emerging from the Executive Committee may arise from the Executive Committee itself, from the Organization’s leadership, and from the Board and Board Directors. The Executive Committee may also act as an *initial* “sounding board” for the Organization’s Executive Leadership for topics under consideration by the Board. The Executive Committee may not authorize Board action nor may it perform as an *ersatz* Board separate from any vote of a quorum of the Board authorizing action by the Board.
2. The Executive Committee shall consist of no more than ten (10) members currently serving as Directors on the Board. Those members shall consist of the Chair, Vice Chair, Immediate Past Chair, Treasurer, Secretary, Audit Committee Chair, as well as the HDMD Board liaisons to the Enhance, Connect, Thrive, and Engage Collaborative Committees. The HDMD President & CEO shall be an ex-officio member of the Executive Committee. To the extent that Executive Committee members provide advisory recommendations to the Board, those recommendations shall reflect the range of Executive Committee considerations; as such, an advisory course of action recommended by the Executive Committee to the Board shall also include any alternative advisory recommendations for the Board’s review and consideration.
3. The HDMD Board Chair shall serve as the Chair of the Executive Committee. All Board Directors shall be eligible to serve in one of the ten (10) positions identified above and thus, to serve on the Executive Committee. The Executive Committee, subject to those limitations as may be required by Texas law or imposed by resolution of the Board, shall advise and give recommendations to the Board related to the following:

- (i) Board governance;
 - (ii) Developing or amending organizational policies and procedures;
 - (iii) Advising the President & CEO on strategy and operations of the organization;
 - (iv) Reviewing requests from the Board Treasurer to authorize use of financial reserves, such as in the case of accessing Board reserves in accord with HDMD's Fund Balance Policy during the mid-year budget review; and
 - (v) Other advice and recommendations as requested by the Board.
4. The Chair shall report on the activities of the Executive Committee to the Board during Board meetings. In addition, minutes of Executive Committee meetings shall be kept and made available for review by Board Directors at all reasonable times.

D. Other Committees

1. Standing Committees. In addition to the Executive Committee, there shall be three (3) standing committees comprised entirely and only of HDMD District Board Directors: Audit, Nominating, and Finance (together the "Standing Committees"). All Board Directors are eligible to serve on the Standing Committees. Standing Committees shall have at least three (3) but not more than five (5) members. A Director seeking to serve on a Standing Committee shall convey his or her interest to the Board Chair who will place the Director's name before the Board for Committee appointment.

The Treasurer shall serve as the Chair of the Finance Committee, the Immediate Past Chair shall serve as chair of the Nominating Committee or if the Immediate Past Chair is no longer a Director, that position shall be held by the Board Vice Chair. Board Directors interested in the position of Chair of the Audit Committee shall forward their names to the Nominations Committee; the Nominating Committee shall review the candidates and provide a recommendation to the Chair for presentation to the Board for consideration. The Standing Committees carry out the following responsibilities:

- (i) The **Audit Committee** shall (a) ensure, or cause to ensure, the fair and competitive selection of a professionally credentialed auditor; (b) oversee and ensure the completion of an annual financial audit of the organization; (c) review the annual audit and (d) recommend to the Board any actions needed to formally accept the audit and/or other actions needed to ensure the organization has in place acceptable fiduciary and financial controls. Following the Audit Committee's review and acceptance of the annual audit, the Audit Committee Chair shall recommend to the Board any actions needed to formally accept the audit and/or other actions needed to ensure the organization operates acceptable fiduciary and financial controls. In addition, as provided in Section 6.E. of this Policies and Procedures Manual, the Audit Committee shall oversee the disadvantaged business program.
- (ii) The **Nominating Committee** shall identify, interview and recommend qualified candidates to serve as directors of the Board when vacancies arise. If approved, the

names of candidates will be sent to the City of Houston for consideration and ratification by the City Council.

- (iii) The **Finance Committee** shall (a) review reports regarding the organization's financial standing, (b) advise on the format of such reports, (c) advise the Board on financial and investment policies and (d) recommend annual modifications to the HDMD property assessment rate. In addition, as provided in Section 15.D.4., the Finance Committee also serves as the Investment Committee.

2. *Collaborative Committees*. HDMD Board Directors shall participate in at least one (1) of four (4) Collaborative Committees which provide stakeholder engagement opportunities and advise on the work of the Board. The recommendations of these Committees are entirely advisory to the Board. The Collaborative Committees are: Enhance, Connect, Thrive, and Engage, each tracking with an Organizational Goal under the Strategic Alignment Plan authorized by each of the three (3) Boards affiliated with the Organization. Such Collaborative Committees shall include HDMD Directors, but no committee shall include such a number of Directors that a quorum of the HDMD Board is constituted. Collaborative Committees also may include members of the Central Houston Inc. Board and the Downtown Redevelopment Authority Board, plus at-large stakeholders from the Houston Downtown community including business owners, employees, local government representatives, partners and residents. The Collaborative Committees supersede the Operating Committees as defined in Section 1.G. of this Policies and Procedures Manual.

The Enhance, Connect, Thrive and Engage Collaborative Committees shall each have a District Board Director who shall serve as a liaison between the Collaborative Committee and the HDMD Board. Each District Board Collaborative Committee liaison shall be nominated by the Board Chair and approved by a majority of the HDMD Directors.

To help ensure a well-informed Executive Committee, Collaborative Committee liaisons shall serve as members of the Executive Committee. Further, Collaborative Committee liaisons shall report, or cause to be reported to the Board, any plans, projects, or recommendations from their respective Collaborative Committees. The purview of the Collaborative Committees is as follows:

- (i) The Enhance Collaborative Committee provides guidance and recommendations relating to the HDMD's clean, safe, and hospitality ambassador programs, homelessness efforts, landscaping, beautification, and maintenance.
- (ii) The Connect Collaborative Committee provides guidance and recommendations related to planning, designing, enhancing, activating, and beautifying the public realm.
- (iii) The Thrive Collaborative Committee provides guidance and recommendations related to data collection, economic reporting, retail and storefront development, and other economic development initiatives.

(iv) The Engage Collaborative Committee provides guidance and recommendations related to developing communications and engagement programs, projects, and strategies to reach, inform, and benefit area stakeholders.

3. Ad-hoc Committees. The Board may designate one or more ad-hoc committees. Each such committee shall serve at the pleasure of the Board and shall, as do all committees, serve in an advisory capacity only. Any ad hoc committee chair shall be appointed by the Board Chair and there shall be no limit on consecutive terms. All ad hoc committees shall consist only of Board Directors, but no ad hoc committee may include such a number of directors that a quorum of the Board is constituted.

E. Attendance Policy

1. Purpose. The purpose of this Policy is to encourage and support the contributions of all Directors by emphasizing the importance of regular attendance, and to ensure the Board, which requires a quorum to govern, can effectively and timely make decisions and take actions on behalf and to promote the work of the HDMD.
2. Intent. It is the intention of this Policy that, with the limited exceptions discussed herein, all Directors shall attend all regular meetings of the Board.
3. It shall be considered an infraction of this Attendance Policy for a Director to fail to attend three (3) consecutive or four (4) regular meetings of the Board within a rolling twelve (12) consecutive meeting dates.
4. Probationary Period: When a Director fails to attend two (2) consecutive or three (3) regular meetings in a consecutive twelve month period, the Chair shall provide notice to the Director that he or she is close to violating the Attendance Policy – a violation that will trigger a request for termination if the attendance problem is not cured within the rolling twelve consecutive month period. Upon such notice—if not previously provided--the Director shall provide the Chair any extenuating circumstances for the pattern of non-attendance for the Chair’s consideration. The probationary period shall last until the curing of the first absence in time—that was not excused under extenuating circumstances—rolls off of the Director’s attendance record.
5. If, after being advised by the Chair that he or she is on “probation”, a Director fails to cure the attendance problem (i.e., misses a third consecutive or a fourth regular Board meeting in the ensuing rolling consecutive twelve month period), the Chair will present the issue of the Director’s continuing membership on the Board, together with any extenuating circumstances provided by the Director, to the entire Board for a vote. The Director also shall be permitted to make a presentation to the Board regarding his or her attendance record if he or she so chooses.
6. If a majority of the Board agrees the Director should no longer continue to be a member of the Board, the Chair will request the Director submit a letter of resignation as a Board member, within two (2) weeks of the Board’s decision.

7. If, after being requested to submit a letter of resignation, the Director fails or refuses to timely resign, the Chair shall request that the Board approve a petition to remove the Director from the HDMD Board.
8. If a majority of the Board approves the Petition, the Petition will be submitted to the Mayor and City Council for a notice and hearing on the removal.
9. The Board may exercise its power under existing Texas Water Code Section 49.052(g) to remove a Director who has missed half or more of regular Board meetings during the prior 12-month period, a decision of removal under this code section requires unanimous Board approval. See Policies & Procedures Manual Section 14.C.2.
10. Excused absences will be provided in extenuating circumstances affecting a Director so long as notice of such is provided to the Chair at least twenty-four (24) hours in advance of a publicly noticed meeting of the Board; allowance will be provided in cases of emergency or exigent circumstances that prevent the provision of notice within twenty-four (24) hours. The Chair, in consultation with the Chair of the Nominations Committee, shall make the determination of whether an absence occurs as the result of warranted extenuating circumstances.
11. The regular Board meeting schedule will be established before the beginning of each calendar year and distributed to Directors. If special meetings are scheduled which deviate from the regular meeting schedule, and a Director is unable to attend, then the Director's non-attendance shall not count against the required attendance.
12. This Policy will be reviewed yearly and becomes effective ~~as of January 1, 2024 or~~ upon approval by a majority of the Board.

F. CEO Review Process and Timeline

Pursuant to Section 2.D. of the Houston Downtown Management District's Administrative Policies & Procedures Manual, the following "Process" and "Timeline" are intended to provide the opportunity to HDMD Board Members to provide input in the annual assessment of the President/CEO.

- STEP 1: At its September meeting, the Executive Committee of the HDMD Board of Directors will review and provide comments and revisions to a draft of the President/CEO Review Instrument ("Review Instrument").
- STEP 2: Using feedback from the Executive Committee, staff will finalize the Review Instrument and send it to each Director on the Monday before the HDMD's October Board Meeting. Directors have the opportunity to complete the Review Instrument and shall return it to the HDMD Board Chair no later than twenty-one (21) days after their receipt of it.

- STEP 3: During the interim period, Directors may request a confidential session to be conducted in person or by telephone with the Board Chair and/or Vice Chair to provide additional verbal review feedback.
- STEP 4: The Chair or Vice Chair shall share anonymized Review Instrument responses and additional verbal feedback (the “Review Process Results”) with HDMD Directors during the November Board Meeting.
- STEP 5: In their participation and input in the CHI Personnel Committee’s President/CEO review process, the HDMD Chair and Vice Chair shall provide the HDMD Directors’ Review Process Results.
- STEP 6: At the next HDMD Board meeting following completion of CHI Personnel Committee’s review process, the HDMD Chair or Vice-Chair shall provide a summary report of the results of the process to the HDMD Directors.

Section 4. Safe and Secure Workplace

- A. It is HDMD’s intent to provide a safe and secure work environment for personnel, as described on pages 35 through 2-37 of the Central Houston, Inc. Employee Handbook. To achieve this, all Key Personnel shall adhere to established safe and secure workplace policies of the Administrative Contractor, including having a safe and drug-free work environment which explicitly prohibits:
1. The use, possession, solicitation for, or sale of narcotics or other illegal drugs, alcohol, or prescription medicine without a prescription while on District premises or while performing District assignments on or off premises;
 2. The use of alcohol while performing a work assignment (except in certain events and/or collegial gatherings where such activity is sanctioned and/or generally accepted);
 3. Being impaired or under the influence of legal or illegal drugs or alcohol on or off premises, if such impairment or influence adversely affects Key Personnel’s work performance, the safety of you or others, or puts at risk the District’s reputation and its affiliates;
 4. Possession, use, solicitation for, or sale of legal or illegal drugs or alcohol away from CHI or affiliate workplace, if such activity or involvement adversely affects your work performance, the safety of you or of others, or puts at risk the reputation of CHI or its affiliates.
 5. The presence of any detectable amount of prohibited substances in your system while at work, while performing work for CHI, or while representing CHI in any capacity.

"Prohibited substances" include illegal or prescription drugs not taken in accordance with a prescription provided by a licensed medical professional.

6. Workplace Violence; and
 7. Concealed weapons, including handguns (regardless of having a permit) and other weapons.
- B. District Officials are committed to the immediate reporting of work-related injury or illness, whether on or off premise, to the Administrative Contractor or other designated Key Personnel.

Section 5. Procurement and Contract Administration

- A. It is the District's intent to obtain the highest quality, most cost-effective goods and services. Service excellence and responsiveness are hallmarks of HDMD. Competitive procurement of services can support the achievement of this goal. Specific procurement guidelines are included herein and purchasing thresholds may be amended from time to time.
- B. It is the intent of HDMD to stimulate the growth of disadvantaged businesses (DBEs) by encouraging the full participation of disadvantaged businesses in all phases of its procurement activities and affording disadvantaged businesses a full and fair opportunity to compete for HDMD's contracts. (See Section 6).
- C. Personal Solicitation and Conflict of Interest: Board Members and Key Personnel are discouraged from personally soliciting and/or contracting for services delivered by any company or vendor to the District or any of its affiliate entities. If such a relationship is unavoidable due to unforeseen reasons, the details of the personal solicitation of vendors to the District, and/or any of its affiliates, must be disclosed in detail to the Organizations Legal Counsel. Additional information about this policy is located in the Central Houston, Inc. Employee Handbook on pages 2-7 and 2-40.
- D. Contract Administration: Any record, regardless of form or format, which constitutes an agreement between HDMD and any other agency, institution, business entity (for profit or not for profit), vendor or consultant, with or without a related expenditure, is a contract and subject to HDMD's Records Retention Policy (See Section 16).
- E. Each vendor, or other person, who contracts for the sale or purchase of property, goods, or services, including construction and maintenance of improvements, is subject to the requirements of Chapter 176 and Section 2252.908 of the Texas Government Code. This requires the business entity to electronically submit to the District a disclosure of interested parties (Form 1295) with The Texas Ethics Commission at the time the business entity submits the signed contract. Completing the Form 1295 will apply where the contract either: (1) requires an action or vote by the Board before the contract may be signed; or (2) has a value of at least \$1 million.

- F. Contract Award – Professional Services. Certain professional services, as defined by Texas Government Code Chapter 2254, the Professional Services Procurement Act, and as distinguished from other services, shall be procured as set forth in the Professional Services Procurement Act.
1. As a matter of policy, professional services contracts of less than \$25,000 may be executed by the President/CEO without Board approval. For professional services contracts of greater than \$25,000 Board approval is required.
 2. When contracting for professional services of fees greater than \$25,000, the selection shall be based on demonstrated competence and qualifications, determined by a thorough examination, and procured at a fair and reasonable price.
 3. DBE firms must be included in the review of potential vendors when requests for qualifications for professional services are solicited.
- G. Contract Award - Contracts for the construction and repair and or renovation of HDMD facilities and for the purchase of equipment, materials, machinery, and all things that constitute or will constitute the plant, works, facilities or improvements of the district and for services that do not qualify as professional services as defined by Texas Government Code Chapter 2254, will be awarded in accordance with the following:
1. HDMD adopted the procurement provisions contained in Water Code Section 49.273; however, the HDMD has retained the right to utilize Chapter 3801, Texas Special Districts Code, and Chapter 375, Texas Local Government Code, as may be allowed by the applicable resolution of the Board. The procurement provisions contained in Section 49.273, as amended from time to time, shall remain in effect for HDMD unless revoked by the President/CEO or its designee to the extent it is determined that a valid public purpose exists and is documented in writing in the Board's records.
 2. A contract may cover all the work to be provided or the various elements of the work may be segregated for the purpose of receiving bids and awarding contracts so long as the work is not divided simply to avoid advertisement.
 3. A contract may provide for the payment of a total sum that is the completed cost of the work or may be based on bids to cover cost of units of the various elements entering into the work as estimated and approximately specified by the district's engineers, or a contract may be let and awarded in any other form or composite of forms and to any responsible person or persons that, in the Board's judgment, will be most advantageous to the district and result in the best and most economical completion of the district's proposed plants, improvements, facilities, works, equipment and appliances.
 4. For contracts over \$50,000, HDMD shall advertise the letting of the contract, including the general conditions, DBE goals and time and place of opening of sealed bids.
 - a. Bidding documents, plans, specifications, DBE goals and other data needed to bid on a project must be available at the time of the first advertisement and the advertisement shall state the location at which these documents may be reviewed.

