

HOUSTON FIRST CORPORATION  
**CY 2022 STRATEGY  
& BUDGET**

Budget & Fiscal Affairs Committee  
December 7, 2021



# HFC'S ROLE

- HFC creates and enhances opportunities for the community while promoting the city's vibrant and diverse culture throughout the world
- Our endeavors maximize visitation to the Houston region, inspire pride among residents, and contribute to a thriving economy

# Houstonfirst

## BRANDS



## ADMINISTRATION

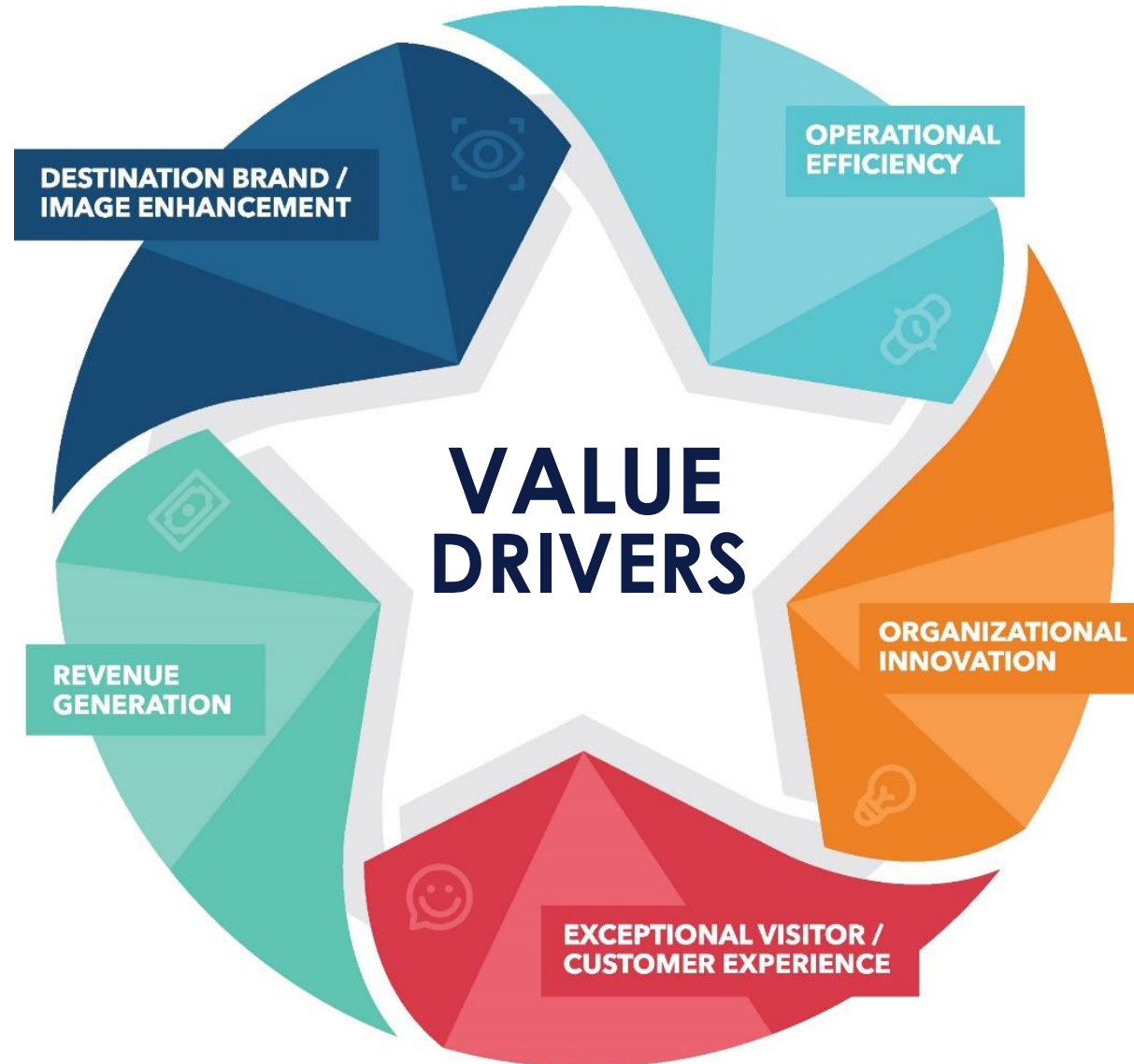
ADMINISTRATION

- FINANCE & ADMINISTRATION
- MARKETING & COMMUNICATIONS
- PUBLIC AFFAIRS
- GENERAL COUNSEL
- FACILITY OPERATIONS
- PARTNERSHIPS & DEVELOPMENT

