

HOUSTON FIRST CORPORATION

CONVENTION & ENTERTAINMENT INFORMATION

PREPARED FOR
CONTROLLER CHRIS BROWN
INVESTOR CONFERENCE

November 4, 2022

Frank F. Wilson
Chief Financial Officer



DISCLAIMER



Disclaimer

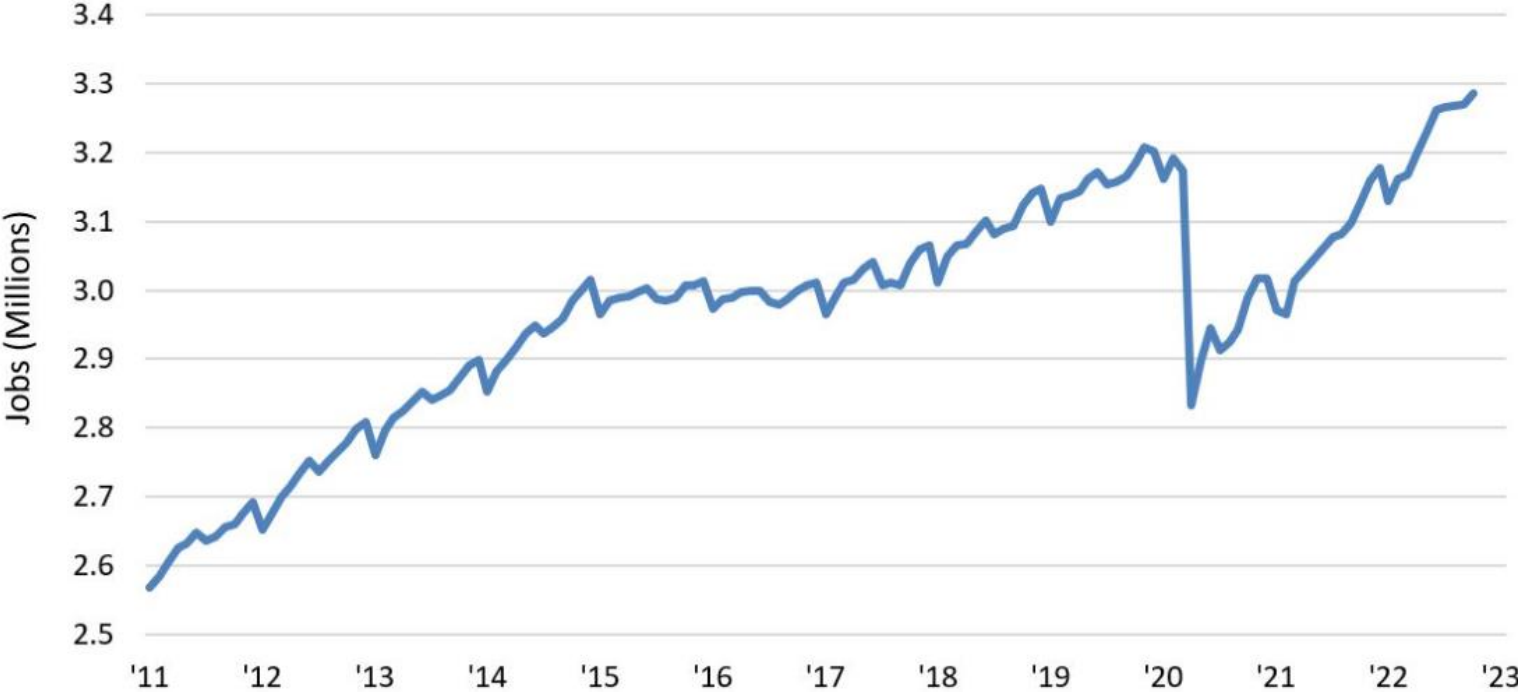
This investor presentation is intended to provide certain information about the City of Houston ("Houston") to current and prospective investors only. This presentation does not constitute an offer or a solicitation of an offer to buy any security. Any such offer will be made solely by means of the official statement that is prepared and issued in connection with each particular securities offering.

Except for the historical information and discussions contained herein, statements contained in this presentation may constitute forward-looking statements. Forward-looking statements are based on Houston's current estimates and assumptions regarding future events, including business and financial performance in both the public and private sectors. These statements involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including, but not limited to: changes (whether positive or negative) in the economic, fiscal, and financial environment both inside and outside Houston; fluctuations in revenues, liabilities, and financial results; impact of legal, economic, social, political and financial conditions; changes or enactment and implementation of laws, regulations and rules (including accounting rules); significant changes of the financial market or U.S. economy; and risks from legal proceedings. Houston assumes no obligation to update or revise any forward-looking statements.