- b. The notice shall be published in one or more newspapers circulated in Harris County.
 - c. The notice shall be published once a week for two consecutive weeks before the date the bids are to be opened, with additional notice and distribution pursuant to Section 6.D.3. below. The first publication shall be not later than the 21st day before the date of the opening of the sealed bids.
5. For contracts over \$25,000 but not more than \$50,000, HDMD shall solicit written competitive bids on uniform written specifications and strive to secure at least three bids, including at least one qualifying DBE vendor or supplier. (See Section 6.C.)
 6. For contracts of not more than \$25,000, while HDMD is not required to advertise or seek competitive bids, consideration shall be made for inclusion of qualifying DBE vendors and suppliers.
 7. For contracts of less than \$25,000, the contract may be executed by the President/CEO without Board approval if the President/CEO determines the contract is in the best interests of the District.
 8. HDMD may not subdivide work to avoid the advertising requirements specified in Sections 5 and 6 of these policies and procedures.
 9. HDMD may not accept bids that include substituted items unless the substituted items were included in the original bid proposal and all bidders had the opportunity to bid on the substituted items or unless notice is given to all bidders at a mandatory pre-bid conference.
 10. HDMD is not required to advertise or seek competitive bids for the repair of district facilities if the scope or extent of the repair work cannot be readily ascertained or if the nature of the repair work does not readily lend itself to competitive bidding.
 11. HDMD may use the reverse auction procedure, as defined by Section 2155.062(d), Government Code, for purchasing. In this subchapter, "reverse auction procedure" means:
 - a. A real-time bidding process usually lasting less than one hour and taking place at a previously scheduled time and Internet location, in which multiple suppliers, anonymous to each other, submit bids to provide the designated goods or services; or
 - b. A bidding process usually lasting less than two weeks and taking place during a previously scheduled period and at a previously scheduled Internet location, in which multiple suppliers, anonymous to each other, submit bids to provide the designated goods or services.
 12. HDMD is not required to advertise or seek competitive bids for security or surveillance systems or components of or additions to district facilities relating to security or surveillance, including systems used for the prevention of terrorists or criminal acts and

incidents or acts of war, if doing so would compromise the safety and security of district facilities or residents.

13. If changes in plans or specifications are necessary after the performance of the contract has begun, or if it is necessary to decrease or increase the quantity of the work to be performed or of the materials, equipment, or supplies to be furnished, the Board may approve change orders making the changes. The aggregate of the change orders may not increase the original contract price by more than 10 percent. Additional change orders may be issued only as a result of unanticipated conditions encountered during construction, repair or renovation or changes in regulatory criteria or to facilitate project coordination with other political entities.
14. Final Acceptance of a Construction Contract—Final acceptance procedures shall be set forth in every contract and generally meet the following guidelines:
 - a. Once the work is sufficiently complete, that a formal inspection may determine that the work is ready to be used for the use intended, the HDMD will call an inspection to include such participants as the designer, inspector, contractor, accepting agency's representatives and others as appropriate. Results of the inspection shall be presented to the contractor in writing. If the completeness and condition of the work indicates to the President/CEO that the work is ready to be used for the use intended, then the work will be declared Substantially Complete.
 - b. Once the necessary work to be done as identified in the Substantial Completion inspection is complete then a final inspection will be made by HDMD and written results presented to the Contractor.
 - c. A recommendation to accept the work will be made to HDMD Board after all work is complete, all issues resolved and the Contractor has agreed in writing with the proposed final payment.
- H. The above procedure notwithstanding, the HDMD Board may waive competitive bid requirements in the event of an emergency, in accordance with applicable law.
- I. Contracts and agreements with contractors or vendors shall provide conditions under which contracts may be terminated and faulty products or unprofessional service can be returned or remedied.
- J. For purchases and construction contracts made involving the use of federal, state, or grant funds, Houston Downtown Management District will comply with specific guidelines of the funding entity.
- K. All contracts shall comply with Section 2270.002 of the Texas Government Code, as amended by HB 793, and such contracts shall contain the following language:

Pursuant to Section 2270.002, as amended by HB793, [Company] hereby verifies this contract is:

- a. *between a governmental entity and a company with 10 or more full-time employees;*
- b. *has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity;*
- c. *the Company is not a sole proprietorship;*
- d. *does not boycott Israel; and*
- e. *will not boycott Israel during the term of the contract.*

For purposes of this verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Section 6. Disadvantaged Business Enterprise Program (DBE Program)

- A. Goal: The District shall attempt to stimulate the growth of disadvantaged businesses by encouraging the full participation of disadvantaged businesses in all phases of its procurement activities and affording those disadvantaged businesses a full and fair opportunity to compete for District contracts. The purpose of the program is to increase participation of disadvantaged businesses in public contract awards. Without limiting the generality of the foregoing, the District will objectively demonstrate good faith efforts to award at least twenty percent (25%) of the value of non-personnel contract lettings and purchasing to disadvantaged businesses.
- B. Disadvantaged Business (DBE) means:
 - 1. A Corporation formed for the purpose of making a profit of which at least fifty-one percent (51%) of all classes of the shares of stock or other equitable securities are owned by one or more persons who are economically and socially disadvantaged because of their identification as members of certain groups, that may include but are not limited to, African Americans, Hispanic Americans, Native Americans, Asian-Pacific and Subcontinent Asian Americans, women, and the disabled, that have suffered the effects of discriminatory practices or similar insidious circumstances over which they have no control;
 - 2. A sole proprietorship for the purpose of making a profit that is one hundred percent (100%) owned, operated, and controlled by one or more persons described by Paragraph (B-1) of this subsection;
 - 3. A partnership for the purpose of making a profit in which fifty-one percent (51%) of the assets and interest in the partnership must be owned by one or more persons described by Paragraph (B-1) of this subsection and minority or women partners must have a

proportionate interest in the control, operation, and management of the partnership affairs;

4. A joint venture between minority and women's group members for the purpose of making a profit in which the minority participation is based on the sharing of real economic interest and must include equally proportionate control over management, interest in capital, and interest earnings. If majority (non-minority and non-women's) group members own or control debt securities, leasehold interest, management contracts, or other interests, the joint venture shall not be designated a disadvantaged business; or
 5. A supplier contract between persons described in Paragraph (B-1) of this subsection and a prime contractor in which the disadvantaged business is directly involved for the manufacture or distribution of the supplies or materials or otherwise for warehousing and shipping the supplies.
 6. The disadvantaged business owner must have the training and expertise to perform the work, and where required, have a license or certificate issued in his or her name. To be a small business, the business must meet the Small Business Administration Size Standard(s) for its industry classification(s).
- C. Certification: All disadvantaged businesses for the purposes of this program must be either:
1. Certified by the City of Houston Office of Business Opportunity, Houston Minority Business Development Council, Women's Business Enterprise Alliance, Houston Independent School District, Texas Department of Transportation (TxDOT) or Texas Historically Underutilized Business Program (Statewide HUB); Texas Unified Certification Program (TUCP); or
 2. Certified by self-representation attesting to the business meeting the definition of a Disadvantaged Business Enterprise (DBE) as described in Paragraphs B.1 through B.5 of this Section 6.
 3. The self-certification form shall require that:
 - a. The business attest to its eligibility in accordance with Paragraph (B-1) of this sub-Section 6;
 - b. The business is for profit, independent and currently functioning;
 - c. The business meets the Small Business Administration Size Standard(s) for its industry classification(s). [sba.gov/document/support—table-size-standards](https://www.sba.gov/document/support-table-size-standards);
 - d. The applicant must have a personal net worth of less than \$1,320,000 – excluding value of home and ownership interest in the business. There is no local presence requirement; and

- e. The business acknowledges that any statement of material misrepresentation could result in the contractor being terminated from the contract.
- D. Actions: The District shall attempt to stimulate participation of disadvantaged businesses by the following:
1. The District will regularly obtain and review relevant listings of certified disadvantaged businesses from various local certification programs by entities listed in item C.1 above and others with qualified memberships.
 2. In procurement processes, requests for qualifications, proposals, or bids will be forwarded to the Directors of minority and women-owned business chambers of commerce, the Houston Minority Suppliers Development Council or such other leadership as may be identified.
 3. As part of the procurement process, advertisements for procurements and notices of procurements will be placed in publications and websites, etc. directed toward the membership of chambers and business councils serving the disadvantaged business community. Bidding documents including construction documents, project manuals and bidding addenda will be forwarded to Plan Rooms where appropriate.
 4. All requests for procurement will plainly state that it is the objective of the District to stimulate the utilization and growth of disadvantaged businesses and refer to the criteria for inclusion of such as part of the bid evaluation criteria.
 5. For procurement contracts in excess of \$50,000, it shall be District policy to request that 15-25% of the contract be achieved through a DBE-qualifying supplier either directly or through a subcontractor. If this is not possible, the bidder must request a variance and state the reasons why it bid submission.
 6. Authorization Requests of the Board shall include a notation of compliance with disadvantaged business solicitation and the extent to which the disadvantaged business goal was met in the proposed description of the expenditure. If ascertainable, the reason for the inability to award the purchase to a disadvantaged business shall also be noted.
 7. The District will keep records of the actions described above and report the same.
 8. In addition to its own procurement, the District shall assist disadvantaged businesses in taking part in the economic activity within its boundaries, including the introduction of said businesses to the approved District Service Plan. Where possible, the District will make the introduction of the District business partners (with whom agreements are obtained) and assist the businesses operating in the District in adopting District objectives in their ongoing operations.
- E. Oversight: The Audit Committee shall have oversight of the disadvantaged business program. All District committee agendas shall include discussion of disadvantaged business procurement activities.

- F. Reporting: The District shall submit quarterly reports regarding the DBE program to the Board no later than 90 days after the end of a quarter. The District shall compile an annual report regarding compliance with DBE program guidelines and present the results to the Audit Committee for review.
- G. Review: The District will review its progress with respect to contracting annually no later than 150 days of the year ending December 31. The review must consider the performance of the Administrative Contractor in general with respect to disadvantaged businesses contracting rather than within a specific service or trade. The District's review shall determine whether statically significant disparities exist between the disadvantaged businesses in the relevant market that are qualified to undertake District work and the percentage of total District funds that are awarded to disadvantaged businesses.

Section 7. Budgeting and Accounting

- A. The fiscal year for HDMD begins on January 1 and ends on December 31. Assessments made by the Tax Assessor/Collector in the fourth quarter will apply to the fiscal/Service & Improvement Plan year beginning January 1 of the following.
- B. The annual budgeting process will include the following: Prior to December 31 each year, HDMD Board will review and approve the operating and capital improvements budgets for the succeeding year. Assessment rates for operations and capital improvements are set in the fourth quarter prior to the first year of a new 5-year service plan and prior to each succeeding year of a service plan if changes to the initial rates are to be made. Setting of the rates or of any changes must be approved by the HDMD Board.

Budget preparation will involve the following before HDMD Board adopts the Operating and Capital budgets:

1. Review of needs & priorities within the District
 2. Review of draft budget by Board committees
 3. Review of draft budget by HDMD Board
 4. Mid-Year review the current budget for reallocation of funds
- C. The President is authorized to transfer funds between line items within a budget; however, variations beyond 10% within programs must be approved by the HDMD Board.
 - D. Financial records of HDMD are kept in accordance with generally accepted accounting principles.
 - E. Each year an annual audit of HDMD funds for the prior year will be completed by an independent accounting firm and accepted by the Board of Directors.

F. With respect to bank accounts:

1. The signatures of any two of the following Officers--Treasurer, Chair, Secretary, or President/CEO--OR the signature of any one of the above named officers and the signature of any one of the Executive Committee members will be required on all checks, drafts, warrants or orders.
2. The bank will collateralize all funds left in accounts overnight less the amount FDIC insured.
3. Wire transfers require bank notification electronically or in writing. HDMD's Board will pre-approve individuals authorized to request or to approve wire transfers. No preset wire transfers from District accounts may be initiated and authorized by less than two of the pre-approved individuals. Transfers from investment institutions may be preset so that only one pre-approved individual may transfer funds from investment accounts to other District accounts.

G. Specific accounting procedures by the Administrative Contractor will be conducted as follows:

1. Assessment Receipts — Assessments will be transferred from the Tax Assessor/Collector to a HDMD account.
2. HDMD Receipts Other Than Assessments — Incoming checks and cash are logged daily by the Administrative Assistant or Executive Assistant. The checks, cash and original documentation are given to the Accountant. The daily log is given to the Director of Finance and Accountant.

Accounting Personnel will prepare the deposit slip and take the deposit to the bank. A detailed copy of the deposit slip is attached to the Accountant's copies to be entered into the computer and a copy of the deposit slip is given to the receptionist for adding the deposit date to the daily log of receipts.

3. Vendor, Contractor Payment, and Other Payment Requests—HDMD will establish accounts with vendors when appropriate. Budget account codes will be used by Key Directors to allow purchases to be correctly accounted. Vendors will be procured following the procedure as outlined in the Procurement section of this manual. Contractors will be procured in the same manner. As required by this procedures manual, vendors and contractors will be pre-approved by the HDMD Board. Where appropriate and/or necessary, Letters of Agreement or contracts will be pre-approved by the HDMD board and duly executed. Budget account codes will be used by Key Directors to allow expenditures to be correctly accounted. As required by this procedures' manual, authorization codes will be assigned to expenditure items. Invoices and other forms of payment requests will be approved by Key Directors and processed for payment by the Accounting Personnel according to the following procedure:
 - a. Vendors will be paid only upon submission of properly approved invoices. Accounting Personnel will refer invoices and other requests for payment to the appropriate Key Director for approval before further processing.

- b. Key Directors will review invoices, sales receipts and other evidence to affirm that materials or services were in fact provided. They will contact vendors or service providers to have questions answered and ensure the accuracy of the invoice. Contracts will be monitored for progress toward completion and adequacy of available funds. If an invoice is correct and in line with the contract and has Board authorization, the Key Director will approve the invoice in writing, assign the appropriate authorization code, note the remaining authorization amount, and ascribe the account code, and forward to Accounting for payment.
- c. After receipt by Accounting Personnel of an invoice or other payment request approved by the appropriate Key Director and/or the Chief Operating Officer, a check will be prepared and forwarded to the President/CEO for signature. The check is then forwarded to the Treasurer or other authorized officer for review and co-signature.

Exception for Utilities: In the case of routine monthly payment of utilities, Accounting Personnel may use the on-line banking service provided by the District's approved banking institution. When the online payment method is used, the invoice MUST be co-authorized by the Chief Operating Officer. The Confirmation of Payment generated by this payment activity must be printed and attached to the utility bill(s) and submitted with the next routine check submission to the President/CEO as acknowledgement.

