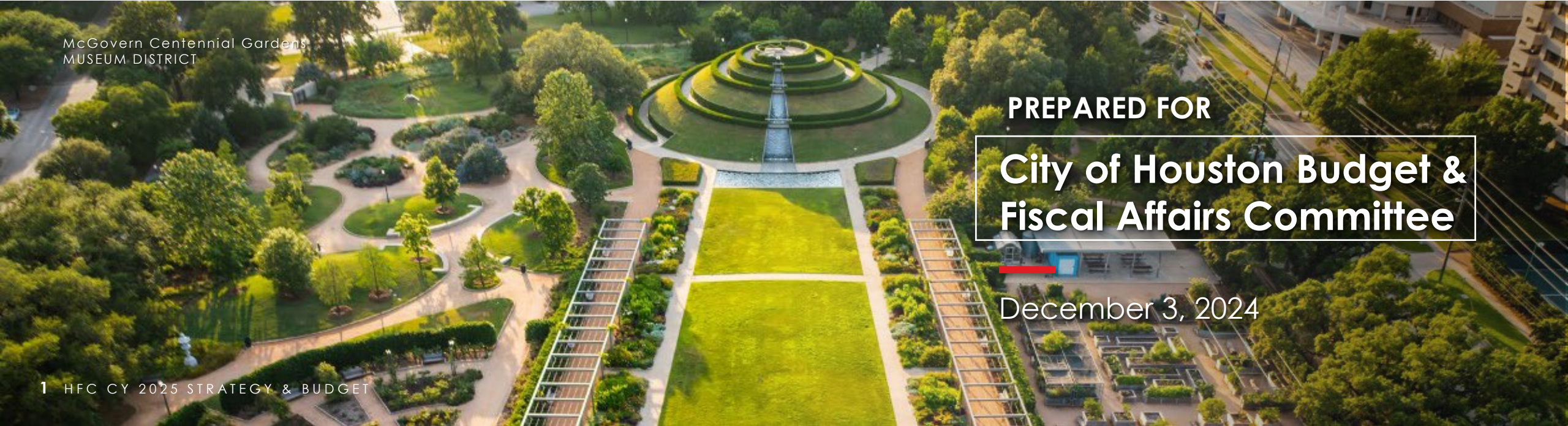


HOUSTON FIRST CORPORATION  
**CY 2025 STRATEGY  
& BUDGET**



McGovern Centennial Gardens  
MUSEUM DISTRICT

PREPARED FOR

**City of Houston Budget &  
Fiscal Affairs Committee**