City of Houston

HOUSTON EMPLOYMENT

Nonfarm Payroll Employment, Metro Houston



Source: Greater Houston Partnership

HOUSTON EMPLOYMENT

Metro Houston Employment, Progress Toward Recovery

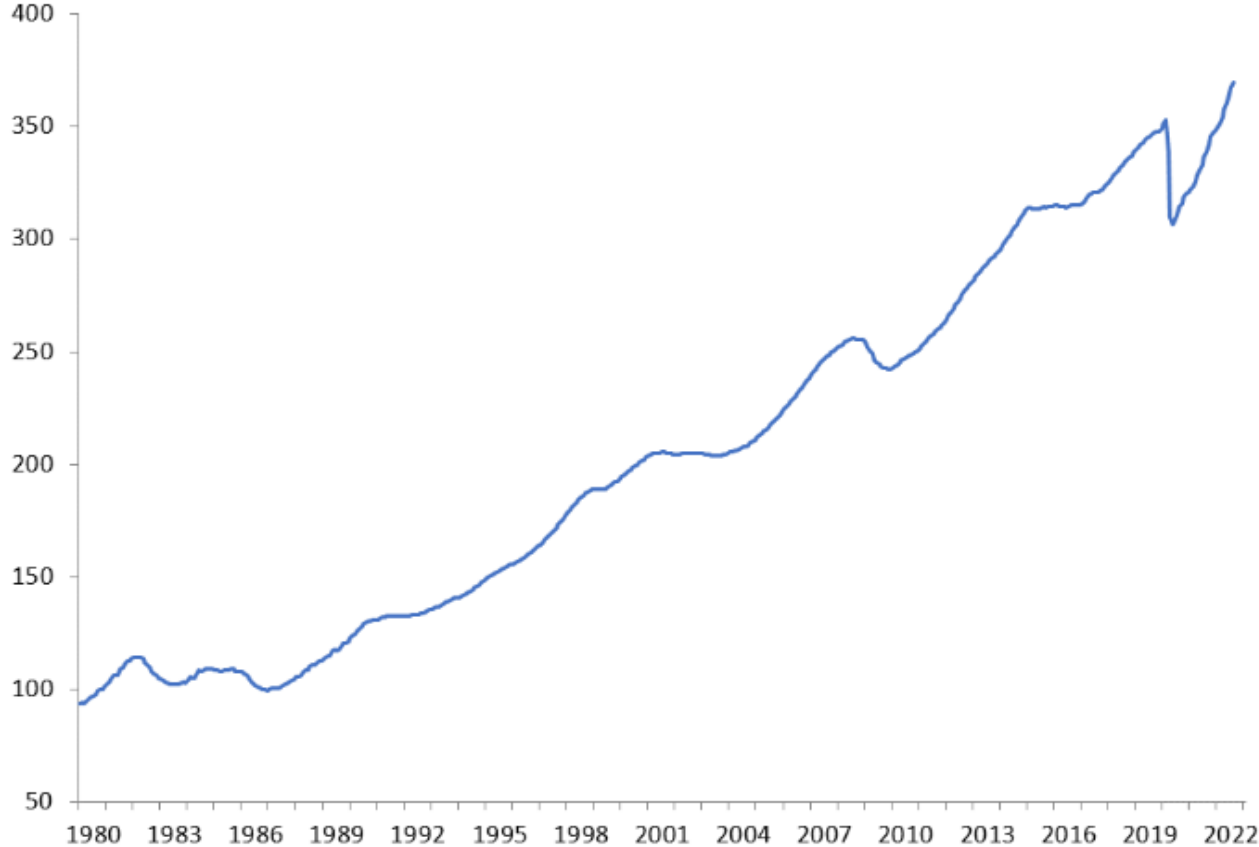
Industry/Sector	Initial Losses (Mar & Apr '20)	Recovered as of September '22	Left to Recoup	
			Jobs	%
Total Nonfarm Payroll	359,400	452,800	Fully Recovered	
Food Services and Drinking Places	99,500	125,700	Fully Recovered	
Health Care and Social Assistance	36,800	52,100	Fully Recovered	
Construction	23,900	26,900	Fully Recovered	
Professional, Scientific, and Tech Services	13,200	23,000	Fully Recovered	
Retail Trade	39,800	56,100	Fully Recovered	
Other Services	30,400	24,100	6,300	20.7
Arts, Entertainment, and Recreation	17,300	20,200	Fully Recovered	
Admin Support, Waste Management	28,100	43,700	Fully Recovered	
Manufacturing	11,300	4,100	7,200	63.7
Wholesale Trade	8,700	13,200	Fully Recovered	
Hotels	11,500	9,300	2,200	19.1
Energy (Exploration, Oil Field Services)	6,300	-3,900	10,200	161.9
Transportation, Warehousing, Utilities	3,300	15,300	Fully Recovered	
Real Estate and Equipment Rentals	6,000	6,800	Fully Recovered	
Educational Services	8,200	16,600	Fully Recovered	
Government	7,200	9,400	Fully Recovered	
Information	4,400	4,000	400	9.1
Finance and Insurance	1,400	7,000	Fully Recovered	