- d. As stipulated above in 7.F.1., all approved checks are to be signed by two of the following officers—Treasurer, Chair, Secretary, or President/CEO—OR the signature of any one of the above named officers and the signature of any one of the Executive Committee members will be required on all checks, drafts, warrants or orders.
 - e. For payments made by check, the normal Accounting processing time will be the Thursday following the receipt of a properly authorized invoice or payment request. To avoid late charges or other penalties, Key Directors should make every effort to expedite review and approval of their invoices or payment requests, taking into consideration the time necessary to process and mail a payment. However, the need for special check requests (e.g. advance registration, research materials, etc.) may arise, and Accounting Personnel may process invoices outside of the normal accounting period in accordance with the approval procedure described above.
4. Approval and processing of employee expense disbursements—
- a. An expense check will be issued only upon submission of a properly approved invoice, expense report, or request for expense memorandum.
 - b. The President/CEO or the Treasurer are authorized to approve the payment of expense disbursements and such approval should be indicated by either initialing or signing the document in ink after the Accountant has stamped the statement or invoice.
 - c. Expense Reports should be approved according to the following table:

<u>Submitted by:</u>	<u>Approved by:</u>
All Department Personnel	President/CEO or Chief Operating Officer
Key Director	President/CEO or Chief Operating Officer
President/CEO	Board Treasurer

- d. Checks are processed once per week. The Accountant must have the properly completed and approved invoice or Expense Report by that time in order for the check to be processed. All approved payment requests and checks are to be signed by the President/CEO and Treasurer (or other officer, absent either one).
 - e. The Accountant will notify the requester when checks are available.
5. Monthly Close-out — Financial reports are prepared internally and reviewed monthly by a Certified Public Accountant. Financial reports are prepared monthly by the Certified Public Accountant.
 6. Financial Reporting and Fund Accounting
 - a. Monthly financial reports are prepared internally by Accounting Personnel, reviewed by an outside CPA, and presented by the Treasurer to the Board of Directors for their action.
 - b. Financial reports shall include a statement of net assets, statement of activities, compared to budget and prior year, and a variance analysis for each month prepared on a year to date basis.
 - c. In the fund financial statements, the District reserves or designates all or portions of fund balances into the following categories: non-spendable, restricted, committed, assigned and unassigned. Non-spendable fund balances represent amounts that cannot be spent because they are not in spendable form (not expected to be converted to cash) or are legally required to be maintained intact. Restricted fund balances represent amounts that have been legally identified for specific purposes. Committed fund balances represent amounts that have been authorized through formal action by the Board of Directors but not yet spent. Unassigned fund balances represent the amount available for future operations.
 - d. Amounts in the District's fund balances that do not meet the criteria to be classified as restricted or committed but that are intended to be used for a specific purpose may be designated as assigned by authorization of the Board of Directors pursuant to the Fund Balance Policy.
 - e. When an expenditure is incurred for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund

- balances are available, the District considers the amount to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board of Directors has provided otherwise in its commitment or assignment functions.
7. Reconciliation of Bank Statements — The Accountant will reconcile monthly bank statements that will be reviewed by the Director of Finance.
 8. Directors' Compensation — Directors will not be compensated.
 9. Expense Reporting. As referenced in the Employee Handbook on page 2-26, the following general principles apply to the expenditure of District funds and in the reporting of related personnel expenditures:
 - a. For these expenses to qualify for reimbursement by the CHI, they must be incurred in the conduct of Company business and shall include only necessary and reasonable costs. Certain expenses which employees may elect to incur, even though related to CHI business, are considered personal expenses and are not reimbursable. *[See Business Meals (Normal Business Location)]* Any questions concerning business expenses must be discussed in advance of incurring the expense. An expenditure involving special circumstances not in conformance with these guidelines may be authorized only by the President & CEO or Chief Operating Officer or, in the case of the President & CEO, by the Chair or Treasurer of the Board.
 - b. Employees seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid impropriety or the appearance of impropriety. Business travel policies are aligned with the company reimbursement rules. All business-related travel paid with company funds must comply with company expenditure policies.
 - c. Staff travel must be authorized. Travelers should verify that planned travel is eligible for reimbursement before making travel arrangements.
 - d. Designated approval authorities are required to review expenditures and withhold reimbursement if there is reason to believe that the expenditures are inappropriate or extravagant.
 - e. Reporting for reimbursement should state exactly the type, amount, date, persons, and entities involved in the expenditure.
 - f. Expenses eligible for reimbursement generally include travel expenses including airfare, luggage fees, car rental, personal mileage, parking tolls, meals, lodging, tips, conference fees, local travel expenses (but not ordinary expense of getting to work and/or parking fees for work obligations within Downtown) and local meals of employees and business guests clearly serving a business purpose conducted on behalf of CHI.

- g. Ordinarily, expenses of the spouse of an employee incurred when accompanying you on official company business, whether at the normal business location or out-of-town, will not be reimbursed. When the presence of a spouse at a meeting does not serve a business purpose, the spouse's expenses are considered a personal expense.
 - h. Upon receipt of proper documentation of who, what, where, when, and why supported by receipts, approval by the supervisor and the Director of Finance, the Company will reimburse you through the regular Accounts Payable process.
10. Expense Advances — Upon review and recommendation by the designated supervisor and with the Chief Operating Officer's approval, a cash amount authorized by the Chief Operating Officer may be paid to you in advance of incurring expenses. The advance, whether for travel related or other expenditures, must be repaid no later than 30 days from its issuance to the entity issuing the advance in either one of the following methods:
- a. Repayment by you of the full amount of the advance in cash; or
 - b. Submission of a fully supported and approved reimbursement expense form reflecting an offset entry for the cash advance. Any amount remaining due to you will be paid through the regular Accounts Payable process. Any amount of the cash advance remaining unspent must be repaid with the fully documented and approved reimbursement expense form and its receipts.
11. Petty Cash Amounts—
- a. All petty cash accounts are required to be reconciled upon replenishment.
 - b. All expenditures from the petty cash account should be supported by a receipt with the check number if applicable, amount paid, and date written on the receipt. Attached to the receipt should be documentation regarding who spent the funds and for what purpose. Meeting attendees' names and affiliations must be noted.
 - c. Expenses which will be reimbursed to the petty cash account should be shown on a typed listing reflecting the following information: check number, payee, account and cost center to be charged, and the dollar amount. The total dollar amount shown will be the amount reimbursed to the petty cash account.
 - d. When replenishment is requested, a reconciliation must be attached to show the petty cash balancing with the funded amount.
 - e. The Office Manager will complete the petty cash report requesting reimbursement and submit the report for approval by the Chief Operating Officer, President/CEO or Treasurer.
 - f. Generally, no more than \$200 of petty cash will be kept on hand.

Section 8. Ownership of Property, Data, Equipment and Other Materials

- A. The Houston Downtown Management District may own property, equipment, fixtures, landscaping materials, data, and other materials required to accomplish its purposes. Unless HDMD Directors adopt a position to the contrary, it is the policy of the District to donate fixtures and materials attached to public rights of way and properties to the appropriate department of the City of Houston. A condition of such donation may be HDMD's maintenance of such fixtures.
- B. All files, data, illustrations, maps, and similar material paid for by HDMD will be clearly labeled "Houston Downtown Management District" or some derivative thereof as to show ownership by the Management District. Such material may be readily removed from the premises of the Administrative Contractor.
- C. HDMD may lease property to accomplish the Service & Improvement Plan; however, no lease shall survive beyond the completion date of the present Service & Improvement Plan. Procurement procedures would be followed in obtaining a lease.
- D. Intellectual Property Assets – Intellectual Property Assets (IPA) is the term used to describe intangible personal property falling within one of the categories of assets known as patent rights, copyrights, trademarks, and trade secrets. It is HDMD's policy to safeguard IPA against theft, unauthorized disclosure, misuse, and infringement, and against indiscriminate handling. Accordingly, all personnel are expected to:
 - 1. Comply with the laws and regulations applicable to the creation and protection of IPA.
 - 2. Comply with the laws, regulations, and contractual commitments protecting the valid and enforceable IPA rights of third parties. HDMD will not knowingly infringe or misuse the valid and enforceable IPA rights of third parties.
 - 3. Recognize that IPA is a valuable asset and to contractually address ownership at the time of creation.
 - 4. Avoid any use of HDMD's IPA for personal gain.
 - 5. Be accountable for the protection, use and disclosure of IPA and to seek guidance when unsure of their responsibility.
 - 6. Report violations of this policy to appropriate management.

Section 9. Power of Attorney

- A. Only the Board in open, properly called meetings may enter into contracts, obligate the District, or authorize the expenditure of funds. The Board in such sessions may direct District Officials, the President/CEO and personnel to take specific actions within parameters as set by the board.

- B. In matters pursuant to the relationship between the Administrative Contractor and HDMD, the President will customarily sign on behalf of HDMD.

Section 10. Insurance

- A. HDMD will carry at all times commercial general liability, office contents, valuable papers and records, umbrella liability, directors and officers liability, fidelity and public officials bond.
- B. HDMD will require indemnification and/or mandatory liability insurance coverage by its contractors and be named as a co-insured, with its affiliate entities and the City of Houston being listed as additional insured.

Section 11. Public Relations

- A. "Downtown District" and/or logo to be adopted by the Board will be the official public identification of services and improvements provided through funds of the District.
- B. HDMD will endeavor to communicate progress on the Service & Improvement Plan and seek input from the community, especially property owners within the District.
- C. The Chair and President/CEO will be principal spokespeople for HDMD and the Downtown District. Positions on issues will not be stated unless there is concurrence on a position by the Board or, absent Board discussion, the Executive Committee.
- D. The Director of Engagement will oversee the continued development of the public relations program for the Downtown District.

Section 12. Open Meetings and Training

- A. The Texas Open Meetings Act (TOMA), Chapter 551, Texas Government Code, provides that meetings of governmental bodies must be open to the public, except for expressly authorized executive sessions, and that Directors, as appointed public officials, must complete a course of training no later than the 90th day after the date a Director takes the oath of office.
- B. Prior to a meeting of the Board, the Records Management Officer will post a meeting notice 72 hours in advance, stating the time, place and subject matter of the meeting.
- C. Each appointed Director will complete their training and confirm their completion of TOMA training by filing a certificate of course completion with the Records Management Officer. The Records Management Officer can assist each Director with training materials disseminated by the Texas Attorney General's Office.

Section 13. Open Records and Training

- A. The Texas Public Information Act (TPIA), Chapter 552, Texas Local Government Code, stipulates certain information and records of the District, with exceptions, are subject to public scrutiny at the formal request of a member of the public. Therefore, HDMD has developed the following procedure to accommodate any requests by the public for its information. Questions as to whether information is of public record should be addressed to the Records Management Officer; however, the Texas Attorney General makes the final determination whether information is subject to an exception.
1. HDMD requires all requests for copies of files to be in writing.
 2. The request must include the requesting individual's name, company (if relevant), address, phone number, and specific details of information being sought.
 3. Requests may be submitted to the Records Management Officer, as follows:
 - a. By U. S. mail or other delivery service to HDMD's offices;
 - b. By facsimile; or
 - c. By electronic mail.
 4. HDMD will date stamp the written request and respond in accordance with applicable law.
 5. HDMD charges \$.15 per copy per page and charges must be paid in full prior to HDMD releasing its information. If charges are anticipated to exceed \$40.00, HDMD will provide an estimate of charges in advance.
- B. TPIA mandates each appointed Director as well as the "officer for public information of a governmental body," without regard to whether such person is appointed or elected, must complete training within the same time period as the TOMA training.
- C. No later than 90 days after the Director has taken the oath of office, the Director must confirm completion of TPIA training and file the certificate of course completion with the Records Management Officer.
- D. The Records Management Officer, as the public information coordinator, will also file a certificate of completion with respect to TPIA training. This certification will satisfy the training requirements of Section 552.012 for those public officials who so designate.

Section 14. Code of Ethics

A. Policy and Purposes

1. The District's Directors, Officials, and personnel will conduct themselves in a manner consistent with sound business and ethical practices; the public interest will always be considered in conducting corporate business; the appearance of impropriety will be avoided to ensure and maintain public confidence in the District; and the Board will establish policies to control and manage the affairs of HDMD fairly, impartially, and without discrimination.
2. The Code of Ethics is adopted for the following purposes: (a) to comply with Section 49.199 of the Texas Water Code and Chapter 176 of the Texas Local Government Code; (b) to encourage high ethical standards in official conduct by HDMD Directors and Officials; and (c) to establish guidelines for such ethical standards of conduct.

B. Qualification of Directors

1. A person shall not serve as a Director if he or she is disqualified by law from doing so.
2. To be qualified to serve as a Director, a person must be 18 years old and be:
 - a. A resident of the District;
 - b. An owner of property in the District;
 - c. An owner of stock, whether beneficial or otherwise, of a corporate owner of property in the District;
 - d. An owner of a beneficial interest in a trust that owns property in the District; or
 - e. An agent, employee or tenant of a person covered by items (b), (c), or (d) above.
3. Qualified directors must have on file with the District's Secretary, Records Management Officer, and/or Public Information Coordinator, all of the following documents as currently required and as may be revised or amended or legislated by any future act of revision, amendment, or legislation:

*Executed and filed as soon as practicable after appointment:
TLGC §375.067; TWC §49.055*

- a. Sworn Statement;
- b. Oath of Office;
- c. Official Bond;

*Executed and filed within 90 days after Oath of Office is taken;
TGC §551.005; TGC §552.012*

- d. Open Meetings Act Training Certification;
- e. Public Information Act Training Certification or equivalent designation;

*Executed and filed prior to vote or decision;
TLGC §176.004*

- f. Affidavit of Vote Abstention (Recusal)

*Executed and filed not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of the statement.
TLGC §176.003.*

- g. Conflicts Disclosure Statement, where applicable;
- h. Other affidavits as may be required by act of legislature or board resolution.

C. Participation of Directors

1. In accepting nomination to be a Director, a person understands the obligation of his or her service and responsibilities pursuant to the position including participation in meetings of the Board of Directors.
2. When a Director has missed three (3) successive regularly scheduled Board of Directors meetings, he or she will be reminded of his or her responsibility to participate. After a Director has missed one-half or more of the regularly scheduled meetings during the prior twelve (12) months, the Board of Directors by the authority of Section 49.052(g) of the Water Code may elect to remove the person from office as a Director.

D. Conflicts of Interest

1. Although Chapter 171 and Section 375.072(a) and (b) of the Texas Local Government Code provides that a Director may participate in all votes pertaining to business of the District regardless of any other statutory provision to the contrary, an HDMD Director or officer is prohibited from participating in a vote, decision, or award of a contract involving a business entity or real property in which the HDMD Director or the officer has a substantial interest, if it is foreseeable that the business entity or real property will be economically benefited by the action except as provided in subsection 3. A person has a substantial interest in a business: (a) if his ownership interest is ten percent or more of the voting stock or shares of the business entity or ownership of \$15,000 or more of the fair market value of the business entity, or (b) if the business entity provides more than ten percent of the person's gross income. A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more. An interest of a person related in the first degree by affinity or consanguinity to an HDMD Director or officer is considered a substantial interest.

2. Directors or personnel who have a substantial interest in any matter involving the business entity or real property covered by D. 1 above shall disclose that fact to the other Directors (Board) by Affidavit. The Affidavit must be filed with the Secretary of the Board.
 3. Directors or personnel who have a substantial interest in a business entity that will receive a pecuniary benefit from an action of the Board may vote on that action if a majority of the Board has a similar interest in the same action or if all other similar business entities in the District will receive a similar pecuniary benefit.
 4. An employee of a public entity may serve on the Board, but that public employee may not participate in the discussion or vote on any matter regarding assessments on or contracts with the public entity of which the HDMD Director is an employee.
- E. Acceptance of Gifts—District Directors, Officials or personnel may not solicit or accept any benefit from a person or business entity the District Official knows is interested in or likely to become interested in any contract, purchase, payment, claim or transaction involving the exercise of the District Official's discretion, or any matter before the Board for any decision, opinion, recommendation, vote or other exercise of discretion in carrying out his official acts for the District as prohibited by law. As of the date of adoption of this Code of Ethics, Section 36.08, Texas Penal Code, prohibits gifts to public servants such as the Directors. Section 36.08 does not apply to the matter set forth in Section 36.10. Violations of penal laws may subject District Officials to criminal prosecution.
- F. Bribery—Directors, Officials or personnel shall not intentionally or knowingly offer, confer, or agree to confer on another, or solicit, accept, or agree to accept from another, any benefit as consideration when to do so is prohibited by law. As of the date of adoption of this Code of Ethics, Section 36.02, Texas Penal Code, lists the offenses that are considered bribery when committed by District Officials. Violations of penal laws may subject a District Official to criminal prosecution.
- G. Nepotism—The Board and its Administrative Contractor shall comply with all anti-nepotism laws applicable to municipal management districts. As of the date of adoption of this Code of Ethics, Chapter 573 of the Texas Government Code, is the anti-nepotism law governing municipal management districts.

