Board of Directors Meeting

November 13, 2025

Houston Downtown Management District
Board of Directors Meeting
November 13, 2025

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

October 9, 2025

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 9, 2025 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

Sean Alley	Roland Kennedy
Leslie Ashby	Spencer Lightsy
Kinder Baumgartner	Sean Liu
Genora Boykins	Ben Llana
Clay Crawford	Nick Massad
Marcus Davis	Sherea McKenzie
Jacques D'Rovencourt	Tyler Merritt
Kelly Foreman	Kenny Meyer
Irma Galvan	Brandon Oliver
Marian Harper	Edna Ramos
C.C. Huang	Frem Reggie
Angus Hughes	Joey Sanchez
Antoinette "Toni" Jackson	Richard Torres
Robbi Jones	Reggie Wilson

and all of the above were present, with the exception of Directors Alley, Boykins, D'Rovencourt, Foreman, Harper, Jackson, Liu, Massad, Merritt, and Wilson.

Also in attendance were Kris Larson, President/CEO; Allen Douglas, COO; Jana Gunter, Director of Finance; staff members David Cisneros, Marlon Connally, Brett DeBord, Scott Finke, Jacque Gonzalez-Garcia, Brendan Harrison, Cassie Hoeprich, Amanda Marquez, Alyssa Mason, Jamie Perkins, Albert Sanchez, and Ann Taylor, all with the District; Clark Lord with Bracewell, outside counsel to the District; Rupesh Koshy and Robert Williamson with the City of Houston; and Anna Mod from the public.

DRAFT

WELCOME

Chair Ashby presided over the meeting and welcomed all. Jamie Perkins served as Assistant Secretary.

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

PUBLIC COMMENT

Chair Ashby asked if anyone from the public had comments. No comments were made by the public.

APPROVAL OF MINUTES

The Board considered approving the minutes of the September 11, 2025 regular board meeting.

Hearing no questions or need for discussion, Chair Ashby called for a motion; moved by Director Ramos; seconded by Director Hughes; and the September 11th minutes were approved, as presented.

ITEMS PERTAINING TO FINANCE AND ADMINISTRATIVE MATTERS

Approval of Financial Statements and Ratification of Expenditures

Chair Ashby invited Richard Torres, District Treasurer, to present the interim financial statements and check registers for the period ending September 30, 2025. Director Torres shared highlights from the September financial statements and check registers. Questions were asked and answered.

Upon a motion made by Chair Ashby, moved by Director Kennedy; seconded by Director Galvan; the Board accepted the September 2025 interim financial statements and check registers as presented.

Authorize Expenditure for Tax Assessor/Collector

President Larson presented a request to authorize expenditures for professional tax collector/assessor services with Utility Tax Services, in an amount not to exceed $50,000. Questions were not raised, and no discussion occurred.

Chair Ashby called for a motion; moved by Director Hughes; seconded by Director Crawford; and the board approved this request as presented.

DRAFT

2026 BUDGET PLANNING WORK SESSION

Chair Ashby called on President Larson to begin discussion on 2026 budget planning. He began with a review of the stakeholder survey results. Next, President Larson engaged the Board with an interactive activity to identify priorities for 2026. He then shared a brief update on the Service Plan renewal efforts. Finally, Larson concluded the discussion by outlining the next steps and noted a draft budget will be brought to the full Board for review at November Board meeting. Action from the Board was not required.

PROGRAM AUTHORIZATIONS

Planning & Design – EDA Grant

Chair Ashby invited Alyssa Mason to share a slide deck and introduce an authorization to approve a Resolution which would allow the District to apply for a federal EDA Disaster Recovery Grant. If approved, the funding will be allocated toward infrastructure improvements in the Warehouse District. Discussion ensued, and questions were asked and answered.

A motion was called, moved by Director Crawford, and seconded by Director Kennedy, and the request for the Board to approve this Resolution, allowing the District to apply for a federal EDA Disaster Recovery Grant, was approved as presented.

Planning & Design – Pedestrian Corridor Improvement Project for World Cup

Next, Cassie Hoeprich was asked to share a presentation and authorization that would allow the District to begin the RFP process to select and contract with a consultant to assist in the development of the “Via Futbol” temporary roadway conditions project, in an amount not to exceed $125,000. Questions were raised and answered, and discussion ensued.

Chair Ashby called for motion, moved by Director Hughes and seconded by Director Ramos, and the request to authorize $125,000 for the RFP process and professional services agreement related to the program development of the "Via Futbol" Temporary Roadway Conditions project for the 2026 FIFA Men’s World Cup., as presented.

Operations & Maintenance

Mr. DeBord was invited to present an authorization to approve expenditures in an amount not to exceed $144,000, for the 2025 expense to operate and maintain the Flock Safety network of security cameras. Questions were asked and answered, and discussion ensued.

Chair Ashby called for a motion to approve this request, moved by Director Sanchez; seconded by Director Galvan, and the Board approved this expenditure request as presented.

DRAFT

PROJECT SPOTLIGHT: GROCERY FEASIBILITY STUDY

Chair Ashby invited David Cisneros to share a presentation. Mr. Cisneros explained the purpose of the grocery feasibility study and presented its findings. Discussion ensued, and questions were asked and answered. Action on behalf of the Board was not required.

STRATEGIC ALIGNMENT UPDATES

Due to time limitations, President Larson was unable to share the latest Strategic Alignment Updates in the meeting, however he encouraged Board members to review and reach out with any questions.

OTHER BUSINESS

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

NEXT MEETINGS & ADJOURNMENT

Chair Ashby announced the dates of the upcoming October committee meetings, then stated the next Board meeting is scheduled for November 13, 2025. With no further business to come before the Board, the meeting ended at 1:35 PM.

Jamie Perkins, Assistant Secretary
Houston Downtown Management District

DRAFT

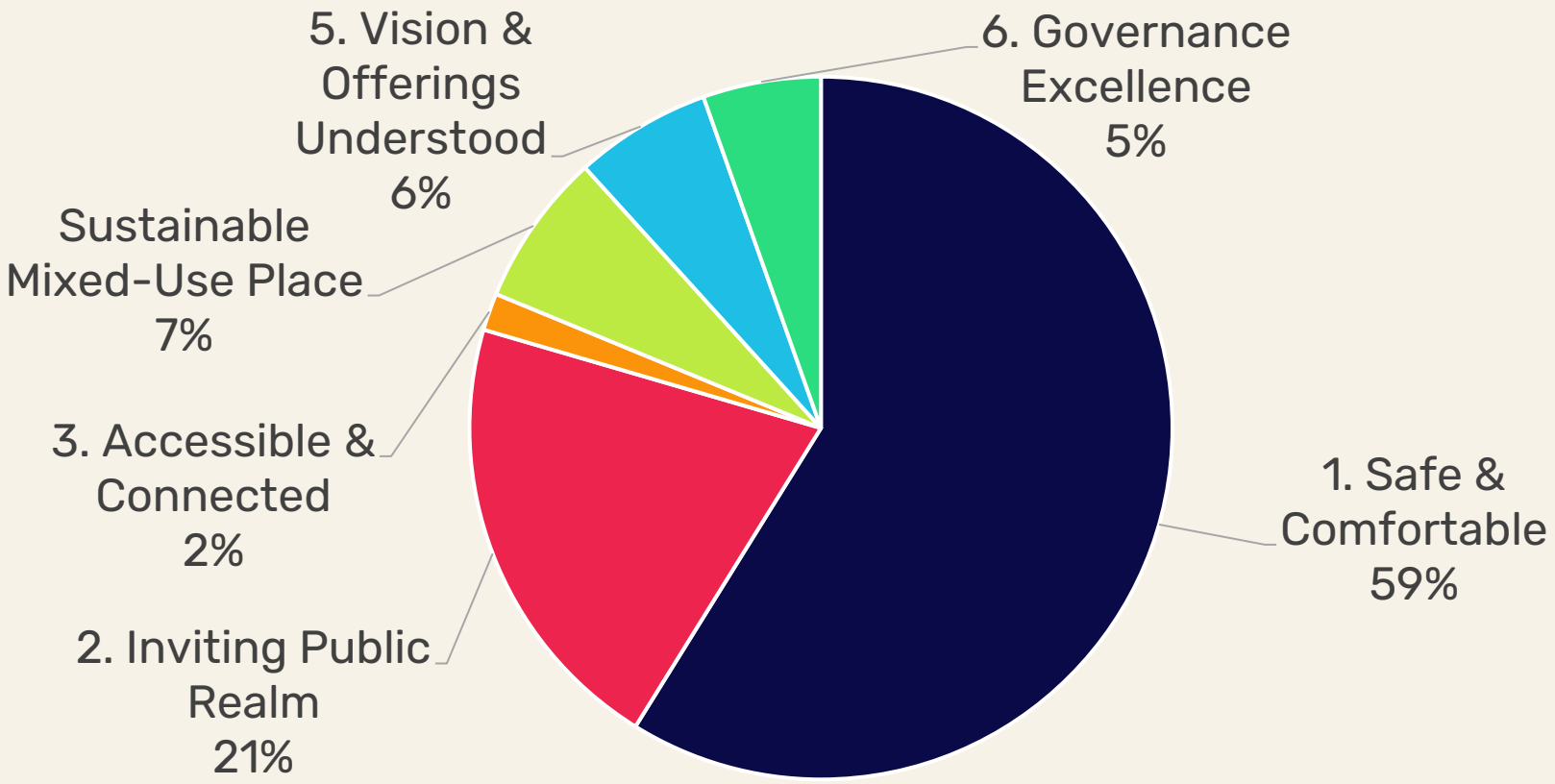
HDMD Financial Summary

October 2025

NOVEMBER 13,2025

DOWNTOWN HOUSTON+

2025 AMENDED ANNUAL BUDGET



Total $35,679,771

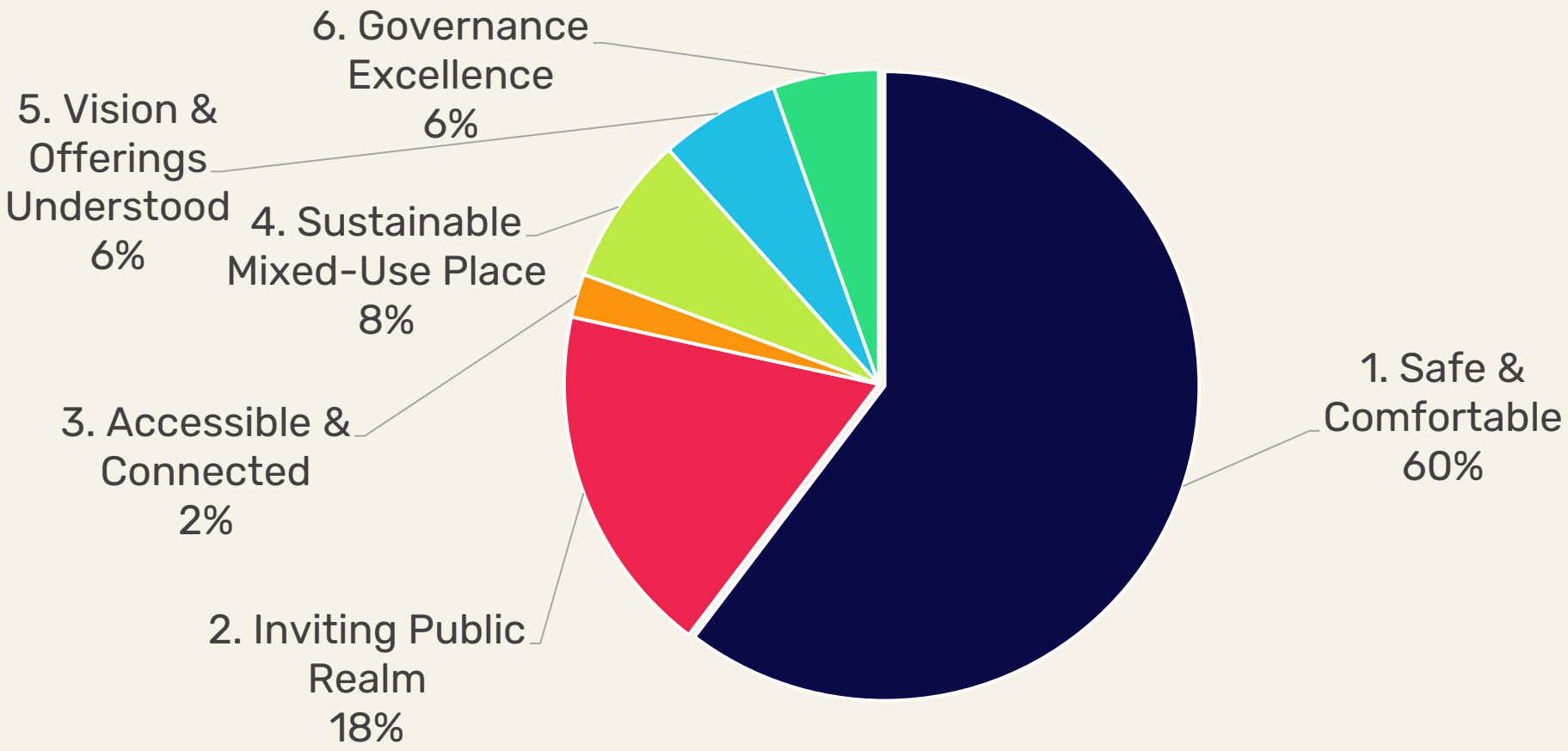
Operating: $20,640,821 Amended Capital: $15,038,950

YTD BALANCE SHEET

October 2025

- Assets
  - Cash Balance is $557K
  - TexPool Investments $7.6M
  - 2024 Assessments Due: 100% has been collected.
- Liabilities
  - Reserves for Property Value Protests are $836K
- Fund Balance
  - Unrestricted Operating Fund Balance is $5.0M
  - Capital Restricted Fund Balance is $7.8M

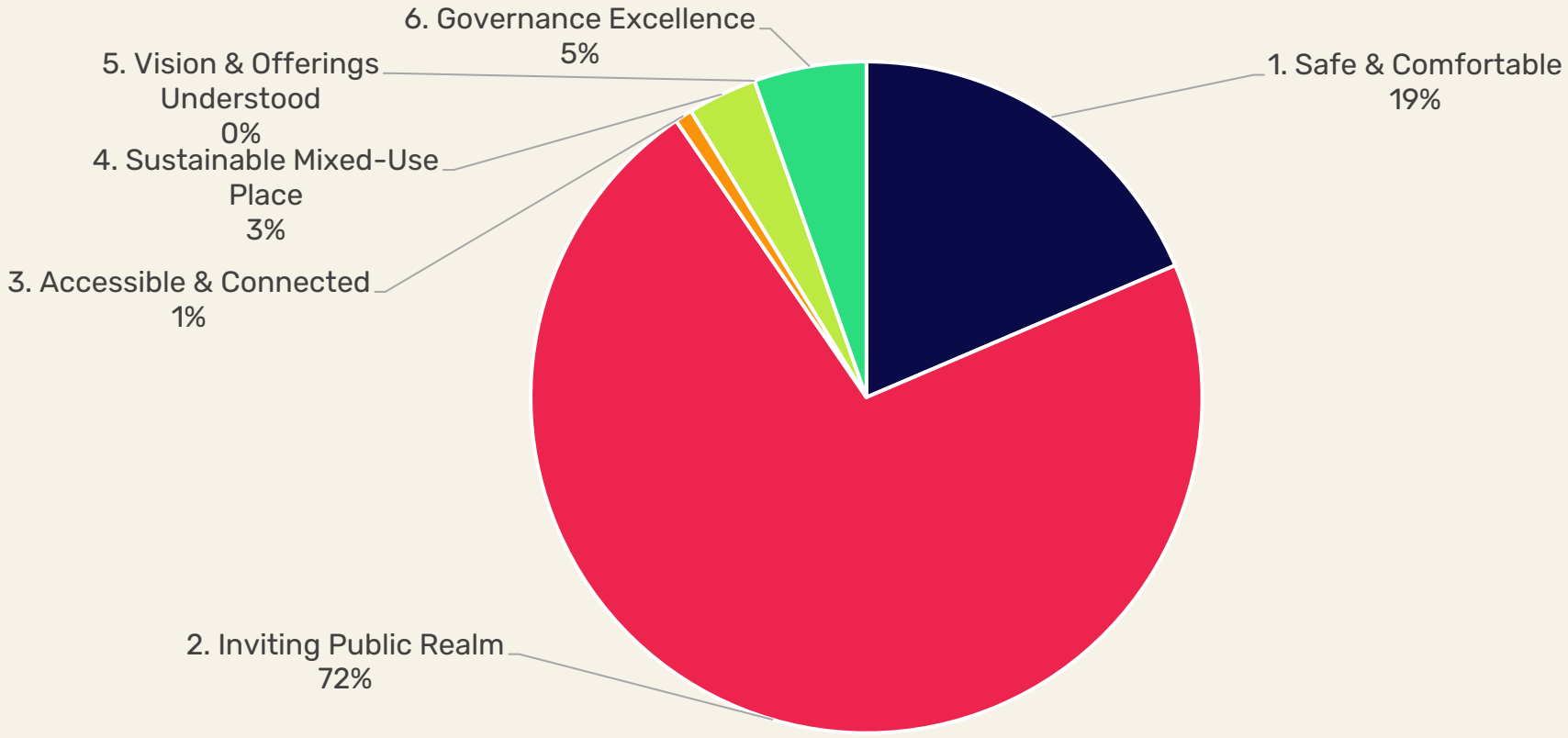
OCTOBER 2025 OPERATING SPENDING



Total $13,965,574

Budget Expended 68% at October 31, 2025

OCTOBER 2025 CAPITAL SPENDING



Total $4,066,556

Budget Expended 60% at October 31, 2025

OCTOBER 2025 BUDGET NOTES

Amended Revenues are $7.9M under budget

- **$7.2M or 92% attributed to Capital reimbursements from FTA/TxDot**

- **Project Revenue**
  - $52K under budget – MSP Kiosk Petite Lucie opening delayed to December.
  - $147K under budget – Sponsorships ramping up with a new team member dedicated to this effort.
  - Amended budget-Capital reimbursements: $7M (FTA), $4.83M (TxDot), $400K (Metro Rail Line).
  - Main Street construction began in June: Mill & Overlay starts in December.
  - Capital Project Revenue $7.2M under budget – FTA grant reimbursement paperwork is under review, $2.4M pending.

- **Other Income**
  - $164K under budget – FEMA funds for 2025 received early in 2024

OCTOBER 2025 BUDGET NOTES

Operating Expenses are $2.4M under budget

- **Downtown Feels Safe & Comfortable**
  - ➢ Accounts for 50% of the variance, primarily due to delayed invoicing from Block by Block and Seal Security

- **Public Realm is Charming**
  - ➢ Represents 41% of the variance, driven by:
    - o Delay in invoicing for accent plants
    - o Lower-than-expected fountain repair and maintenance costs
    - o Adjusted event schedules and timing of funding for holiday logistics
    - o Unspent art programming and consulting funds

- **Downtown's Vision and Offering Understood by All**
  - ➢ Makes up 9% of the variance, with savings from Marketing contract revisions and complementary work provided by vendors.

OCTOBER 2025 BUDGET NOTES

Amended Capital Expenses are $6.2M under budget

- **Public Realm is Charming**
  - ➢ Represents 86% of the variance, driven by:
    - o Timing of project invoices for Main Street Promenade and Improved Pedestrian Connection

- **Vibrant Sustainable Mixed-Use Place**
  - ➢ Contributes to 8% of the variance, due to the timing of the funding of the Retail Challenge (Thrive) Grants and the Downtown Living Initiative (DLI) rebates. Rebates are pending resolution of property protests and court documentation.

CHECK REGISTER

October 2025

- Total checks issued were $4.0 million

  - Jerdon Enterprise - $848K – Main Street Promenade
  - Block by Block - $516K – contract services
  - CPI/MARQ Catalyst Owner, LP – DLI rebate
  - Bright Lights of Houston - $315K – holiday Decor
  - Central Houston, Inc. - $250K – September admin contract services
  - Coalition for the Homeless - $250K – housing support
  - DPR Eighteen25, LLC - $220K – DLI rebate
  - DRA/TIRZ#3 - $158K – DLI grant participation
  - Seal Security Solutions - $115K – contract services
  - Flock Cameras - $144K – annual renewal

2025 INVESTMENT REPORT

3Q – 7/1/2025 thru 9/30/2025

	7/1/2025			Net Changes	9/30/2025		
	Oper	Capt	Total		Oper	Capt	Total
JP Morgan Chase	$61K	$293K	$354K	$423K	$386K	$391K	$777K
TexPool Prime*	$12,665K	$4,770K	$17,435K	($6,674K)	$7,978K	$2,783K	$10,761K
Total Cash	$12,726K	$5,063K	$17,789K	($6,251K)	$8,364K	$3,174K	$11,538K

*Avg. Daily Yield: 4.40%

DOWNTOWN HOUSTON+

CPAs
OPERATIONAL & FINANCIAL CONSULTING

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, 2025 and 2024, and the related statements of activities for the months then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

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

Sincerely,

nctp cpas, pllc

Houston, Texas
November 7, 2025

Houston Downtown Management District
Governmental Fund Balance Sheets and
Statement of Net Position
For the period ended October 2025, and October 2024

	2025			2024		
	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	6,242,387	1,908,837	8,151,224	8,576,994	4,588,994	13,165,988
Assessments Due	-	-	-	212,808	17,378	230,186
Accounts Receivable	657,135	-	657,135	570,994	-	570,994
Prepaid Expense	304,015	-	304,015	26,235	-	26,235
Property & Equipment, Net	454,158	102,214	556,372	535,278	-	535,278
Right of Use Lease Assets, Net	2,160,396	-	2,160,396	2,475,175	-	2,475,175
Intercompany Rec/Pay	(833,030)	833,030	-	(1,192,516)	1,192,516	-
Total Assets	8,985,061	2,844,081	11,829,142	11,204,967	5,798,888	17,003,855
Liabilities						
Accounts Payable & Accrued Expenses	722,659	43,548	766,207	2,121,488	195,506	2,316,995
Lease Liabilities	2,400,917	-	2,400,917	2,678,925	-	2,678,925
Deferred Revenue	-	-	-	-	-	-
Reserve for Refunds due to Property Protests	811,684	24,322	836,006	807,394	43,732	851,126
Total Liabilities & Deferred Revenue	3,935,261	67,870	4,003,131	5,607,808	239,238	5,847,046
Fund Balances						
Unreserved, Undesignated	4,655,143	-	4,655,143	4,797,159	-	4,797,159
Unreserved, Designated for Catastrophy	394,656	-	394,656	800,000	-	800,000
Reserved for Capital Projects	-	2,776,211	2,776,211	-	5,559,649	5,559,649
	5,049,800	2,776,211	7,826,011	5,597,159	5,559,649	22,313,617
Total Liabilities, Deferred Revenue & Fund Balances	8,985,061	2,844,081	11,829,142	11,204,967	5,798,888	17,003,855

Houston Downtown Management District
Statement of Activities
For the period ended October 2025, and October 2024