Source: Partnership calculations based on Texas Workforce Commission data

HOUSTON BUSINESS CYCLE INDEX

Houston – The Woodlands– Sugar Land Business-Cycle Index

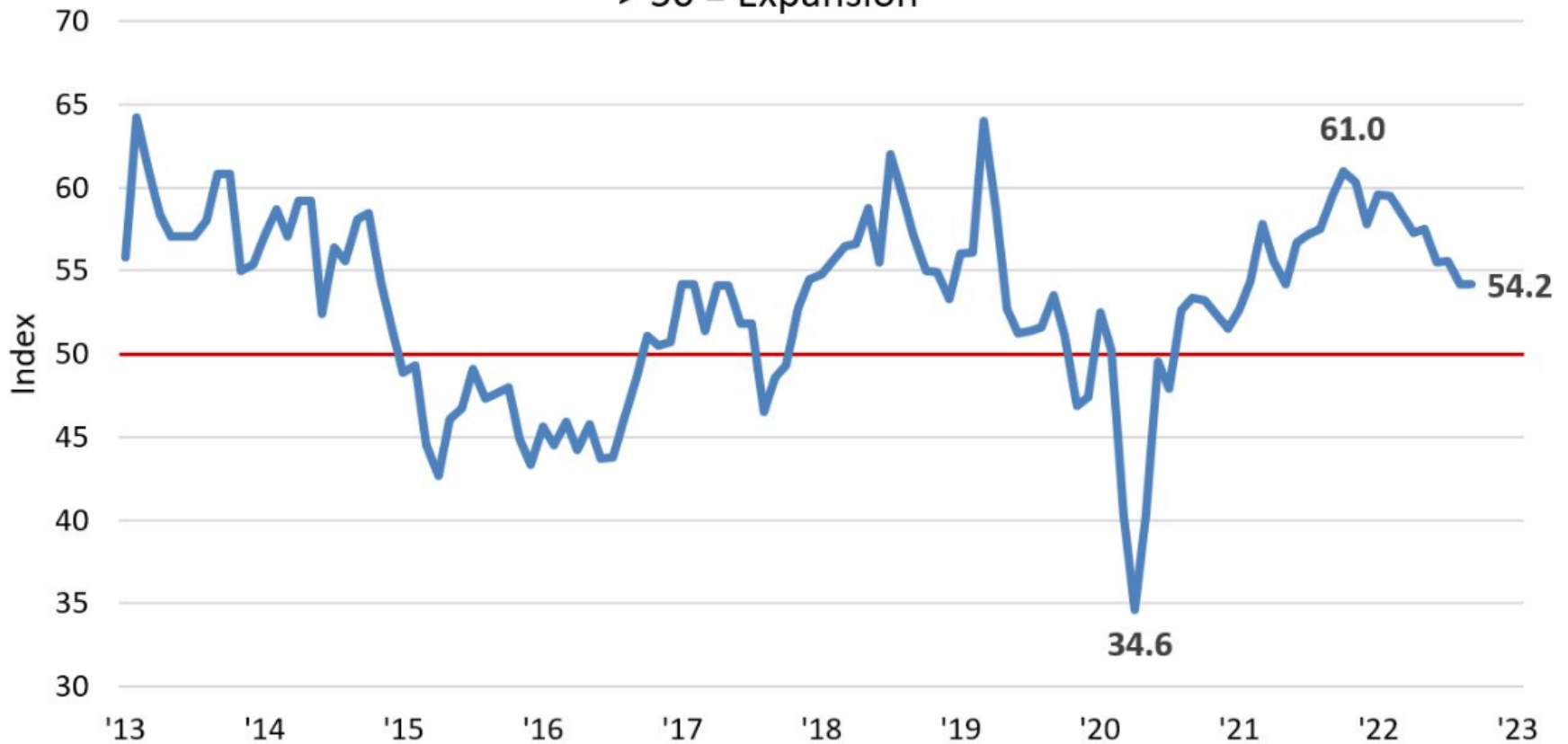
Index, October 1980 = 100*



HOUSTON PMI

Houston Purchasing Managers Index

> 50 = Expansion



Source: Institute for Supply Management-Houston Chapter

HOUSTON FIRST CORPORATION



- Local government corporation formed by the City in 2000 as the Houston Convention Center Hotel Corporation, responsible for building, operating and maintaining the Hilton Americas project
- In 2011, the City's Convention & Entertainment Facilities Department and Houston Convention Center Hotel Corporation were consolidated into HFC
- Mandate to operate the City's convention and performing arts facilities and other real estate and promote the City as a world-class destination for tourism and conventions
 - Acts as City's agent, collects HOT
 - Promotes the City as DMO through the Visit Houston brand