Section 15. Investment Policy

This ~~Amended~~ Investment Policy (the “Policy”) [has been reviewed and is](#) adopted by the Board of Directors (the “Board”) of the Houston Downtown Management District (the “District”) pursuant to Chapter 2256 of the Texas Government Code and Chapter 49 of the Texas Water Code, effective as of ~~November 9, 2023~~ [November 14, 2024](#).

- A. Purpose. This Policy with respect to District investments has been adopted to establish the principles and criteria by which the funds of the District should be invested and secured and to comply with various provisions of State of Texas (the “State”) law relating to the investment and security of funds of municipal management districts. As of the date of the

adoption of this Policy, the following laws are applicable to the investment of the District's funds: Sections 49.057, 49.156, 49.157 and 49.1571, Texas Water Code; Chapter 2256, Texas Government Code (the "Investment Act"); Chapter 791, Texas Government Code; Chapter 2257, Texas Government Code (the "Collateral Act") (and Chapter 404.101 et seq., Texas Government Code (collectively, the "Investment Laws"). The Investment Laws generally provide the minimum criteria for the authorized investment and security of the District's funds and require the District to adopt rules to ensure the investment of District funds in accordance with such laws. This Policy also will specify the scope of authority of the Investment Officer(s), District Directors (persons appointed to serve on the Board of the District), officers, employees, and persons and business entities engaged in handling, and who are responsible for, the investment of District funds ("District Officials").

B. Investment Officer(s)

1. Appointment and Duties -- From time to time, the District shall appoint one or more of its Directors or Employees or contract with a person to serve as Investment Officer(s) for the District to be responsible for investing District funds in accordance with this Policy. The Investment Officer(s) shall invest the District's funds, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived, with all investment decisions to be governed by the following objectives in order of priority: (a) preservation and safety of principal; (b) liquidity; and (c) yield.
2. Investment Training. The Investment Officer(s) shall attend training sessions and receive the number of hours of instruction as required by the Investment Act.
3. Reporting by Investment Officer(s). Not less than quarterly and within a reasonable time after the end of the period reported, the Investment Officer(s) with the assistance of District Officials, shall prepare and submit to the Board a written report of the investment transactions for all funds of the District for the preceding reporting period. The report must (a) describe in detail the investment position of the District as of the date of the report, (b) be prepared jointly by all the Investment Officers, if the District appoints more than one (c) be signed by all Investment Officers and District Officials who prepare the report, (d) contain a summary statement of each pooled fund group that states the beginning market value for the reporting period; ending market value for the period; and fully accrued interest for the reporting period; (e) state the book value and the market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested, (f) state the maturity date of each separately invested asset that has a maturity date, (g) state the District account or fund for which each individual investment was acquired, and (h) state the compliance of the investment portfolio as it relates to this Investment Policy and the Investment Act. The report may also include a review of the fair market value of the Collateral pledged to secure the District's funds to ensure that the District's funds are fully secured. The quarterly reports are subject to an annual review by an independent auditor with the results being reported to the Board.

4. Assistance with Certain Duties of the Investment Officer. The Board hereby authorizes and directs the District's Accountant and any other District Officials requested by the Investment Officer(s) to assist the Investment Officer(s) with any of his duties, including but not limited to the following:
 - a. Presenting a copy of this Policy to any person or business organization seeking to sell an investment to the District and obtaining the necessary written certification from such seller referred to in this section;
 - b. Handling investment transactions, including transfer of monies;
 - c. Preparing and submitting to the Board the written report of all investment transactions for the District as required by this section;
 - d. Researching investment options and opportunities;
 - e. Obtaining written depository pledge agreements as required herein;
 - f. Obtaining safe-keeping receipts from the Texas financial institution which serves as a depository for pledged Collateral;
 - g. Reviewing the market value of the District's investments and of the Collateral pledged to secure the District's funds; and
 - h. Such other matters from time to time required by the Investment Laws.
- C. Procedure for Investment of District Monies
1. Qualified Broker/Dealers -- qualified broker/dealers with whom the District may engage in investment transactions are included in Exhibit A.
 2. Disclosures of Relationships with Entities Offering to Enter into Investment Transactions with the District – The Investment Officer(s) and the District Officials shall disclose in writing: (a) any “personal business relationship” with a business organization offering to engage in an investment transaction with the District; and (b) any relationship within the second degree by affinity or consanguinity, as determined by Chapter 573, Texas Government Code, to any individual seeking to sell an investment to the District, as required by the Investment Act. The existence of a “personal business relationship” shall be determined in accordance with the Investment Act. Such disclosure statement shall be filed with the Board and online with the Texas Ethics Commission.
 3. Certification from Sellers of Investments -- The Investment Officer(s) or the District Officials shall present this Policy to any person or business organization offering to engage in an investment transaction with the District and obtain a certificate that such potential seller has reviewed the Policy as provided in the Investment Act. This certificate shall be in a form acceptable to the District and shall state that the potential seller has received and reviewed the Policy and has acknowledged that the potential

seller has implemented reasonable procedures and controls in an effort to preclude investment transactions with the District that are not authorized by this Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards. Neither the Investment Officer nor the District Officials shall purchase or make any investment from a potential seller that has not delivered to the District this required certification.

4. Bids for certificates of deposit may be solicited orally, in writing, electronically or in any combination of those methods.
5. All purchases of investments, except investment in investment pools or in mutual funds, shall be made on a delivery versus payment basis. The safekeeping entity for all District investments and for all Collateral pledged to secure District funds shall be one approved by the Investment Officer(s).
6. The Investment Officer(s), with the help of such District Officials as needed, shall determine the market value of each investment and of all Collateral pledged to secure deposits of District funds at least quarterly and at a time as close as practicable to the closing of the reporting period for investments. The Finance & Investment Committee shall review and report quarterly to the Board regarding the District's investments. The following values and methods shall be included in the investment report:
 - a. Certificates of deposit shall be valued at their face value plus any accrued but unpaid interest.
 - b. Shares in money market mutual funds and investment pools shall be valued at par plus any accrued but unpaid interest.
 - c. Other investment securities with a remaining maturity of one year or less may be valued in any of the following ways:
 - i. the lower of two bids obtained from securities broker/dealers for such security;
 - ii. the average of the bid and asked prices for such investment security as published in The Wall Street Journal or The New York Times;
 - iii. the bid price published by any nationally recognized security pricing service; or
 - iv. the market value quoted by the seller of the security or the owner of such Collateral.
 - d. Other investment securities with a remaining maturity greater than one year shall be valued at the lower of two bids obtained from securities broker/dealers for such security, unless two bids are not available, in which case the securities may be valued in any manner provided in the preceding
7. Monitoring the Rating Changes in Investments - Consistent with Section 2256.021, Texas Government Code, as amended, the Investment Officer shall monitor all investments that

require a minimum rating under subchapter A of Chapter 2256, Texas Government Code, as amended, such that any such investment that does not have the minimum rating shall no longer constitute an authorized investment. Such investments that do not have the required minimum rating shall be liquidated within 30 days of the investment's failure to maintain its required minimum rating.

D. Policy of Investment

1. The objectives of this Investment Policy in order of importance are: (a) to assure the safety of public funds; (b) to maintain sufficient liquidity so as to provide adequate and timely working capital; and (c) to achieve, consistent with (a) and (b) above, the highest possible rate of return on the District's investments, taking into consideration the strength of the financial institution and the ability of the financial institution to provide proper security. Funds of the District shall be invested by the District's Officials in accordance with this policy.
2. District funds shall be invested and reinvested by the District's Investment Officer(s) only in accordance with this Policy and shall comply with any additional requirements imposed by bond resolutions or trust indentures of the District and applicable state law or federal tax law, including the Investment Laws. The Board, by separate resolution, may provide that the District's Officials may withdraw or transfer funds from and to accounts of the District in compliance with this Policy. No fund groups shall be pooled for the purposes of investment.
3. It shall be the responsibility of the District's Investment Officer(s) to invest and reinvest the District's funds in accordance with this policy to meet the needs and requirements of the District. It shall be the policy of the District that funds shall not be invested for longer than five (5) years. The Board may provide that the District's Investment Officer(s) may direct the District's Officials to withdraw or transfer funds from and to accounts of the District on such terms as the Board considers advisable.
4. The Finance & Investment Committee shall meet quarterly to monitor and review the investments and Collateral of the District. The District's Investment Officer(s) shall chair the committee. The Committee shall submit a written report concerning the District's investment transactions for the preceding year and describing the investment position of the District at the end of each fiscal year. The report shall be signed by the District's Certified Public Accountant and the Investment Officer(s). The Committee also shall report to the Board on its review the month following each quarterly meeting.

E. Security of District Funds

1. The District recognizes that FDIC (or its successor) insurance is available for District funds deposited at any one Texas financial institution (including branch banks) only up to a maximum of \$250,000 (including accrued interest) for each of the following: (a) demand deposits; (b) time and savings deposits; and, (c) deposits made pursuant to an indenture or pursuant to law in order to pay bondholders or noteholders. It is the policy of the District that all deposited funds in each of the District's accounts shall be insured by the

FDIC, or its successor, and to the extent the deposit surpasses the FDIC Deposit Insurance Coverage limit at any given time, they shall be secured by Collateral pledged to the extent of the fair market value of the principal amount deposited plus accrued interest as required by the Collateral Act.

2. If it is necessary for the District's depositories to pledge Collateral to secure the District's deposits, (a) the Collateral pledge agreement must be in writing, (b) the Collateral pledge agreement must be approved by the depository's board of directors or loan committee, (c) the depository's approval of the Collateral pledge agreement must be reflected in the minutes of the meeting of the depository's board or loan committee approving same, and (d) the Collateral pledge agreement must be kept in the official records of the depository. The depository must approve the Collateral pledge agreement and provide to the Investment Officer(s) or District Officials written proof of the depository's approval of the Collateral pledge agreement as required in a form acceptable to the District. A signed or certified copy of the minutes of the meeting of the depository's board or loan committee reflecting the approval of the Collateral pledge agreement is approved or other written documentation of such approval acceptable to the Investment Officer(s) will be accepted. It is the preference of the Board that all requirements of this section be met prior to the deposit of any District funds requiring the pledge of Collateral in such financial institution. When a pledge of Collateral is required; however, the Board recognizes that compliance with this preference might not be practicable due to time constraints for making a deposit. In such event, the Board directs the Investment Officer(s) and District Officials to proceed diligently to have such agreement approved and documented to assure protection of the District's funds. If the decision is made to forego the protection of a Collateral pledge agreement with any depository, the District's administrator or President/CEO shall be responsible for maintaining the balance of deposit(s) in such depository plus any accrued but unpaid interest at or below FDIC insurance levels.

3. Collateral pledged by a depository shall be held in safekeeping at an independent third party institution, and the District's administrator or President/CEO shall obtain safekeeping receipts from the Texas financial institution or the safekeeping institution that reflect that Collateral as allowed by this Policy and in the amount required was pledged to the District. Principal and accrued interest on deposits in a financial institution shall not exceed the FDIC's, or its successor's, insurance limits or the market value of the Collateral pledged as security for the District's deposits. It shall be acceptable for the District's administrator or President/CEO to periodically receive interest on deposits to be deposited to the credit of the District if needed to keep the amount of the funds under the insurance or Collateral limits. It is the preference of this Board that there be no sharing, splitting or co-tenancy of Collateral with other secured parties or entities; however, in the event that a depository cannot accommodate this preference due to the denominations of the securities to be pledged, the Board directs the Investment Officer(s) and District Officials to obtain appropriate protections in the Collateral pledge agreement with the depository to assure that the Collateral is liquidated and the funds distributed appropriately to all parties with a security interest in such Collateral. The District's

administrator or President/CEO shall monitor the pledged Collateral to assure that it is pledged only to the District, review the fair market value of the Collateral to ensure that the District's funds are fully secured, and report periodically to the Investment Officer(s) and the Board regarding the Collateral.

4. The District's funds deposited in any Texas financial institution, to the extent that they are not insured, may be secured in any manner authorized by the Investment Laws. As of the date of this Policy, the following securities are authorized to serve as Collateral under the Collateral Act:
 - a. Surety bonds;
 - b. An obligation that in the opinion of the Attorney General of the United States is a general obligation of the United States and backed by its full faith and credit;
 - c. A general or special obligation that is (1) payable from taxes, revenues, or a combination of taxes and revenues and (2) issued by a state or political or governmental entity, agency, instrumentality or subdivision of the state, including a municipality, an institution of higher education as defined by Section 61.003, Texas Education Code, a junior college, a district created under Article XVI, Section 59, of the Texas Constitution, and a public hospital;
 - d. A fixed-rate collateralized mortgage obligation that has an expected weighted average life of 10 years or less and does not constitute a "high-risk mortgage security" under the Collateral Act;
 - e. A floating-rate collateralized mortgage obligation that does not constitute a "high-risk mortgage security" under the Collateral Act;
 - f. A letter of credit issued by a federal home loan bank; or
 - g. A security in which a public entity may invest under the Investment Act. As of the date of this Policy, the following are the securities in which a public entity may invest under the Investment Act and, therefore, may be used as Collateral:
 - i. Obligations, including letters of credit, of the United States or its agencies and instrumentalities;
 - ii. Direct obligations of the State of Texas or its agencies and instrumentalities;
 - iii. Collateralized mortgage obligations directly issued by a federal agency or instrumentality or the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
 - iv. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the United States or the State of Texas or their respective agencies and instrumentalities, including

obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by explicit full faith and credit of the United States;

- v. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
 - vi. Certificates of deposit issued by a depository institution that has its main office, or a branch office, in the State of Texas and that are (1) guaranteed by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or its successor, (2) secured by the obligations in which the District may invest under the Investment Act; or (3) secured in any other manner and amount provided by law for deposits of the District;
 - vii. Certificates of deposit made in accordance with the following conditions: (1) a broker that has its main office or a branch office in this state and is selected from a list adopted by the District; or the funds are invested by the District through a depository institution that has its main office or a branch office in the State of Texas and that is selected by the District; (2) the broker or the depository institution selected by the District under Subdivision (1) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the District; (3) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (4) the depository institution selected by the District under Subdivision (1), an entity described by Section 2257.041(d), or a clearing broker dealer registered with the Securities and Exchange Commission and operating pursuant to Security and Exchange Commission Rule 15c3-3 (17C.F.R. Section 240.15c3-3) as custodian for the District with respect to the certificates of deposit issued for the account of the District;
 - viii. Repurchase agreements that comply with the Investment Act;
 - ix. Bankers' acceptances that comply with the Investment Act;
 - x. Commercial paper that complies with the Investment Act;
 - xi. No-load money market mutual funds that comply with the Investment Act;
 - xii. No-load mutual funds that comply with the Investment Act; and
 - xiii. Guaranteed investment contracts that comply with the Investment Act.
5. Notwithstanding anything to the contrary provided above, the following may not be used as Collateral and are not authorized as investments for the District under the Investment Act:

- a. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pay no principal;
 - b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
 - c. Collateralized mortgage obligations that have a final stated maturity date of greater than 10 years other than those listed in 4(d) and 4(e) above; or
 - d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.
- F. Authorized Investments – Unless specifically prohibited by law or elsewhere by this Policy, District monies may be invested and reinvested only in the following types of investments:
1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities;
 2. Direct obligations of the State of Texas or its agencies and instrumentalities;
 3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
 4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities;
 5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
 6. Certificates of deposit issued by a depository institution that has its main office or a branch office in the State of Texas that are (1) guaranteed by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, (2) secured by the obligations in which the District may invest under the Investment Act, or (3) secured in any other manner and amount provided by law for deposits of the District;
 7. Certificates of deposit made in accordance with the following conditions: (1) a broker that has its main office or a branch office in this state and is selected from a list adopted by the District; or the funds are invested by the District through a depository institution that has its main office or a branch office in the State of Texas and that is selected by the District; (2) the broker or the depository institution selected by the District under Subdivision (1) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the

District; (3) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (4) the depository institution selected by the District under Subdivision (1), an entity described by Section 2257.041(d), or a clearing broker dealer registered with the Securities and Exchange Commission and operating pursuant to Security and Exchange Commission Rule 15c3 3 (17C.F.R. Section 240.15c3-3) as custodian for the District with respect to the certificates of deposit issued for the account of the District;

8. Repurchase agreements that comply with the Investment Act;
 9. Bankers' acceptances that comply with the Investment Act;
 10. Commercial paper that complies with the Investment Act;
 11. No-load money market mutual funds that comply with the Investment Act;
 12. No-load mutual funds that comply with the Investment Act;
 13. Investment Pools which meet the requirements set forth in Section 2256.016 and Section 2256.019 of the Texas Government Code, as amended, and which are specifically authorized by a resolution that is approved by the Board;
 14. With respect to bond proceeds, guaranteed investment contracts that comply with the Investment Act.
- G. Prohibited Investments -- Notwithstanding anything to the contrary stated herein, no funds of the District may be invested in the following or in any other type of investment prohibited by the Investment Act or other applicable law:
1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (IO's);
 2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (PO's);
 3. Collateralized mortgage obligations that have a final stated maturity date of greater than 10 years, other than those listed in 4(d) and (e) above; and
 4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index (inverse floaters).
- H. Investment of Funds Held Under Trust Indentures – Anything in this Policy to the contrary notwithstanding, to the extent that any funds are held by a trustee under a trust indenture

relating to the District's bonds, such funds may be invested as provided by such trust indenture or the resolution authorizing the issuance of the bonds.