	Operating YTD Actual	Capital YTD Actual	Total YTD Actual	Amended 2025 Budget	% Budget Received	% Year Elapsed	Notes
Revenue							
Assessment Revenue	3,227	-	3,227	17,168,132	0%	83%	
Operations Revenue	1,349,247	-	1,349,247	1,766,540	76%	83%	
Project Revenue	218,296	-	218,296	11,762,500	2%	83%	1
Other Income	57,732	-	57,732	220,316	26%	83%	2
Interest Income	440,658	140,628	581,286	832,025	70%	83%	3
Total Revenues	**$ 2,069,161**	**$ 140,628**	**$ 2,209,789**	**$ 31,749,513**	7%	83%	
					% Budget Expended		
Expenses							
Downtown Feels Safe & Comfortable at All Times							
Collaboration to Maintain Low Crime Rate	3,257,727	-	3,257,727	4,545,784	72%	83%	4
Reduced Presence of Homeless & Street Persons	896,055	-	896,055	1,177,417	76%	83%	
Downtown Sidewalks are Comfortably Lighted	208,588	-	208,588	252,526	83%	83%	
Downtown Clean & Well-Kept Appearance	3,928,281	-	3,928,281	6,006,162	65%	83%	4
Remove Signs of Disorder in Downtown	48,793	-	48,793	60,906	80%	83%	
Prepare for Emergencies	84,472	-	84,472	104,153	81%	83%	
	8,423,916	-	8,423,916	12,146,948	69%	83%	
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City							
Key Pedestrian Streets are Inviting	437,161	-	437,161	645,561	68%	83%	5
Public Spaces Managed, Programmed, & Delightful	1,411,052	-	1,411,052	2,279,119	62%	83%	6
Place of Civic Celebration	680,525	-	680,525	1,341,872	51%	83%	7
	2,528,739	-	2,528,739	4,266,553	59%	83%	
Accessible to Region & E asy to Get Around							
Effective Transit Access More Places, More Hours	172,341	-	172,341	178,221	97%	83%	
Convenient Circulation Without Personal Vehicle	-	-	-	-	N/A	83%	
Easy to Find Way Around	75,689	-	75,689	95,425	79%	83%	8
Connect Neighborhoods & Districts Inside/Outside Downtown	52,753	-	52,753	64,503	82%	83%	
Convenient, Understandable & Managed Parking	12,447	-	12,447	14,740	84%	83%	
	313,230	-	313,230	352,888	89%	83%	
Vibrant, Sustainable Mixed-Use Place							
Best Place to Work in Region	135,221	-	135,221	222,196	61%	83%	9
Exciting Neighborhoods to Live In	882,170	-	882,170	1,156,553	76%	83%	
Competitive Shopping Place	42,629	-	42,629	57,695	74%	83%	
Remarkable Destination for Visitors	15,845	-	15,845	20,136	79%	83%	
	1,075,865	-	1,075,865	1,456,579	74%	83%	
Downtown's Vision & Offering Understood By All							
Market to Region	475,679	-	475,679	727,134	65%	83%	10
Promote Downtown's Ease of Use	69,921	-	69,921	84,604	83%	83%	
Vision/Development Framework Understood By All	219,392	-	219,392	358,529	61%	83%	11
Tools to Assist Continued Redevelopment	36,923	-	36,923	46,291	80%	83%	
Develop & Main Information to Support Downtown	64,759	-	64,759	80,870	80%	83%	
	866,674	-	866,674	1,297,428	67%	83%	
District Governance & Service Known for Excellence							
Engage Stakeholders in Decision Making	620,651	-	620,651	957,106	65%	83%	
Communications to Owners, Tenants & Others	84,731	-	84,731	111,619	76%	83%	
Preservation of District's Capital Assets	51,769	-	51,769	51,700	100%	83%	
	757,150	-	757,150	1,120,425	68%	83%	
Capital Improvement & Expenditures							
Downtown Feels Safe & Comfortable	-	755,211	755,211	1,150,620	66%	83%	12
Public Realm is Charming, Inviting & Beautiful	-	2,921,168	2,921,168	12,440,304	23%	83%	13
Accessible to Region & Easy to Get Around	-	34,209	34,209	169,989	20%	83%	14
Vibrant, Sustainable Mixed-Use Place	-	136,027	136,027	887,272	15%	83%	15
Downtown's Vision & Offering Understood By All	-	-	-		N/A	83%	
Capital Replacement Expenditure	-	219,941	219,941	390,765	56%	83%	16
	-	4,066,556	4,066,556	15,038,950	27%	83%	
Total Expenses	**13,965,574**	**4,066,556**	**18,032,130**	**35,679,771**	51%	83%	
Depreciation Expense	94,876	20,860	115,736	125,129	92%	83%	
Fund Balance Allocation				3,245,387			
Excess of Revenue Over Expenses GAAP Basis	**(11,991,289)**	**(3,946,789)**	**(15,938,077)**	**(810,000)**			

Houston Downtown Management District
Statement of Activities
For the period ended October 2025, and October 2024

	Operating YTD Actual	Capital YTD Actual	2025 Total YTD Actual	2024 Total YTD Actual	Fav (Unfav) Variance	% Var
Revenue						
Assessment Revenue	3,227	-	3,227	-	3,227	N/A
Operations Revenue	1,349,247	-	1,349,247	654,249	694,999	106%
Project Revenue	218,296	-	218,296	199,915	18,382	9%
Other Income	57,732	-	57,732	19,937	37,794	190%
Interest Income	440,658	140,628	581,286	774,094	(192,808)	-25%
Total Revenues	**$ 2,069,161**	**$ 140,628**	**$ 2,209,789**	**$ 1,648,195**	**$ 561,593**	**34%**
Expenses						
Downtown Feels Safe & Comfortable at All Times						
Collaboration to Maintain Low Crime Rate	3,257,727	-	3,257,727	2,838,870	(255,768)	-9%
Reduced Presence of Homeless & Street Persons	896,055	-	896,055	798,872	(97,182)	-12%
Downtown Sidewalks are Comfortably Lighted	208,588	-	208,588	152,423	(56,166)	-37%
Downtown Clean & Well-Kept Appearance	3,928,281	-	3,928,281	3,935,096	6,814	0%
Remove Signs of Disorder in Downtown	48,793	-	48,793	58,241	9,448	16%
Prepare for Emergencies	84,472	-	84,472	436,975	352,503	81%
	8,423,916	-	8,423,916	8,220,477	(203,439)	-2%
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City						
Key Pedestrian Streets are Inviting	437,161	-	437,161	427,252	(9,909)	-2%
Public Spaces Managed, Programmed, & Delightful	1,411,052	-	1,411,052	1,617,668	206,616	13%
Place of Civic Celebration	680,525	-	680,525	710,179	29,654	4%
	2,528,739	-	2,528,739	2,755,100	226,361	8%
Accessible to Region & E asy to Get Around						
Effective Transit Access More Places, More Hours	172,341	-	172,341	16,619	(155,722)	-937%
Convenient Circulation Without Personal Vehicle	-	-	-	-	-	N/A
Easy to Find Way Around	75,689	-	75,689	82,709	7,020	8%
Connect Neighborhoods & Districts Inside/Outside Downtown	52,753	-	52,753	53,224	470	1%
Convenient, Understandable & Managed Parking	12,447	-	12,447	10,626	(1,821)	-17%
	313,230	-	313,230	163,179	(150,051)	-92%
Vibrant, Sustainable Mixed-Use Place						
Best Place to Work in Region	135,221	-	135,221	287,931	152,710	53%
Exciting Neighborhoods to Live In	882,170	-	882,170	751,688	(130,482)	-17%
Competitive Shopping Place	42,629	-	42,629	15,666	(26,963)	-172%
Remarkable Destination for Visitors	15,845	-	15,845	14,256	(1,589)	-11%
	1,075,865	-	1,075,865	1,069,540	(6,325)	-1%
Downtown's Vision & Offering Understood By All						
Market to Region	475,679	-	475,679	512,927	37,249	7%
Promote Downtown's Ease of Use	69,921	-	69,921	80,919	10,998	14%
Vision/Development Framework Understood By All	219,392	-	219,392	470,158	250,766	53%
Tools to Assist Continued Redevelopment	36,923	-	36,923	22,534	(14,389)	-64%
Develop & Main Information to Support Downtown	64,759	-	64,759	19,291	(45,468)	-236%
	866,674	-	866,674	1,105,829	239,155	22%
District Governance & Service Known for Excellence						
Engage Stakeholders in Decision Making	620,651	-	620,651	696,747	76,096	11%
Communications to Owners, Tenants & Others	84,731	-	84,731	50,633	(34,097)	-67%
Preservation of District's Capital Assets	51,769	-	51,769	46,972	(4,796)	-10%
	757,150	-	757,150	794,352	37,203	5%
Capital Improvement & Expenditures						
Downtown Feels Safe & Comfortable	-	755,211	755,211	178,594	(576,617)	-323%
Public Realm is Charming, Inviting & Beautiful	-	2,921,168	2,921,168	380,311	(2,540,858)	-668%
Accessible to Region & Easy to Get Around	-	34,209	34,209	14,247	(19,962)	-140%
Vibrant, Sustainable Mixed-Use Place	-	136,027	136,027	62,575	(73,452)	-117%
Downtown's Vision & Offering Understood By All	-	-	-	-	-	N/A
Capital Replacement Expenditure	-	219,941	219,941	123,215	(96,726)	-79%
	-	4,066,556	4,066,556	758,942	(3,307,615)	-436%
Total Expenses	**13,965,574**	**4,066,556**	**18,032,130**	**14,867,419**	**(3,164,711)**	**-21%**
Depreciation Expense	94,876	20,860	115,736	76,074	(39,661)	-52%
Excess of Revenue Over Expenses GAAP Basis	**(11,991,289)**	**(3,946,789)**	**(15,938,077)**	**(13,295,298)**	**(2,642,779)**	**20%**

Houston Downtown Management District
Budget Notes (Capital Budget Amended in May, 2025)
For the Ten Months Ended October 31, 2025

Revenue Overview.

1) **Project Revenue:** Market Square Park kiosk rent and utilities reimbursements are $52K below budget due to construction delays; the kiosk is now scheduled to open in December. Sponsorship income, a new revenue line item, is $147K under budget, though outreach efforts are ongoing with a newly assigned staff member. The Capital Project Revenue category now includes reimbursements from FTA ($7M for More Space Main Street construction), TxDOT ($4.83M for the Mill and Overlay of downtown streets), and Metro ($400K for paver repairs along the rail line). Construction on Main Street began in June, with Mill and Overlay work scheduled for December. Overall, Capital Project Revenue is $7.2M below budget, including $2.4M in pending reimbursements from the FTA.

2) **Other Income:** Revenue is $164K below plan due to FEMA reimbursements originally budgeted for 2025 being received before year-end

3) **Interest Income:** Interest Income is $137K below budget due to lower-than-expected rates.

Operating Budget

Expenses

4) **Goals 1a-Collaboration to Maintain Low Crime Rate, and 1d-Downtown Clean & Well-Kept Appearance:** Expenses are under budget due to a one-month invoicing delay from Block by Block.

5) **Goal 2a-Key Pedestrian Streets are Inviting:** Accent Plants costs are $190K lower than forecast due to delayed invoicing.

6) **Goal 2b-Public Spaces, Managed, Programmed and Delightful:** Fountain repairs and park maintenance are $153K under budget, while downtown event costs are $228K under due to scheduling changes. Staffing is $71K under budget.

7) **Goal 2c-Place of Civic Celebration:** Banner, pole, and pot maintenance costs are $43K below budget. Holiday logistics and installation are $181K under, though full allocation is expected to be used by year-end. Holiday programming is $41K below budget, and $55K for art programming and consultant costs remain unspent. Staffing is $13K under budget.

8) **Goal 3c-Easy to Find Way Around:** Wayfinding maintenance expenses are $15K under budget due to invoicing delays.

9) **Goal 4a-Best Place to Work in Region:** Economic Development is $57K under budget, including: Quarterly Market Reports: $13K, Marketing: $20K, Reference Materials and Research: $18K, and Regional Collaboration: $6K. Staffing costs are $5K over budget.

10) **Goal 5a-Market to Region:** Marketing expenses are $112K under budget, driven by $34K in contract savings. Additional variances: web portal ($21K under), social media ($2K Under), Field Guide ($2K not yet spent), promotional items ($10K under), media/advertising ($25K under), photography and video ($18K under), strategy/creative ($5K under). Staffing is $5K over budget.

11) **Goal 5c-Vision Understood by All:** Planning expenses for Cool Corridors are $52K under budget, and streetscape designs are $42K below plan.

Amended Capital Budget - In 2025, HDMD allocated Admin Contractor expense for Capital Projects.

12) **Downtown Feels Safe & Comfortable**: Flock camera renewals were reclassified as prepaid and will be expensed evenly over 12 months.

13) **Public Realm is Charming:** Main Street Promenade construction is $2.5M under budget. Pedestrian connections are $514K under, Mill & Overlay is $1.9K under due to TxDOT delays, and paver stock is $322K under plan.

14) **Accessible to Region & Easy to Get Around:** Expenses are $133K under budget, including $100K for Southeast Sidewalks and $33K for wayfinding signs.

15) **Vibrant, Sustainable Mixed-Use Place:** Retail Challenge (Thrive) Grants are $500K under budget, with $373K awarded but pending reimbursement paperwork. DLI grants allocated to Capital are $9K under due to unresolved protests. Staffing is $28K over budget because of an unplanned hire of a Senior Program Administrator for the grants program.

16) **Capital Replacement Expenditures:** Replacement expenses are $125K under budget. Total year-to-date spending for repairs and replacements totals $211K.

Operating-HDMD--Operating Fund-HDMD

Check register

October 2025

Date	Vendor	Document no.	Amount
10/1/2025	VEN-00869--1201 Louisiana Co Lp	36074	10,222.11
10/1/2025	VEN-00868--1818 Hamilton LTD	36075	177.34
10/1/2025	VEN-00705--ALH PROPERTIES NO FOURTEEN LP	36076	5,504.78
10/1/2025	VEN-00544--BW HOU HOSPITALITY	36077	1,298.87
10/1/2025	VEN-00690--CHEVRON USA INC	36078	72,172.37
10/1/2025	VEN-00618--HM Market Square, LLC	36079	24,198.49
10/1/2025	VEN-00870--James D Moers	36080	187.81
10/1/2025	VEN-00495--Linebarger Goggan Blair & Sampson, LLP	36081	7,163.87
10/1/2025	VEN-00871--LVA4 Houston Greenstreet Lp	36082	97,422.06
10/1/2025	VEN-00844--Rusk at San Jacinto Partners	36083	5,314.10
10/1/2025	VEN-00872--SCA Sam Houston Hotel LP	36084	2,143.83
10/1/2025	VEN-00551--STERRETT STREET PROPERTY LLC	36085	49.03
10/2/2025	VEN-00617--CPI/MARQ Catalyst Owner, LP	36071	455,460.00
10/2/2025	VEN-00862--DPR Eighteen25, LLC	36072	219,984.00
10/3/2025	VEN-00380--ABC Home & Commercial services		145.00
10/3/2025	VEN-00530--Antoine Holmes		260.00
10/3/2025	VEN-00324--Associated Landscape Services LLC		37,501.21
10/3/2025	VEN-00404--AT&T		1,364.63
10/3/2025	VEN-00525--Brandon Kpotie		780.00
10/3/2025	VEN-00863--Bright Lights of Houston		315,000.00
10/3/2025	VEN-00526--Charles Franklin		780.00
10/3/2025	VEN-00569--Christina LaFour		520.00
10/3/2025	VEN-00498--Clint Self		464.41
10/3/2025	VEN-00519--David Russell		260.00
10/3/2025	VEN-00330--Directv		104.98
10/3/2025	VEN-00323--Gulf Coast Pavers, Inc		18,900.00
10/3/2025	VEN-00082--Hardy & Hardy		4,950.00
10/3/2025	VEN-00088--Houston Business Journal		704.00
10/3/2025	VEN-00532--Ivan Sosa-Castillo		1,446.25
10/3/2025	VEN-00527--Jacob Pena		260.00
10/3/2025	VEN-00520--Jennifer Kennedy		2,102.63
10/3/2025	VEN-00595--Joe O'Neal		1,560.00
10/3/2025	VEN-00528--Joell Matthews		260.00
10/3/2025	VEN-00126--Keith Gould		645.03
10/3/2025	VEN-00523--Marcus Labbe		520.00
10/3/2025	VEN-00721--Mario Maldonado		260.00
10/3/2025	VEN-00159--Maurice Duhon Jr		600.00
10/3/2025	VEN-00529--Moises Alfaro		780.00

10/3/2025	VEN-00604--Nancy Jones		260.00
10/3/2025	VEN-00172--NCTP-CPAS PPLC*		1,800.00
10/3/2025	VEN-00182--PartyPerks		4,221.75
10/3/2025	VEN-00212--Ronald Cooks		550.00
10/3/2025	VEN-00217--Sabrina Naulings		550.00
10/3/2025	VEN-00220--SEARCH Homeless Services		12,363.05
10/3/2025	VEN-00746--Simon Printing Company		6,203.00
10/3/2025	VEN-00260--The Harris Center For Mental Health and IDD		22,541.67
10/3/2025	VEN-00504--Today's Landscape		29,083.97
10/3/2025	VEN-00271--Touch Agree Property		2,572.80
10/3/2025	VEN-00290--Verizon Wireless		621.04
10/9/2025	VEN-00032--Central Houston, Inc	36073	250,179.74
10/14/2025	VEN-00331--City Of Houston - HPARD		151.01
10/14/2025	VEN-00372--Coopwoods Air Conditioning Inc.		563.40
10/14/2025	VEN-00374--CoStar Realty Information, Inc.		1,687.26
10/14/2025	VEN-00044--Crest Printing		830.50
10/14/2025	VEN-00088--Houston Business Journal		704.00
10/14/2025	VEN-00500--Houston Public Media		2,820.29
10/14/2025	VEN-00102--Incontrol Construction LLC		23,732.00
10/14/2025	VEN-00114--Jenna Beasley		1,841.70
10/14/2025	VEN-00685--Juniper Jairala		1,100.00
10/14/2025	VEN-00133--Kingwood Alarm LLC		420.00
10/14/2025	VEN-00174--Neon Electric Corporation		45,589.00
10/14/2025	VEN-00185--Pfeiffer & Son, LTD.		6,508.00
10/14/2025	VEN-00192--Power Pest Corp dba Texas Bird Services		8,289.00
10/14/2025	VEN-00202--Raven Mechanical, LP		830.00
10/14/2025	VEN-00218--Scott Finke		1,593.39
10/14/2025	VEN-00219--Seal Security Solutions, LLC		115,457.23
10/14/2025	VEN-00318--STERLING EXPRESS SERVICES		100.00
10/14/2025	VEN-00251--Texas Outhouse		598.58
10/14/2025	VEN-00277--Triple R Brothers		37.98
10/14/2025	VEN-00279--TXU Energy		8,156.41
10/17/2025	VEN-00873--5 plus 8		7,500.00
10/17/2025	VEN-00403--AARON HERNANDEZ		198.79
10/17/2025	VEN-00530--Antoine Holmes		975.00
10/17/2025	VEN-00497--BIII GStreet LLC		21,529.18
10/17/2025	VEN-00525--Brandon Kpotie		1,560.00
10/17/2025	VEN-00425--Centra 417 San Jacinto LLC		3,125.00
10/17/2025	VEN-00526--Charles Franklin		1,300.00
10/17/2025	VEN-00569--Christina LaFour		1,300.00
10/17/2025	VEN-00519--David Russell		780.00
10/17/2025	VEN-00517--Franklin Burnett		520.00

10/17/2025	VEN-00725--Gulf Coast Entertainment		5,000.00
10/17/2025	VEN-00081--Hamilton Plumbing Services		829.76
10/17/2025	VEN-00082--Hardy & Hardy		8,500.00
10/17/2025	VEN-00088--Houston Business Journal		880.00
10/17/2025	VEN-00532--Ivan Sosa-Castillo		1,300.00
10/17/2025	VEN-00527--Jacob Pena		520.00
10/17/2025	VEN-00109--Jacque Gonzalez-Garcia		151.17
10/17/2025	VEN-00520--Jennifer Kennedy		1,429.50
10/17/2025	VEN-00595--Joe O'Neal		1,040.00
10/17/2025	VEN-00126--Keith Gould		57.77
10/17/2025	VEN-00151--Main Street Market Square (DRA)	36087	158,305.00
10/17/2025	VEN-00523--Marcus Labbe		780.00
10/17/2025	VEN-00721--Mario Maldonado		260.00
10/17/2025	VEN-00529--Moises Alfaro		2,080.00
10/17/2025	VEN-00604--Nancy Jones		260.00
10/17/2025	VEN-00179--Orkin		161.00
10/17/2025	VEN-00185--Pfeiffer & Son, LTD.		10,267.82
10/17/2025	VEN-00560--SASHA SHEPARD		520.00
10/17/2025	VEN-00245--Swank Motion Pictures		850.00
10/17/2025	VEN-00271--Touch Agree Property		2,572.80
10/17/2025	VEN-00534--Vestis Group, Inc		216.86
10/17/2025	VEN-00754--Viking Fence Co.		646.69
10/17/2025	VEN-00754--Viking Fence Co.		646.69
10/17/2025	VEN-00299--We 68 LLC		5,326.23
10/17/2025	VEN-00781--Wonky Power Records		2,000.00
10/17/2025	VEN-00305--Young Audiences, Inc. of Houston		2,544.00
10/20/2025	VEN-00037--City of Houston-Dept of Public Works		2,509.27
10/20/2025	VEN-00606--ECO-COUNTER CORP		3,240.00
10/23/2025	VEN-00037--City of Houston-Dept of Public Works	36088	50,591.46
10/23/2025	VEN-00866--Evelyn Guajardo		1,000.00
10/24/2025	VEN-00530--Antoine Holmes		520.00
10/24/2025	VEN-00404--AT&T		2,208.64
10/24/2025	VEN-00016--Bartlett Tree Experts		3,010.00
10/24/2025	VEN-00321--Block by Block		516,417.69
10/24/2025	VEN-00525--Brandon Kpotie		520.00
10/24/2025	VEN-00526--Charles Franklin		520.00
10/24/2025	VEN-00035--Christal Ayala		64.04
10/24/2025	VEN-00569--Christina LaFour		520.00
10/24/2025	VEN-00531--Christopher Gilliam		1,040.00
10/24/2025	VEN-00372--Coopwoods Air Conditioning Inc.		560.30
10/24/2025	VEN-00044--Crest Printing		118.50
10/24/2025	VEN-00519--David Russell		520.00

10/24/2025	VEN-00056--Egidio Narvaez Photographer		1,840.00
10/24/2025	VEN-00098--HydroPoint Data SySuitems Inc.		386.33
10/24/2025	VEN-00532--Ivan Sosa-Castillo		520.00
10/24/2025	VEN-00527--Jacob Pena		260.00
10/24/2025	VEN-00520--Jennifer Kennedy		722.00
10/24/2025	VEN-00595--Joe O'Neal		1,040.00
10/24/2025	VEN-00447--Jordan Dunn-Ridgill		5,900.00
10/24/2025	VEN-00879--Marcus Anderson		385.00
10/24/2025	VEN-00523--Marcus Labbe		520.00
10/24/2025	VEN-00179--Orkin		164.00
10/24/2025	VEN-00200--Raffle Parking Company		900.00
10/24/2025	VEN-00874--Richard Medlin		260.00
10/24/2025	VEN-00878--Robert C. Rubio		500.00
10/24/2025	VEN-00880--Robert Martinez		385.00
10/24/2025	VEN-00875--Rogelio Ruiz		260.00
10/24/2025	VEN-00563--TEXAS PRIDE DISPOSAL		2,088.57
10/24/2025	VEN-00660--Truly Enchanting Entertainment		1,765.00
10/24/2025	VEN-00283--Universal Plumbing Supply		44.93
10/24/2025	VEN-00290--Verizon Wireless		641.58
10/29/2025	VEN-00032--Central Houston, Inc	36089	15,000.00
10/30/2025	VEN-00083--Harris County Treasurer		20,740.00
10/31/2025	VEN-00404--AT&T		799.08
			2,727,838.22

Capital-HDMD--Capital Fund-HDMD

Check register

October 2025

Date	Vendor	Document no.	Amount
10/3/2025	VEN-00147--Lone Star Flags		12,528.00
10/17/2025	VEN-00664--Piper Faust		35,575.00
10/17/2025	VEN-00442--Flock Safety		144,000.00
10/24/2025	VEN-00364--Coalition for the Homeless		250,000.00
10/24/2025	VEN-00115--Jerdon Enterprise, LP		848,244.13
10/24/2025	VEN-00174--Neon Electric Corporation		19,051.00
			1,273,823.13

HOUSTON DOWNTOWN MANAGEMENT DISTRICT
INVESTMENT REPORT, AUTHORIZATION AND REVIEW
FOR THE PERIOD JULY 1, 2025 THROUGH SEPTEMBER 30, 2025

FUND	BEGINNING BAL. BOOK VALUE	BEGINNING BAL. MARKET VALUE	GAIN (LOSS) TO MARKET FILE	INTEREST EARNED / ACCRUED THIS PERIOD	NET DEPOSITS OR (WITHDRAWALS)	ENDING BALANCE BOOK VALUE	ENDING BALANCE MARKET VALUE	ENDING BALANCE % OF PORTFOLIO	AVG DAILY YIELD	AVG WAM
HDMD										
OPERATING ACCOUNTS JP MORGAN CHASE										
OPERATING	60,829.11	60,829.11	0.00	3,116.38	322,413.86	386,359.35	386,359.35	3.35%	3.760	1.00
CAPITAL	292,820.48	292,820.48	0.00	0.00	98,142.77	390,963.25	390,963.25	3.39%	N/A	1.00
TOTAL	353,649.59	353,649.59	0.00	3,116.38	420,556.63	777,322.60	777,322.60	6.74%		1.00
POOLED FUNDS - TEXPOOL										
OPERATING	12,664,950.23	12,664,950.23	0.00	113,120.00	(4,800,000.00)	7,978,070.23	7,978,070.23	69.15%	4.40%	47.00
CAPITAL	4,770,485.40	4,770,485.40	0.00	42,221.53	(2,030,000.00)	2,782,706.93	2,782,706.93	24.12%	4.40%	47.00
TOTAL	17,435,435.63	17,435,435.63	0.00	155,341.53	(6,830,000.00)	10,760,777.16	10,760,777.16	93.26%		
TOTAL HDMD	17,789,085.22	17,789,085.22	0.00	158,457.91	(6,409,443.37)	11,538,099.76	11,538,099.76	100.00%		

COMPLIANCE STATEMENT

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

REVIEW

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

SIGNATURE

RICHARD TORRES	ROBBIE JONES	LESLIE ASHBY	KRIS LARSON
TREASURER	**VICE CHAIR**	**CHAIRMAN**	**PRESIDENT - CEO**

AGENDA ITEM Administrative Policies & Procedures – 2025 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 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 red line form). The Manual is reviewed every year by the full Board.