HOUSTON FIRST CORPORATION

HFC Role

- Drive economic impact and demand generation as the Destination Marketing Organization for Houston.
- Working in concert with the hospitality ecosystem in Houston, create value throughout the community to positively impact the entire City.
- Manage and provide programming at numerous hospitality assets owned by HFC and the City.



HOUSTON FIRST CORPORATION

HFC Assets

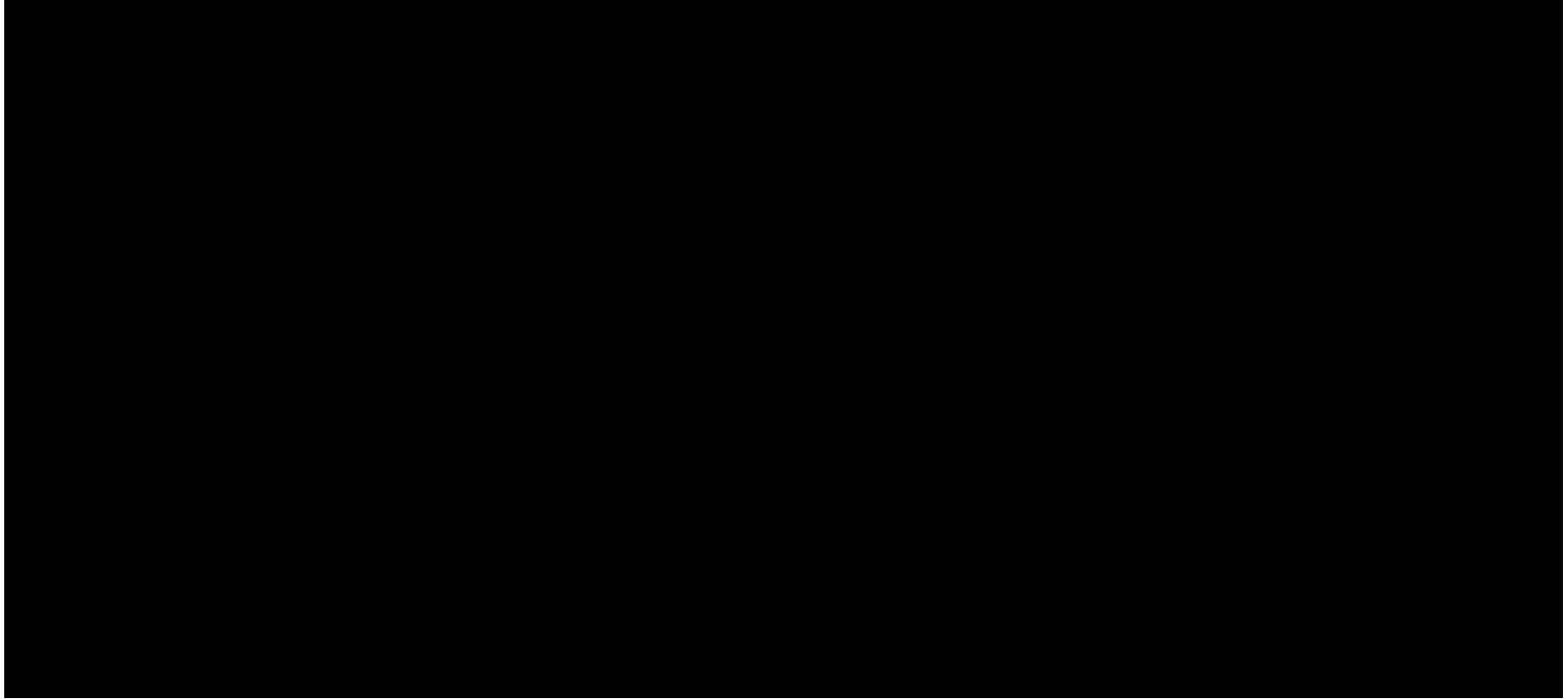
- Hilton-Americas Houston
 - 1,200 rooms, adjacent to the Convention Center
- George R. Brown Convention Center
 - 1.8 million square feet in downtown Houston
- Wortham Theater Center
 - Houston Grand Opera and Houston Ballet
- Jones Hall for the Performing Arts
 - Houston Symphony
- Miller Outdoor Theatre
- Partnership Tower
 - Home to Houston First and other Houston promotional groups
- Houston First Outdoors
- Theater District Parking Garages
- Avenida (Convention District) Garages