- I. Investment Strategies for Funds and/or Accounts of the District -- The District hereby adopts the following investment strategy as a separate strategy for each of its funds and accounts which currently exist or are hereafter created: all funds and accounts of the District shall be invested so as to accomplish the following objectives, which are listed in order of importance: (1) understanding of the suitability of the investment to the financial requirements of the District; (2) preservation and safety of principal; (3) liquidity as needed to meet the District's operating requirements; (4) assurance of the marketability of the investment if the need arises to liquidate the investment before maturity; (5) diversification of the investment portfolio; and (6) maximum yield without compromising the first five objectives.

The investments set forth above are authorized for all accounts and funds of the District. One Hundred Percent (100%) of the funds in any one account of the District may be invested in any investment authorized hereunder at any one time. As set forth above in Section 15.D.3 the maximum allowable stated maturity of any individual investment shall not exceed five (5) years.

Funds in the District's operating account(s) shall be invested to meet the operating and cash flow requirements of the District as determined by the annual budget adopted by the Board. Operating funds shall not be invested for longer than three years.

- J. Annual Review -- The District shall review this Investment Policy at least annually and adopt a resolution confirming the continuance of the Investment Policy without amendment or adopt an Amended Investment Policy.
- K. Superseding Clause – This Policy supersedes any prior policies adopted by the Board of Directors regarding investment or securitization of District funds.
- L. Open Meeting – The Board officially finds, determines and declares that this Policy was reviewed, carefully considered, and adopted at a regular meeting of the Board, and that a sufficient written notice of the date, hour, place and subject of this meeting was posted at a place readily accessible and convenient to the public within the District and on a bulletin board located at a place convenient to the public in the City of Houston, Texas for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, and that this meeting had been open to the public as required by law at all times during which this Policy was discussed, considered and acted upon. The Board further ratifies, approves, and confirms such written notice and the contents and posting thereof.

EXHIBIT AList of Qualified Broker/Dealers

Allegiance Bank	FTN Financial	Preferred Bank
Amegy Bank of Texas (Amegy Bank, N.A.)	Golden Bank, National Association	Prime Way Federal Credit Union
American First National Bank	Green Bank, N.A.	Prosperity Bank
Bank of America Corporation	Guaranty Bank and Trust	Prudential Equity Group
Bank of America, N.A.	Hanmi Bank	Raymond James
Bank of OZK	Herring Bank	RBC Wealth Management USA
Bank of Texas (BOKF, NA)	Hilltop Securities	Regions Bank
BBVA Compass Bank	HomeTown Bank, N.A.	Regions Financial Corporation
Beal Bank	IBC Bank	Security State Bank
BOKF Financial	Icon Bank	Southwestern National Bank
Capital Bank, N.A.	Independence Bank	Spirit of Texas Bank
Capital Markets Group, Inc.	Independent Bank	State Bank of Texas
Capital One, N.A.	Integrity Bank	State Street Bank & Trust Co.
Cathay Bank	Invesco	Texan Bank
Central Bank	J.P. Morgan Securities LLC	Texas Capital Bank, National Association
Chase Bank, N.A.	JPMorgan Chase & Co.	Texas Citizens Bank
Chase Investments Services Corp.	Legacy Texas Bank	Texas CLASS
Chasewood Bank	Legg Mason	Texas Community Bank
Citibank	LOGIC (Local Govt. Investment Co-Op)	Texas First Bank
City Bank	Lone Star Investment Pool	Texas Gulf Bank
Comerica Bank	Lone Star National Bank	Texas State Bank
Commercial State Bank	LPL Financial Services	TexPool/TexPool Prime
CommunityBank of Texas, N.A.	Masterson Advisors	TexSTAR
CUNA	Mercantil Commercebank, National Association	The Bank of River Oaks
Edward Jones	Merchants Bank	TIB – The Independent BankersBank
Encore	Metro Bank, National Association A-2	Tri Star Financial
Enterprise Bank and Trust Company	Midkiff & Stone Capital Group, Inc.	Trustmark National Bank
First Bank Texas	MidSouth Bank	U.S. Bank National Association
First Citizens Bank	Moody National Bank	UBS Financial Services, Inc.
First Community Bank, N.A.	Morgan Stanley	Unity National Bank
First Financial Bank	Morgan Stanley Wealth Management	Vista Bank
First International Bank & Trust	New First National Bank	Wallis State Bank
First National Bank of Bastrop	Northern Trust, National Association	Wells Fargo Advisors, LLC
First National Bank Texas	Omnibank National Association	Wells Fargo Bank, N.A.
First Texas Bank	Patriot Bank	Woodforest National Bank
FirstBank & Trust Company	Plains State Bank	
Fiserve, Inc.	Post Oak Bank	
Frost Bank		

Section 16. Information Protection and Management

- A. Information Protection – Information assets are vital resources. These resources include information in any form, whether acquired from others or developed by HDMD, and any systems that store, process, or transmit information. It is the policy of HDMD to ensure the availability, integrity, and confidentiality of these resources in a manner that is consistent with risk and business value. It is the joint responsibility of management and all personnel to take the necessary actions to protect these resources. Personnel have the responsibility to understand the business value of their information resources. Personnel also have the responsibility to understand the risks associated with the possible compromise of the availability, integrity, and confidentiality of these resources. Personnel are responsible for taking appropriate actions to ensure that HDMD information resources are protected commensurate with business value and risk. Accordingly, personnel who are unsure of the legal or regulatory implications of their actions will be responsible for seeking management or supervisory guidance. HDMD information is to be used in pursuing HDMD's own business interests and must not otherwise be used or disclosed by any personnel either during or after performing work for HDMD.
- B. Records Retention Policy – In lieu of a formal Records Management Program approved by the State and Local Records Management Division of the Texas State Library and Archives Commission, HDMD has a policy of permanent retention with respect to all District Records. General Counsel, with the Executive Director and the Chief Operating Officer, is responsible for creating a Records Retention Policy. The Records Management Officer is responsible for establishing and maintaining a procedure which ensures the integrity and protection of the District's records.
- C. District Records
1. Any written, photographic, machine-readable, or other recorded information created or received by or on behalf of the District that documents activities in the conduct of official business.
 2. Vital Records: Any District Record necessary to:
 - a. The resumption or continuation of District operations in an emergency or disaster;
 - b. The re-creation of the legal and financial status of the District; or
 - c. The protection and fulfillment of obligations to the people of the District.
- D. Contract Files: Any District Record, regardless of form or format, which constitutes an agreement between the District and any other agency, institution, business entity (for profit and not for profit), vendor or consultant, with or without a related expenditure, is a contract and all contracts are filed in a central location according to a predetermined file arrangement.

- E. Personnel are required to apply HDMD's Records Retention Policy to all documents and other forms of information--including any and all electronic data--they create or receive in the course of exercising their responsibilities under the Administrative Contract.
- F. Computer Systems and Other Technical Resources – It is the joint responsibility of management and all personnel to ensure that the computer systems and other technical resources are used appropriately, that is, consistent with the District's and its Administrative Contractor's standards of business and ethical conduct and policies.
- G. Internet
 - 1. Internet services support the advancement of the HDMD's goals and objectives. HDMD encourages use of the Internet as a strategic business and learning tool. Occasional access to the Internet for learning or personal use is acceptable to facilitate the learning process and to promote the use of this strategic resource. At all times, during and after work, the Internet user is responsible for avoiding Internet sites including sexually explicit and game sites that violate HDMD and the Administrative Contractor's policies. Any unintentional contact with such a site requires the user to avoid exposing anyone else to the material, which should be deleted immediately from computer storage.
 - 2. HDMD has the right to monitor and log Internet activity and to block offensive, illegal, and non-business-related sites. If an Internet user is uncertain whether a site violates company policy or the law, he or she should contact the Records Management Officer.
 - 3. Internet activity is to be considered public and users must conduct their activity accordingly. Use caution when sending e-mail to a non-HDMD Internet address. These messages travel across non-secure, public lines and may be stored in third-party systems, subject to discovery and/or disclosure. In addition, the address of the intended recipient should be confirmed prior to sending the communication.
 - 4. The Internet can be used to communicate and exchange information as long as usage complies with all applicable laws, regulations and these Administrative Policies.
- H. Electronic Mail – HDMD operates and maintains electronic mail ("e-mail") systems to facilitate business communications. While the company's e-mail system may be used for incidental and occasional personal messages, such use should be kept to a minimum. E-mail may not be used in any way that may be disruptive to operations, offensive to others or violative of policy or law. E-mail users should be aware that HDMD and others may access e-mail records that are either stored or handled by HDMD's e-mail systems. E-mail messages, including personal messages, may thus be subject to review by management and others for appropriate purposes. Personnel with unique or special access to e-mail records shall not access such records outside the normal course of supporting or administering these systems, without proper authorization. Personnel who access the e-mail records of others without proper justification and authorization will be subject to disciplinary action up to and including termination of employment by the Administrative Contractor.

- I. Access – Personnel may access only files or programs, whether computerized or not, that they have permission to enter. Unauthorized review, duplication, dissemination, removal, damage or alteration of files, passwords, computer systems or programs, or improper use of information obtained by unauthorized means, may be grounds for disciplinary action, up to and including termination of employment by the Administrative Contractor.
- J. Privacy – It is HDMD’s policy to comply with applicable legal requirements concerning privacy in the workplace. However, personnel should be aware that they have no right of privacy as to any information or file maintained in or on HDMD and Administrative Contractor owned property or transmitted or stored through their computer systems, voice mail, e-mail, or other technical resources. HDMD may override any applicable passwords for purposes of inspecting, investigating, or searching any and all computerized files or transmissions, voice mail, or e-mail or any other HDMD media in which information is stored or transmitted.
- K. Litigation Discovery – Special care must be taken with information requests during litigation. It is the policy of HDMD to respect the judicial process. Truth in that process is essential. Therefore, personnel involved in litigation discovery (that is, when documents or other evidence are required to be produced) shall:
 - 1. Treat litigation discovery as a priority;
 - 2. Thoroughly and continuously review any questions they have with the President/CEO and HDMD counsel handling the matter and fully and completely comply with the instructions received from them; and
 - 3. Immediately report any suspected noncompliance to the President/CEO.
- L. Requests for Information (Open Records Policy) – Information and records of HDMD are subject to public scrutiny at the formal request of a member of the public. Therefore, HDMD has developed the procedures outlined in Section 13 to accommodate any requests by the public for its information. Personnel having a question as to whether information is of public record should contact General Counsel. (see also Section 13)
- M. Testimonials and Endorsements – It is HDMD’s policy not to provide information in the form of endorsements or testimonials of products or services. However, in those cases where further interpretation may be needed, please contact the President/CEO.

Section 17. Adoption and Revision

District Administrative Policies and Procedures shall be reviewed at least annually; if necessary, amended and approved by HDMD's Board in open meeting.

The Board officially finds, determines and declares that these Administrative Policies and Procedures were reviewed, carefully considered, and adopted at a regular meeting of the Board on ~~August 8, 2024~~ November 14, 2024, and that a sufficient written notice of the date, hour, place, and subject of this meeting was posted at a place readily accessible and convenient to the public within the District and on a bulletin board located at City Hall, 901 Bagby St. Houston, TX 77002 for the time required by law preceding this meeting, as required by Chapter 551, Texas Government Code and that this meeting had been open to the public as required by law at all times during which these Code of Ethics and Policies were discussed, considered, and acting upon. The Board further ratifies, approves, and confirms such written notice and the contents and posting thereof.

-END-

AGENDA ITEM	Set 2025 District Board Meeting Dates												
REQUEST	Review and approve the District’s proposed 2025 Board meeting dates.												
DESCRIPTION	<p>Each Fall, the District Board is presented with a set of proposed meeting dates for the upcoming year for review and consideration. This provides opportunity for Directors’ scheduling, as well as assists with complying with Section 3E of the District’s Governance Section, as outlined in the Administrative Policies & Procedures Manual.</p> <p>District Board meetings are typically held on the second Tuesday of each month, with the exceptions being the months of March (<i>moved to the first Thursday to accommodate spring break schedules</i>), and July (<i>designated as a non-meeting month</i>). The proposed 2025 Board meeting dates are as follows:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>January 9</td> <td>July (<i>no meeting</i>)</td> </tr> <tr> <td>February 13</td> <td>August 14</td> </tr> <tr> <td>March 6</td> <td>September 11</td> </tr> <tr> <td>April 10</td> <td>October 9</td> </tr> <tr> <td>May 8</td> <td>November 13</td> </tr> <tr> <td>June 12</td> <td>December 11</td> </tr> </table> <p>All meetings are scheduled to be held from 12:00 - 1:30 p.m. at the District’s offices located at 1221 McKinney Street, Suite 4250, Houston, Texas 77010; inside the H-Town Conference Room, unless otherwise stated.</p>	January 9	July (<i>no meeting</i>)	February 13	August 14	March 6	September 11	April 10	October 9	May 8	November 13	June 12	December 11
January 9	July (<i>no meeting</i>)												
February 13	August 14												
March 6	September 11												
April 10	October 9												
May 8	November 13												
June 12	December 11												
ACTION ITEM	Call for a motion to accept and approve the District’s proposed 2025 Board meeting dates.												
CONTACTS	<p>Kris Larson – President/CEO Allen Douglas – COO Jamie Perkins - Assistant Secretary & Records Management Officer Candace Williams - Executive Assistant & Board Liaison</p>												

HOMELESS STRATEGY CONTRIBUTION AUTHORIZATION

ACTION ITEM	Authorize agreements and 2024 expenditures in the amount of \$1,000,000 with the Coalition for the Homeless to support the Downtown implementation phase of Mayor Whitmire’s strategy to end street homelessness.
SERVICE PLAN	2021-2025
Account Code	851.200
Budget & Year	\$ 1,467,302 2024
REQUEST	Not to exceed \$1,000,000
DESCRIPTION	This authorization represents a critical funding component to the Mayor’s expanded strategy to address homelessness. Funding from the City of Houston, Harris County, philanthropy and additional TIRZs and management districts will be a part of the funding formula to end street homeless in Houston, starting in Downtown.
DISCUSSION	<p>A team of experts from the local homelessness response ecosystem have partners with the Whitmire administration to consider address the loss of federal ARPA and CARES act funding while has buoyed Houston’s efforts to reduce homelessness. The Mayor’s office has embraced the approach which includes both short-and long-term key steps. The initial focus will be on key areas within Downtown, and where possible securing housing for the individuals will to accept it.</p> <p>With regards to implementation, DTH+ management is currently coordinating with Homeland Security Chief Larry Satterwhite about initial implementation in Downtown. This program is designed to use Downtown as the pilot before scaling to other parts of the City of Houston. As many as 200 individuals are expected to be housed through the pilot.</p> <p>If the Mayor’s strategy is implemented successfully, it could produce further successful outcomes with regards to street homelessness in Downtown – an evergreen priority for Downtown stakeholders.</p>
DBE Participation	N/A. The Coalition for the Homeless (CFTH) is a non-profit service provider and is the designated administrator for the homeless response system in Houston and Harris County.