ITEM HISTORY **November 14, 2024:** The Board conducted its annual review of the District's Administrative Policies & Procedures Manual. All proposed revisions were adopted and approved by the Board.

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 13, 2025**, 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

~~November 14, 2024~~November 13, 2025

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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 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~~100,000, 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~~50,000 but not more than $~~50~~100,000, 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~~50,000, 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;

   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:

Submitted by:	Approved by:
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 reconcilement 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 it's 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 Investment Policy (the "Policy") has been reviewed and 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 ~~14, 2024~~13, 2025.

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 A

List of Qualified Broker/Dealers

Allegiance Bank
Amegy Bank of Texas (Amegy Bank, N.A.)
American First National Bank
Bank of America Corporation
Bank of America, N.A.
Bank of OZK
Bank of Texas (BOKF, NA)
BBVA Compass Bank
Beal Bank
BOKF Financial
Capital Bank, N.A.
Capital Markets Group, Inc.
Capital One, N.A.
Cathay Bank
Central Bank
Chase Bank, N.A.
Chase Investments Services Corp.
Chasewood Bank
Citibank
City Bank
Comerica Bank
Commercial State Bank
CommunityBank of Texas, N.A.
CUNA
Edward Jones
Encore
Enterprise Bank and Trust Company
First Bank Texas
First Citizens Bank
First Community Bank, N.A.
First Financial Bank
First International Bank & Trust
First National Bank of Bastrop
First National Bank Texas
First Texas Bank
FirstBank & Trust Company
Fiserve, Inc.
Frost Bank
FTN Financial
Golden Bank, National Association
Green Bank, N.A.
Guaranty Bank and Trust
Hanmi Bank
Herring Bank
Hilltop Securities
HomeTown Bank, N.A.
IBC Bank
Icon Bank
Independence Bank
Independent Bank
Integrity Bank
Invesco
J.P. Morgan Securities LLC
JPMorgan Chase & Co.
Legacy Texas Bank
Legg Mason
LOGIC (Local Govt. Investment Co-Op)
Lone Star Investment Pool
Lone Star National Bank
LPL Financial Services
Masterson Advisors
Mercantil Commercebank, National Association
Merchants Bank
Metro Bank, National Association A-2
Midkiff & Stone Capital Group, Inc.
MidSouth Bank
Moody National Bank
Morgan Stanley
Morgan Stanley Wealth Management
New First National Bank
Northern Trust, National Association
Omnibank National Association
Patriot Bank
Plains State Bank
Post Oak Bank
Preferred Bank
Prime Way Federal Credit Union
Prosperity Bank
Prudential Equity Group
Raymond James
RBC Wealth Management USA
Regions Bank
Regions Financial Corporation
Security State Bank
Southwestern National Bank
Spirit of Texas Bank
State Bank of Texas
State Street Bank & Trust Co.
Texan Bank
Texas Capital Bank, National Association
Texas Citizens Bank
Texas CLASS
Texas Community Bank
Texas First Bank
Texas Gulf Bank
Texas State Bank
TexPool/TexPool Prime
TexSTAR
The Bank of River Oaks
TIB – The Independent BankersBank
Tri Star Financial
Trustmark National Bank
U.S. Bank National Association
UBS Financial Services, Inc.
Unity National Bank
Vista Bank
Wallis State Bank
Wells Fargo Advisors, LLC
Wells Fargo Bank, N.A.
Woodforest National 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 **November ~~14, 2024~~13, 2025**, 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 2026 District Board Meeting Dates

REQUEST Review and approve the District's proposed 2026 Board meeting dates.

DESCRIPTION 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.

District Board meetings are typically held on the second Thursday of each month, with the proposed exceptions in 2026 for the months of:

- January *(cancelling to accommodate annual staff retreat)*
- February *(moved to the first Thursday due to cancellation of January meeting)*
- March *(moved to first Thursday to accommodate spring break schedules)*
- July *(designated as a non-meeting month)*

The proposed 2026 Board meeting dates are as follows:

January *(no meeting)*	July *(no meeting)*
February 5	August 13
March 5	September 10
April 9	October 8
May 14	November 12
June 11	December 10

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.

ACTION ITEM Call for a motion to accept and approve the District's proposed 2026 Board meeting dates.

CONTACTS Kris Larson – President/CEO
Allen Douglas – COO
Jamie Perkins - Assistant Secretary & Records Management Officer

HEARING EXAMINER'S REPORT AND PROPOSAL FOR DECISION
to be presented to the
Board of Directors of
Houston Downtown Management District

The Houston Downtown Management District (the "District") was created by Senate Bill 1620, Acts of the 74th Legislature, Regular Session, 1995, (the "Act"), and operates pursuant to and under the authority of Chapter 3801, Special District Local Laws Code and Chapter 375, Texas Local Government Code, as amended, (collectively, the "Governing Laws").

On August 14, 2025, there was presented to the Board of Directors of the District (the "Board") a petition requesting the District to provide certain services and improvements (the "Petition") which is attached as Exhibit A to this Hearing Examiner's Report and Proposal for Decision (this "Hearing Examiner's Report"). The persons executing the Petition (the "Petitioners"), which constitute the owners of a majority of the assessed value of real property in the District according to the most recent certified tax appraisal roll for Harris County, requested the District to provide the services and improvements described in the Service and Improvement Plan and Assessment Plan (2026-2035) (the "Service Plan") which is attached as Exhibit B to this Hearing Examiner's Report. The Petition and the Service Plan collectively explain and describe the services and improvements requested for the District and contain a description of the general nature of the proposed services and improvements, the estimated cost thereof, the area benefited, the proposed method of assessment and the time of payment of the assessments.

By order dated August 14, 2025, the Board ordered a public hearing (the "Hearing") on the Petition to be held on September 30, 2025, at 3:00 p.m. (the "Hearing Order").

Pursuant to the Hearing Order, Mr. Richard Whiteley was appointed by the Chairman of the Board as the sole Hearing Examiner (the "Hearing Examiner"). The Hearing Examiner conducted an adjudicative public hearing on the Petition requesting services and improvements for the Houston Downtown Management District after appropriate notice was given pursuant to the provisions of the Code, by publishing a copy of the notice of the Hearing in The Houston Chronicle, a newspaper of general circulation within the District, on August 29, 2025, and by mailing copies of the notice of the Hearing to the owners of property subject to assessment by regular U.S. Mail at the address shown on the most recent tax rolls of the Harris Central Appraisal District. The Hearing was held at the offices of the District at 1221 McKinney Street, Suite 4250, Houston, Texas 77010, within the boundaries of the District.

Mr. Whiteley, Chief Hearing Examiner, welcomed those in the audience and introduced the District's staff and Board members, the District's consultants.

Kris Larson, CEO and President of the District, gave an overview on the history of the Downtown area and reviewed accomplishments made in recent years. He also reported on the relationship between the District and the Downtown Redevelopment Authority (the "Authority") and how they work together. Mr. Larson then reviewed upcoming plans for the Downtown area, including projects to revitalize Main Street and upcoming mill and overlay street improvements.

The audience was then given an opportunity to comment and ask questions.

PUBLIC COMMENTS

Approximately 30 people attended the public hearing. One of the property owners and residents of the District present made comments and asked questions about the District, the board of directors, the proposed services and improvements and the assessment. The following is a summary of the questions asked and comments made:

I. Tax Increases

A property owner in the District asked what factors were driving the increase in the tax rate under the new Service Plan as compared to the tax rate under the prior Service Plan. Mr. Larson explained that because property owners are increasingly challenging their property valuations through HCAD, the rate of revenue collection for the District and other taxing units in the area has become more unpredictable, which has led the District to need to increase its tax rate.

TESTIMONY

The Hearing Examiner asked which of the persons who appeared desired to be designated as a party to this proceeding. The Houston Downtown Management District was granted party status, and was represented by Clark Lord of Bracewell LLP.

The following persons appeared at the Hearing and requested to present evidence:

Kris Larson, President/CEO of the District and Lita Lemus of Utility Tax Services, LLC, Assessor/Collector for the District.

Mr. Kris Larson

Mr. Larson explained the Service Plan, and the benefits of the proposed services and improvements to the District. He described the various components of the Service Plan, the estimated costs of the services and improvements and the process used by the District to develop the Service Plan. He identified and explained a number of documents relating to the authority of the District to levy assessments and provide the proposed services and improvements. Such documents included the Hearing Order, the Service Plan, and the Petition, all of which were admitted into evidence during the Hearing. He testified in favor of the Board granting the Petition, approving the Service Plan and Assessment Roll, and levying the Assessment.

Ms. Lita Lemus

Ms. Lemus identified and explained a number of documents that were admitted into evidence during the Hearing. Such documents included the notice of hearing that was published in The Houston Chronicle, an affidavit of publication verifying that the notice was so published, an affidavit of mailing of notice by regular U.S. Mail, and the Assessment Roll for the District.

Ms. Lemus testified regarding the mechanics of the assessment, the calculation of the assessment rate, the method of collecting assessments, the penalties for late payment of assessments and exemptions granted by the District. She testified in favor of the Board approving the Assessment Roll.

The Transcript of the Hearing of September 30, 2025 is attached as Exhibit D.

STATUTORY REQUIREMENTS

The authority of the District to levy assessments is governed by the provisions of the Governing Laws. Sections 375.111 and 375.112 of the Local Government Code set forth the purposes for which the District may levy special assessments on property in an area based on benefit conferred by the improvements or services provided. Section 375.113 of the Local Government Code requires a hearing, after notice given in accordance with the provisions of Section 375.115, on the advisability of the improvements and services proposed to be provided and the assessments proposed to be levied.

Before financing services and improvements projects, Section 3801.151 of the Special District Local Laws Code requires a written petition requesting the services and improvements signed by (i) the owners of a majority of the assessed value of real property in the District, or (ii) fifty persons who own property in the District, as determined by the most recent certified county property tax rolls. Sections 375.116 through 375.121 of the Local Government Code govern the procedure for the hearing and the findings and determinations necessary for the Board to adopt an order to provide services and improvements and levy assessments. These provisions generally permit the Board to grant the petition and levy assessments after making findings relating to the advisability of the improvements or services, the nature of the project or services, the estimated cost, the area benefitted, the method of assessment, and the method and time for payment of the assessment.

Chapter 375, Local Government Code, provides for the apportionment of costs based on special benefits, permits the Board to allow the assessments to be paid in periodic installments, and authorizes the Board to provide that delinquent assessments shall be subject to penalties and bear interest.

ISSUES PRESENTED

Major issues presented at the hearing are as follows:

1. SHOULD THE BOARD APPROVE THE PETITION, DETERMINE THE ADVISABILITY FOR THE DISTRICT TO PROVIDE THE SERVICES AND IMPROVEMENTS DESCRIBED IN THE PETITION AND THE SERVICE PLAN, AND DETERMINE THE NATURE OF THE IMPROVEMENTS AND SERVICES PROPOSED?

The Hearing Examiner recommend that the Board determine the value of the improvements and services and find from the preponderance of the evidence that: (i) the Petition should be granted, (ii) it is advisable to provide the services and improvements requested in the

Petition and proposed in the Service Plan, and (iii) the provision of such services and improvements will benefit all of the properties within the District.

The District was created by the Act. The Act recites that the District was created for the public purposes of economic development and diversification; elimination of unemployment and underemployment; development and expansion of transportation and commerce; promotion of health, safety, and welfare of residents, employers, employees, visitors, and consumers in the District and the general public; enhancement of the economy and vitality of the area of the District as a community and business center; the expansion and improvement of pedestrian facilities and systems and the restoration, preservation, and enhancement of scenic and aesthetic beauty.

The services and improvements proposed in the Service Plan will accomplish or aid in accomplishing the mandate of the Texas Legislature in creating the District by establishing programs which will: (i) enhance the image of the District; (ii) create a safe environment for residents and businesses in the District; (iii) attract more residents, businesses and investments to the District; (iv) encourage interaction between residents and businesses in the District, all in order to increase the revitalization and redevelopment of this mixed use urban neighborhood for all property owners, residents and tenants; and (v) establish and make provisions for the establishment of proper administrative staff to administer the programs mandated by the Texas Legislature in creating the District and the programs set out in the Service Plan.

2. WOULD THE AREA CONTAINED WITHIN THE DISTRICT AND EACH INDIVIDUAL PARCEL OF PROPERTY PROPOSED TO BE ASSESSED FOR SERVICES AND IMPROVEMENTS SET FORTH IN THE SERVICE PLAN BE BENEFITED BY THE PROVISION OF SUCH SERVICES AND IMPROVEMENTS AND SHOULD THE PROPERTY PROPOSED TO BE EXEMPTED FROM ASSESSMENT BY THE PETITION OR OTHER PROPERTY BE EXEMPTED FROM ASSESSMENT?

The Hearing Examiner recommend that the Board find from the preponderance of evidence that all property within the District will receive specific benefits which will equal or exceed the cost of the assessments proposed to be levied in the Service Plan for each year of assessment as well as for the ten-year assessment term, and that the Board find that no property in the District, other than that recommended below, be exempt from the levy of assessment.

The Hearing Examiner recommend that based on the evidence submitted during the Hearing, including the Governing Laws, of which the Hearing Examiner recommend the Board take judicial notice, the Board find from the preponderance of evidence that the following classes of properties should be exempt from assessment:

(a) Property of municipalities, counties and other political subdivisions;

(b) Property owned by organizations of purely public charity and organizations exempt from tax under Section 501(c) of the Internal Revenue Code;

(c) Property owned by a church or by a strictly religious society which yields no revenue whatever to such church or religious society and which is used as an

actual place of religious worship or as a dwelling place for the ministry of such church or religious society;

(d) Property owned by an association engaged in promoting the religious, educational, and physical development of children or young men or young women operating under a state or national organization of like character and used exclusively and necessarily for any such purpose;

(e) Property, equipment or facilities of a utility; and

(f) All other property exempt from assessment by the Governing Laws.

3. WHAT ARE THE ANNUAL COSTS OF THE SERVICES AND IMPROVEMENTS DESCRIBED IN THE SERVICE PLAN? WHAT ARE THE TOTAL COSTS OF SUCH SERVICES AND IMPROVEMENTS OVER A TEN YEAR PERIOD? ARE THOSE COSTS FAIR AND REASONABLE AND PROPERLY PAYABLE FROM ASSESSMENTS LEVIED BY THE BOARD?

The testimony and evidence presented at the Hearing suggested that the estimates of costs shown in the Service Plan are fair and reasonable and will be adequate to provide the services and improvements proposed in the Service Plan.

The Hearing Examiner recommend that the Board determine that the estimated annual costs of the services and improvements set forth in the Service Plan are fair and reasonable and that the total costs of the services and improvements over the ten-year period are fair and reasonable. The Hearing Examiner also recommend that such costs are properly payable from assessments levied by the Board.

4. SHOULD THE ASSESSMENT ROLL BE APPROVED FOR THE DISTRICT?

Based on the testimony and evidence presented, the Hearing Examiner recommend that the Board find from the preponderance of the evidence that the assessment roll presented into evidence at the Hearing (the "Assessment Roll") should be approved for the District.

5. SHOULD THE DISTRICT APPORTION THE COSTS OF PROVIDING THE SERVICES AND IMPROVEMENTS PROPOSED IN THE SERVICE PLAN ON THE BASIS OF VALUE OF PROPERTY; SHOULD THERE BE A DISTINCTION IN THE RATE OF LEVY OF ASSESSMENTS ON PROPERTY DUE TO ITS LOCATION WITHIN THE DISTRICT, AND SHOULD PROPERTY WITHIN THE DISTRICT BE ASSESSED ON SOME BASIS OTHER THAN VALUE?

The Hearing Examiner recommend that the Board find from the preponderance of the evidence that assessments be levied, that all properties within the District be assessed at the same rate and that the properties not be assessed at different rates depending on their location within the District. The Hearing Examiner concurred that all property within the District, whether developed or undeveloped and regardless of location in the District, will benefit from (i) public safety; (ii) services and maintenance; (iii) economic development; (iv) marketing; (v) cultural arts and entertainment district; (vi) urban planning; (vii) capital reserve for infrastructure

replacement; (viii) District administration and (ix) District operations all of which are designed to accomplish the purposes for which the District was created. The Hearing Examiner determined that all of the District's programs will benefit all property owners, and even provide benefits to property owners located outside the boundaries of the District. The Hearing Examiner agreed that all property within the District will receive benefits from all of the proposed services and improvements.

The Hearing Examiner recommended that the Board find from the preponderance of the evidence, and data officially noticed, that:

(a) The Board should levy assessments for the first year of the Service Plan (2025) at the rate of $0.1695 per $100 valuation of property in the District as determined by the Board. Value for the year 2026 assessment should be determined by the certified tax rolls of the Harris Central Appraisal District for the year 2024 and as shown on the proposed Assessment Roll. As of the date of the Hearing, some of the properties had not been certified by the Harris Central Appraisal District for the year 2024. The District entered an estimated value for such uncertified properties on the Assessment Roll. Such properties should be assessed based upon these estimated values unless the tax roll, as certified for the year 2024, reflects a lower property value than the estimated value. If the certified value for the year 2024 is lower than the estimated value of a property, such property should be assessed based upon the certified value. In subsequent years, years 2027 through 2035, the Board should assess property on the basis of the then-current year's certified taxable value as shown on the tax rolls of the Harris Central Appraisal District. The Board should reserve the right to vary the rate of assessment in each subsequent year (2027-2035). The Board should reserve the right to increase the rate of assessment for the costs of improvement projects; provided that the rate of assessment increase should not exceed 5%. The Board should reserve the right to assess a lower amount than the maximum that could be levied during the ten-year term of the Service Plan.

(b) Land and improvements which have a special use designation for tax purposes on the tax rolls of the Harris Central Appraisal District for the year 2024 as (a) agricultural use, (b) timber land use, or (c) recreational, park or service use, should be assessed by the Board at their designated special use values for so long as they enjoy that special use designation. If land or improvements which have a special use designation are converted to other uses and lose their special use designation on the tax rolls of the Harris Central Appraisal District, the Board should thereafter assess such land and improvements at their full value as shown on the tax rolls of the Harris Central Appraisal District.

(c) Assessments should be payable in ten annual installments for each property in the amount set forth in the Assessment Roll with the first annual installment being due prior to February 1, 2026, and each annual installment thereafter being due and payable prior to February 1 of each year to and including February 1, 2036. Any assessment not paid by the due date should be delinquent. There should not

be any provision made for split payment of assessments or discounts for the early payment of assessments.

(d) A delinquent assessment should accrue interest and be assessed penalties in the same manner as a property tax levied by a political subdivision of the State pursuant to the Texas Tax Code, as amended from time to time. Each delinquent assessment should accrue interest at the rate of one percent (1%) for each month or portion of a month the assessment remains unpaid after it becomes due. A delinquent assessment should also incur a penalty of six percent (6%) of the amount of the assessment for the first calendar month, or fraction thereof, it is delinquent plus one percent (1%) for each additional month, or fraction thereof, the assessment remains unpaid prior to July 1 of the year in which it becomes delinquent; however, an assessment delinquent on July 1 incurs a total penalty of twelve percent (12%) of the amount of the delinquent assessment without regard to the number of months the assessment has been delinquent.

(e) If it is necessary for the Board to contract with an attorney for the purpose of representing the District in the collection of delinquent assessments, an additional penalty of twenty percent (20%) of the assessment and the penalties and interest on the assessment should be imposed.

(f) The District should use and follow the provisions of the Texas Tax Code, as amended from time to time, and other laws governing municipal management districts in the imposition and collection of assessments by the District to the extent not inconsistent with the Governing Laws.

After a review of the record and for the reasons given above, the Hearing Examiner recommends that the Board adopt the Order Granting Petition attached as Exhibit C including the Findings of Fact and Conclusions of Law contained therein, thereby granting the Petition, approving the Service Plan, levying assessments, and approving the Assessment Roll.

Richard Whiteley
Chief Hearing Examiner

Exhibit A
Petition

Exhibit B
Service Plan

Exhibit C
Order Granting Petition

Exhibit D
Hearing Transcript

Houston Downtown Management District

2026-2035 Service Plan

Draft – July 3, 2025

Prepared by the Houston Downtown Management District
1221 McKinney Street, Suite 4250
Houston, Texas 77010

Houston Downtown Management District
2026-2035 Service Plan

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Preface

This document sets forth the services provided, and improvements made in support of the Houston Downtown Management District's goals, the costs, and a proposal for funding these within the 1,173-acre area of the District. This plan applies to a time period beginning January 1, 2026 and ending December 31, 2035. It follows a 2021-2025 service and improvement plan adopted by the Board of Directors of the Downtown District in November 2020. This plan will be adopted and become effective only after: 1) valid signed petitions in support are received from at least 50% of owners of taxable value and/or 50 persons owning property within the District; 2) a public hearing (date to be set); and 3) an Order of the Board of Directors at the November 2025 Board meeting.

Introduction

Background on the Houston Downtown Management District

The Houston Downtown Management District (the "District" or "HDMD") was created in 1995 by the 74th Texas Legislature and operates under Chapter 375, Texas Local Government Code and Chapter 3801, Texas Special Districts Code, as amended.

Since its creation, the HDMD has worked to make Downtown Houston cleaner, safer, and more prosperous by beautifying and caring for the public realm, providing enhanced public safety, producing programming and marketing for Houston's urban core, leading the creation of and implementing visionary plans, plus facilitating economic development. The HDMD provides enhanced services beyond basic City of Houston offerings, in turn, bolstering property values and Downtown's competitiveness.

Guided by a 30-member Board of Directors, the HDMD is funded through a fair and proportionate assessment of real property subject to property taxes within its boundaries. These assessment dollars fund these HDMD operations and improvements, ranging from daily street-level maintenance to economic development initiatives.

How the HDMD fits into Downtown Houston+

The HDMD is an affiliate of Downtown Houston+, the name for the family of organizations that lead Downtown Houston investment projects, promotion, and public realm maintenance. Other affiliate organizations include the Downtown Redevelopment Authority / Tax Increment Reinvestment Zone No. 3 (DRA / TIRZ #3), Central Houston, Inc. (CHI) and Central Houston Civic Improvement (CHCI), 501(c)6 and 501(c)3 organizations, respectively. While the collective work of these organizations can be traced back for over forty years, they are now further united and organized under Downtown Houston+'s Strategic Alignment Plan, completed in 2022.

About the Service Plan

Since its establishment in 1995, the HDMD has been renewed five times, each for a five-year term. The current term expires at the end of 2025. Each HDMD term is guided by a plan that sets forth the services to be provided in support of the District's goals, the costs of these services, how assessment revenue will be generated, and other relevant parameters. These plans are adopted by the Board of Directors.

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This Service Plan applies to a time period beginning January 1, 2026 and ending December 31, 2035. It follows the 2021-2025 Service & Improvement Plan, adopted in November 2020. This plan will be adopted and become effective only after: (1) valid signed petitions in support are received from at least 50% of owners of taxable value and/or 50 persons owning property within the District; (2) a public hearing (date to be set); and (3) an Order of the Board of Directors at the November 2025 Board meeting.

Looking Back: Accomplishments of the HDMD

Highlights of the HDMD's functions within Downtown Houston over the course of the most recent 2021-2025 service plan include both daily core services and crisis management on an as-needed basis. Core services included the following.