Outstanding Obligations Secured by Pledged HOT & Parking Revenues

- Parity Bonds:
 - \$233 M Series 2001B Bonds (CABs)
 - \$189 K Series 2005 Bonds
 - \$2.4 M Series 2008 A
 - \$66 M Series 2014 Bonds
 - \$103 M Series 2015 Bonds
 - \$29 M Series 2017 Bonds
 - \$78.8 M Series 2019 Bonds
 - \$29 M Series 2021 Bonds
- Subordinate Obligations
 - \$21 million of Series A Notes



HOUSTON FIRST CORPORATION



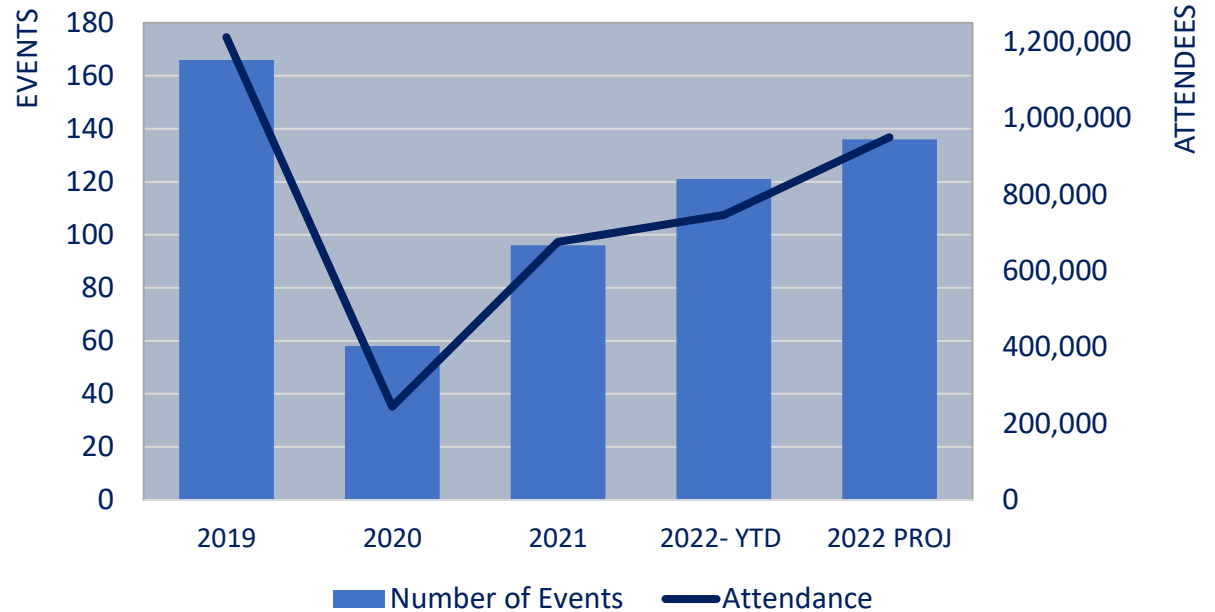
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Houstonfirst