MEMORANDUM

November 14, 2024

To: Board of Directors
Houston Downtown Management District

From: Kristopher Larson, AICP, LPM

Re: 2025 Budget Assumptions

Revenue

On October 27, 2020, a virtual format Public Hearing was conducted for the purpose of giving testimony regarding the details and benefits to property owners of the District's 2021-2025 Service and Improvement Plan. As a result of the hearing, the Plan came before the Board of Directors on November 20, 2020, and was adopted. The new Plan called for total spending of \$100.3 million over the five-year period, divided into \$93.8 million for operations and \$6.5 million for capital improvements at a maximum rate of 15 cents per \$100 of assessed value. The District has changed its method of assessment to measure property values annually based on the HCAD property values in each year of the Plan and the Board of Directors will set the assessment rate annually, subject to the maximum rate cap. In addition, the new Plan calls for approximately \$1 million of the surplus fund balance to be utilized in each of the five years.

The 2025 budget was prepared using the six goals outlined in the 2021-2025 Service and Improvement Plan and is similar in scope to the budget adopted for 2024. The draft budget prepared for your review reflects an assessment rate increase of 1.00 cent. The increase results in 14.25 cents per \$100 of assessed value, with the split of 13.25 cents to operating expenditures and 1 cent to capital improvements. The District has provided for potential valuation adjustments achieved through protests/litigation of approximately \$2.4 million which assumes a 12.4% loss rate on those properties currently in dispute. We project net assessment revenue to be \$17.1 million for 2025.

The status of properties in litigation continues to be significant. For tax year 2024, approximately \$12.0 billion, or nearly 84% of the property value in downtown, is under protest. For tax year 2023, \$1.1M in refunds have been issued, \$166K more than what was issued during 2023 for tax year 2022. We will add \$2.4 million to the reserves to take care of the protests for tax year 2024, for a total reserve for protests balance of \$3.1 million. We will continue to monitor the

MEMORANDUM**November 14, 2024**

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litigation status each month and will increase or decrease the reserve as appropriate to provide for assessment refunds.

In addition to the assessment revenue, the District expects to receive the following other sources of revenue: \$225K from the trash subscription program, \$297K from METRO bus shelter cleaning, \$279K from METRO rail platform cleaning, \$70K from Main Street fountain maintenance reimbursements, \$187K from Cotswold fountain maintenance reimbursements by Houston First, \$90K from Tout Suite for rent and utilities at Trebly Park, \$150K reimbursement from Downtown Redevelopment Authority for Allen Parkway maintenance and \$4K reimbursement from Buffalo Bayou Park for irrigation. Total partner funding equals \$1.7K. Other income budgeted includes Field Guide Ads, 3rd Party Activations and Sponsorships for a total of \$228K and FEMA reimbursements of \$220K for expenses associated with the Beryl and derecho storms emergency response and root ball removal. Interest income is forecasted to be \$633K. We anticipate utilizing the \$1.5 million of the carryover fund balance to balance the budget.

Total sources of revenue for 2025 are \$20.6 million (\$2.6 million higher than 2024 projected revenue) on a total property valuation of \$13.8 billion.

Process

The 2025 budget represents the fifth year of the current Plan and addresses the priorities discussed with stakeholders during the Service and Improvement Plan development.

During the month of October 2024, the District conducted two work sessions with the Board to review priorities. Feedback from those meetings is incorporated into the 2025 budget.

Expenditures

Highlights of the 2025 budget include:

Public Safety

Public Safety includes 30 guides and supervision to meet the deployment needs throughout downtown and Discovery Green. The total budget for public safety guides is \$2.5 million. The service contract was bid in 2021 and awarded to Block by Block. The budget has increased \$253K due to Block by Block's ongoing efforts to raise wages to support a "living wage" and maintain an adequate level of staff and \$118K is attributed to the expansion of services to patrol Discovery Green which is reimbursed by Discovery Green.

MEMORANDUM**November 14, 2024**

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The number of Off-Duty HPD Officers has been set at 2 full-time equivalent positions. This allows four-hour shifts of 2 officers, seven days a week. The District has moved all but 3 officers to contract expense from admin contractor expense for a total of \$379K.

To supplement the Off-Duty Officers and provide coverage for late night downtown activities, the District entered into a contract for private security officers with S.E.A.L. Security. Two officers with a patrol car are assigned to four different shifts providing coverage 24 hours a day, seven days a week. Dedicated walking patrols cover Main Street and the Historic District in addition to patrols in marked vehicles throughout downtown. The total budget for S.E.A.L. security is \$1.4M up from the 2024 budget of \$965K due to an expansion of services into Discovery Green. \$470K is reimbursed by Discovery Green.

The total 2025 budget for Public Safety is \$4.5M.

Homelessness

The District currently contracts with SEARCH for an Outreach Coordinator, Peer Specialist and Case Manager dedicated to downtown. The District has also engaged Harris Center to provide a Mental Health Case Manager dedicated to downtown to connect us with direct access to mental health resources, partnered with a Certified Mental Health law enforcement officer to work outreach with the Harris Center team. The intensive case management and collaboration between Harris Center and SEARCH is an approach that is working. In addition, SEARCH is conducting night outreach regularly to better connect with individuals that may be mobile and hard to find during the daytime. Total cost of SEARCH, Harris Center, and the accompanying sheriff in 2025 is \$570K. In 2025, the District will continue its Homeless Outreach through funding the Quality-of-Life Response team. The team is made up of six Public Safety guides at a cost of \$425K.

During 2023, the District created the Downtown Public Safety office across the street from the Beacon, a facility which provides day services to persons experiencing homelessness. The Downtown Public Safety office provides additional oversight and houses staff from the Harris Center, Sheriff Deputy, Quality of Life Team, and "hot coffee" for HPD. Since the satellite public safety center's opening, the Beacon's surroundings have become much safer.

The total 2024 budget for Homeless Initiatives is \$1.1 million. It also includes rent and utilities for the Downtown Public Safety office of \$61K.

MEMORANDUM

November 14, 2024

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Street Lighting

The total 2025 budget for lighting enhancements is \$185K. These expenditures include the one-time annual payment to the City of Houston for upgraded light levels, the ongoing electrical maintenance, and monthly bills of our electrical amenities.

Street Team

The 2025 budget provides funding for the cleaning associates, an operations manager, a full-time maintenance technician, a dispatcher, a training coordinator, a supervisor, and team leaders. The total budget for Street Teams and equipment (contracted through Block by Block) is \$2.8 million, up from \$2.3 million in 2024. In addition to adding expanding services to the METRO rail line, contractor Block By Block continues to move towards a livable wage that is increasing costs.

The budget for the trash collection personnel who perform encampment cleanups, trash receptacle tipping and trash bag disposal is \$564K which is partially offset by revenue of \$225K from the curbside trash program.

METRO reimburses the district a total of \$576K offsetting costs in bus stop cleaning, rail platform cleaning and pressure washing.

Paver Repairs

The 2025 budget provides \$350K in funding for paver repairs reflecting no increase from 2024. Funding is used to maintain, repair, and replace pavers installed by the many improvement projects downtown and removed by Public Works to make utility repairs. This contract was bid in 2021 and was awarded to Gulf Coast Pavers.

Landscaping, Tree Maintenance and Water

The District has extensive landscaping responsibilities for approximately 2,000 trees throughout downtown and maintenance of ground cover, shrubbery, and fence lines. The cost to maintain these assets is budgeted at \$915K, up \$40K from the 2024 budget. The contractor and supplies budget increased by \$10K to \$260K due to increasing costs, the water budget increased by \$5K to \$280K and irrigation-maintenance and repair increased by \$25K to \$225K.

Operations Center Facility

During 2018 a 15-year lease was signed for the Operations Center facility at 1313 Main, upgrading the operational capabilities and expanding the space to 12,500 square feet. The

MEMORANDUM**November 14, 2024**

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District also utilizes a warehouse for storage of attic stock and equipment near downtown. In 2024, total rent for the facility and the warehouse equals \$317K and other facility operating costs are \$98K.

Graffiti Removal

Every year the District removes thousands of stickers and graffiti from the public realm of the downtown area. Eliminating this type of urban blight is a key function of the Street Team and \$35K is budgeted in 2025 for this effort.

Emergency Planning

The 2025 budget allows for a standby emergency contractor and the District to provide information to the stakeholders for hurricane preparedness and any other type of events that might arise. The budget for emergency planning is \$10K.

Public Realm Spaces

Floral displays are beautiful and extensive along Main Street, Dallas Street, Bagby Street, Crawford Island and in the McKinney/Lamar pots. Colors are changed three times a year and supplemental plants are added in the cases where the plants have been damaged. Total budget for floral “around” downtown is \$540K reflecting a \$10K increase from 2024 budget. This does not include floral plantings in Market Square Park, Main Street Square, or Trebly Park which are included in the maintenance budgets for those areas.

Maintenance costs for Market Square Park, including park attendants, landscaping/floral, maintenance, supplies, kiosk repairs/utilities and programming is \$566K for 2025, an increase of \$12K due to increasing costs in landscaping, contracting services and utilities. Maintenance costs for Main Street Square including these corresponding categories total \$405K, up from \$389K in 2023. The District receives reimbursement from the surrounding properties of \$70K for fountain maintenance. Maintenance and programming costs for Trebly Park are \$461K, up \$78K from 2024 due to increased programming and increasing costs in accent plants, contracting services and park repairs. Maintenance costs for the Cotswold fountains in the 2025 budget are \$187K which will be fully reimbursed by Houston First.

The cost of the Holiday Décor in 2025 is \$700K with no increase from 2024. The decorations will continue to include LED trees, twinkling lights, pole décor and installations at Market Square Park and Trebly Park. The décor will be expanded to Allen’s Landing and continue to be installed on Main Street from Polk to Commerce. Total cost of collaborative and holiday programming is \$225K.

MEMORANDUM

November 14, 2024

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Banner program costs and pole/pot maintenance are budgeted at \$120K, and Allen Parkway maintenance is budgeted at \$150K which is reimbursed by the Downtown Redevelopment Authority.

Circulation/Wayfinding

An interlocal agreement signed in 2020 between the District and Fort Bend County provides operating support to a new park and ride service from Ft. Bend County estimated at \$150K per year for three years. The launch of this park and ride service is expected to resume in 2025, after being delayed because of COVID, with the bus fleet delivered 3Q-4Q 2023. This program was not funded during 2022, 2023 or 2024. In 2025, \$150K is budgeted representing the second payment of three.

We currently have a wayfinding maintenance agreement for the 64 vehicular and 109 pedestrian wayfinding signs and have budgeted \$65K for wayfinding system upkeep.

Economic Development

In 2025, the budget is \$125K down from \$340K in 2024. It includes \$20K for Economic Development Reports produced quarterly, and ad-hoc data on Downtown, \$25K for Marketing, \$20K for Regional Collaboration with the Greater Houston Partnership, and \$60K for Reference Material/Research Sources. The 2025 budget also includes \$1.1 million for grant payments related to the Downtown Living Initiative. \$20K has been budgeted for Residential Programming.

Engagement

The 2025 marketing plan includes opportunities to spotlight appeal aspects of downtown and attract diverse audiences from around the region. It includes \$303K for an advertising campaign that includes television spots, digital and social media, and funds for creative & strategy. An additional \$205K was allocated to include original video production, promotional items, a field guide, and PR consultants.

The total 2024 marketing budget is \$508K down from \$615K in 2024.

Planning and Design

The 2025 planning budget is \$250K down from \$450K in 2024. In 2025 Planning and Design will continue the development work with TxDOT on the NHHIP civic opportunities project (\$100K). Fund a public realm action plan implantation: Block-Level Cooling Structures & Landscape Strategy, impactful microclimate investments to cool down important connective and retail-

MEMORANDUM**November 14, 2024**

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oriented thoroughfares (\$100K). Fund Main Street design guidelines: document for fronting properties and storefronts along the new Main Street Promenade to inform their installation and maintenance of outdoor cafes and related amenities; this document will be a part of the City Ordinance for the new Main Street Promenade (\$50K).

Governance

District governance includes expenditures for assessment collection, legal, accounting/auditors, administration contractor fees, insurance, District website and administrative personnel. There is no material change in the budget for administration and governance from 2024. The total 2025 budget is \$15 million. Staffing costs are approximately 13% of total expenditures, 2% less than 2024.

Overall, total operating expenditures are budgeted at \$20.6 million, an increase from the 2024 budget of approximately \$452K (2.24%). Operating expenses net of partner funding (funding directed to offset costs of certain expenses) is \$18.1M, \$1.1M less than 2024. This reflects the District's desire to work with Discovery Green, METRO, HoustonFirst and other community partners for the betterment of Downtown. It should be noted that the total budgeted 2025 expenditures track very closely with our expectations of total spending on operations approved in the five-year Service and Improvement Plan.

Based on 2024, the expenditure budget for 2025 presents an optimistic outlook with the continued growth in the downtown workforce, business travel, visits to restaurants/bars, arts, sports, and entertainment venues, etc. over the course of the year. However, while the budget is built with a degree of optimism to accomplish a myriad of objectives, the financial position of the District remains strong and provides considerable flexibility to adjust with the ever-changing needs of the district.

Capital Projects

New projects for 2025 are:

Landscape Enhancements – Fence replanting- \$58K

Storefront & Streetscape Activation & Improved Pedestrian Connection – \$517K

Trebley Park Improvements \$64K

Market Square Park Improvements \$99K

Paver Attic Stock - \$50K

MEMORANDUM**November 14, 2024**

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There are carryover projects from 2024 that also have been budgeted for 2025:

Banners - \$168K

Lighting Plan Implementation – Mural & Building Façade Grants - \$513K

EcoCounters - \$49K

Sidewalk Infill Projects - \$207K

Thrive Challenge Grants - \$512K

Flock Cameras - \$160K

Also included in the capital projects budget is the capital portion of the Downtown Living Initiative grants of \$98K, and an allowance for capital replacement expenditures of \$266K.

Total capital projects expenditures for 2025 are \$2.8 million and we anticipate utilizing the \$1.4 million of the carryover fund balance to balance the budget.

Operating Fund Balance

The District has accumulated surplus fund balance through the years driven by conservative revenue assumptions and careful spending. There are a couple of major development projects under construction and the District will have to monitor the number of protests and the decreasing property values for 2025 and beyond. The board designated reserve of \$800K included in our fund balance held for catastrophic circumstances was impacted by the restoration costs of two storms, Beryl, and derecho in 2024 by approximately \$300K. The District anticipates receiving reimbursement from FEMA of \$220K to offset that expense.