Clean & Safe Operations – *The HDMD provided comprehensive maintenance and security that protects property values and supports tenants:*

Clean Team Operations

- Cleaning and maintaining 1,100 blocks of sidewalks
- Removing 1,700 tons of litter annually
- Servicing 300+ public trash receptacles daily
- Cleaning graffiti rapidly
- Power washing sidewalks and METRORail platforms

Expanded Safety and Security Presence

- Patrolling daily throughout Downtown with visible and hospitable Downtown Public Safety Guides
- Hiring Houston Police Department and private security to provide 24/7 coverage
- Offering hospitality assistance and walking escorts for tenants and visitors
- Deploying trained homeless outreach teams

District Beautification – *The HDMD cared for Downtown's appearance to support property values and create a welcoming atmosphere:*

- Planting 140,000 seasonal flowers
- Conserving 2,000+ trees and expanding Downtown's shade tree canopy
- Keeping 13 public fountains clean and operating
- Maintaining street and pedestrian lighting
- Bringing color and joy with seasonal décor and street banner programs
- Managing, improving and activating public parks and greenspaces

Marketing & Communications – *The HDMD amplified Downtown's story as an attractive place to live, work, and play:*

- Growing an engaged digital presence of 500,000+ followers across platforms

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- Delivering informative updates on capital projects, grant programs, and district initiatives to business leaders and stakeholders
- Maintaining strategic media relations to keep Downtown visible and well-positioned
- Communicating rapidly and credibly about transportation impacts and emergencies
- Supporting vibrancy through signature events and passive programming

Economic Development – *The HDMD directly supported property owners' bottom line:*

- Assisting property owners with tenant recruitment and retention programs
- Funding strategically targeted storefront grants and incentives
- Upgrading and diversifying Downtown's tenant mix
- Enhancing property owners' return-to-office strategies
- Delivering competitive intelligence through market research and demographic analysis
- Reporting credible market data on Downtown business activity and engagement

While the above list represents ongoing core services, the HDMD also provides special and one-off services and support when the moment calls for it. Over the last five years, highlights of this special work included emergency response and strategic homelessness solutions, as profiled below.

Emergency Response – *The HDMD's rapid response helps to mitigate disaster impacts and supports swift recovery. During the Derecho windstorm and Hurricane Beryl in 2024, the HDMD deployed comprehensive, effective recovery operations:*

- Removed 400,000+ pounds of debris in days
- Coordinated property stabilization efforts
- Restored normal business operations rapidly
- Provided real-time updates through Downtown Houston+ text alerts and digital media
- Maintained clear communication with property owners

Strategic Homelessness Solutions – *The HDMD's data-driven approach to homelessness provides solutions to improve safety, public space management and long-term outcomes while helping property owners and tenants navigate complex challenges. Two examples of this important work included:*

Solutions at The Beacon – With rising service demands at The Beacon which were creating persistent negative effects and business disruptions, the HDMD formed a coalition to implement several lasting solutions:

- Reduced congregation zones and improved mobility with curb and street repairs
- Established a Downtown Safety Office to direct services and maintain a safer, more orderly environment
- Ensured homeless individuals could still access vital resources while enhancing enforcement and oversight

Collaborative Approaches to End Street Homelessness – The HDMD contributed $1M to Mayor John Whitmire's initiative to end street homelessness, initially in key Downtown locations including Allen's Landing and Bayou Place. This plan prioritizes Housing First and behavioral health, and streamlines

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services so no person must sleep outside while awaiting housing. The HDMD continues to coordinate and implement the Downtown phase of the Mayor's plan to end street homelessness.

Why Renew the HDMD?

Critical Timing for Renewal

For 30 years, the HDMD has been the key tool dedicated to protecting and enhancing Downtown property owners' investments. Downtown Houston's continued growth depends on maintaining the structured, collective voice that HDMD provides. Without renewal, key programs for Downtown's success – detailed above – will cease, potentially reversing decades of progress and leaving critical decisions to external forces. Securing services and advocacy to keep Downtown competitive and growing is a shared responsibility that has brought transformational improvements to Houston's vital urban center. The need for this work is as urgent now as ever.

Stakeholder Input

This was echoed by HDMD property owners and stakeholders during the renewal planning process. Engagement took place through interviews, roundtables, and a property owner open house. Stakeholders broadly recognize the HDMD as a capable and trusted steward of Downtown, particularly in its core service areas. Clean and safe services continue to be viewed as foundational to the District's success and are seen as well-executed.

As the HDMD has taken on an increasing number of capital projects over the years, the importance of proactively integrating long-term maintenance of these improvements was noted as critical moving forward. Ending street homelessness remains a top priority amongst Downtown stakeholders. There is desire for the HDMD to continue to play a strong collaborative role to ensure Houston remains a national leader in reducing homelessness. There is also preference for the HDMD to take a more robust role in office-based recruitment as Downtown continues to face challenges related to return-to-office and elevated commercial vacancy rates.

Overall, stakeholder feedback reflected a high level of appreciation for the HDMD's accomplishments to date, paired with a desire to see the District adapt in strategic, collaborative, and responsive ways as Downtown grows and needs evolve.

Looking Forward: Guiding Principles of the 2026-2035 Service Plan

This Service Plan has been developed for a different economic cycle than what Houston has experienced in past renewals. Many of the past plans were developed during stable growth cycles in the Houston region. Conversely, the most recent plan was developed in 2020, at the onset of the COVID-19 pandemic. There was little understanding at the time of the longer-term impact that this event would have on downtowns nationwide.

Macro-level factors and trends continue to impact urban centers across the country. These include a 'new normal' for in-office work patterns of many employees, elevated commercial vacancy rates, public

safety perceptions, homelessness, and street-level vitality. Through the work of HDMD, Downtown Houston is a national leader in addressing many of these challenges. Return-to-office rates have been consistently higher than peers, Downtown continues to evolve into a neighborhood with continued momentum in the residential sector, and the visitor economy has grown into a strength for Downtown with more assets on the way in upcoming years that will further boost visitor numbers.

That said, urban centers including Downtown Houston are still facing these specific challenges in addition to broader economic headwinds. The development pipeline is softer than it has been in the recent past and there has been a plateauing of property valuation for Downtown as a whole.

Given these factors and broader headwinds, the following themes served as guiding principles for the development of the new HDMD Service Plan.

1. **Enabling Flexibility** – Past plans have been prescriptive in their goal areas and budgeting over the term of the district. This plan provides the Board of Directors with greater flexibility and responsivity within the budget structure, giving the HDMD the precise ability to allocate its dollars as needed annually to respond and adapt to challenges and opportunities as they arise.
2. **Ensuring Financial Stability** – This plan aims to give the Board and staff more stability in two ways. First, by establishing an assessment model that reduces annual volatility and unpredictability. And second, by lengthening the term to align with best practices and allow for more longer-term thinking and planning for services and improvements offered by the HDMD.
3. **Building on Strengths** – The HDMD is regarded as a national best practice within the urban place management industry. This renewal focuses on fortifying the fundamentals of the HDMD while integrating modest but necessary refinements to its successful business model.
4. **Maintaining Service Integrity** – The HDMD's purchasing power has eroded over the years as revenue has not kept up with inflation and rising service costs. This plan ensures that the HDMD can keep up with increasing costs, particularly in an economic cycle that may continue to be inflationary.
5. **Aligning Organizational Priorities** – Downtown Houston+ has undergone significant work in the last several years unifying its affiliate organizations, including the HDMD, DRA/TIRZ3, and CHI, as detailed in the Strategic Alignment Plan (SAP) adopted by all the Boards in 2022. This service plan adopts the new five-point SAP structure through new goals and budget categories.

Vision, Mission, and Purpose

The following vision, mission, and purpose statements are defined in the Downtown Houston+ Strategic Alignment Plan. These are restated and reaffirmed here – as they provide the foundational direction for the HDMD's programs and priorities moving forward.

Overarching is the shared vision for Downtown Houston, followed by the shared mission statement which defines the collective role of all three organization within Downtown Houston+. The organizational purpose statement is specific to the HDMD, characterizing how the District helps to achieve the vision for Downtown.

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Shared Vision for Downtown Houston

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

Shared Mission for Downtown Houston+

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

HDMD Organizational Purpose Statement

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

Plan Goals and Services

The HDMD is now guided by the five broad goals as defined in the Downtown Houston+ Strategic Alignment Plan. Within each goal are strategies that will lead to goal attainment and provide structure for HDMD services for the next ten years.

Goals and strategies are provided below. Numbering of the goals and strategies is consistent with the SAP and refined to reflect the specific role of HDMD within the aligned affiliates of Downtown Houston+ and the progress achieved since the SAP's adoption in 2022.

Goals and strategies offered below are intended to be consistent through the HDMD term. Specific tactics and services are not provided below, as these will vary year-over-year and be set during the annual work planning and budgeting process by the HDMD board of directors.

Goal 1: Champion major projects, initiatives, and investment that will improve Downtown

- **1.1** Build and maintain cross-sector relationships with area leaders so that HDMD can support, facilitate or lead on catalytic opportunities.
- **1.2** Design parks and open spaces made possible by TxDOT's North Houston Highway Improvement Project, and mitigate disruption through communications and stakeholder relations.
- **1.3** Plan collaboratively for Downtown's evolving edges, connections, and major attractions.
- **1.4** Demonstrate excellence in hosting mega-events such as collegiate championships, professional all-star and championship games, and other events of national relevance.
- **1.5** Collaborate with partners such as the City of Houston, Harris County, Greater Houston Partnership and Houston First to leverage opportunities for shared strategies to improve Downtown Houston.
- **1.6** Explore opportunities to integrate emergent technologies and resiliency by improving infrastructure to manage and mitigate the effects of climate change.

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

1.8 Model organizational accountability by establishing a dashboard of metrics to report on outcomes associated HDMD initiatives, services and investments.

Goal 2: Enhance and maintain a comfortable, welcoming, and well-managed public realm

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

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

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

2.4 Quickly and pro-actively respond to blighting influences such as graffiti and damaged elements of the public realm.

2.5 Maintain and enhance wayfinding systems throughout Downtown to help guide visitors and connect them to points of interest.

2.6 Deploy welcoming ambassador teams within the public realm to improve visitor experiences and augment public safety.

2.7 Expand collaboration and incorporate proven approaches to maintain a low crime rate and make Downtown feel safe.

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

2.9 Pro-actively address perceptions and reporting that affect the image and reputation of Downtown.

2.10 Broadly address the needs of people experiencing homelessness and the associated impacts.

2.11 Prepare for and respond to emergencies.

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.

3.2 Leverage Downtown's adjacency to the Buffalo Bayou as an integral part of the Downtown experience.

3.3 Partner with Houston First, park conservancies, and other partners to advance strategies that connect people to Downtown destinations and experiences.

3.4 Prioritize public realm investments and interventions on key corridors that support connectivity.

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

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

3.7 Utilize public art and other place enhancement strategies to improve walkability where built conditions limit storefront activations.

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

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

3.11 Plan and implement an events and programming strategy that appeals to diverse audiences and drives vibrancy in strategic areas.

3.12 Leverage partnerships to produce smaller scale, high impact activations and events that appeal to a diverse set of Downtown stakeholders and visitors.

3.13 Develop programs and use strategies to connect area employers and residents with Downtown parks.

3.14 Support the accessibility of Downtown through the care and maintenance of area sidewalks and other hardscapes.

Goal 4: Foster a vital and thriving economy through business growth, residential expansion, and enhanced reasons to be in Downtown

4.1 Promote Downtown as the region's primary business, entertainment and cultural center.

4.2 Engage with local partners such as the City of Houston, Houston First and the GHP to improve the national image and reputation of Downtown Houston.

4.3 Develop a brand positioning for Downtown that embodies its strengths and competitive differentiation.

4.4 Collaborate with key partners to develop an economic development vision and strategy for Downtown.

4.5 Work with local government build partnerships to reform regulatory processes to expedite timetables and decrease barriers to entry.

4.6 Support the livability of Downtown and its positioning as a neighborhood of choice.

4.7 Advance efforts to build a Downtown community that is home to a diverse population.

4.8 Facilitate and support the retention and recruitment of office tenants to Downtown.

4.11 Foster a thriving storefront economy, prioritizing recruitment efforts, where possible, to fill available properties that have favorable co-tenancy on key corridors.

4.12 Develop focused marketing materials and administer incentive programs to support storefront improvements and tenant attraction.

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4.13 Assist Downtown businesses owners and managers in navigating municipal regulatory processes.

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

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

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

Goal 5: Develop a hivemind of intelligence and goodwill by genuinely engaging and convening stakeholders

5.1 Develop a representative engagement structure that provides stakeholders the opportunity to inform decision making and advise on the direction of Downtown.

5.2 Collaborate on events and engagement avenues that provide stakeholders with opportunities to participate in shaping and celebrating the Downtown community.

5.4 Advance consumer branding campaigns and other marketing efforts that help elevate the profile of Downtown.

5.5 Provide user-friendly, Downtown-focused web & digital media platforms that promote Downtown.

5.6 Improve and expand stakeholder and external communications to increase awareness of HDMD, Downtown's vitality, and general Downtown happenings.

5.7 Develop programs and collateral to orient new companies, employees, and residents to Downtown.

5.8 Advance efforts to spotlight the initiatives, moments, people and businesses advancing Downtown as a vibrant and inclusive community.

5.9 Support community-building by facilitating communications and engagement with residential groups within Downtown and its near neighborhoods.

Renewal Term

This plan applies to a time period beginning January 1, 2026 and ending December 31, 2035 – a ten-year term. *This reflects a transition from five-year terms used since the HDMD's inception.* The ten-year term is predicated on trust from property owners that has been established over the last 30 years which was voiced during renewal outreach, and aligns with management district best practices nationally, where ten-year terms are most common for well-established assessment districts. Adjusting the term to mirror industry standards will help provide more stability for the district.

Midpoint Evaluation Requirement

The new ten-year term will not sacrifice flexibility and district oversight. This plan establishes a promissory requirement for a five-year midpoint evaluation of the HDMD. The midpoint evaluation will consist of a robust strategic planning exercise – an evaluation of services provided by the HDMD, service

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delivery level, service costs, and market dynamics in Downtown. The HDMD Board can utilize the outcomes of the effort to amend its allocation of focus and resources according to shifting stakeholder priorities.

Plan Budget

This Plan is an overview of the services anticipated to be provided over the ten-year term; however, the HDMD will implement the Plan in accordance with the priorities set by the HDMD Board of Directors. The costs identified in the Plan below are estimates that the HDMD may increase or decrease and reallocate among Plan goals. The HDMD may adjust specific services on an annual basis as the HDMD determines to be in the best interest of the assessment payers.

While the Plan's expression of the Goals has been updated to align with the SAP, the services and improvements offered via the HDMD will remain largely the same in this plan.

The following charts summarize the 2026-2035 Plan estimated expenditures.

Year 1 Budget

The total HDMD expenditures for the first year of this Plan (2026) is estimated to be **$20,119,901**.

Exhibit A. Year 1 Budget

Plan Goal	2026 Expenses
1. Champion major projects, initiatives, and investment that will improve Downtown (Champion)	1,155,741
2. Enhance and maintain a comfortable, welcoming, and well-managed public realm (Enhance)	10,682,777
3. Drive vibrancy through improved street level connectivity, a commitment to walkability, and inclusive programming strategies (Connect)	3,740,738
4. Foster a vital and thriving economy through business growth, residential expansion, and enhanced reasons to be in Downtown (Thrive)	2,620,924
5. Develop a hivemind of intelligence and goodwill by genuinely engaging and convening stakeholders (Engage)	1,919,721
Total	**20,119,901**

Projected Ten-Year Budget

A projected ten-year budget for the HDMD is provided in the following charts. Projections for the budget are based upon the following assumptions and assessment method factors (detailed in section following the tables).

- Assessment rates, as determined annually by the HDMD Board of Directors, can increase a maximum of 5% per year, consistent with the increase in the Houston-area consumer price index (CPI) and increases in other program costs.
- Actual adjustments may be lower as determined by the HDMD Board of Directors.
- Calculations for the estimated ten-year budget use the same Year 1 base rate, and therefore do not capture potential increases in overall valuation within the District from future development.

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Any rise in total valuation will be incorporated into HDMD assessments annually and could, in turn, mitigate the level of rate increase required.

- Net assessment revenue is based on 2024 tax rolls of the Harris County Appraisal District ("HCAD").
- Exhibit B provides an illustrative range for the full ten-year term. The "no escalation" columns provide totals for a low-end scenario for the ten-year term, while the "5% Escalation" columns provide a high-end range if maximum escalation is applied (without accounting for new development).
- Exhibit C provides illustrative annual budgets at the maximum level of assessment escalation, with all remaining factors staying constant.

Exhibit B. Ten-Year Budget Framework

	No Escalation				5% Escalation Per Year (Maximum Allowed)		
Expenses	**Year 1**	**Ten-year Total**	**Percent of Total**		**Year 1**	**Ten-year Total**	**Percent of Total**
1. Champion	$ 1,155,741	$ 11,557,410	6%		$ 1,155,741	$ 14,536,786	6%
2. Enhance	10,682,777	106,827,770	53%		10,682,777	134,366,821	53%
3. Connect	3,740,738	37,407,380	19%		3,740,738	47,050,601	19%
4. Thrive	2,620,924	26,209,240	13%		2,620,924	32,965,700	13%
5. Engage	1,919,721	19,197,210	10%		1,919,721	24,146,044	10%
Total Expenses	$ 20,119,901	$ 201,199,010	100%		$ 20,119,901	$ 253,065,953	100%
Revenue	**Year 1**	**Ten-year Total**	**Percent**		**Year 1**	**Ten-year Total**	**Percent**
Net assessment revenue	$ 19,127,948	$ 191,279,480	95%		$ 19,127,948	240,589,274	95%
Other Income	425,000	4,250,000	2%		425,000	5,345,604	2%
Interest	200,000	2,000,000	1%		200,000	2,515,579	1%
Surplus fund balance used	366,953	3,669,530	2%		366,953	4,615,495	2%
Total Revenue	$ 20,119,901	$ 201,199,010	100%		$ 20,119,901	253,065,953	100%

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Assessment Method

Proposed Assessments – Year 1 (2026)

Texas statute stipulates a District shall apportion the cost of improvements or services on the basis of the benefits caused by such improvements or services. This apportionment may be based on front foot, square foot, value or other manner that results in imposing equal shares of the costs on properties similarly benefited. A variety of alternatives were explored in the preparation of this Plan, including square footage and linear front footage, however, the existing methodology was deemed most fair and equitable moving forward. Therefore, for the services proposed in this Plan, apportionment of cost will continue to be based on the value of land and improvements as determined on the certified tax rolls of the Harris County Appraisal District ("HCAD").

The estimated cost of services to be provided by the HDMD in 2026 – the Plan's first year – is provided in Exhibits A-C. To cover the budgeted 2026 expenses, the assessment for 2026 will be in the amount of **$.1695 per $100 of assessed valuation of land and improvements as certified in fiscal year 2024** (the "Plan Base Year").

The calculated rate of $.1695 per $100 of assessed valuation of non-exempt land and improvements represents the necessary assessment to achieve the services, maintenance and operations authorized and budgeted by the HDMD Board based upon the total estimated certified property values within the District of $11,284,925,103.

This plan utilizes a single assessment rate for services and improvements. Past plans have featured two separate rates (and budgets) for operations and capital improvements. The proposed approach will allow for continued spending on capital projects but will provide the HDMD board more flexibility to make these determinations each year based upon specific project needs, rather than having funds restricted to capital only.

Proposed Assessments – Subsequent Years (2027-2035)

For each subsequent year, if the assessed valuation of land and improvements based upon the certified HCAD tax rolls increases, the assessment will be based on such increased assessed value.

However, the amount of assessment in any year shall not be below the assessed value for the Plan Base Year. This will only be applicable if the HCAD assessed valuation decreases in any subsequent year below the Plan Base Year value.

The annual assessment may increase no more than 5% per year consistent with the increase in the Houston-area consumer price index (CPI) and increases in other program costs. The determination of annual adjustments in program budgets and assessment rates will be subject to the review and approval of the HDMD Board of Directors.

Other Assessment Factors

Annual Supplemental Assessment Roll: Any land and improvements annexed into the District will be added to the assessment roll at the value shown on the rolls of HCAD during the year in which the land and improvements are annexed and added to the rolls of the District. Any new or substantially rehabilitated improvements under construction on January 1, 2025, or constructed, remodeled, or rehabilitated in the District after January 1, 2025, which increase the valuation of the land and improvements on the tax roll of HCAD by at least $1,000,000, will be added to the HDMD's assessment roll at the value shown on the tax rolls of HCAD during the year such improvement is added and valued as a completed improvement on the tax rolls of HCAD. (A rehabilitation is substantial if the costs of such rehabilitation equal or exceed 25% of the value of the original improvements).

After conducting a public hearing, the Board of Directors will prepare a supplemental assessment roll for such property and levy assessments against such property for the specific benefits to be received by the services to be provided by the HDMD. Such new construction in the District and annexations (which may only be done in accordance with Chapter 375, Local Government Code, as amended), if any, will generate additional revenue.

City of Houston Services: In accordance with Chapter 375 of the Texas Local Government Code, it is proposed the City of Houston's share of the Service Plan would be a continuation of the services and capital improvements it presently provides or has scheduled to provide subject to annual appropriation by City Council. This is and will continue to be established by contract.

Exempt Properties: The following classes of property are proposed to be excluded from assessment unless consent of the owner is given: (a) land and improvements owned by political subdivisions of the State of Texas and used for public purposes; (b) land and improvements owned by a church or by a strictly religious society which yields no revenue whatever to such church or religious society and which is used as an actual place of religious worship or as a dwelling place for the ministry of such church or religious society; (c) land and improvements used exclusively for school purposes; (d) land and improvements owned by an association engaged in promoting the religious, educational, and physical development of children or young men or young women operating under a state or national organization of like character and used exclusively and necessarily for any such purposes; (e) land and improvements owned by institutions of purely public charity; (f) land and improvements owned by public or private utilities that are located in public streets or rights-of-way; (g) railroad rights-of-way and improvements located therein; (h) property not assessable as a result of Texas Government Code § 311.025(a); (i) land and improvements owned by the United States of America, or any agency thereof; and (j) land and improvements of the Federal Reserve Bank. Exempt properties may choose to financially participate in the District.

A 20% homestead exemption will be provided to a resident who as of January 1, 2025 owns and occupies a home as a principal residence, and neither the resident nor a spouse claimed a homestead exemption on any other property in Texas. An exemption from appraised value of $160,000 will be provided to residence homesteads of individuals age 65 or older or are disabled.

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Special Use Designations: Land and improvements which have a special use designation for tax purposes on the tax rolls of HCAD for the year 2024 as (a) agricultural use, (b) timber land use, or (c) recreational, park or service use, will be assessed by the HDMD Board of Directors at its designated special use value for so long as it enjoys that special use designation. If land and improvements which have a special use designation are converted to another use and loses its special use designation on the tax roll of HCAD, the Board of Directors will thereafter assess such land and improvements at its full value as shown on the certified tax rolls of HCAD for the year 2024.

Payment and Delinquency Policy: Assessments will become due and delinquent and be payable in accordance with the Texas Tax Code. Delinquent payments will bear interest and penalties in accordance with the Texas Tax Code. Assessments will become due on January 31st and become delinquent thereafter. Delinquent payments will bear interest at 1% per month or a portion thereof. Delinquent payments will bear a penalty of 6% for the first month it is delinquent, or fraction thereof, plus 1% for each additional month, or fraction thereof, the assessment remains delinquent to the first day of July following the date of the levy of the assessment; however, an assessment delinquent on July 1 incurs a total penalty of 12% of the delinquent assessment without regard to the number of months the assessment has been delinquent. On and after July 1, if it is necessary to contract with an attorney to represent the District in enforcing collection of a delinquent assessment, there will be an additional penalty of 20% on the delinquent assessment, interest and penalty.

Governance

A Municipal Management District (MMD) is an economic development tool that allows property owners to enhance a defined area. A MMD is created by an act of the Texas Legislature and derives its rights and powers through “enabling legislation.” The HDMD was created in the regular session of the Texas Legislature in the spring of 1995 under Chapter 375 of the Local Government Code, and currently is codified as Chapter 3801 of the Texas Special Downtown Districts Code.

In addition to the rights, powers, privileges, authority, and functions of a MMD created under the aforementioned Chapter 375 of the Local Government Code, to accomplish its purposes the HDMD may employ the rights granted to political subdivisions under Article 16, Section 59, of the Texas Constitution, including those conferred by Chapter 54 of the Texas Water Code, and the powers under Article 3, Section 52, of the Texas Constitution and Chapter 365 and Chapter 441, Texas Transportation Code.

The HDMD Administrative Policies and Procedures Manual, most recently adopted by the HDMD Board of Directors in November 2024, reinforces the HDMD’s commitment to accountability and transparency and should be referred to for detailed information related to governance of the District. The latest 2024 iteration of the Manual captures recent governance-based work completed to provide additional clarity and bounds to the Board’s standing committees.

The HDMD continues to be governed by the District’s Board of Directors. The role of the Board is consistent with other management districts throughout Texas and the nation. The Board determines

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budgets and assessments, oversees the District's operations and service delivery, and sets the strategic direction for the HDMD.

The HDMD committee structure has been adapted to align with the SAP and deepen collaboration across Downtown Houston+'s various boards. The Executive Committee and the HDMD's three standing committees (Audit Committee, Nominating Committee, and Finance Committee) remain intact and are comprised entirely and only of HDMD Board Directors.