RECOVERY OF MEETINGS AND CONVENTIONS



George R. Brown Convention Center EVENTS AND ATTENDEES

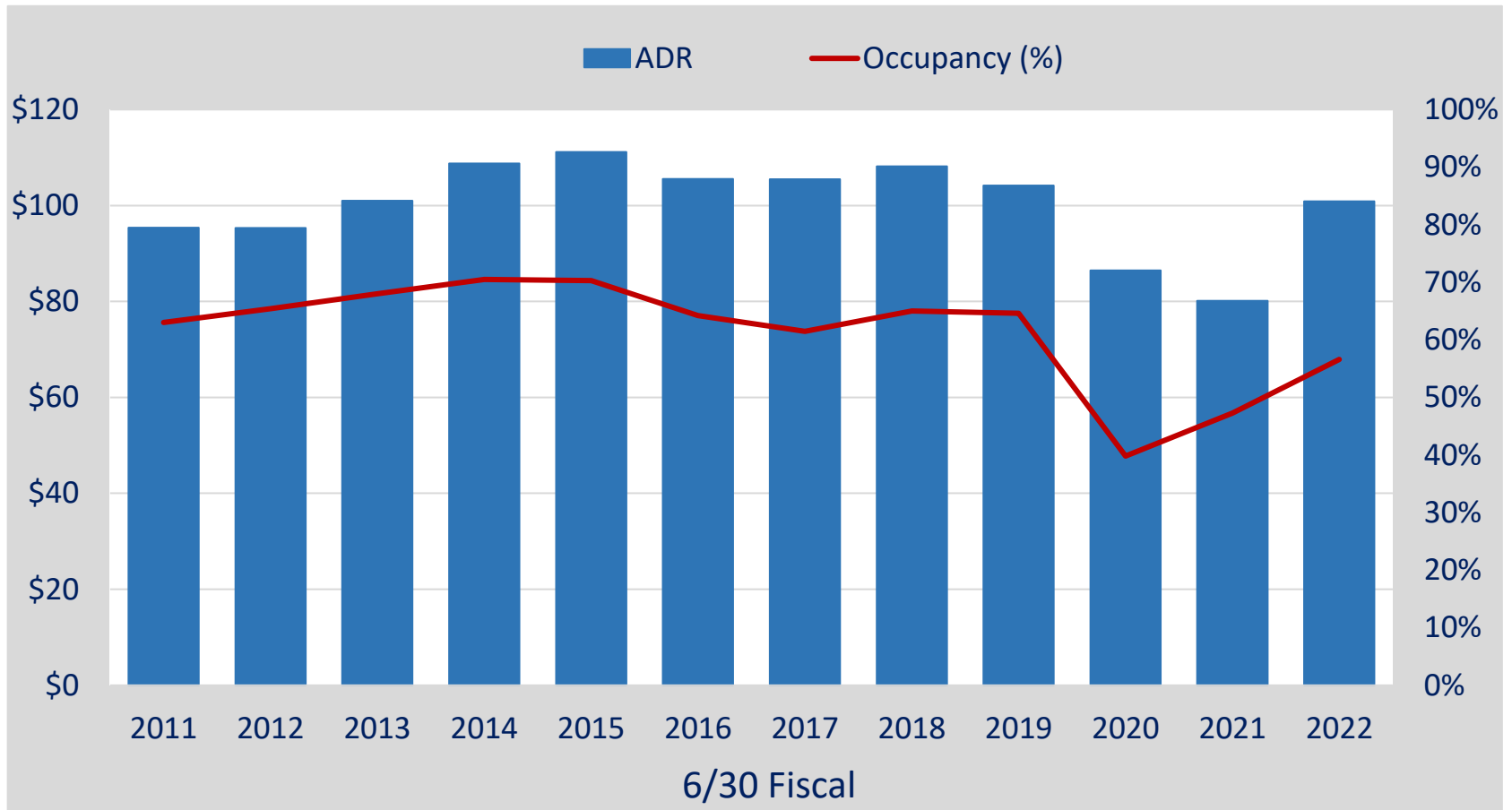


2023 KEY MEETINGS AND EVENTS

	<i>Attendance</i>
JANUARY	
United Rentals, Incorporated	3,000
Chevron Houston Marathon	25,000
FEBRUARY	
American Association of Professional Landmen (NAPE)	17,000
W.W. Grainger	5,000
SAP Concur Technologies, Inc.	7,000
MARCH	
CERAWeek	2,600
Cross Court Classic	15,000
APRIL	
NCAA Men's Final Four	75,000
FIRST Robotics	25,000
Lone Star Regionals - Week 1	10,500
MAY	
Comicpalooza	50,000
Offshore Technology Conference	40,000
Lone Star Regionals - Week 2	10,500
United Way Worldwide	2,000

	<i>Attendance</i>
JUNE	
American Society for Mass Spectrometry	6,500
American Society for Microbiology	7,000
National Association of Drug Court Professionals	6,000
National Federation of the Blind	3,000
JULY	
Texas High School Coaches Association	13,000
American Association of Physicists in Medicine	4,800
AUGUST	
Anime Matsuri	45,000
Association of Diabetes Care and Education Specialists	4,500
Wal-Mart Stores, Inc.	8,000
SEPTEMBER	
True Value Hardware	4,000
OCTOBER	
Confidential - Corporate Account	10,000
Quilts, Incorporated	30,000