Houston Downtown Management District
DRAFT 2025 Operating Budget Summary

Analysis of functional expenses	Out of Pocket		Admin Contractor		Revenue		
	Expense	% of Bdgt	Expense	% of Bdgt	Budget Total	Partner Funding	Net Expense
Goal 1. Downtown feels safe and comfortable at all times	\$11,406,615	56.7%	\$743,126	3.7%	\$12,149,741	\$1,729,856	\$10,419,885
1a Collaboration to maintain low crime rate	4,388,985	21.8%	155,454	0.8%	4,544,439	704,000	3,840,439
Contract labor- public safety guides	2,521,485					117,200	
Off duty + private security	1,867,500					586,800	
1b Reduced presence of homeless & street persons	1,108,400	5.5%	67,656	0.3%	1,176,056	0	1,176,056
Homeless planning and services	1,052,500						
Downtown Safety Office	55,900						
1c Downtown's sidewalks are comfortably lighted	185,000	0.9%	67,571	0.3%	252,571	0	252,571
Street lighting operating charge	55,000						
Utility expense-special lighting/amenities	30,000						
Lighting repair & maintenance	100,000						
1d Downtown noted for cleanliness & well-kept appearance	5,679,230	28.2%	334,202	1.7%	6,013,432	805,540	5,207,892
Contract labor- cleaning	2,958,180						
Contract labor - special events	10,000						
Contract labor- flagging	35,000						
Contract labor- trash collection	460,000					225,300	
Bus stop/rail cleaning	260,000					576,040	
Recycling program	25,000						
Portable restroom servicing	20,000						
Trash bags/truck insurance	78,500						
Rat/bird abatement	76,000						
Landscape contractor	260,000						
Landscape water	280,000						
Tree maintenance contractor	150,000						
Irrigation maintenance & repair contractor	225,000					4,200	
Paver repair contractor	350,000						
Operations center expense	355,000						
Storage yard and warehouse	60,000						
Vehicle & cleaning equipment related expense	76,550						
1e Remove signs of disorder in downtown	35,000	0.2%	24,966	0.1%	59,966	0	59,966
Contract labor-graffiti abatement	35,000						
1f. Prepare for emergencies	10,000	0.0%	93,277	0.5%	103,277	220,316	(117,039)
Expense of Emergency Operations Center	10,000					220,316	
Goal 2. Public realm is charming, inviting, beautiful and celebrates the life of the city	\$3,434,075	17.1%	\$587,105	2.9%	\$4,021,180	\$762,000	\$3,259,180
2a Key pedestrian streets are inviting	540,000	2.7%	111,241	0.6%	651,241	0	651,241
Contractor floral accent planting and care	540,000						
Vacant space/window activation	0						
2b Public spaces: managed, programmed and delightful	1,769,075	8.8%	259,786	1.3%	2,028,861	612,000	1,416,861
Main Street Square fountain plantings	55,000						
Main Street fountain repairs	70,000						
Main Street Square fountain maintenance	112,000					70,000	
Main Street Square electricity	12,000						
Main Street Square attendant	156,025						
Main Street Square events & programming	0						
Cotswold Fountain Maintenance	112,000					187,000	
Cotswold Fountain Repairs	75,000						
Market Square Park landscaping	110,000						
Market Square Park operations	40,000						
Market Square Park attendant	156,025						
Market Square Park events & programming	125,000						
Market Square Park Farmer's Market	120,000						
Market Square Park kiosk utilities	15,000					65,000	
Treble Park Accent Plants & Landscape Contractor	33,000						
Treble Park Accent Plants - Contractor & Materials	40,000						
Treble Park Attendant	156,025						
Treble Park Repairs, Supplies & Misc.	40,000						
Treble Park - Utilities	45,000					90,000	
Treble Park Programming and Events	147,000						
Treble Event Contractor	0						
Collaborate on nonpark based events	125,000						
Event Sponsorship	25,000					200,000	
2c Place of civic celebration	1,125,000	5.6%	216,078	1.1%	1,341,078	150,000	1,191,078
Street banners & pole repair contractor	120,000						
Allen Parkway maintenance	150,000					150,000	
Holiday logistics and installation	700,000						
Holiday season promotion expense	100,000						
Art Program artist fees and installation	40,000						
Art consultant	15,000						
Goal 3. Accessible to entire region all of the time and easy to get around	\$215,000	1.1%	\$137,979	0.7%	\$352,979	\$0	\$352,979
3a Effective transit access: more places, more hours	150,000	0.7%	28,240	0.1%	178,240	0	178,240
Ft. Bend Park and Ride	150,000						
3b Convenient circulation without personal vehicle	0	0.0%	0	0.0%	0	0	0
Circulator operation	0						
Consulting to pursue additional transportation funding	0						
3c Easy to find way around	65,000	0.3%	30,445	0.2%	95,445	0	95,445
Wayfinding system maintenance contractor	65,000						

	Create and update informational maps	0						
3d	Connect neighborhoods and districts inside/ outside downtown	0	0.0%	64,545	0.3%	64,545	0	64,545
	Streetscape project coordination	0						
3e	Convenient, understandable and managed parking	0		14,749		14,749	0	14,749
	Parking program updates	0						
Goal 4. Vibrant, sustainable mixed-use place		\$1,244,500	6.2%	\$198,237	1.0%	\$1,442,737	\$0	\$1,442,737
4a	Best place to work in region	125,000	0.6%	69,250	0.3%	194,250	0	194,250
	Economic Development Reports	20,000						
	Marketing	25,000						
	Retail Recruitment Strategy	0						
	Retention/Expansion	0						
	Regional Collaboration	20,000						
	Meetings	0						
	Reference Material/Research	60,000						
	CHCI sustainability program	0						
4b	Exciting neighborhoods to live in	1,119,500	5.6%	37,077	0.2%	1,156,577	0	1,156,577
	Downtown Living Initiative Grants	1,099,500						
	Open space, park & recreational offerings	20,000						
	School, educational options	0						
4c	Competitive shopping place	0	0.0%	71,760	0.4%	71,760	0	71,760
	Retail core planning consultants	0						
	Signage and advertising	0						
	Recruitment consultant	0						
4d	Remarkable destination for visitors	0	0.0%	20,150	0.1%	20,150	0	20,150
		0						
Goal 5. Downtown's vision and offerings understood by all		\$758,000	3.8%	\$607,106	3.0%	\$1,365,106	\$27,500	\$1,337,606
5a	Market to region	508,000	2.5%	286,136	1.4%	794,136	27,500	766,636
	Email blast	5,250						
	Downtown web portal	30,000						
	Social Media	11,000					7,500	
	Field Guide	15,000						
	Creative & Strategy	38,500						
	Photography	40,000						
	Promotions & Video	50,000						
	Distribution	7,750						
	Park Promotions	10,500					20,000	
	Media & Advertising	200,000						
	Promotional Items	10,000						
	PR consultants	90,000						
5b	Promote downtown's ease of use	0	0.0%	83,722	0.4%	83,722	0	83,722
		0						
5c	Vision/ development framework understood by all	250,000	1.2%	108,601	0.5%	358,601	0	358,601
	North Houston Highway Improvement Project - consultants	100,000						
	Transportation infrastructure planning - consultants	0						
	Reconnecting Communities - consultants	0						
	Cooling structures and landscaping implementation - consultants	100,000						
	Main Street Design Guidelines - consultants	50,000						
5d	Tools to assist continued redevelopment	0	0.0%	46,321	0.2%	46,321	0	46,321
	Help potential new redevelopment projects	0						
5e	Develop/ maintain information to support development, investment and marketing of downtown	0	0.0%	82,326	0.4%	82,326	0	82,326
		0						
Goal 6. District governance and service known for excellence		\$650,880	3.2%	\$601,101	3.0%	\$1,251,981	\$0	\$1,251,981
6a	Board and administration: engage stakeholders in decision making	490,751	2.4%	499,415	2.5%	990,166		990,166
	Legal Counsel	31,200						
	Accountant and auditor	52,950						
	Assessment collector	45,811						
	Administration contractor fee	72,000						
	Insurance	44,650						
	General out-of-pocket expenses	169,140						
	Service Plan Renewal	75,000						
6b	Communications to owners, tenants and others	35,000	0.2%	101,686	0.5%	136,686	0	136,686
	Downtown District Communication	10,000						
	Downtown District website	25,000						
6c	Preservation of District's capital assets	125,129	0.6%	0	0.0%	125,129	0	125,129
	Depreciation expense	125,129						
Grand Totals		\$17,709,070	86%	\$2,874,655	14%	\$20,583,725	\$2,519,356	\$18,064,369

Houston Downtown Management District
DRAFT 2025 Capital Budget Summary

	2021-2025 Improvement Plan (5 years)	2024 Budget	2024 Projected	2025 Budget
Revenues				
Net Assessment revenue	\$6,094,739	\$1,276,270	\$1,204,781	\$1,204,781
Project revenue	\$0	\$0	\$0	\$0
Interest	\$50,000	\$230,000	\$203,074	\$198,575
Utilization of Surplus Fund Balance	\$333,333	\$1,279,644	\$683,176	\$1,376,029
Total Funds Available	\$6,478,072	\$2,785,914	\$2,091,031	\$2,779,385
Expenses				
Goal 1 Downtown feel safe & comfortable				
Street lighting enhancements	\$1,000,000	\$0	\$0	\$0
Flock Cameras	\$0	\$156,700	\$155,700	\$159,999
Irrigation & Landscape Smart System Implementation	\$0	\$75,000	\$32,168	\$0
Total Goal 1:	\$1,000,000	\$231,700	\$187,868	\$159,999
Goal 2 Public realm is charming, inviting, beautiful & celebrates life of city				
Landscape Enhancements - Fence Replanting	\$550,000	\$150,000	\$97,122	\$58,375
Paver Attic Stock	\$0	\$0	\$0	\$50,282
Storefront/Streetscape Activation & Improved Pedestrian Connection	\$0	\$250,000	\$250,000	\$517,817
Banners	\$0	\$335,000	\$175,000	\$168,375
Trebley Park Improvements	\$0	\$175,000	\$45,480	\$63,784
Market Square Park Improvements	\$0	\$50,000	\$106,585	\$98,784
Lighting Plan Implementation - Mural & Building Façade Grants	\$0	\$250,000	\$250,000	\$512,943
Total Goal 2:	\$550,000	\$1,210,000	\$924,187	\$1,470,360
Goal 3 Accessible to region & easy to get around				
Lighted street/parking signs	\$500,000	\$0	\$0	\$0
Improved pedestrian connections	\$3,000,000	\$750,000	\$500,000	\$206,624
EcoCounters	\$0	\$0	\$0	\$49,000
Wayfinding signage	\$300,000	\$0	\$0	\$18,375
Total Goal 3:	\$3,800,000	\$750,000	\$500,000	\$273,999
Goal 4 Vibrant, sustainable mixed use place				
Downtown Living Initiative Grants	\$0	\$88,214	\$74,035	\$97,660
Thrive Challenge Grants	\$0	\$250,000	\$250,000	\$511,594
Total Goal 4:	\$0	\$338,214	\$324,035	\$609,254
Goal 5 Downtown's vision & offerings are understood by all				
Technical assistance grants	\$0	\$0	\$0	\$0
Total Goal 5:	\$0	\$0	\$0	\$0
Goal 6 District governance & excellence known for excellence				
Capital replacement	\$1,125,000	\$256,000	\$154,941	\$265,773
Total Goal 6:	\$1,125,000	\$256,000	\$154,941	\$265,773
Total Expenditures	\$6,475,000	\$2,785,914	\$2,091,031	\$2,779,385
Revenue in Excess (Deficit) Expense	\$3,072	\$0	\$0	\$0

**RESOLUTION ORDERING THE ANNUAL SETTING OF THE RATE OF ASSESSMENT
FOR THE YEAR 2024**

WHEREAS, the Houston Downtown Management District (the "District") was created by the Texas Legislature as a political subdivision of the State of Texas, for the purpose of providing services and improvements in the downtown area of the City of Houston, as authorized by Senate Bill 1620, Acts of the 74th Legislature, Regular Session, 1995, codified as Chapter 3801, Texas Special Districts Code and by Chapter 375, Texas Local Government Code, (the "Acts"); and

WHEREAS, in accordance with the Acts, there was presented to the Board of Directors of the District (the "Board") on September 10, 2020, a petition (the "Petition") requesting the District provide services and improvements as described therein and in the 2021-2025 Service and Improvement and Assessment Plan (the "Plan"); and

WHEREAS, after the issuance of proper notice pursuant to the Acts, the District held a public hearing on the Petition on October 27, 2020 to give property owners an opportunity to question and/or contest the granting of the Petition; and

WHEREAS, on November 12, 2020, the Board adopted its Order Granting Petition, Approving a Service Plan and an Assessment Roll for Houston Downtown Management District, Levying Annual Assessments Against Property Within the District for a Five-year Period, Specifying the Method of Payment and the Amount of Annual Installments of the Assessment, Providing Penalties and Interest on Delinquent Assessments, and Authorizing the Collection of Assessments (the "Order"); and

WHEREAS, the Plan stipulates the Board will act annually to set the services and capital improvement assessment rates; and

WHEREAS, the Board desires to comply with the requirements of the Acts, the Petition, the Plan and the Order:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HOUSTON DOWNTOWN MANAGEMENT DISTRICT THAT:

- 1) The rate of assessment for the year 2024 shall be \$___ per \$100 of assessed valuation for services and minor capital expenses. The rate of assessment for the year 2024 shall be \$___ per \$100 of assessed valuation for major capital improvements.

PASSED AND ADOPTED this 14th day November, 2024.

Kristopher Larson
President/CEO, Board of Directors
Houston Downtown Management District

ATTEST: _____
Jamie Lynn Perkins
Assistant Secretary, Board of Directors
Houston Downtown Management District

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of the Houston Downtown Management District, hereby certify as follows:

1. The Board of Directors of the Houston Downtown Management District convened in regular session on the 14th day of November, 2024, and the roll was called of the duly constituted officers and members of the Board to-wit:

BOARD MEMBERS

Crystal Allen	Antoinette "Toni" Jackson
Sean Alley	Lacee Jacobs
Leslie Ashby	Robbi Jones
Kinder Baumgartner	Roland Kennedy
Genora Boykins	Sean Liu
Clay Crawford	Ben Llana
Marcus Davis	Nick Massad
Jacques D'Rovencourt	Sherea McKenzie
Kelly Foreman	Kenny Meyer
Irma Galvan	Randy Pryor
Marian Harper	Edna Ramos
Gilbert A. Herrera	Frem Reggie
C.C. Huang	John Schafer
Angus Hughes	Richard Torres

and all of said persons were present, except Directors absent as recorded in the duly authorized minutes of the November 14, 2024 meeting of the Board of Directors, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

RESOLUTION ORDERING THE ANNUAL SETTING OF THE RATE OF ASSESSMENT FOR THE YEAR 2024

was introduced for the consideration of the Board. It was then duly moved and seconded that the resolution be adopted, and, after due discussion, the motion, carrying with it the adoption of the resolution, prevailed and carried unanimously.

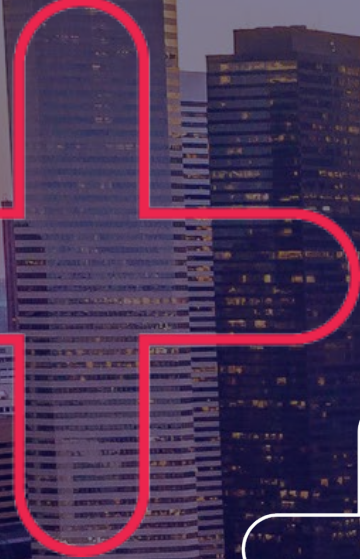
2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Resolution has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was

duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED the 14th day of November, 2024.