Four "Collaborative Committees" are now part of the HDMD's governance structure. The Collaborative Committees are: Enhance, Connect, Thrive, and Engage, each tied back to the SAP (and HDMD) Goals #2-5. The recommendations of these Committees are entirely advisory to the Board. 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.

Lastly, the Board may designate one or more ad-hoc committees, as needed. Each such committee shall serve at the pleasure of the Board and serve in an advisory capacity only. 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. A seven-member ad-hoc committee – the Renewal Task Force -- of the HDMD Board was established to guide the development of this Service Plan.

Additional detail on the District's governance structure can be found in the 2024 HDMD Administrative Policies and Procedures Manual.

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Appendix A: Metes and Bounds and Boundary Map

HOUSTON DOWNTOWN MANAGEMENT DISTRICT BOUNDARY DESCRIPTION

1178 acres, more or less, in the J. Austin Survey, Abstract 1, the J.S. Holman Survey, Abstract 323, the O. Smith Survey, Abstract 696, and the J. Wells Survey, Abstract 832, Harris County, Texas, more particularly described as follows:

BEGINNING at the intersection of the center line of the right-of-way of Interstate Highway 10 to the intersection with the west right-of-way line of Interstate Highway 45,

Thence in a southerly direction to the intersection of the west right-of-way line of Interstate Highway 45 with the center line of the right-of-way of Franklin Avenue,

Thence in a southerly direction to the intersection of the west right-of-way line of Interstate Highway 45 with the north right-of-way line of Memorial Drive,

Thence in a westerly direction with the intersection of the north right-of-way line of Memorial Drive to a southerly projection of the center line of the right-of-way of Sabine Street and then with the center line of the right-of-way of Sabine Street,

Thence in a southerly direction with the southerly projection of the center line of the right-of-way of Sabine Street to the intersection with the center line of the right-of-way of Allen Parkway,

Thence in a southerly direction with the intersection of the center line of the right-of-way of Allen Parkway to the west line of the right-of-way of Heiner Street and southerly and northerly projections thereof,

Thence in an easterly direction with a southerly projection of the west line of the right-of-way of Heiner Street to the intersection with the center line of the right-of-way of W. Dallas Street,

Thence in a southerly direction with the center line of the right-of-way of W. Dallas Street to the intersection with the west line of the right-of-way of Heiner Street and southerly and northerly projections thereof,

Thence in a southeasterly direction with a southerly projection of the west line of the right-of-way of Heiner Street to the intersection with the center line of the right-of-way of Bagby Street,

Thence in a southwesterly direction with the center line of the right-of-way of Bagby Street to the intersection with the center line of the right-of-way of Pierce Avenue,

Thence in a southeasterly direction with the center line of the right-of-way of Pierce Avenue to the intersection with the center line of the right-of-way of U.S. Highway 59,

Thence in a northeasterly direction with the center line of the right-of-way of U.S. Highway 59 to the intersection with the center line of the right-of-way of Interstate Highway 10,

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Thence in a westerly direction with the center line of the right-of-way of Interstate Highway 10 to The Point of Beginning, containing 1,178 acres, more or less, including, without limitation, all air space above and all subsurface below said property.



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 TEN 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.

On November 13, 2025, at 12:00 p.m., the Board of Directors (the "Board") of the Houston Downtown Management District (the "District") convened in duly called session at the at the offices of the District at 1221 McKinney Street, Suite 4250, Houston, Texas, and the roll was called of the duly constituted members of said Board, to wit:

Sean Alley	Kinder Baumgardner
Leslie Garcia Ashby	Clay Crawford
Genora Boykins	Marcus Davis
Jacques D'Rovencourt	Irma Galvan
Kelly Foreman	C.C. Huang
Marian Harper	Antoinette Jackson
Angus Hughes	Roland Kennedy
Robbi Jones	Sean Liu
Spencer Lightsy	Nick Massad III
Benjamin Llana	Tyler Merritt
Sherea McKenzie	Brandon Oliver
Kenny Meyer	Frem Reggie
Edna Ramos	Reginald D. Wilson, Jr.
Richard Torres	John Schafer

all such members being present except Director(s) _____, thus constituting a quorum, when, among other business, there came on for consideration the Hearing Examiners' Report And Proposal For Decision (the "Hearing Examiners' Report") and recommendations on the advisability of approving a service and improvement plan and assessment plan, an assessment roll, and the levy of assessments on property within the District, a copy of which is attached as Exhibit "A", and such other orders, acts, procedures, and relief as may be necessary and proper in connection therewith. All terms used herein that are capitalized shall have the meaning set forth in the Hearing Examiners' Report unless otherwise defined herein.

In accordance with the provisions of Chapter 375, Texas Local Government Code, as amended, and Chapter 3801, Special District Local Laws Code (collectively, the "Governing Laws"), there was presented to the Board on August 14, 2025, a petition (the "Petition") requesting the District provide the services and improvements as described in the Petition and the Service and Improvement Plan and Assessment Plan (2026-2035) (the "Service Plan"), which are attached as Exhibits "B" and "C" to this Order.

At the public hearing on the Petition held on September 30, 2025 (the "Hearing"), the Hearing Examiners invited any interested person, entity, or party to offer testimony or other evidence on the sufficiency of the Petition, the proposed Service Plan of the District, the feasibility and desirability of implementing the Service Plan, the nature of the services and improvements to be provided pursuant to the Service Plan, the benefits to the property in the District as a result of implementing the Service Plan, the apportionment of the costs of the Service Plan among the various benefited properties in the District, properties to be exempted from the levy of assessments, the costs of providing the services and improvements proposed in the Service Plan, and other matters relating to the subject. Thereupon, several people appeared, offered testimony, exhibits, and documentary evidence in favor of the allegations contained in the Petition, and in support of the Service Plan and the levy of assessments as proposed in the Petition and the Service Plan and on the accuracy of the Assessment Roll.

The District was designated as a party to the Hearing.

At the Hearing, the following persons entered their appearances in support of granting the Petition, adopting the Service Plan and the levy of assessments to pay the costs thereof: Kris Larson, CEO and President of the District; and Lieda Lemus, Tax Assessor/Collector of Utility Tax Services, LLC, the District's assessor/collector and the following property owners referenced on Exhibit "D".

The following people appeared at the Hearing to question and/or contest the granting of the Petition, adopting the Service Plan, approving the assessment roll and the levy of assessments: none.

Additionally, members of the public were given an opportunity at the Hearing to make statements and ask questions. Such comments and questions are summarized in the Hearing Examiners' report.

The Board has reviewed the Hearing Examiners' Report and considered all issues presented.

The Board duly ordered that official notice be taken and that all persons, entities, and parties be on notice of and that the official record of the proceedings of such Hearing include:

1. All memoranda and reports of the staff of and consultants to the District and documents of the District prepared and dated as of or prior to the date of the Hearing and relating to the Petitioners, the Petition, the District, the Service Plan, the levy of assessments, the Assessment Roll (as hereinafter defined) and the subject matter of such hearing;

2. The status of The Houston Business Journal as a newspaper of general circulation within Harris County, the county in which the District is located;

3. All petitions, certificates, orders, resolutions, reports, and related documents and data submitted to and on file with the District and the Board relating to the Hearing, the Service Plan, the Assessment Roll, and the levy of assessments; and

4. The tax rolls of the Harris County Appraisal District for the year 2025, the value of property on such tax roll and the owners of property and their addresses on such tax roll.

There was submitted for the record and as evidence of the matters therein contained, an affidavit of publication of the notice of the Hearing in The Houston Business Journal, with such publication occurring on August 29, 2025, which is at least thirty (30) days prior to the date of such Hearing, as required by the Governing Laws.

There was also submitted at the Hearing an Affidavit of Mailing stating that the notice of the Hearing was mailed by First Class Mail, to each owner of property in the District subject to assessment at the address of such property owner as reflected on the most recent tax roll of the Harris County Appraisal District.

After official notice of the foregoing matters and following receipt of all testimony, other evidence, exhibits, and statements of counsel for all persons, agencies, and parties, the Board received and reviewed the Hearing Examiners' Report. The Board invited any interested person, entity, or party to offer testimony or other evidence on the Assessment Roll, the Service Plan, the apportionment of costs of implementing the Service Plan among the various benefitted properties in the District, the basis of assessment, the costs of providing the services and improvements proposed in the Service Plan, and other matters relating to the subject. The Hearing Examiners explained the reasons for their decisions reflected in the Hearing Examiners' Report.

FINDINGS OF FACT

In consideration of all issues of fact and law relative to the Hearing, the Board rules and makes the following Findings of Fact:

1. All petitions, resolutions, orders, and related documents and data required of Petitioners pursuant to the Governing Laws, and of the District have been duly and timely submitted to and filed with the District; and

2. By order of the Board adopted on August 14, 2025, the time, date, subject, and place of the Hearing before the Hearing Examiners was set for September 30, 2025 at 3:00 p.m. at 1221 McKinney Street, Suite 4250, Houston, Texas 77010; and

3. A notice (the "Notice") setting forth the time and place of the Hearing, the general nature of the services and improvements proposed by Petitioners, the estimated cost of the services and improvements, the area and property to be benefitted, the amount of the benefit and the proposed time, method and amount of assessment was promulgated. Notice of the Hearing was given by publishing a copy of the Notice in The Houston Business Journal, a newspaper of general circulation in Harris County, on August 29, 2025, a date not less than thirty (30) days prior to the commencement of the hearing on September 30, 2025, and by mailing a copy of the Notice by First Class Mail, on August 28, 2025, which is not later than thirty (30) days before the date of the Hearing on September 30, 2025, to each

owner of property in the District subject to assessment at the address of such property owner as reflected on the most recent tax roll of the Harris County Appraisal District; and

4. There was presented to the Board at its meeting held on August 14, 2025, a Petition requesting the services and improvements as set forth in the Service Plan which was executed by more than twenty five (25) persons who own land within the District as shown on the tax rolls of the Harris County Appraisal District as required by the Governing Laws. The Petition was properly executed and meets all of the requirements of the Governing Laws; and

5. The Petition and Service Plan fully explain and describe the services and improvements proposed for the District, contain a description of the general nature of the proposed services and improvements, the estimated costs thereof, the area benefitted, the proposed method of assessment, the time for payment of the assessments, and contain a recommendation with respect to the penalties to be imposed and interest to accrue on delinquent assessments; and

6. The Petition and the Service Plan are consistent with and in conformity with the requirements of the Governing Laws; and

7. It is advisable for the District to provide the services and improvements described in the Service Plan and the Service Plan should be approved; and

8. The Assessment Roll in the form presented to the Board and signed by the President of the Board for purposes of identification and incorporated herein by reference (the "Assessment Roll") should be approved as the Assessment Roll for the District; and

9. There should be levied against all property shown on the Assessment Roll for each of the years 2026 through 2035 an assessment for services and improvements. The rate of the assessment for the year 2026, the first year of the Service Plan, should be $0.16951 per $100 valuation of taxable real property as shown on the Assessment Roll and in the amount set forth on the Assessment Roll. In subsequent years, years 2027 through 2035, the Board may vary the rate of assessment. The Board should reserve the right to increase the rate of assessment for the costs of improvement projects; provided that the rate of assessment increase may not exceed 5%. The Board should reserve the right to assess a lower amount than the maximum that could be levied during the ten-year term of the Service Plan; and

10. For the year 2026 assessment, the District should use the value of taxable real property for the year 2024 as determined by the Harris Central Appraisal District for the year 2024 and as shown on the certified tax roll of the Harris Central Appraisal District for the year 2024 (the "Plan Base Year") as the value of each parcel of property within the District for purposes of assessing the cost of providing the services and improvements and described in the Service Plan.

Certain properties have not been certified by the Harris Central Appraisal District for the year 2024. The District entered an estimated value for such uncertified properties on the Assessment Roll. Such properties should be assessed based upon these estimated values unless the tax roll, as certified for the year 2024, reflects a lower property value than the estimated value. If the certified value for the year 2024 is lower than the estimated value of a property, such property should be assessed based upon the certified value. In subsequent years, years 2027 through 2035, the Board should assess property on the basis of the then current year's certified taxable value as shown on the tax rolls of the Harris Central Appraisal District. However, the amount of assessment in any year shall not be below the assessed value for the Plan Base Year. This will only be applicable if the Harris Central Appraisal District assessed valuation decreases in any subsequent year below the Plan Base Year value; and

11. That the following types of properties should be exempt from assessment: (a) property of municipalities, counties and other political subdivisions; (b) property owned by organizations of purely public charity and organizations exempt from tax under Section 501(c)(3) of the Internal Revenue Code; (c) property owned by a church or by a strictly religious society which yields no revenue whatsoever to such church or religious society and which is used as an actual place of religious worship or as a dwelling place for the ministry of such church or religious society; (d) property owned by an association engaged in promoting the religious, educational, and physical development of children or young men or young women operating under a state or national organization of like character and used exclusively and necessarily for any such purpose; (e) property, equipment or facilities of a utility; and (f) all other property exempt from assessment by the Governing Laws; and

12. Land and improvements which have a special use designation for tax purposes on the tax rolls of the Harris Central Appraisal District for the year 2024 as (a) agricultural use, (b) timber land use, or (c) recreational, park or service use, should be assessed by the Board at their designated special use values for so long as they enjoy that special use designation. If land or improvements which have a special use designation are converted to other uses and lose their special use designation on the tax rolls of the Harris County Appraisal District, the Board should thereafter assess such land and improvements at their full value as shown on the tax rolls of the Harris County Appraisal District; and

13. [Reserved].

14. All of the real property in the District which is being assessed by the Board in the amount shown on the Assessment Roll will be benefitted by the services and improvements proposed to be provided by the District in the Service Plan, and each parcel of real property will receive special benefits in each year equal to or greater than the amount assessed, and will receive special benefits during the ten year period of assessments in an amount equal to or greater than the total amount assessed during the ten-year assessment term; and

15. The costs of providing the services and improvements for the District, as shown in the Petition and the Service Plan, on the basis of the value of property as shown on the tax rolls of the Harris Central Appraisal District and as shown on the Assessment Roll results in imposing equal shares of the costs on property similarly benefitted, and results in a reasonable classification and formula for the apportionment of costs of the various classes of services and improvements to the benefitted property within the District; and

16. The method of apportioning the costs of the services and improvements to be provided in the Service Plan is fair and reasonable and results in a reasonable and fair classification and formula for apportioning the costs between the properties benefitted; and

17. The provisions relating to due and delinquency dates for assessments, interest, and penalties on delinquent assessments, and procedures in connection with the imposition and collection of assessments as set forth in the Service Plan should be approved and will expedite collection of the assessments in a timely manner in order to provide the services and improvements needed and required for the District as described in the Service Plan; and

18. The provision of the services and improvements set forth in the Service Plan will accomplish or aid in accomplishing the mandate of the Texas Legislature in creating the District by establishing programs which will: (i) enhance the image of the District; (ii) create a safe environment for the residents and business in the District; (iii) attract more residents, businesses and investments to the District; (iv) encourage interaction between residents and businesses in the District, all in order to increase the revitalization and redevelopment of this mixed use urban neighborhood for all property owners, residents and tenants; and (v) establish and make provisions for the establishment of proper administrative staff to administer the programs mandated by the Texas Legislature in creating the District and the programs set out in the Service Plan; and

19. Delinquencies and contingencies for assessments as estimated in the Service Plan are reasonable; and

20. That the recitations, objectives, goals, costs, programs, and conclusions set forth in the Service Plan are found to be true and correct and will benefit the District and the properties within the District as determined and set forth in the Service Plan; and

21. The Board finds that it is advisable for the improvements and services set forth in the Service Plan be provided within the District during the term set forth in the Service Plan; and

22. The improvements and services proposed in the Service Plan are authorized and are permitted services and improvements under the Governing Laws; and

23. The estimated cost of services and improvements set forth in the Petition and the Service Plan on an annual and a ten-year basis are reasonable and fair, and will result in the provision of the services and improvements set forth in the Service Plan at fair and reasonable costs; and

24. Each property proposed to be assessed in the Petition and the Service Plan at the rate and in the amount shown on the Assessment Roll will receive special benefits equal to or greater than the cost assessed to such property pursuant to the Service Plan and the Assessment Roll; and

25. Assessments for services and improvements should be payable in ten annual installments for each property in the amount set forth in the Assessment Roll with the first annual installment being due prior to February 1, 2026, and each annual installment thereafter being due and payable prior to February 1 of each year to and including February 1, 2036. Any assessment not paid by the due date should be delinquent. There should not be any provision made for split payment of assessments, or discounts for the early payment of assessments; and

26. A delinquent assessment should accrue interest and be assessed penalties in the same manner as a property tax levied by a political subdivision of the State pursuant to the Texas Tax Code, as amended from time to time. Each delinquent assessment should accrue interest at the rate of one percent (1%) for each month or portion of a month the assessment remains unpaid after it becomes due. A delinquent assessment should also incur a penalty of six percent (6%) of the amount of the assessment for the first calendar month, or fraction thereof, it is delinquent plus one percent (1%) for each additional month, or fraction thereof, the assessment remains unpaid prior to July 1 of the year in which it becomes delinquent; however, an assessment delinquent on July 1 incurs a total penalty of twelve percent (12%) of the amount of the delinquent assessment without regard to the number of months the assessment has been delinquent; and

27. If it is necessary for the Board to contract with an attorney for the purpose of representing the District in the collection of delinquent assessments, an additional penalty of twenty percent (20%) of the assessment and the penalties and interest on the assessments shall be imposed; and

28. The District should use and follow the provisions of the Texas Tax Code, as amended from time to time, and other laws governing municipal management districts in the imposition and collection of assessments by the District to the extent not inconsistent with this Order or the Governing Laws; and

29. That the matters, facts, and recommendations of the Hearings Examiners' Report and Proposal for Decision are found to be true and correct.

CONCLUSIONS OF LAW

In consideration of all issues of fact and law relative to the Hearing, the Board rules and makes the following Conclusions of Law:

1. The Petition and the Service Plan meet all requirements of the Governing Laws and should be approved as to form and substance; and

2. The Hearing of the District on the advisability of the District undertaking and providing services and improvements in the Downtown area, as requested by the Petition and the Service Plan, was held and all necessary and appropriate notice thereof was given under the authority of and in accordance with the provisions of the Governing Laws; and

3. The Board has jurisdiction to consider the Petition and conduct the Hearing and is authorized to: (1) approve the Petition and the Service Plan; (2) levy assessments against benefitted property as described and set out in the Petition; (3) establish and approve a method of apportioning the cost of providing the services described in the Service Plan; (4) adopt and approve an Assessment Roll; and (5) levy assessments for services and improvements for the years 2026 through 2035 on the value of benefitted property in the District as determined by the Board, and shown on the Assessment Roll; and

4. The rate of assessment for the year 2026, the first year of the Service Plan, shall be $0.1695 per $100 valuation of taxable real property as show on the Assessment Roll and in the amount set forth on the Assessment Roll. In subsequent years, years 2027 through 2035, the Board may vary the rate of assessment. The Board should reserve the right to increase the rate of assessment for the costs of improvement projects; provided that the rate of assessment increase may not exceed 5%. The Board should reserve the right to assess a lower amount than the maximum that could be levied during the ten-year term of the Service Plan.

5. For the year 2026 assessment, the District should use the value of taxable real property for the year 2024 as determined by the Harris Central Appraisal District for the year 2024 and as shown on the tax roll of the Harris Central Appraisal District for the year 2024 as the value of each parcel of property within the District for purposes of assessing the cost of providing the services and improvements described in the Service Plan. Certain properties have not been certified by the Harris Central Appraisal District for the year 2024. The District entered an estimated value for such uncertified properties on the Assessment Roll. Such properties should be assessed based upon these estimated values unless the tax roll, as certified for the year 2024, reflects a lower property value than the estimated value. If the certified value for the year 2024 is lower than the estimated value of a property, such property should be assessed based upon the certified value. In subsequent years, years 2027 through 2035, the Board should assess property on the basis of the then current year's certified taxable value as shown on the tax rolls of the Harris Central Appraisal District. However, the

amount of assessment in any year shall not be below the assessed value for the Plan Base Year. This will only be applicable if the Harris Central Appraisal District assessed valuation decreases in any subsequent year below the Plan Base Year value; and

6. In order to accomplish and effectuate the purposes for which the District was created as set forth in the Governing Laws, the Petition should be granted, the Service Plan should be approved, the Assessment Roll should be approved, and an assessment for services and improvements on all benefitted properties as shown on the Assessment Roll and as described in the Service Plan should be levied by the Board for the years 2026-2035; and

7. The method of apportioning costs on the basis of valuation of property as certified by the Harris Central Appraisal District for services and improvements will result in the reasonable apportionment of the costs, and imposing equal shares of the costs of the Service Plan on properties similarly benefitted results in a reasonable classification and formula for the apportionment of the costs of the various classes of services and improvements proposed to be provided to the benefitted property within the District; and

8. The property described in Finding of Fact No. 11 is either exempt by law under the Governing Laws, or other laws of the State of Texas or should be exempt from assessment on the basis that the property receives no benefit from the assessments; and

9. The property described in Finding of Fact No. 12 should be assessed on its special use value on the basis that this level of assessment is commensurate with the benefits such property receives; and

10. [Reserved];

11. The Board is authorized to assume that a percentage of the assessments will be delinquent or other contingencies will arise and that the allowances for delinquencies and contingencies for services and improvements set forth in the Service Plan are reasonable and the Board is authorized to make such determination and allowance under the provisions of the Governing Laws; and

12. The Board is authorized by the Governing Laws to permit assessments to be paid annually over the ten-year period from 2027 through 2036 and is authorized by the Governing Laws to impose interest charges and penalties on delinquent assessments; and

13. The interest rate on delinquent assessments and the penalties on delinquent assessments are the same as those imposed by the Texas Tax Code on the delinquent payment of ad valorem taxes to political subdivisions of the State.

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

Section 1. Findings and Adoption of Hearings Examiners' Report. That the recitals, findings and conclusions in the preamble of this Order are hereby found and determined to be true and correct. That the matters, facts, and recommendations of the Hearings Examiners' Report and Proposal for Decision are hereby adopted.

Section 2. Levy of Assessments. The Board hereby levies ten (10) annual assessments for the years 2026 through 2035 against all benefitted property as shown on the assessment roll. The rate of assessment for the year 2026 is $0.1695 per $100 valuation of property within the District for services and improvements as shown in the Service Plan. In subsequent years, years 2027 through 2035, the Board may vary the rate of assessment. The Board reserves the right to increase the rate of assessment for the costs of improvement projects; provided that the rate of assessment increase may not exceed 5%. The Board reserves the right to assess a lower amount than the maximum that could be levied during the ten-year term of the Service Plan. Except as provided in this Section, the District will levy the year 2026 assessment based on the assessed valuation of land and improvements based upon the tax rolls of the Harris Central Appraisal District for the year 2024. Certain properties have not been certified by the Harris Central Appraisal District for the year 2024. The District entered an estimated value for such uncertified properties on the Assessment Roll. Such properties will be assessed based upon these estimated values unless the tax roll, as certified for the year 2024, reflects a lower property value than the estimated value. If the certified value for the year 2024 is lower than the estimated value of a property, such property will be assessed based upon the certified value. In subsequent years, years 2027 through 2035, the Board will assess property on the basis of the then current year's certified taxable value as shown on the tax rolls of the Harris Central Appraisal District.

Section 3. Service and Improvement Plan and Assessment Plan. The Petition is hereby granted. The 2026-2035 Service Plan providing for services and improvements, attached as Exhibit "C," is hereby approved as the Service Plan for the District; provided, however, the Board will approve a budget annually and, as set forth in Section 2 above, may adjust the rate of assessment for the years 2027 through 2035 by approving a budget providing for a reduced or increased assessment and by adopting a reduced or increased assessment by separate order of the Board.

Section 4. Assessment Roll. The assessment roll is hereby approved as the Assessment Roll of the District. The Assessment Roll as approved is to be signed by the President of the Board for the purposes of identification and is incorporated in this Order by reference.

Section 5. Due Date of Assessments. All assessments shall be payable in ten (10) annual installments for each property in the amount set forth in the Assessment Roll with the first annual installment due prior to February 1, 2027, and each annual installment thereafter being due and payable prior to February 1 of each year thereafter to and including February 1, 2036. Any assessment not paid by the due date will be delinquent. All delinquent assessments incur penalties and interest as provided herein. There will be no split payment of assessments or discounts for the early payment of assessments.

Section 6. Annual Review. The amount of the assessment on each parcel of benefitted property shown on the Assessment Roll is subject to annual review.

Section 7. Interest on Delinquent Payments. A delinquent assessment will accrue interest and be assessed penalties in the same manner as a property tax levied by a political subdivision of the State pursuant to the Texas Tax Code, as amended from time to time. Each delinquent assessment will accrue interest at a rate of one percent (1%) for each month or portion of a month the assessment remains unpaid after it becomes due.