## FACILITY OPERATIONS



# CORE OF VALUE CREATION



# TOP 2021 ACCOMPLISHMENTS



**SAMANTHA  
BROWN'S**  
**PLACES  
TO LOVE** ❤️

**LYNN WYATT**  
**SQUARE** FOR THE  
PERFORMING ARTS



# CY 2021 BUDGET VERSUS FORECAST

(\$ in millions)

	2021 Budget	2021 Forecast	CHANGE
<i>Operating Revenue</i>	\$40.4	\$45.5	\$5.1
<i>Non-Operating Revenue</i>	68.6	67.6	(1.0)
<b>TOTAL REVENUE</b>	<b>\$109.0</b>	<b>\$113.1</b>	<b>\$4.1</b>
<i>Operating Expense</i>	\$66.9	\$55.7	(\$11.2)
<i>Non-Operating Expense</i>	97.4	84.9	(12.5)
<b>TOTAL EXPENSE</b>	<b>\$164.3</b>	<b>\$140.6</b>	<b>(\$23.7)</b>
<b>REVENUE IN EXCESS OF EXPENSE</b>	<b>(\$55.3)</b>	<b>(\$27.5)</b>	<b>\$27.9</b>

# PROPOSED 2022 STRATEGY & BUDGET

## Approval Process

NOVEMBER 5, 2021

### HOTEL COMMITTEE

- Hilton Americas – Houston Hotel

NOVEMBER 10, 2021

### SALES, TOURISM, AND MARKETING COMMITTEE

- Enterprise Strategy
- Marketing
- Sales, Client & Event Services
- Tourism & Industry Relations

NOVEMBER 18, 2021

### HFC BOARD OF DIRECTORS

- HFC Corporate Budget

NOVEMBER 8, 2021

### OPERATIONS COMMITTEE

- Cultural Facilities & Services
- Convention Facilities & Services
- Information Technology
- Urban Development

NOVEMBER 16, 2021

### BENEFITS, COMPENSATION, AND FINANCE COMMITTEE

- HFC Corporate Budget

# 2022 PRIORITIES



- Accelerate promotion of Houston as an attractive location for TV and Film projects
- Increase investment in Mexican market to return Houston as the top destination for Mexican travelers by 2023
- Celebrate grand opening of Lynn Wyatt Square for the Performing Arts
- Aggressively refill convention sales pipeline for future years
- Use intelligent analytics to identify high-value sales prospects
- Live event programming at Avenida Houston and Lynn Wyatt Square



# 2022 PRIORITIES



- Initiate a rapid and sustained recovery for travel from Europe and Asia by Q3
- Develop & launch B2B & B2C annual events
- Promote Houston as a leisure destination through an integrated, omni-channel marketing approach
- Collaborate with surrounding-area DMOs for co-op marketing that stretch dollars and benefit the region

# MAJOR REVENUE INCREASES

Anticipating over \$70 million increase year-over-year in major revenue categories:

- HOT: **\$56m to \$84m**
- Parking: **\$11m to \$17m**
- Hilton Americas-Houston: **\$12m to \$30m**
- Venue: **\$9m to \$16m**
- Food & Beverage: **\$7m to \$21m**



# PROPOSED CY 2022 BUDGET SUMMARY

(\$ in millions)

	2021 Forecast Budget	2022 Proposed Budget	CHANGE
<i>Operating Revenue</i>	\$45.5	\$88.0	\$42.5
<i>Non-Operating Revenue</i>	67.6	95.2	27.6
<b>TOTAL REVENUE</b>	<b>\$113.1</b>	<b>\$183.2</b>	<b>\$70.1</b>
<i>Operating Expense</i>	\$55.7	\$92.0	\$36.3
<i>Non-Operating Expense*</i>	84.9	104.5	19.6
<b>TOTAL EXPENSE</b>	<b>\$140.6</b>	<b>\$196.5</b>	<b>\$55.9</b>
<b>REVENUE IN EXCESS OF EXPENSE</b>	<b>(\$27.5)</b>	<b>(\$13.3)</b>	<b>\$14.2</b>

\*Includes \$66.5 M in debt service, \$15 M to HAA, \$3.4 M contributions to City and other stakeholders.

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