(SEAL)

Jamie Lynn Perkins
Assistant Secretary, Board of Directors
Houston Downtown Management District



DOWNTOWN HOUSTON+

STRATEGIC ALIGNMENT PLAN UPDATES

November 2024

GOAL 1



Champion major projects, initiatives and investments that improve Downtown.

1.5 Collaborate with partners such as the City of Houston, Harris County, Greater Houston Partnership and Houston First to leverage opportunities for shared strategies to improve Downtown Houston.

Highlight: On Oct 17, DTH+ partnered with the Greater Houston Partnership (GHP), the City of Houston (CoH), and the Coalition for the Homeless (CFTH) to host a luncheon spotlighting the next phase of Houston's homeless response system. Panelists and presenters for the event included Mike Nichols, Director of the CoH Department of Housing and Community Development, Steve Kean, President & CEO of GHP, and Kris Larson, President & CEO of Downtown Houston+, and Kelly Young, President & CEO of CFTH. The panelists discussed the impact on homelessness to Houston's economy and quality of life and shared emerging details about an evolved multi-disciplinary strategy to achieve a new level of success in reducing homelessness. The event was attended by a range of civic and non-profit leaders.

Participating Agencies:



1.7 Partner with METRO, the City of Houston, and others to plan and support a variety of safe and efficient mobility options for people to get to, from, and around Downtown, including a robust transit network and non-motorized transportation.

Highlight: HDMD has developed designs for safer, more efficient streets for all modes of transportation, including the Main Street Promenade (see SAP item 3.1) and repaving 80 blocks of Downtown. Working with the City of Houston, HDMD successfully secured \$23m+ in funding from the Houston-Galveston Area Council to construct these projects. Additional funds have been tentatively approved to redesign the Congress Street Bridge (to be confirmed in Q2 2025).

Participating Agencies:



GOAL 2

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

2.3 Partner with local agencies to provide an exceptional network of parks and greenspaces in Downtown.

Highlight: Beginning in September, as part of a partnership agreement with Discovery Green Conservancy, SEAL Security Officers and Downtown Public Safety Guides began daily patrols in Discovery Green Park to enhance public safety and provide hospitality assistance. In the words of Kathryn Lott, President of Discovery Green, “We have seen a clear transformation in a matter of weeks... Our staff no longer has to put themselves in volatile situations to ensure the safety of the park and its visitors. We have been waiting for this day to come. Since my arrival to Discovery Green a little over a year ago, the park has not felt so safe or peaceful for both our employees and our park goers.”

Participating Agency:



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

Highlight: The installation of all 48 Flock cameras throughout Downtown is now complete. These cameras are part of a growing network of over 5,000 Flock cameras deployed around the greater Houston metropolitan area that capture data to help law enforcement solve, deter and reduce crime. The cameras decrease investigative time, eliminate gaps in evidence gathering, and assist in solving and eliminating crime in the community by providing instant notifications and precise coordinates of stolen vehicles or vehicles involved in felony-level crimes to law enforcement agencies.

Participating Agency:





GOAL 3

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

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

Highlight: The Main Street Promenade design and engineering documents were submitted to the City of Houston for review and permitting on October 25. The design team and DTH+ held a public workshop in front of Flying Saucer on October 24 to share the final design with the public and solicit feedback on outstanding decisions, including construction mitigation needs and resources. 99% of people that engaged during the workshop stated that they feel this design and overall plan for the corridor "reflects their hopes for the Main Street Promenade." According to community stakeholders, the most popular aspects of the design are the 154% increase in trees and more plantings as well as the presence of historical blue tile throughout the corridor. The project remains on schedule, and construction is anticipated to commence in May 2025.

Participating Agency:



3.5 Partner with public and private property owners to beautify targeted corridors or block faces to improve connectivity.

Highlight: In partnership with HDMD, Downtown Houston+ has launched the Thrive Storefront Grant Program, made available to property owners and street-level retail businesses in Downtown. Eligible projects enhance retail storefront conditions, promote pedestrian safety, and contribute to the overall vibrancy of Downtown's cityscape. To date, the HDMD Thrive Committee has approved 3 storefront projects for a total of \$106K of approved future reimbursements. Downtown Houston+ aims to identify an additional 3-4 projects prior to the end of 2024, projecting a year-end total of awards of \$250K by the Thrive Storefront Grant Program. All project selections have been made by the HDMD Thrive Committee, with final approval coming from the Board of HDMD.

Participating Agency:



GOAL 4

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

4.6 Facilitate the delivery of more residential development, building toward a residential population of 15,000 by 2027.

Highlight: With the recent completion of the Elev8 and Warehouse District multifamily projects, Downtown Houston has experienced a significant 9.1% year-over-year increase in residential units. This brings the total residential unit inventory to 8,038. Assuming an average household size of 1.3 people, as per the Census data for Downtown, we anticipate a gain of over 1,100 new residents once these projects reach full occupancy. Downtown's consistent outperformance in absorption rate compared to other Houston submarkets throughout the year strongly suggests that these new units will be quickly absorbed in the coming quarters.

Participating Agencies:



4.14 Encourage, support and promote new attractions that expand what Downtown offers.

Highlight: Downtown Houston boasts the world's largest open-air gallery of fine-art murals inspired by all 17 United Nations Sustainable Development Goals: Big Art. Bigger Change. Now, Downtown Houston+ is taking steps to ensure these walls of art shine through the night, while inviting locals and visitors to tour at their own pace and outside regular business hours. DTH+ launched an incentive for private building owners to join in lighting and extending the murals' lives. The District also is funding a new web-based app accessible by cell phones to invite locals and visitors to tour at their own pace and outside regular business hours. DTH+ is grateful to enhance this major attraction initiated by Harris County Precinct #1 Commissioner Ellis and corporate partners.

Participating Agency:



GOAL 5

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

5.2 Expand CHI-produced events and engagement opportunities to offer broader opportunities for stakeholders to engage with and participate in the Downtown community.

Highlight: DTH+ hosted two events in the past month which provided opportunities for Board members to network with CHI members and other community leaders. On September 20, an event was held at the Astros home game versus the Los Angeles Angels. DTH+ secured a large suite courtesy of the Astros for the purpose of hosting stakeholders for a mixer in a more social setting. Then, on October 16, DTH+ held its annual State of Downtown event. The event was attended by approximately 800 Downtown stakeholders, surpassed all previous fundraising records, and the scoops announced as part of the program generated front-page news coverage.

Participating Agency:



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

Highlight: Lack of vehicle parking is often cited as one of the primary frustrations for visitors to Downtown. The reality is not a lack of Downtown parking, but instead a lack information about parking, including location and pricing. To overcome this issue, DTH+ has revamped the organization's parking webpage (<https://downtownhouston.org/navigate/parking>) with an easy-to-use interactive map providing real time parking availability, prices, and the ability to reserve parking spaces in advance.

Participating Agency:



Engagements
103,117
Total

Homeless Count
222
Average

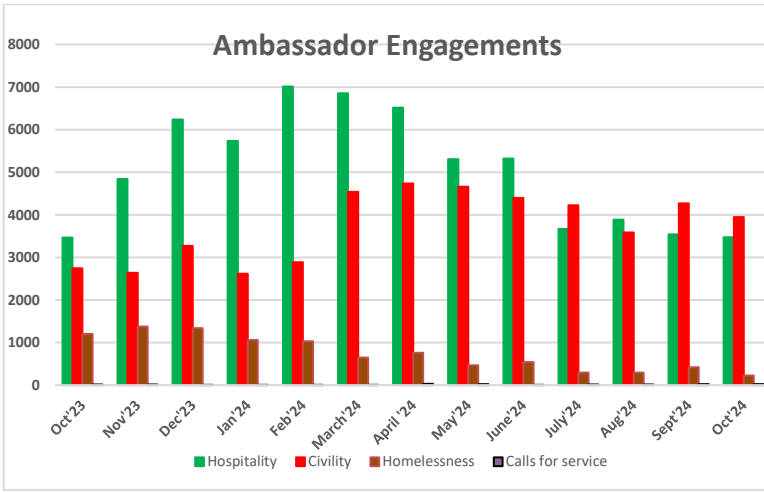
Sidewalk Cleaning
4.14
Average

Garbage Disposed (Tons)
1471
Total

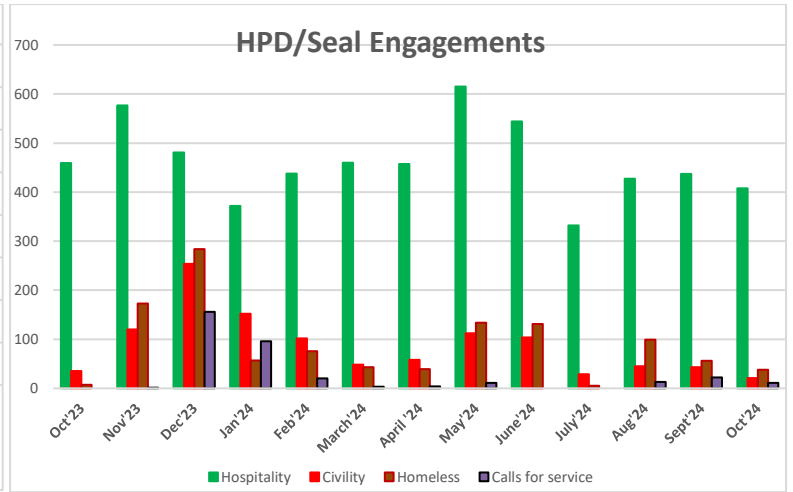
Reliability
86%
Average

Safety & Quality Control

Ambassador Engagements



HPD/Seal Engagements



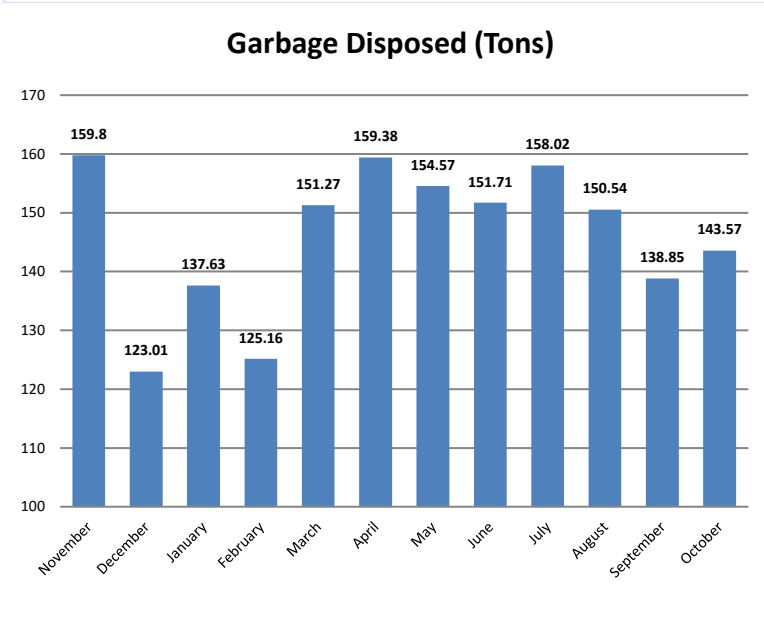
Homeless Count



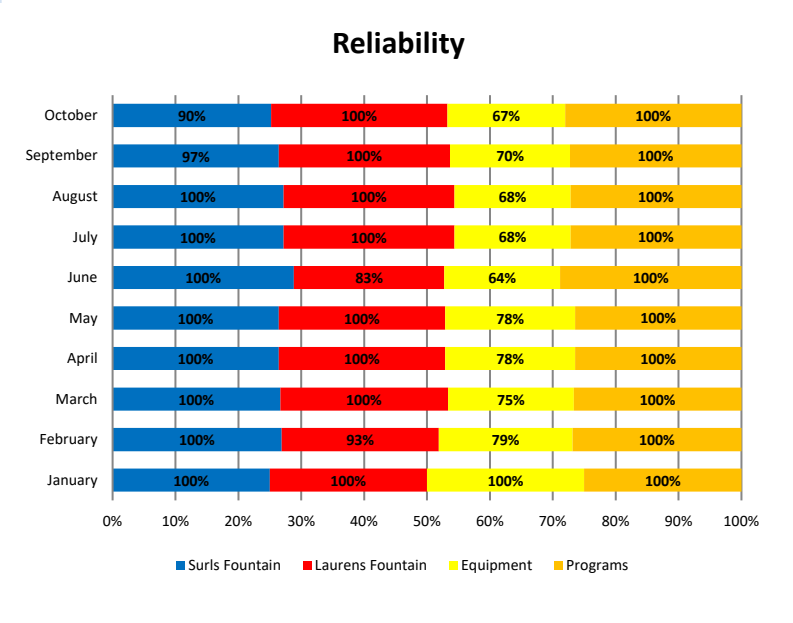
Sidewalk Cleaning



Garbage Disposed (Tons)



Reliability



ENGAGEMENT METRICS

/ OCTOBER 2024

SOCIAL



TOTAL REACH



TOTAL IMPRESSIONS



TOTAL FOLLOWERS



138K

628K

180.9K



5.4K

29K

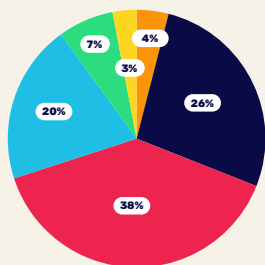
173.3K



2.6M

313K

141K



INSTAGRAM FOLLOWERS BY AGE RANGE

- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65+

FOLLOWERS BY GENDER

66% FEMALE | 34% MALE



TOP CONTENT OF THE MONTH

MARKET SQUARE PARK FARMER'S MARKET REEL
 118,112 PLAYS • 494 LIKES • 17 COMMENTS • 134 SHARES
 137 SAVES • TOTAL REACH: 26,275

WEBSITE

TOP 3 VIEWED PAGES

20,318

1. HOUSTON PUMPKIN FESTIVAL

Unique Visitors: 17,826
 Views Per User: 1.1
 Average Time: 10s

19,172

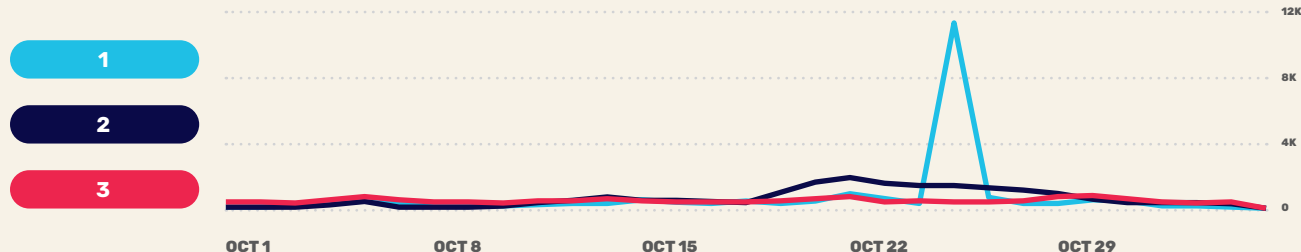
2. MARKET SQUARE PARK FARMER'S MARKET

Unique Visitors: 16,276
 Views Per User: 1.2
 Average Time: 5s

15,795

3. CALENDAR

Unique Visitors: 8,614
 Views Per User: 2
 Average Time: 40s



ENGAGEMENT METRICS

/ OCTOBER 2024



TOTAL EVENT ATTENDANCE

2,619

MARKET SQUARE PARK

375

TREBLY PARK

EVENTS



DTH+ SIGNATURE EVENTS

11

MARKET SQUARE PARK

Sweat and STRETCH
Farmer's Market
Movies Under the Stars: Cruella
Farmer's Market + Art Market

10

TREBLY PARK

Yoga Flow
Beats & Flow
Movies Under the Stars: Signs

MEDIA



MEDIA PLACEMENTS

68

TOTAL PLACEMENTS

32

TOP-TIER MEDIA (PRINT + BROADCAST)

\$645K

AD VALUE EQUIVALENCY