Section 8. Penalties. A delinquent assessment incurs a penalty of six percent (6%) of the amount of the assessment for the first calendar month or fraction thereof it is delinquent plus one percent (1%) for each additional month or fraction thereof the assessment remains unpaid prior to July 1 of the year in which it becomes delinquent; however, an assessment delinquent on July 1 incurs a total penalty of twelve percent (12%) of the amount of the delinquent assessment without regard to the number of months the assessment has been delinquent. Penalties shall not exceed the amount permitted by the Governing Laws.

Section 9. Additional Penalty. If it is necessary for the District to contract with an attorney for the purposes of representing the District in the collection of delinquent assessments, an additional penalty of twenty percent (20%) of the assessment and the penalties and interest on the assessment shall be imposed. Penalties shall not exceed the amount permitted by the Governing Laws.

Section 10. Lien for Collection of Assessments. Assessments together with interest, penalties, and expense of collection and reasonable attorneys fees, as permitted by the Governing Laws shall be a first and prior lien against the property assessed, superior to all other liens and claims, except liens or claims for state, county, school district, or municipal ad valorem taxes, and shall be a personal liability of and charge against the owner of the property regardless of whether the owners are named. The lien for assessments and penalties and interest is effective from the date of this Order levying the assessment until the assessment is paid, and shall be enforced by the District in the manner provided by the Texas Tax Code for collecting ad valorem taxes on real property.

Section 11. Applicability of Texas Tax Code. To the extent not inconsistent with this Order, and not inconsistent with the Governing Laws or the other laws governing municipal management districts, the provisions of the Texas Tax Code, as amended from time to time, shall be applicable to the imposition and collection of assessments by the District.

Section 12. Assessment Collections. The District's Assessor/Collector, currently Lita Lemus of Utility Tax Services, LLC, is authorized and directed to collect the assessments on behalf of the District.

Section 13. Severability. If any provision, section, subsection, sentence, clause, or phrase of this Order, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Order or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the Board in adopting this Order that no portion hereof, or provision or

regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity of any other portion hereof, and all provisions of this Order are declared to be severable for that purpose.

Section 14. Notice. The Board officially finds, determines, recites, and declares that sufficient written notices of the date, hour, place, and subject of this meeting of the Board were posted on the District's website and at a place convenient to the public in the District for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Order and the subject matter thereof has been discussed, considered, and formally acted upon. The Board further ratifies, approves, and confirms such written notice and the contents and posting thereof.

[SIGNATURE PAGE FOLLOWS]

PASSED AND ADOPTED this 1st day of October, 2025.

Chairman, Board of Directors
HOUSTON DOWNTOWN
MANAGEMENT DISTRICT

ATTEST:

Secretary, Board of Directors
HOUSTON DOWNTOWN
MANAGEMENT DISTRICT

(SEAL)

Exhibit A - Hearing Examiners' Report
Exhibit B - 2025 Petition
Exhibit C - 2026-2035 Service Plan
Exhibit D - Public Hearing Sign-In Sheets

CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

We, the undersigned officers 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 13th day of November, 2025, at a meeting place inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit: and all of said persons were present, except Directors _____, thus constituting a quorum.

Sean Alley	Kinder Baumgardner
Leslie Garcia Ashby	Clay Crawford
Genora Boykins	Marcus Davis
Jacques D'Rovencourt	Irma Galvan
Kelly Foreman	C.C. Huang
Marian Harper	Antoinette Jackson
Angus Hughes	Roland Kennedy
Robbi Jones	Sean Liu
Spencer Lightsy	Nick Massad III
Benjamin Llana	Tyler Merritt
Sherea McKenzie	Brandon Oliver
Kenny Meyer	Frem Reggie
Edna Ramos	Reginald D. Wilson, Jr.
Richard Torres	John Schafer

Whereupon, among other business, the following was transacted at the meeting: a written

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 TEN 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.

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

2. That a true, full and correct copy of the aforesaid Order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Order 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 Order 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 13th day of November, 2025.

_____

Secretary, Board of Directors

(SEAL)

EXHIBIT A
HEARING EXAMINER'S REPORT

EXHIBIT B
2025 PETITION

EXHIBIT C
2026-2035 SERVICE PLAN

EXHIBIT D
PUBLIC HEARING SIGN-IN SHEETS

	HCAD Account #	Contact Name / Company	HCAD Owner	Property Address	24 HCAD Value	% Value
1	0010440000002	Angus Hughes	416 MAIN LLC	416 MAIN ST	$ 756,000	0.006%
	0010330000005	Angus Hughes	FKM PARTNERSHIP LTD	300 MAIN ST	$ 2,773,020	0.021%
	0010330000024	Angus Hughes	FKM PARTNERSHIP LTD	918 CONGRESS ST	$ 2,280,000	0.017%
	0010330000007	Angus Hughes	FKM PARTNERSHIP LTD	313 TRAVIS ST	$ 1,425,410	0.011%
	0010330000006	Angus Hughes	FKM PARTNERSHIP LTD	902 PRESTON ST	$ 755,558	0.006%
	0010570000003	Angus Hughes	FKM PARTNERSHIP LTD	510 MAIN ST	$ 751,000	0.006%
	0010330000011	Angus Hughes	FKM PARTNERSHIP LTD	924 CONGRESS ST	$ 492,825	0.004%
	0010570000014	Angus Hughes	FKM PARTNERSHIP LTD	910 PRAIRIE ST	$ 462,750	0.003%
	0010100000004	Angus Hughes	FKM PARTNERSHIP LTD 3-06	1420 COMMERCE ST	$ 4,705,058	0.035%
	0010100000011	Angus Hughes	FKM PARTNERSHIP LTD 3-06	COMMERCE ST	$ 83,300	0.001%
	0010100000012	Angus Hughes	FKM PARTNERSHIP LTD 3-06	COMMERCE ST	$ 37,900	0.000%
2	0943650000001	Brookfield Properties, Inc.	1600 SMITH CO LLC	1600 SMITH ST	$ 87,500,000	0.649%
	1035350000014	Brookfield Properties, Inc.	ONE ALLEN CENTER CO LLC	340 W DALLAS ST 226	$ 43,658,350	0.324%
	1035350000018	Brookfield Properties, Inc.	THREE ALLEN CENTER CO LLC	333 CLAY ST	$ 216,952,806	1.608%
	1035350000017	Brookfield Properties, Inc.	TWO ALLEN CENTER CO LLC	1200 SMITH ST	$ 169,765,965	1.258%
	1035350000009	Brookfield Properties, Inc.	ONE ALLEN CENTER CO LLC	500 DALLAS ST	$ 168,393,190	1.248%
	1035350000003	Brookfield Properties, Inc.	TWO ALLEN CENTER CO LLC	330 CLAY ST 999	$ 49,110,188	0.364%
3	0020480000002	Camden	CAMDEN PROPERTY TRUST	1521 AUSTIN ST 270	$ 75,250,000	0.558%
4	0012460000001	CenterPoint	CENTERPOINT ENERGY PROPERTIES INC	1111 LOUISIANA ST	$ 197,727,233	1.466%
	0020190000010	CenterPoint	CENTERPOINT ENERGY PROPERTIES INC	1315 LOUISIANA ST	$ 33,027,713	0.245%
5	0060030000031	Chevron	CHEVRON INC	1600 LOUISIANA ST	$ 29,352,050	0.218%
	0020700000003	Chevron	CHEVRON INC	1621 MILAM ST	$ 15,999,500	0.119%
	1035350000007	Chevron	CHEVRON USA INC	1500 LOUISIANA ST	$ 309,082,948	2.291%
	0060030000030	Chevron	CHEVRON USA INC	1400 SMITH ST	$ 241,564,327	1.791%
	0020390000014	Chevron	CHEVRON USA INC	1400 LOUISIANA ST	$ 37,932,372	0.281%
	0020550000001	Chevron	CHEVRON USA INC	1505 LOUISIANA ST	$ 15,964,496	0.118%
6	0031330000015	Chris Manske	CRM CONATUM LLC	1010 N SAN JACINTO	$ 1,325,526	0.010%
7	1246600010020	Clay Crawford	C & R2 PROPERTIES LP	1200 ROTHWELL ST	$ 460,088	0.003%
	1246600010021	Clay Crawford	C & R2 PROPERTIES LP	NANCE ST	$ 41,311	0.000%
8	1207900000233	Dan Zimmerman	ALLENS LANDING GARAGE LLC	915 FRANKLIN ST CU	$ 148,132	0.001%
	1207900000229	Dan Zimmerman	ALLENS LANDING VENTURE LLC	915 FRANKLIN ST CU	$ 189,994	0.001%
	0010150000001	Dan Zimmerman	GILLINGHAM FRANKLIN LLC	917 FRANKLIN ST	$ 3,325,478	0.025%
	0010150000016	Dan Zimmerman	ZIMMERMAN INTERESTS INC	108 MAIN ST	$ 568,889	0.004%
	0010150000003	Dan Zimmerman	ZIMMERMAN INTERESTS INC	110 MAIN ST	$ 1,200,000	0.009%
	0010150000002	Dan Zimmerman	ZIMMERMAN INTERESTS INC	114 MAIN ST	$ 1,138,590	0.008%
9	1365250010001	Duck Pond Realty Management	DPR DOWNTOWN HOUSTON LLC	1414 TEXAS ST 285	$ 65,058,677	0.482%
	0021020000001	Duck Pond Realty Management	DPR EIGHTEEN25 LLC	1825 SAN JACINTO ST 242	$ 49,671,849	0.368%
10	1349920010001	Finger Companies - 500 Crawford	FINGER FSC CRAWFORD LTD	500 CRAWFORD ST 400	$ 100,950,576	0.748%
	0011280000001	Finger Companies - One Park Place	FINGER FSC MCKINNEY LTD	1400 MCKINNEY ST 347	$ 156,691,360	1.162%
11	0012440000001	Hilcorp	TRAVIS 1111 PARTNERS LP	1111 TRAVIS ST	$ 228,387,805	1.693%
	0012450000001	Hilcorp	1110 MAIN PARTNERS LP	811 DALLAS ST	$ 15,315,094	0.114%
12	0010670000001	Hines	600 TRAVIS OWNER LLC	600 TRAVIS ST	$ 393,029,065	2.913%
	0010680000006	Hines	601 TRAVIS OWNER LLC	601 TRAVIS ST	$ 64,184,891	0.476%
	0010680000009	Hines	601 TRAVIS OWNER LLC	601 TRAVIS ST	$ 17,881,500	0.133%
	0010680000008	Hines	601 TRAVIS OWNER LLC	TRAVIS ST	$ 1,801,000	0.013%
	0010680000010	Hines	601 TRAVIS OWNER LLC	TRAVIS ST	$ 1,034,500	0.008%
	1305070010001	Hines	BG HOLDCO LLC	811 MAIN ST	$ 435,086,343	3.225%
	1398860010001	Hines	BLOCK 42 OWNER LLC	710 PRESTON ST 373	$ 218,734,959	1.621%
	1398670010001	Hines	BLOCK 58 LLC	833 TEXAS ST	$ 509,786,950	3.779%
	0010690000006	Hines	HCG BLOCK 69 LLC	609 MAIN ST	$ 520,338,700	3.857%
13	0012560000001	Hyatt	1200 LOUISIANA LLC	1200 LOUISIANA ST 955	$ 89,000,000	0.660%
14	0011610000008	Irma Galvan	IRMAS ENTERPRISES LLC	1810 FRANKLIN ST	$ 1,250,500	0.01%
	0011630000006	Irma Galvan	IRMAS ENTERPRISES LLC	4 CHENEVERT ST	$ 1,250,500	0.01%
	0011630000008	Irma Galvan	IRMAS ENTERPRISES LLC	20 CHENEVERT ST	$ 751,500	0.01%
	0011630000010	Irma Galvan	IRMAS ENTERPRISES LLC	22 CHENEVERT ST	$ 734,443	0.01%
	0011610000004	Irma Galvan	IRMAS ENTERPRISES LLC	FRANKLIN ST	$ 500,500	0.00%
	0011610000011	Irma Galvan	IRMAS ENTERPRISES LLC	1810 FRANKLIN ST	$ 500,500	0.00%
15	0011360000001	Joe Sleazak	1021 Main Street Owner, LLC	1021 MAIN ST	$ 20,188,084	0.150%

	HCAD Account #	Contact Name / Company	HCAD Owner	Property Address	24 HCAD Value	% Value
	0012420000003	Joe Sleazak	1021 Main Street Owner, LLC	1101 FANNIN ST 625	$ 6,071,916	0.045%
16	0021040000005	Kelly Foreman	AMEGY BANK NAT ASSOC	1801 MAIN ST	$ 28,130,577	0.209%
17	0011430000001	KinderMorgan	EPC BUILDING LLC	1001 LOUISIANA ST	$ 185,398,064	1.374%
	0011400000001	KinderMorgan	EPC BUILDING LLC	1010 TRAVIS ST	$ 21,776,215	0.161%
18	1450670010001	Lovett Commerical	401 FRANKLIN STREET LTD	401 FRANKLIN ST	$ 94,923,978	0.704%
19	0010790000001	Mark Hafner, HASTA Capital	HSC STAR LP	1111 RUSK ST 286	$ 78,229,194	0.580%
	1355320010001	Mark Hafner, HASTA Capital	HM MARKET SQUARE LLC	409 TRAVIS ST 274	$ 100,231,395	0.743%
20	1363420010001	Marriott	HOUSTON CONVENTION CENTER HOTEL LLC	1777 WALKER ST 1000	$ 253,079,129	1.876%
21	1419210010001	Matt Dambrosky, Skanska	SCD BLK 250 HOUSTON LLC	1550 LAMAR ST	$ 160,347,711	1.189%
	0012390000003	Matt Dambrosky, Skanska	SCD BLK 251 HOUSTON LLC	LA BRANCH ST	$ 19,018,330	0.141%
	0012630000011	Matt Dambrosky, Skanska	SCD BLK 275 HOUSTON LLC	1311 DALLAS ST	$ 1,587,354	0.012%
	0012640000001	Matt Dambrosky, Skanska	SCD BLK 276 HOUSTON LLC	1000 BELL ST	$ 12,428,625	0.092%
	0020350000003	Matt Dambrosky, Skanska	SCD BLOCK 317 LLC	1000 CLAY ST	$ 4,765,000	0.035%
	0020350000002	Matt Dambrosky, Skanska	SCD BLOCK 317 LLC	1414 FANNIN ST	$ 3,285,456	0.024%
	0020350000017	Matt Dambrosky, Skanska	SCD BLOCK 317 LLC	1400 MAIN ST	$ 2,370,000	0.018%
	0020350000001	Matt Dambrosky, Skanska	SCD BLOCK 317 LLC	1000 BELL ST	$ 854,722	0.006%
22	1246600010019	Michael Morton	M ARCHITECTS HOLDINGS LP	1204 + 1206 NANCE S	$ 414,808	0.003%
	1246600020003	Michael Morton	M ARCHITECTS HOLDINGS LP	0 NANCE ST	$ 213,990	0.002%
23	0020140000001	Netrality Data Centers	1301 FANNIN OWNER LP	1301 FANNIN ST	$ 108,254,286	0.802%
24	0012380000006	Nick Massad	ALH PROPERTIES NO FOURTEEN LP	1515 DALLAS ST 262	$ 33,263,000	0.247%
	1305180010001	Nick Massad	ALH PROPERTIES NO TWENTY TWO LP	RUSK ST	$ 4,747,556	0.035%
25	0010980000002	Parkside Residences	BLOCK 98 HOUSTON LLC	808 CRAWFORD ST 309	$ 145,549,400	1.079%
26	1423010010001	Philip Schneidau	SWVP JW HOUSTON HOTEL LLC	806 MAIN ST 328	$ 67,462,516	0.500%
	0010180000001	Philip Schneidau	WOODBRANCH BLOCK 18 LLC/WOODBRAI	700 CONGRESS ST	$ 5,664,584	0.042%
	0010180000005	Philip Schneidau	WOODBRANCH BLOCK 18 LLC ETAL	716 FRANKLIN ST	$ 178,862	0.001%
	0010180000004	Philip Schneidau	WOODBRANCH BLOCK 18 LLC ETAL	718 FRANKLIN AVE	$ 330,496	0.002%
	1351630010001	Philip Schneidau	WOODBRANCH CRAWFORD LLC	718 CRAWFORD ST 3	$ 39,996,300	0.296%
	0010350000001	Philip Schneidau	WOODBRANCH TOWER LLC	777 PRESTON ST 463	$ 178,860,983	1.326%
27	0012610000009	Rebees	BIII GSTREET LLC	1201 FANNIN ST	$ 122,010,366	0.904%
	0020150000001	Rebees	BIII GSTREET LLC	1315 MAIN ST 990	$ 22,728,886	0.168%
28	0010420000006	Reside Hotel	HOGG PALACE LLC	401 LOUISIANA ST 79	$ 24,814,018	0.184%
29	0011330000001	Stream Realty Partners, LP	SRC II HOUSTON OFFICE 1HC OWNER LLC	1221 MCKINNEY ST	$ 194,582,334	1.442%
	0011340000021	Stream Realty Partners, LP	SRC II HOUSTON OFFICE 2HC OWNER LLC	901 FANNIN ST	$ 157,347,986	1.166%
	0011300000001	Stream Realty Partners, LP	SRC II HOUSTON OFFICE 3HC OWNER LLC	1301 MCKINNEY ST	$ 202,727,524	1.503%
	0011310000001	Stream Realty Partners, LP	SRC II HOUSTON OFFICE 4HC OWNER LLC	1300 MCKINNEY ST	$ 97,121,261	0.720%
	0010940000013	Stream Realty Partners, LP	SRC II HOUSTON OFFICE RUSK OWNER LI	1110 RUSK ST 633	$ 7,988,906	0.059%
	0010960000001	Stream Realty Partners, LP	SRC II HOUSTON OFFICE	1320 RUSK ST 1325	$ 22,017,677	0.163%
30	1251060000048	Tom Segesta	MT JEFFERSON HOLDINGS LLC	1300 LAMAR ST 468	$ 67,280,091	0.499%
				Total	**$7,082,384,759**	**52.500%**

MEMORANDUM
November 13, 2025

To: Board of Directors
Houston Downtown Management District

From: Kristopher Larson, AICP, LPM

Re: 2026 Budget Assumptions

Revenue

On September 30, 2025, a Public Hearing was conducted to receive testimony regarding the details and benefits to property owners of the District's 2026–2035 Service and Improvement Plan. As a result of that hearing, the Plan was presented to the Board of Directors today for final adoption.

As you may recall, the new Plan outlines total projected spending of $201 million with no escalation over the ten years, and $253 million with a maximum escalation of 5% per year. The District has also revised its method of assessment to measure property values annually, using the 2024 HCAD certified values as the base year.

For each subsequent year, if the assessed valuation of land and improvements based on the certified HCAD tax rolls increases, the assessment will be calculated on the increased value. However, the assessment in any given year will not fall below the base year value, except if HCAD's assessed valuation decreases below that base year amount.

The Board of Directors will set the annual assessment rate, subject to the established maximum rate cap. In addition, the new Plan provides for the use of approximately $4 million from the District's surplus fund balance over the ten years.

Process

The 2026 budget was developed using the five goals outlined in the 2026–2035 Service and Improvement Plan and remains similar in scope to the budget adopted for 2025. The draft budget prepared for review reflects an assessment rate increase of 2.70 cents, resulting in a total rate of 16.95 cents per $100 of assessed value. To account for potential valuation adjustments related to property protests and litigation, the District has provided $3.5 million in

reserves, representing a 16.01% loss rate on disputed properties. Based on these assumptions, net assessment revenue for 2026 is projected at $18.4 million.

The status of properties in litigation continues to be a significant factor influencing revenue forecasts. For tax year 2025, approximately $11.0 billion in property value—nearly 84% of downtown's total—is under protest. For tax year 2024, refunds totaling $1.5 million have been issued through September 30, 2025. The new assessment methodology adopted with the 2026–2035 Plan will help reduce annual volatility and improve predictability associated with property value protests. The $3.5 million reserve will offset additional losses related to 2024 base-year property valuations.

In addition to assessment revenue, the District anticipates receiving approximately $3.3 million in partner funding and reimbursements. These include $253,000 from the trash subscription program; $310,000 from METRO for bus shelter cleaning; $288,000 for rail platform cleaning; and $400,000 for paver replacement. Reimbursements for fountain maintenance total $70,000 for Main Street and $187,000 for the Cotswold Fountain from Houston First. The District also expects to receive $84,000 in rent and utilities from Tout Suite at Trebly Park and $74,000 from Petite Lucie at Market Square Park. Discovery Green reimbursements include $485,000 for Seal Security services and $212,000 for safety guides. Additional reimbursements include $20,000 for utilities at 1313 Main and $3,500 from Buffalo Bayou Park for irrigation. The Downtown Redevelopment Authority will reimburse $150,000 for Allen Parkway maintenance, $666,000 for Main Street Promenade, and $100,000 for Cool Corridors.

Other sources of income include $15,000 from Field Guide advertising, $10,000 from digital advertising, $20,000 from third-party activations, and $100,000 in sponsorships. Federal grant reimbursements total $18 million, including $7 million for the Main Street Promenade and $11 million for Mill and Overlay projects. Interest income is projected at $514,000. To balance the 2026 budget, the District will utilize $2.464 million from the carryover fund balance. Altogether, the total projected revenue for 2026 is $40.4 million, based on a total property valuation of $12.9 billion.

The 2026 budget represents the first year of the new Service and Improvement Plan and reflects the priorities established through extensive stakeholder engagement. During October 2025, the District conducted a work session with the Board to review strategic priorities and collect feedback, which has been incorporated into the current budget proposal.

Expenditures

Highlights of the 2026 budget include:

1. CHAMPION

Planning and Design

In 2026 Planning and Design will continue the development work with TxDOT on the NHHIP civic opportunities project, $100,000. Fund a public realm action plan implementation: Block-Level Cooling Structures & Landscape Strategy, impactful microclimate investments to cool down important connective and retail-oriented thoroughfares, $300,000.
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 $150,000 per year for three years. The launch of this park and ride service resumed 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 2026, $150,000 is budgeted representing the final payment of three.

2. ENHANCE

Public Safety

Public safety remains a top priority for the District, with a total 2026 budget of $4.7 million dedicated to maintaining a visible and proactive presence throughout downtown and Discovery Green. The program includes 34 safety guides and supervisory staff to meet deployment needs across the area. $324,000 was added to the budget for the Main Street Promenade. The total budget for the guide program is $2.7 million, and the service contract was competitively bid in 2025 and awarded to Block by Block.

The District will continue its off-duty Houston Police Department (HPD) program, funding 2.8 full-time equivalent positions that provide coverage 16 man hours per day, seven days per week. To supplement off-duty HPD officers and enhance coverage during late-night hours, the District also maintains a contract with S.E.A.L. Security for private security services. The contract provides two officers with a patrol car assigned across four rotating shifts, ensuring 24-hour coverage, seven days a week. In addition to vehicle patrols, dedicated walking patrols cover Main Street, Discovery Green, and the Historic District, providing additional visibility and support throughout downtown.

The total budget for S.E.A.L. Security services is $2.04 million. Discovery Green's total reimbursement, including Public Safety Guide coverage, is $697,000.

Homelessness

The District currently contracts with SEARCH for an Outreach Coordinator, Peer Specialist, and Case Manager dedicated to downtown. In addition, the District has partnered with the Harris Center to provide a Mental Health Case Manager focused on connecting individuals to direct

mental health resources. The Harris Center team works in collaboration with a Certified Mental Health Law Enforcement Officer, enhancing outreach and response efforts.

This integrated case management approach between the Harris Center and SEARCH has proven effective. SEARCH also conducts regular nighttime outreach to engage individuals who are more mobile or difficult to locate during daytime hours.

The total 2026 cost for SEARCH, Harris Center, and the accompanying sheriff is $542,000. The District will also continue funding its Quality-of-Life Response Team, composed of eight Public Safety Guides, at $542,000.
In 2023, the District established the Downtown Public Safety Office across from the Beacon, which provides day services to individuals experiencing homelessness. The office offers additional oversight and houses staff from the Harris Center, the Sheriff's Office, the Quality-of-Life Team, and serves as a resource hub ("hot coffee" for HPD). Since its opening, the surrounding area has experienced measurable safety improvements.

The total 2026 budget for Homeless Initiatives is $1.2 million, which includes $60,000 for rent and utilities for the Downtown Public Safety Office.