HOUSTON AVERAGE DAILY RATE AND HOTEL OCCUPANCY



TOTAL ANNUAL HOT COLLECTION

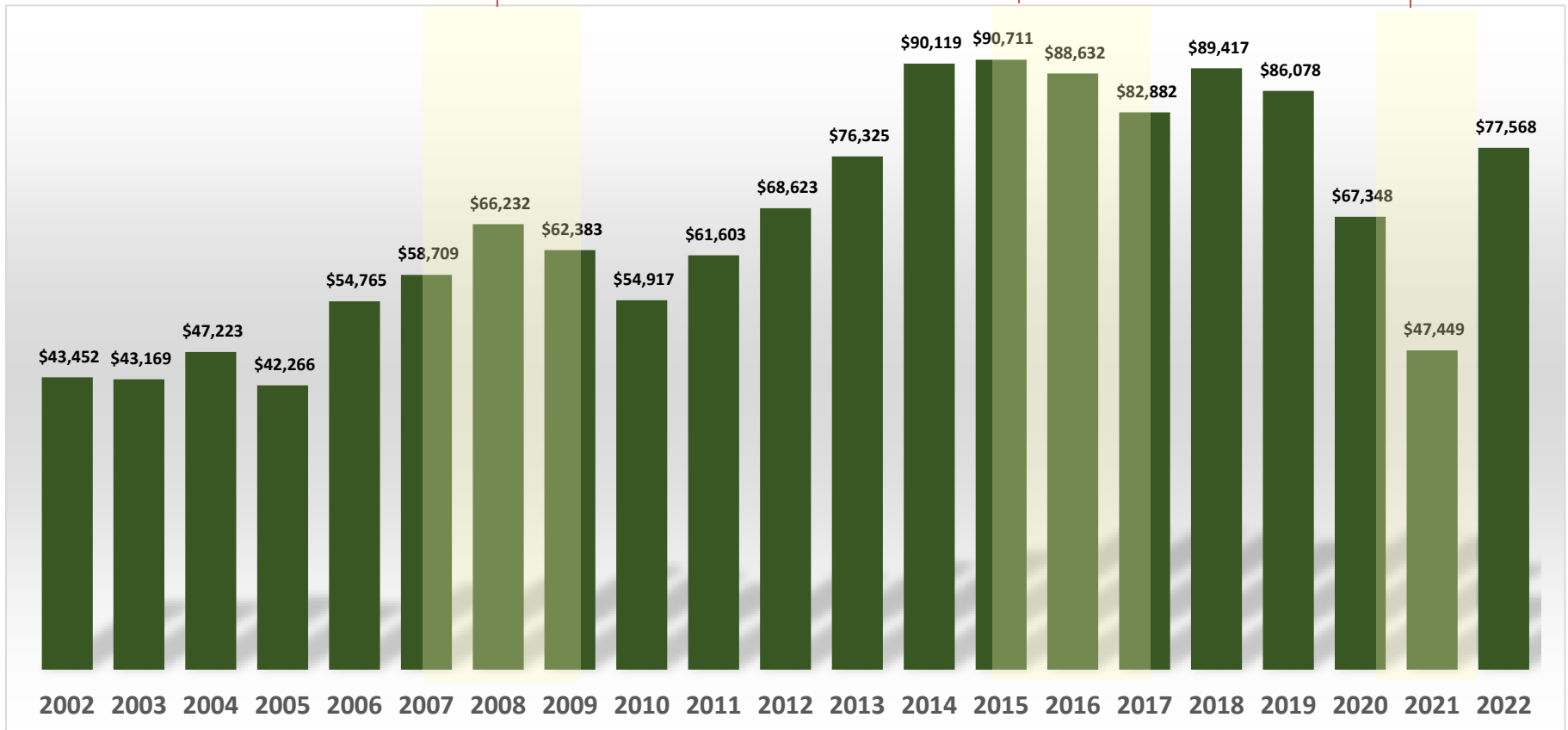
2002 – 2021

FY 6/30

Great
Recession

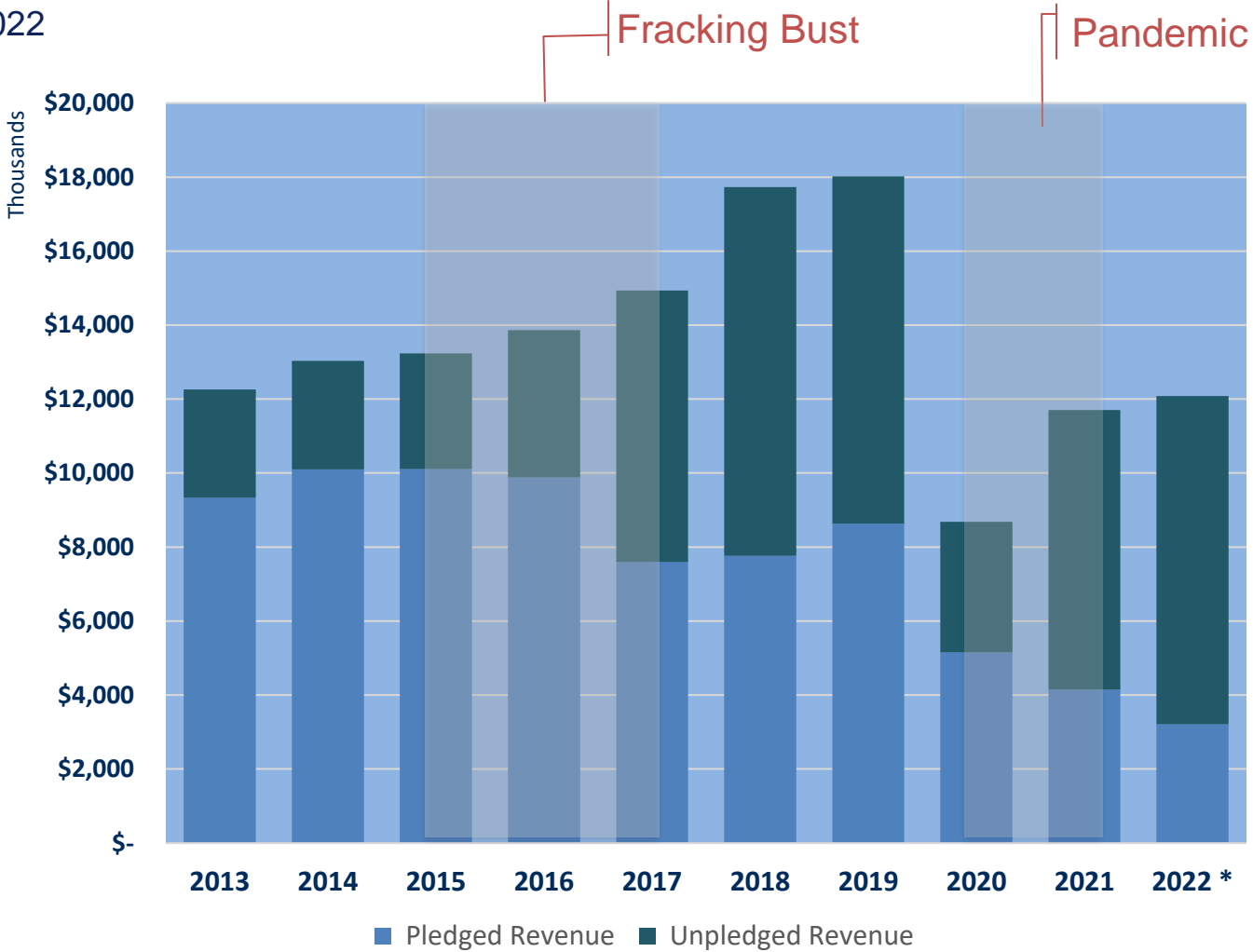
Fracking Bust

Pandemic



TOTAL PARKING REVENUES

2013 - 2022



*Through September 30, 2022.

OUTLOOK

Wall Street Journal

October 21, 2022

American Sees Travel Demand Lasting

“The pandemic-related travel boom shows little sign of tapering off, despite persistent inflation and murky economic outlook . . . ”

“The airline said it isn’t anticipating a slowdown and projected fourth-quarter revenue to be 11% to 13% higher than the same period in 2019.”

“We continue to believe that 2023 demand for air travel will be robust. We currently see no signs of demand slowing as we move into the new year. ”

--Derek Kerr, CFO

CREDIT RATING AFFIRMED / OUTLOOK STABLE

S&P Global
Ratings

RatingsDirect®

Houston Hotel Occupancy Tax Bond Rating Outlook Revised To Stable From Negative On Higher Revenues; 'A' Rating Affirmed

September 28, 2022

DALLAS (S&P Global Ratings) Sept. 28, 2022--S&P Global Ratings has revised its outlook to stable from negative and affirmed its 'A' rating on Houston, Texas' convention and entertainment facilities department hotel occupancy tax (HOT) and special revenue refunding bonds.

"The outlook revision reflects a material return of revenue growth in 2022 and subsequent improvement in debt service coverage," said S&P Global Ratings credit analyst Andy Hobbs.

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