Street Team

The 2026 budget also supports the Street Team program, which includes cleaning associates, an operations manager, a full-time maintenance technician, a dispatcher, a training coordinator, a supervisor, and team leaders. The total cost for Street Teams and equipment, contracted through Block by Block, is $2.4 million. Additional allocations include $501,000 for trash collection personnel who perform encampment cleanups, trash receptacle tipping, and bag disposal, offset by $253,000 in curbside trash program revenue. METRO reimburses the District $598,000, offsetting costs for bus stop and rail platform cleaning and pressure washing.

Landscaping, Tree Maintenance, and Water

The District maintains approximately 2,000 trees downtown, along with extensive ground cover, shrubbery, and fence lines. The 2026 budget for landscaping, tree maintenance, and water is $854,000, a decrease of $61,000 from 2025. Contractor and supplies costs are budgeted at $134,000, down $126,000, while the water budget decreased by $25,000 to $255,000. Irrigation maintenance and repair increased by $40,000 to $225,000.

Floral displays along Main Street, Dallas Street, Bagby Street, Crawford Island, and the McKinney/Lamar pots remain extensive and are updated three times per year, with supplemental plants added as needed. The total budget for floral maintenance around downtown is $524,000, reflecting a $16,000 decrease from 2025. This amount 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.

Operations Center Facility

The District's Operations Center at 1313 Main was leased in 2018 for 15 years, expanding operational space to 12,500 square feet. The District also maintains a nearby warehouse for the storage of equipment and materials. Total 2026 facility costs include $393,000 for rent and utilities and $40,000 for other operating expenses.

Graffiti Removal

Each year, the District removes thousands of stickers and graffiti markings to reduce visual blight in downtown public spaces. The 2026 budget for graffiti removal is $35,000.

Emergency Planning

The 2026 budget also includes $5,000 for emergency preparedness and stakeholder communications related to hurricane preparedness and other potential emergency events.

Maintenance

Market Square Park

Maintenance costs for Market Square Park, including park attendants, landscaping and floral care, general maintenance, supplies, and kiosk repairs/utilities, are budgeted at $344,000 for 2026. Petite Lucie is scheduled to open in late December, and a new play area will be installed at $100,000.

Main Street Square and Promenade

Maintenance costs for Main Street Square and Main Street Promenade, including park attendants, landscaping, supplies, and other general upkeep, total $977,000. Main Street Promenade attendant positions were added in 2026 at $317,000, and the fountain at Main Street Square will be repainted at $40,000. The District will receive $70,000 in reimbursement from surrounding properties for fountain maintenance.

Other Parks and Fountains

Maintenance costs for Trebly Park are $364,000, which includes $20,000 for bench refinishing. Maintenance for the Cotswold fountains is budgeted at $175,000 and will be fully reimbursed by Houston First.

Wayfinding System

The District maintains 64 vehicular and 109 pedestrian wayfinding signs under a maintenance agreement. Budgeted costs include $65,000 for general upkeep, $150,000 for vehicular wayfinding lighting upgrades, and $125,000 for attic stock and other maintenance.

Additional Maintenance

Pole and pot maintenance is budgeted at $30,000. Allen Parkway maintenance is budgeted at $150,000 and will be fully reimbursed by the Downtown Redevelopment Authority.

3. CONNECT

Infrastructure Projects

The Main Street Promenade is well underway and on track for completion by May 2026, in time for the World Cup. Construction costs for 2026 are forecasted at $7,000,000, fully reimbursable by the Federal Transit Authority.

The Downtown Overlay Project is scheduled to begin in December, covering 86 blocks in Downtown Houston. Funding for 2026 is $11,000,000, fully reimbursable by TxDOT.

Placemaking

Cool Connected Corridors and Art Program

A total of $75,000 has been allocated to support the introduction of the Cool Connected Corridors, a holistic approach to Downtown's public realm designed to activate street life, strengthen identity, and enhance perceptions of safety and vibrancy.

An additional $25,000 has been allocated for a public art installation.

Street Lighting

The 2026 budget for lighting enhancements totals $225,000, covering the annual payment to the City of Houston for upgraded light levels, electrical maintenance, and monthly utility costs for lighting amenities.

Paver Repairs

The 2026 budget allocates $750,000 for paver repairs, an increase of $400,000 from 2025 to address METRO-related paver work, which will be reimbursed. These funds support maintenance, repair, and replacement of pavers installed through various downtown improvement projects and those affected by Public Works utility repairs. The paver repair contract was awarded to Gulf Coast Pavers in 2021.

Events Strategy

The cost of the Holiday Décor in 2026 is $900,000, a $200,000 increase from 2025. The decorations will continue to include LED trees, twinkling lights, pole décor, and installations at Market Square Park and Trebly Park. The total cost of collaborative and holiday programming is $500K.

Park Programming for 2026 includes, $200,000 for Main Street Promenade, $175,000 for Market Square Park, and $130,000 for Trebly Park. In 2026, the District will also invest $500,000 for World Cup temporary installations, and $45,000 in event sponsorships, special event preparation, and park promotions.

4. THRIVE

The 2026 budget for Economic Development and Marketing is $2.3 million. Key allocations include $20,000 for quarterly Economic Development Reports and ad hoc downtown data, $20,000 for regional collaboration with the Greater Houston Partnership, $100,000 for office tenant retention and recruitment, and $100,000 for reference materials and research sources. In addition, $20,000 has been budgeted for residential programming initiatives.

The 2026 budget also supports innovative grant programs to enhance downtown storefronts, including $377,000 for Retail Challenge Grants, $75,000 for Vinyl Storefronts, and $100,000 for Al Fresco Grants. The District has also forecasted $1.2 million for grant payments associated with the Downtown Living Initiative.

The 2026 marketing plan emphasizes promoting downtown's appeal and attracting diverse audiences from across the region. Budgeted items include $30,000 for creative development and strategy, $90,000 for photography and video, $147,000 for media and advertising, and $15,000 for promotional materials. The total 2026 marketing budget is $282,000.

5. ENGAGE

Engagement

The District will allocate $131,000 to promote Downtown through marketing and communications initiatives. This includes $40,000 for public relations, $31,000 for digital outreach such as e-blasts, the web portal, and social media, and $50,000 for print materials, including an updated *Field Guide* and other marketing collateral.

District Governance and Administration

District governance expenditure includes assessment collection, legal, accounting and auditing, administration contractor fees, insurance, the District website, and administrative personnel. There are no material changes in the administration and governance budget from 2025. The

total 2026 budget is $609,000, with staffing costs representing approximately 8% of total expenditure.

Total Expenditures and Funding Overview

Total expenditures for 2026 are budgeted at $42.9 million, reflecting an increase of approximately $7.1 million from the amended 2025 budget. The increase is primarily attributable to the timing of expenditures for the Main Street Promenade and the Downtown Overlay projects. Net of partner funding, total project-related expenses are $21.4 million. The District continues to seek funding through federal grants, corporate sponsorships, and partnerships with Discovery Green, METRO, Houston First, and other community stakeholders. Total budgeted 2026 expenditure remains consistent with projections in the ten-year Service and Improvement Plan.

Outlook

The 2026 expenditure budget reflects an optimistic outlook supported by continued growth in the downtown workforce, business travel, and visitation to restaurants, cultural venues, sports, and entertainment facilities. While the budget is designed to advance multiple strategic objectives, the District's overall financial position remains strong, providing flexibility to respond to changing conditions and emerging priorities.

Houston Downtown Management District

DRAFT 2026 Operating Budget Summary

	2025 Amended Budget	2025 Projected	2026 Budget	2026 Budget vs. 2025 Projected	2026 Budget vs. 2025 Amended Budget
Revenues					
Assessment revenue	$17,168,132	18,391,688	18,391,688	$0	$1,223,556
Federal grant reimbursements	$11,230,000	$5,490,000	18,000,000	$12,510,000	$6,770,000
Total other revenue	$2,519,356	$2,023,526	$3,487,673	$1,464,147	$968,317
Interest	$832,025	$721,252	$514,429	($206,823)	($317,596)
Utilization of Surplus Fund Balance	$4,055,388	$935,970	$2,463,517	$1,527,547	($1,591,871)
Total Funds Available	**$35,804,901**	**$27,562,436**	**$42,857,307**	$15,294,871	$7,052,406
Expenses					
Goal 1. Champion					
1a. Cultivate relations across sectors to drive catalytic opportunities	$75,000	$83,725	$0	($83,725)	($75,000)
1b. Design parks and open spaces made possible by NHHIP	$149,957	$149,746	$165,004	$15,258	$15,047
1c. Plan collaboratively for evolving edges, connections & major attractions	$29,286	$28,380	$36,004	$7,624	$6,718
1d. Excel in hosting major sporting and championship events	$30,881	$30,938	$63,032	$32,094	$32,151
1e. Explore opportunites to manage and mitigate effects of climate change	$100,000	$55,428	$300,000	$244,572	$200,000
1f. Champion safe, connected transit and non-motorized options	$473,221	$454,294	$457,476	$3,182	($15,745)
Total Goal 1:	**$858,345**	**$802,511**	**$1,021,516**	$219,005	$163,171
Goal 2. Enhance					
2a. Maintain and enhance Downtown's cleanliness & appearance	$7,524,313	$6,835,932	$6,826,257	($9,675)	($698,056)
2b. Grow and enhance Downtown's trees, planters, and green spaces	$765,000	$781,164	$1,453,757	$672,593	$688,757
2c. Enhance wayfinding to guide visitors and connect them to key destinations	$158,794	$111,075	$327,936	$216,861	$169,142
2d. Deploy ambassador teams to enhance visitor experience and public safety	$2,632,021	$2,423,515	$2,779,524	$356,009	$147,503
2e. Expand collaboration and apply proven strategies to keep Downtown safe	$2,064,382	$1,966,728	$2,100,629	$133,901	$36,247
2f. Shape perceptions and narratives to strengthen Downtown's reputation	$27,817	$26,748	$54,819	$28,071	$27,002
2g. Address the needs of people experiencing homelessness	$2,177,417	$2,083,995	$1,280,018	($803,977)	($897,399)
2h. Prepare for and respond to emergencies	$104,153	$102,031	$79,598	($22,433)	($24,555)
Total Goal 2:	**$15,453,897**	**$14,331,188**	**$14,902,538**	$571,350	($551,359)
Goal 3. Connect					
3a. Plan and build public infrastructure that promotes safety and equity	$79,286	$58,973	$38,799	($20,174)	($40,487)
3b. Collaborate with partners to connect people to Downtown destinations	$19,452	$19,087	$37,039	$17,952	$17,587
3c. Work with property owners to beautify corridors and improve connectivity	$45,050	$44,620	$54,597	$9,977	$9,547
3d. Facilitate pop-ups and activations to enliven the public realm	$0	$0	$0	$0	$0
3e. Focus public realm investments on key corridors that enhance connectivity	$10,830,000	$5,490,000	$18,031,888	$12,541,888	$7,201,888
3f. Use public art and placemaking to improve walkability in areas lacking storef	$872,805	$401,976	$100,000	($301,976)	($772,805)
3g. Prioritize pedestrian lighting on key corridors and near residences	$300,609	$289,420	$343,407	$53,987	$42,798
3h. Support Downtown accesssibility by maintaining sidewalks and other hards	$928,349	$537,531	$798,563	$261,032	($129,786)
3i. Implement an events strategy that engages diverse audiences and activates k	$1,842,005	$1,504,392	$2,949,129	$1,444,737	$1,107,124
3j. Leverage partners to bring high-impact experiences to Downtown	$10,000	$5,022	$10,000	$4,978	$0
3k. Create programs and strategies to connect employers and residents with Dov	$10,500	$9,954	$10,000	$46	($500)
Total Goal 3:	**$14,938,056**	**$8,360,975**	**$22,373,422**	$14,012,447	$7,435,366
Goal 4. Thrive					
4a. Promote Downtown as the region's hub for business, entertainment, and cul	$112,196	$166,899	$61,359	($105,540)	($50,837)
4b. Partner with local agencies to elevate Downtown Houston's national image a	$20,000	$14,391	$20,000	$5,609	$0
4c. Partner to shape Downtown's economic vision and strategy	$24,000	$15,395	$24,000	$8,605	$0
4d. Promote Downtown as a desirable, livable neighborhood	$57,053	$57,566	$94,425	$36,859	$37,372
4e. Support retention and recruitment of Downtown office tenants	$0	$0	$100,000	$100,000	$100,000
4f. Foster a strong storefront economy by targeting recruitment for key corridors	$0	$0	$0	$0	$0
4g. Create targeted marketing and incentives to improve storefronts and attract	$2,098,338	$1,613,599	$1,911,751	$298,152	($186,587)
4h. Promote new attractions that expand Downtown's offerings	$626,039	$607,524	$503,273	($104,251)	($122,766)
4i. Serve as the leading source for Downtown market intelligence	$34,739	$26,956	$11,680	($15,276)	($23,059)
4j. Expand data and reporting to deliver deeper insights to stakeholders and pro	$185,661	$165,612	$254,010	$88,398	$68,349
Total Goal 4:	**$3,158,026**	**$2,667,942**	**$2,980,498**	$312,556	($177,528)
Goal 5. Engagement					
5a. Establish a stakeholder engagement process to inform decisions and guide D	$932,625	$993,684	$1,138,058	$144,374	$205,433
5b. Create an engagement structure that allows stakeholders to inform and advis	$49,000	$53,246	$21,750	($31,496)	($27,250)
5c. Advance branding and marketing campaigns to elevate Downtown's profile	$74,000	$42,176	$40,000	($2,176)	($34,000)
5d. Offer user-friendly digital platforms that promote Downtown	$77,250	$66,608	$31,000	($35,608)	($46,250)
5e. Enhance communications to boost awareness of HDMD, Downtown's vitality	$83,803	$74,940	$116,393	$41,453	$32,590
5f. Develop materials and programs to welcome new companies, employees, and	$26,730	$25,996	$59,081	$33,085	$32,351
5g. Create tools to welcome and orient new companies, employees, and resident	$15,000	$6,933	$18,000	$11,067	$3,000
5h. Highlight the people, businesses, and initiatives shaping a vibrant, inclusive	$53,565	$52,222	$53,827	$1,605	$262
5i. Engage residents to strengthen Downtown community	$84,604	$84,015	$101,225	$17,210	$16,621
Total Goal 5:	**$1,396,577**	**$1,399,820**	**$1,579,334**	$179,514	$182,757
Total Expense	**$35,804,901**	**$27,562,436**	**$42,857,307**	**$15,294,871**	**$7,052,406**
Revenue in Excess (Deficit) Expense	**$0**	**$0**	**$0**	$0	$0

DRAFT

Houston Downtown Management District

DRAFT 2026 Operating Budget Summary

Analysis of functional expenses	Out of Pocket Expense	% of Bdgt	Admin Contractor Expense	% of Bdgt	Budget Total	Revenue: Partner Funding	Revenue: Net Expense
Goal 1. Champion	**$815,000**	1.9%	**$206,516**	0.5%	**$1,021,516**	**$698,123**	**$323,393**
1a. Cultivate relationships with leaders across sectors to enable HDMD to drive catalytic oppportunities	0	0.0%	0	0.0%	0		0
Expenses - Service Plan Renewal	0						
1b. Design Parks and Open Spaces made possible by NHHIP	100,000	0.2%	65,004	0.2%	165,004		165,004
Planning Consultants & Expenses NHHIP	100,000						
1c. Plan collaboratively for Downtown's evolving edges, connections and major attractions	0	0.0%	36,004	0.1%	36,004		36,004
Refresh the Development Framework including neighborhood plans	0						
1d. Excel in hosting major sporting and championship events	0	0.0%	63,032	0.1%	63,032		63,032
Collaborate in hosting major national & international events	0						
1e. Explore opportunities to manage and mitigates of climate change	300,000	0.7%	0	0.0%	300,000	100,000	200,000
Planning Consultants & Expenses - Cooling Structures and Landscaping Implementation Study	300,000					100,000	
1f. Champion safe, connected transit and non-motorized options	415,000	1.0%	42,476	0.1%	457,476	598,123	(140,647)
METRO Pressure Washing	265,000					598,123	
Flagging	0						
Ft. Bend County Park and Ride - Operating Support	150,000						
Understand unmet demand: coordinated services; promote METRO & other transit services							
Goal 2. Enhance	**$13,816,211**	32.2%	**$1,086,327**	2.5%	**$14,902,538**	**$2,204,550**	**$12,697,988**
2a. Maintain and enhance Downtown's cleanliness & appearance	6,254,078	14.6%	572,179	1.3%	6,826,257	1,180,170	5,646,087
Trebly Park (Outdoor fans/wood furniture refresh)	20,000						
Market Square Improvements (Furniture replacements & TC Stock	100,000						
Landscape Enhancements - Fence Replanting	0						
Capital Replacement	250,000						
Port O Can Cleaning	15,000						
Sidewalks & Bus Stops - Street Teams	2,445,180						
Pressure Washing	121,579						
Equipment -Street Teams	352,558						
Bird Abatement	72,000						
Trash collection bags	48,000						
Trash collection contract management	25,000						
Recycling program	26,000						
Rat abatement	500						
Trash collection personnel	452,989					253,300	
Garbage Truck Insurance	1,659						
Operations Center - Rent 1313 Main	265,000						
Warehouse Storage - Rent & Utilities	73,000						
Operations Center - Utilities	55,000					20,000	
Operations Center - Vehicle Parking	11,000						
Operations Center - Telecom	19,000						
Operations Center - Leasehold Improvements	10,000						
Street Teams - Vehicles & Equipment	70,000		503,000				
Street Teams - Vehicles & Equipment Insurance	0						
Insurance - Vehicles & Equipment	1,665						
Graffiti Abatement	35,000						
Cotswold Fountain Maintenance	115,000					187,000	
Cotswold Fountain Repairs	60,000						
Fountain Supplies	70,000						
Fountain Maintenance	115,000					70,000	
Fountain Electricity	12,000						
Fountain Plantings	55,000						
Main Street Square Attendant	156,025						
Main Street Promenade Attendant	316,873					341,870	
Main Street Square Fountain Refurbishment	40,000						
Market Square Park Accent Plants & Landscape Contractor	58,000						
Market Square Park Repairs, Supplies & Misc.	40,000						
Market Square Park Kiosk - Utilities	15,000					74,000	
Market Square Park Accent Plants - Contractor & Materials	38,000						
Market Square Park Attendant	156,025						
Trebly Park Plants & Landscape Contractor	33,000						
TreblyPark Repairs, Supplies & Misc.	45,000						
Trebly Park - Utilities	45,000					84,000	
Trebly Accent Plants - Contractor & Materials	28,000						
Trebly Park Attendant	156,025						
Expenses - Operations	50,000						
Banners	0						

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Maintenance - Pole & Pot Maintenance	30,000						
Allen Parkway Maintenance	150,000					150,000	
2b. Grow and enhance Downtown's trees, planter, and green spaces	1,378,000	3.2%	75,757	0.2%	1,453,757	3,500	1,450,257
Landscape Amenities-Irrigation	0						
Landscaping - Contractor & Supplies	134,000						
Landscaping - Water	255,000						
Landscaping - Tree Maintenance	200,000						
Irrigation - Maintenance & Repair	265,000					3,500	
Landscape Enhancements - Urban Canopy	0						
Accent Plants - Contractor & Materials	524,000						
2c. Enhance wayfinding to guide visitors and connect them to key destinations	275,000	0.6%	52,936	0.1%	327,936	0	327,936
Pedestrian Wayfinding	60,000						
Wayfinding System - Contractor Expense	65,000						
Vehicular Wayfinding Signs	150,000						
2d. Deploy ambassador teams to enhance visitor experience and public safety	2,709,733	6.3%	69,791	0.2%	2,779,524	535,880	2,243,644
DPSG Program-Equipment	30,000						
DPSG Program-Personnel	2,240,625						
DPSG Program-Discovery Green	115,228					212,000	
DPSG Program - Main Street Promenade	323,880					323,880	
2e. Expand collaboration and apply proven strategies to keep Downtown safe	1,990,000	4.6%	110,629	0.3%	2,100,629	485,000	1,615,629
Flock Cameras	144,000						
ODO Program-Coordinator	36,000						
Law Enforcement Support	10,000						
Private Security	965,000						
Private Security - Discovery Green	470,000					485,000	
ODO Program-Equipment	5,000						
HPD-Off Duty Contract	360,000						
2f. Proactively shape perceptions and narratives to strengthen Downtown's reputation	0	0.0%	54,819	0.1%	54,819	0	54,819
2g. Address the needs of the people experiencing homelessness and related impacts	1,204,400	2.8%	75,618	0.2%	1,280,018	0	1,280,018
Affordable Housing - Homeless Support	0						
Homeless Planning & Services	1,148,500						
421 San Jacinto Lease	38,900						
421 San Jacinto Utilities/Repairs	17,000						
2h. Prepare for and respond to emergencies	5,000	0.0%	74,598	0.2%	79,598	0	79,598
Emergency Operations Center (EOC) - monitoring equipment & generator	5,000						
May 16, 2024 Storm Expenditures	0						
Hurricane Beryl	0						
Tree Replanting	0						
Goal 3. Connect	**$21,615,000**	50.4%	**$758,422**	1.8%	**$22,373,422**	**$18,560,000**	**$3,813,422**
3a. Plan and build public infrastructure that promotes safety and equity	0	0.0%	38,799	0.1%	38,799	0	38,799
Planning Consultants & Expenses New Streetscapes	0						
3b. Collaborate with partners to connect people to Downtown destinations	0	0.0%	37,039	0.1%	37,039	0	37,039
Explore multiple means of connection	0						
3c. Work with property owners to beautify corridors and improve connectivty	0	0.0%	54,597	0.1%	54,597	0	54,597
Improve quality of pedestrian connections	0						
3d. Facilitate pop-ups and activations to enliven the public realm	0	0.0%	0	0.0%	0	0	0
Banners	0						
3e. Focus public realm investments on key corridors that enhance connectivity	18,000,000	42.0%	31,888	0.1%	18,031,888	18,000,000	31,888
More Space Main Street 2.0	7,000,000					7,000,000	
Storefront/Streetscape Activation & Mill and Overlay Construction	11,000,000					11,000,000	
3f. Use public art and placemaking to improve walkability in areas lacking storefronts	100,000	0.2%	0	0.0%	100,000	0	100,000
Marketing/Placebranding - Cool Connected Corridors	75,000						
Art Program-artists, install/deinstall expenses, etc.	25,000						
Art Consultant	0						
3g. Prioritize pedestrian lighting on key corridors and near residences	225,000	0.5%	118,407	0.3%	343,407	0	343,407
Lighting Plan Implementation - Design/CD's;Mural	0						
Street Lighting Expense - COH	70,000						
Street Lighting Expense - Amenities	30,000						
Street Lighting - Maintenance	125,000						
3h. Focus public realm investments on key corridors that enhance connectivity	750,000	1.7%	48,563	0.1%	798,563	400,000	398,563
Metro Paver Repairs	400,000					400,000	
Paver repair & maintenance	350,000						
3i. Implement an events strategy that engages diverse audiences and activates key area	2,520,000	5.9%	429,129	1.0%	2,949,129	160,000	2,789,129
Seasonal Banner Program	90,000						
Holiday Logistics and Installation	900,000						
Downtown Holiday Programming	200,000						
Main Street Square Programming & Events	0						
Main Street Promenade Programming	200,000						
Market Square Park Programming & Events	175,000					40,000	
Trebly Park Programming & Events	130,000					0	
Collaborative Programming Events	300,000					20,000	
Event Sponsorships	25,000					100,000	
World Cup Temporary Installations	500,000						
3j. Leverage partners to bring high-impact experiences to Downtown	10,000	0.0%	0	0.0%	10,000	0	10,000
Special Event Preparation	10,000						
3k. Create programs and strategies to connect employers and residents with parks	10,000	0.0%	0	0.0%	10,000	0	10,000
Marketing/Park Promotions	10,000						
Goal 4. Thrive	**$2,269,881**	5.3%	**$710,617**	1.7%	**$2,980,498**	**$0**	**$2,980,498**

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4a. Promote Downtown as the region's hub for business, entertainment, and culture	0	0.0%	61,359	0.1%	61,359	0	61,359
Marketing	0						
4b. Partner with local agencies to elevate Downtown Houston's national image and repu	20,000	0.0%	0	0.0%	20,000	0	20,000
Regional Collaboration	20,000						
4c. Partner to shape Downtown's economic vision and strategy	24,000	0.1%	0	0.0%	24,000	0	24,000
Expenses - Economic Development	24,000						
4d. Promote Downtown as a desirable, livable neighborhood	20,000	0.0%	74,425	0.2%	94,425	0	94,425
Residential Marketing	20,000						
4e. Support retention and recruitment of office tenants	100,000	0.2%	0	0.0%	100,000	0	100,000
Retention/Expansion	100,000						
4f. Foster a strong storefront economy by targeting recruitment for key corridors	0	0.0%	0	0.0%	0	0	0
Complete core shopping area plan	0						
4g. Create targeted marketing and incentives to improve storefronts and attract tenants	1,724,131	4.0%	187,620	0.4%	1,911,751	0	1,911,751
DLI Grants	1,172,131						
Retail Challenge Grants	377,000						
Retail Recruitment Strategy	0						
Vinyl Storefronts	75,000						
Al Fresco Grants	100,000						
4h. Promote new attractions that broaden Downtown's offerings	281,750	0.7%	221,523	0.5%	503,273	0	503,273
Marketing/ Creative & Strategy	30,000						
Marketing / Photography	30,000						
Marketing / Promotions & Video	60,000						
Media & Advertising	146,750						
Marketing / Promotional Items	15,000						
4i. Serve as the leading source for Downtown market intelligence	0	0.0%	11,680	0.0%	11,680	0	11,680
	0						
4j. Expand data and reporting to deliver deeper insights to stakeholders and prospects	100,000	0.2%	154,010	0.4%	254,010	0	254,010
Reference Material/Research	100,000						
Goal 5. Stakeholder Engagement	**$730,088**	1.7%	**$849,246**	2.0%	**$1,579,334**	**$25,000**	**$1,554,334**
5a. Establish a stakeholder engagement process to inform decisions and guide Downtov	609,338	1.4%	528,720	1.2%	1,138,058	0	1,138,058
Legal Counsel	69,300						
Accounting / Audit	91,800						
Assessment Collection	57,440						
Admin Contractor Fee	71,018						
Expenses - Admin General	36,000						
Expenses- E&O Insurance	16,143						
Expenses- General Liability Insurance	11,365						
Expenses- Real & Personal Property Insurance	26,114						
Expenses - Misc. Bank Fees	18,000						
Expenses - Planning, Design & Construction	24,000						
Depreciation	188,158						
5b. Create an engagement structure that allows stakeholders to inform and advise Dowı	21,750	0.1%	0	0.0%	21,750	0	21,750
Expenses - Marketing & Communications	21,750						
5c. Advance branding and marketing campaigns to elevate Dwontown's profile	40,000	0.1%	0	0.0%	40,000	0	40,000
Strategy, content development, outreach and issues management, Public Relations	40,000						
5d. Offer user-friendly digital platforms that promote Downtown	31,000	0.1%	0	0.0%	31,000	10,000	21,000
Downtown Web Portal	25,000						
Downtown E-Blast	6,000						
Social Media	0					10,000	
5e. Enhance communication to boost awareness of HDMD, Downtown's vitality, and ev	10,000	0.0%	106,393	0.2%	116,393	0	116,393
Communicate District - Brochure	10,000						
5f. Develop materials and programs to welcome companies, employees and residents	0	0.0%	59,081	0.1%	59,081	0	59,081
	0						
5g. Create tools to welcome and orient new companies, employees, and residents	18,000	0.0%	0	0.0%	18,000	15,000	3,000
Field Guide	18,000					15,000	
5h. Highlight the people, businesses, and initiatives shaping a vibrant, inclusive Downtc	0	0.0%	53,827	0.1%	53,827	0	53,827
	0						
5i. Engage residents to strengthen Downtown community	0	0.0%	101,225	0.2%	101,225	0	101,225
	0						
Grand Totals	**$39,246,180**	92%	**$3,611,127**	8%	**$42,857,307**	**$21,487,673**	**$21,369,634**

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RESOLUTION ORDERING THE ANNUAL SETTING OF THE RATE OF ASSESSMENT FOR THE YEAR 2025

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 2025 shall be $0.1695 per $100 of assessed valuation for services, major, and minor capital expenses.

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PASSED AND ADOPTED this 13th day November, 2025.

_____
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 13th day of November, 2025, and the roll was called of the duly constituted officers and members of the Board to-wit:

BOARD MEMBERS

Sean Alley	Spencer Lightsy
Leslie Ashby	Tyler Merritt
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	Brandon Oliver
Marian Harper	Edna Ramos
C.C. Huang	Frem Reggie
Angus Hughes	John Schafer
Antoinette "Toni" Jackson	Richard Torres
Robbi Jones	Reggie Wilson

and all of said persons were present, except Directors absent as recorded in the duly authorized minutes of the November 13, 2025 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 2025

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

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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 13th day of November, 2025.

(SEAL)

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

ACTION ITEM	Authorize the execution of agreements and expenditures with Durwood Green Construction Co. for the construction and implementation of the Downtown Overlay Project.
SERVICE PLAN	2021-2025
Account Code	583.820
Budget & Year	$11,490,000 2025
REQUEST	$11,490,000 (Offsetting Revenue)
DESCRIPTION	This action allows for the construction and implementation of the Downtown Overlay Project utilizing the $11.49M of grant dollars received through the Houston-Galveston Area Council (HGAC).
DISCUSSION	In October 2024, the District was awarded an $11.49M federal grant from HGAC's Transportation Policy Council for a capital improvement project to resurface 80+ blocks of roadway within Downtown Houston.. In September 2025, TxDOT, the administrating agency for this project, issued the State Letter of Authority (SLOA) granting approval for the District to begin advertising the project to receive bid proposals. A mandatory online pre-bid conference was held on October 7, 2025, which was attended by consultants, prime contractors, subcontractors, and material suppliers. Five valid bids were received on October 22, 2025. Construction is tentatively set to begin on December 1, 2025. With a project duration of 166 calendar days, substantial completion is currently scheduled for May 15, 2026.
DBE Participation	Per the U.S. Department of Transportation issuance of an Interim Final Rule (90 FR 47969), no DBE goals or reporting will be set on new contracts.

ACTION ITEM	Authorize 2025 expenditure with Gulf Coast Pavers, Inc. for additional paver repair work.
SERVICE PLAN	2021-2025
Account Code	585.800
Budget & Year	$400,000 2025
REQUEST	Not to exceed $400,000 (Offsetting Revenue)
DESCRIPTION	Expenditures will cover costs to repair crosswalks and roadway areas along Capitol and Rusk in the METRO Rail areas.
DISCUSSION	Pending the execution of a reimbursable agreement between the District and METRO, the District will have Gulf Coast perform the repairs in the designated areas along these METRO Rail streets under the current paver agreement in place. METRO will reimburse 100% of the costs of this work. The District is obligated by the maintenance agreement with the City of Houston to maintain and repair pavers in the crosswalks and roadway after these initial repairs are completed.
DBE Participation	Gulf Coast Pavers is not a DBE.



DOWNTOWN HOUSTON+

STRATEGIC ALIGNMENT PLAN UPDATES

November 2025

GOAL 1

Champion major projects, initiatives and investments that improve Downtown.

1.1 Build and maintain cross-sector relationships with area leaders so that CHI can support, facilitate or lead on catalytic opportunities.

Highlight: During the month of October, DTH+ organized and hosted three major gatherings of partners. On Oct 22, DTH+ convened the third meeting of place-based organizations from across the City of Houston to help prepare for the FIFA Men's World Cup. More than two-dozen organizations attended, including representatives from Emancipation Park, Midtown, TMC, Uptown, Upper Kirby, and many more. This effort was approved by the local Host Committee as a critical means for helping inform preparatory efforts across the city. Additionally, on October 24, Central Houston hosted its quarterly luncheon for non-profit leaders whose work intersects with Downtown in some way. About a dozen CEOs and Board Chair from local non-profits attended the leadership luncheon focused on strengthening relationships among current and potential partner organizations. Finally, on October 30, CHI and its DTH+ affiliate partners hosted the 41st Annual Meeting of Central Houston, featuring the State of Downtown address. Attendees included 60+ civic and non-profit leaders plus representatives from 130+ private companies with a stake or interest in Downtown.

Participating Agency:

Central Houston | downtown district | Downtown Redevelopment Authority

1.4 Guide the implementation of Plan Downtown, the HDMD Service & Improvement Plan, and TIRZ Project Plan.

Highlight: DTH+ achieved major milestones toward renewing the Houston Downtown Management District (HDMD). After surpassing the required petition support threshold, the organization mailed and published public notices in accordance with statutory requirements. The Public Hearing was held on September 30, and the room was filled with strong community support. The final step, ratification by a supermajority of the HDMD Board, is anticipated on November 13. If approved, the HDMD will be renewed for a 10-year term (2026 to 2035).

Participating Agencies:

Central Houston | downtown district

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: In partnership with Houston First and Theater District, DTH+ is programming Lynn Wyatt Square as an anchor to "North Pole" festivities of City Lights Downtown Holiday Magic. The collaboration brings coordinated public space activation to the heart of the Theater District, extending the holiday experience beyond the stage through live music, a market and festive gatherings. This model reflects the Public Realm Action Plan's vision for unified programming and shared investment among partners in Downtown's parks and public spaces, strengthening connections between cultural anchors and creating a more vibrant, coordinated holiday destination.

Participating Agencies:

Central Houston | downtown district | Downtown Redevelopment Authority

2.6 Deploy welcoming ambassador teams within the public realm to improve visitor experiences and augment public safety.

Highlight: A RFP was advertised starting on September 4th for interested contractors to manage the Clean Team & Public Safety Programs. A mandatory pre-proposal conference was held online on September 16, 2025 with representatives from 3 different contractors in attendance. Following the conference there was a question-and-answer period that ended on October 7th. The proposals were due on October 14th. The contract is for 3 years beginning on January 1, 2026 with two additional one-year extensions. The contract will be presented to the HDMD Board for approval at the December board meeting.

Participating Agency:

downtown district



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

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

Highlight: The Cool Corridors initiative is moving efficiently through the design due diligence phase for sites along Texas, McKinney, and Preston Streets. To ensure site-specific alignment, our design consultants and planning department are conducting one-on-one meetings with every property and business owner. These meetings thoroughly review the proposed Phase 1 interventions—which include tree canopy lighting, new/replaced trees, new plants, and/or shade structures—to provide clarity on the necessity and rationale for the improvements, linking them directly back to the extensive engagement that shaped the Public Realm Action Plan (Feb 2025) and the subsequent endorsement by the Connect Collaborative Committee (Spring 2025).

In parallel with targeted property review, we will host a public meeting where stakeholders can view the detailed design proposals for the Cool Corridors provide feedback on elements like material color choice and offer input on future programming and potential Phase 2 improvements. This dual approach—meticulous property-level vetting combined with comprehensive public feedback on aesthetic and programmatic elements—ensures the implementation adheres to both the established plan and current community priorities in time for the FIFA Men's World Cup in June 2026.

Participating Agencies:

Central Houston | downtown district | Downtown Redevelopment Authority

3.11 Plan and implement an events and programming strategy that appeals to diverse audiences and drives vibrancy in strategic areas.

Highlight: This year's Día de los Muertos celebrations drew more than 27,000 attendees across Market Square Park, Trebly Park, Discovery Green, and the 5th Annual Día de los Muertos Parade, featuring live performances, ballet folklórico, creative workshops, a family movie night, and community ofrendas. Trebly Park offered family-friendly programming for residents, Market Square Park energized visitors and Halloween revelers, and Discovery Green dazzled with a wide array of cultural performances, art activations, and the debut Catrín & Catrina contest, closing the weekend on a high note. The Downtown-wide storefront décor competition engaged 14 businesses, generating 13,269 page views, 2,892 users, and 624 votes on our mobile web app—congratulations to Irma's Southwest, Notsuoh, and La Carafe! The campaign's greatest success was seeing Downtown through the community's eyes—families, coworkers, and friends sharing their Día spirit. We look forward to applying this collaborative event strategy as we transition into the holiday season.

Participating Agency:

downtown district

GOAL 4

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

4.12 Develop focused marketing materials and incentive programs intended to support storefront recruitment efforts.

Highlight: The DRA Facade Improvement Grant program is poised to transform Downtown by making investments in privately owned structures. Designed to preserve and showcase a building's historic and architectural features, the grant revitalizes our Downtown neighborhood and assists with project financing. The grant is reimbursable for specific preapproved improvements to a structure's street-facing facade. DTH+ officially received two submissions in October 2025. The maximum award per property is $250K, with a total combined amount of $297,383 applied for during this round of applications. Current proposals will be presented to the DRA Board in December 2025. A new round of applications will be reviewed during the first quarter of 2026.

Participating Agency:

Downtown Redevelopment Authority

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

Highlight: At the end of October, DTH+ released the Q3 2025 Market Report, continuing its commitment to publishing this report within one month of each quarter's close. The report delivers timely data and insights into Downtown activity, including trends in visitation, employment, development, major news and events, and real estate. This edition features an in-depth analysis of visitor activity—exploring who is coming Downtown and what motivates their visits. These insights provide valuable context and support decision-making related to Downtown's growth and opportunities.

Participating Agencies:

Central Houston · downtown district · Downtown Redevelopment Authority



GOAL 5

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

5.1 Develop a representative engagement structure that provides stakeholders the opportunity to inform decision making and advise on the direction of Downtown.

Highlight: Following the State of Downtown and 41st Annual Meeting, CHI leadership is excited to welcome the 2026 Board slate. The Harris County-Houston Sports Authority and Stream Realty Partners are joining CHI as members to qualify for Board service and demonstrate their renewed commitment to Downtown Houston's progress. New Board members include Ryan Walsh (HCHSA), Ryan Barbles (Stream), Tom Jasien (METRO), Giles Kibbe (Houston Astros), and Gretchen Sheirr (Houston Rockets). Together, these leaders strengthen CHI's partnerships and reflect the shared energy driving Downtown Houston forward in 2026.

Participating Agency:

Central Houston

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

Highlight: Communications infrastructure is essential in supporting positive information flow and energizing Downtown's brand. A new, purpose-built web page for CHI's Annual Meeting and State of Downtown presentation signaled a repositioning for the 41-year-old event and generated more than 4,100 page views. The State of Downtown program also galvanizes positive business news. By cultivating the story of 910 Louisiana's multimillion-dollar repositioning, DTH+ powered a larger narrative about investor commitment to a new era of Downtown development, featured in the Houston Business Journal and Houston Chronicle on the eve of the Oct. 30 event.

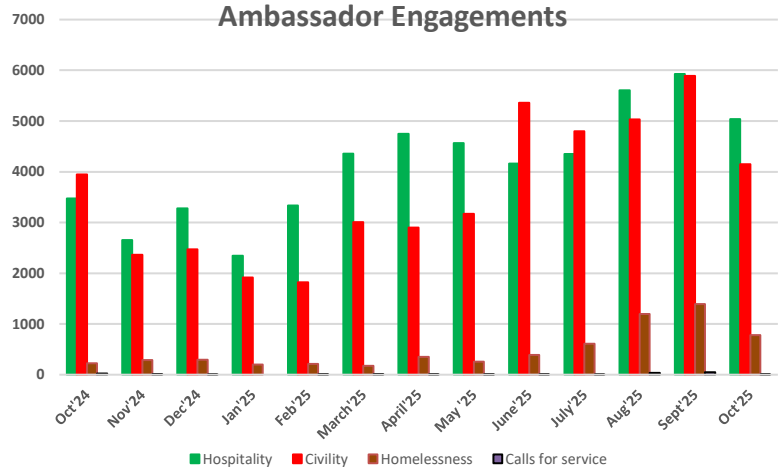
Participating Agencies:

Central Houston downtown district Downtown Redevelopment Authority

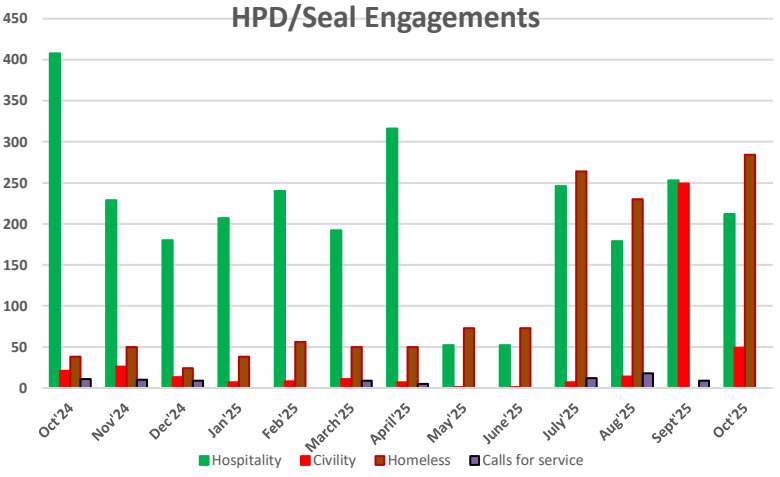
Engagements	Homeless Count	Sidewalk Cleaning	Garbage Disposed (Tons)	BF Clean/Graffiti/Bio
91620	164	4.17	1268	153249/6401/14373
Total	Average	Average	Total	Total

Safety & Quality Control

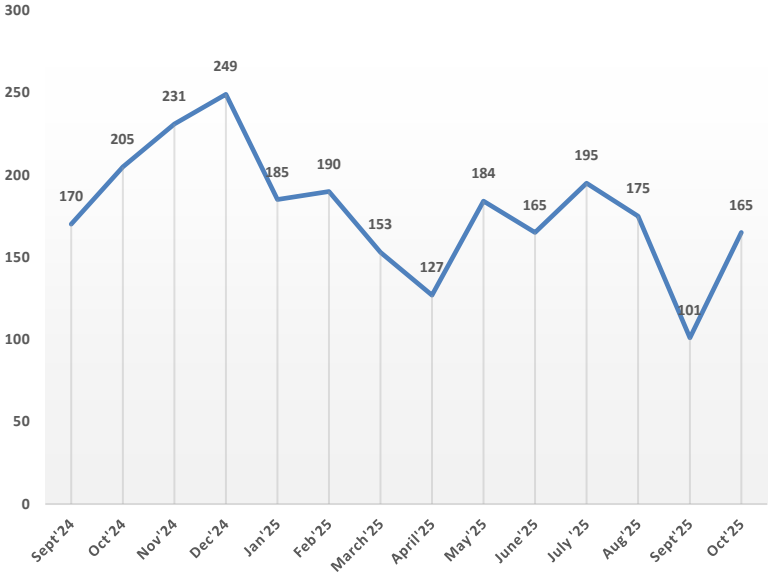
Ambassador Engagements



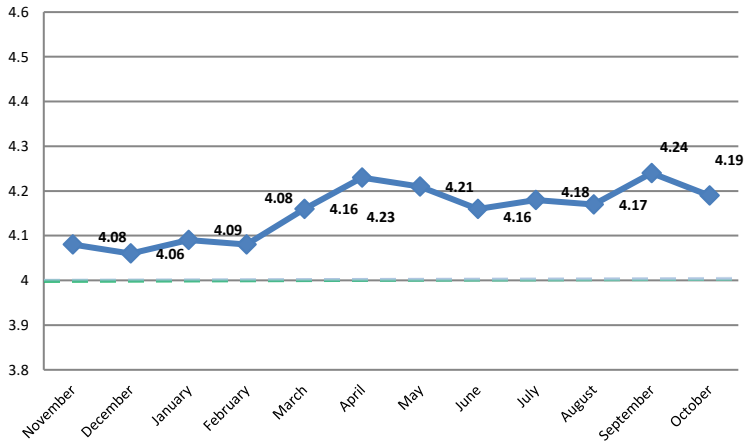
HPD/Seal Engagements



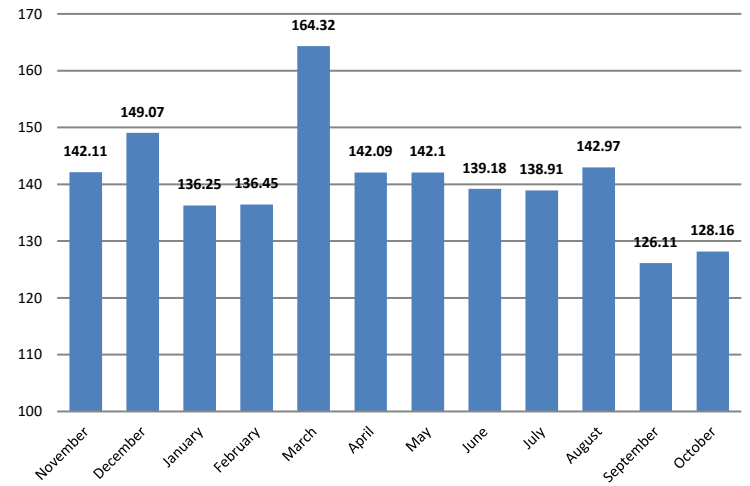
Homeless Count



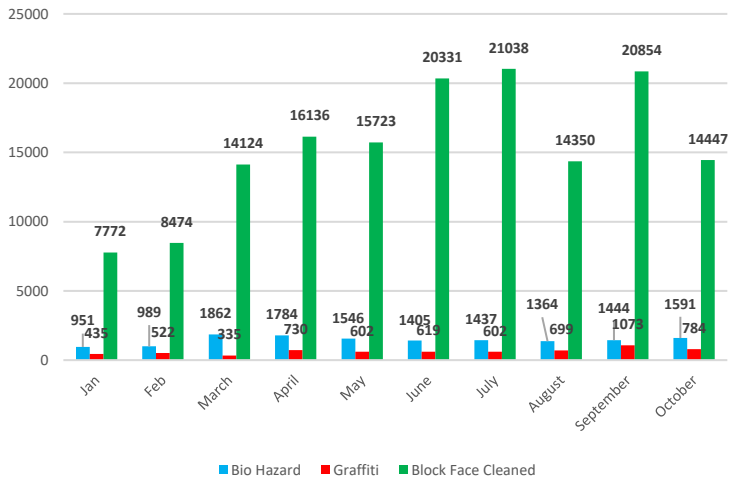
Sidewalk Cleaning



Garbage Disposed (Tons)



Tasks Completed

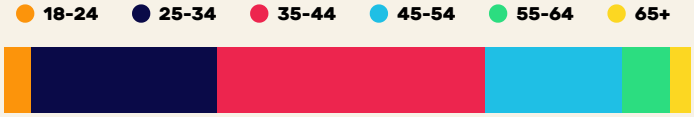


Engagement Metrics

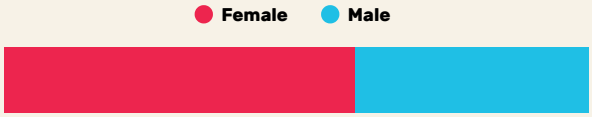
October 2025

SOCIAL

FOLLOWERS BY AGE



FOLLOWERS BY GENDER



SOCIAL METRICS

	Instagram	Facebook	X	TikTok	LinkedIn
Total Reach	987,183	1.7M	20,806	102,000	13,240
Total Impressions	149,362	226,916	1.4K	11,424	1,191
Total Followers	198,263 (449 New Followers)	159,890 (2,543 New Followers)	169,516	9,762 (505 New Followers	5,285 (102 New Followers)

TOP CONTENT OF THE MONTH

Día de los Muertos Photo Ops

Plays	241,929
Likes	4,317
Comments	106
Shares	1,091
Saves	362



WEBSITE

TOP 3 VIEWED PAGES

1 Calendar — 16,897 Views

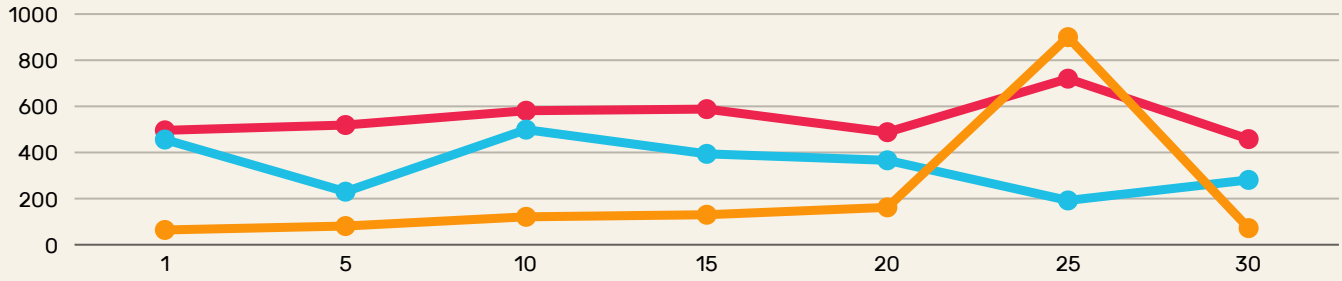
Unique Visitors	Views/User	Avg. Time
8,585	1.97	44s

2 Tunnels — 11,984 Views

Unique Visitors	Views/User	Avg. Time
7,090	1.69	53s

3 Parking — 5,217 Views

Unique Visitors	Views/User	Avg. Time
3,416	1.53	15s



Engagement Metrics

October 2025

EVENTS

TOTAL EVENT ATTENDANCE

1,131
MARKET SQUARE PARK

823
TREBLY PARK

GAME ON! CHECKOUTS

141
MARKET SQUARE PARK

127
TREBLY PARK