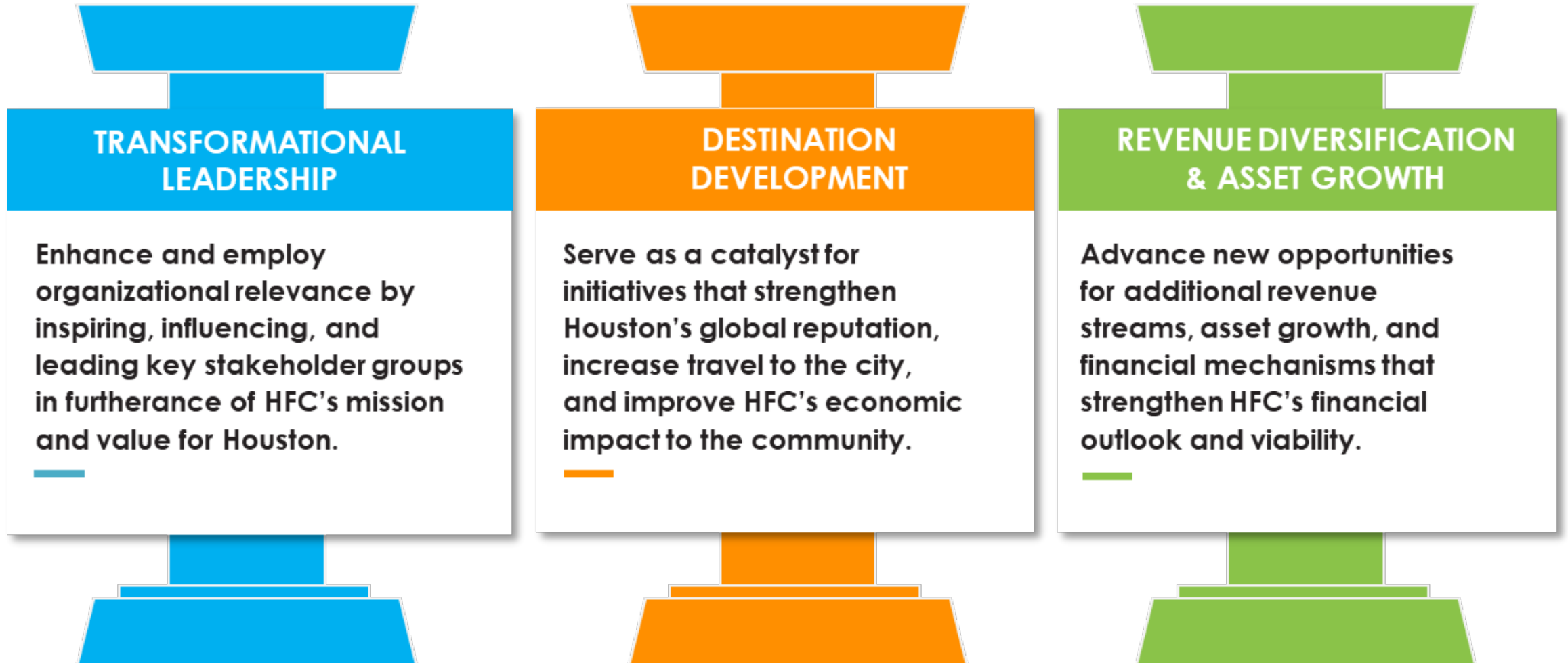
December 3, 2024



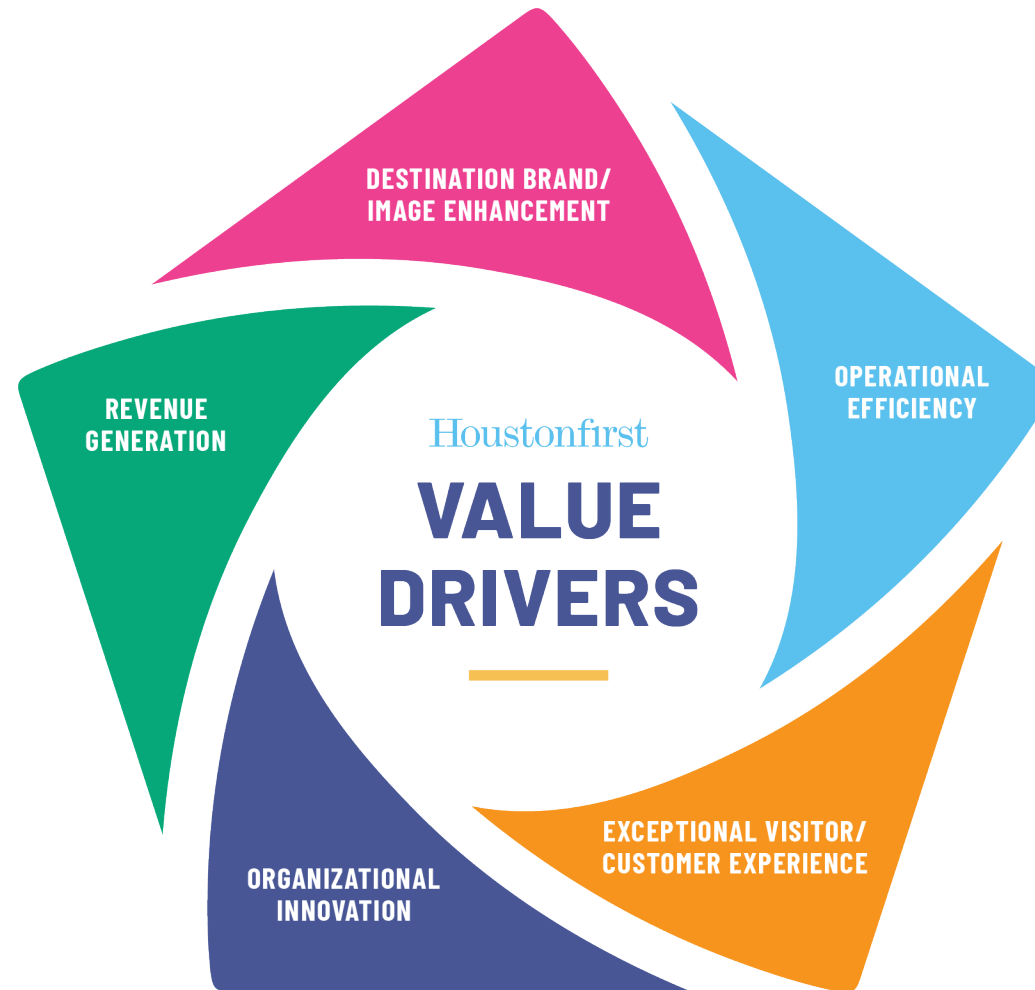
# MISSION

*Our mission is to create value and enhance economic prosperity by promoting the Houston region.*

# STRATEGIC PILLARS



# CORE VALUE CREATION



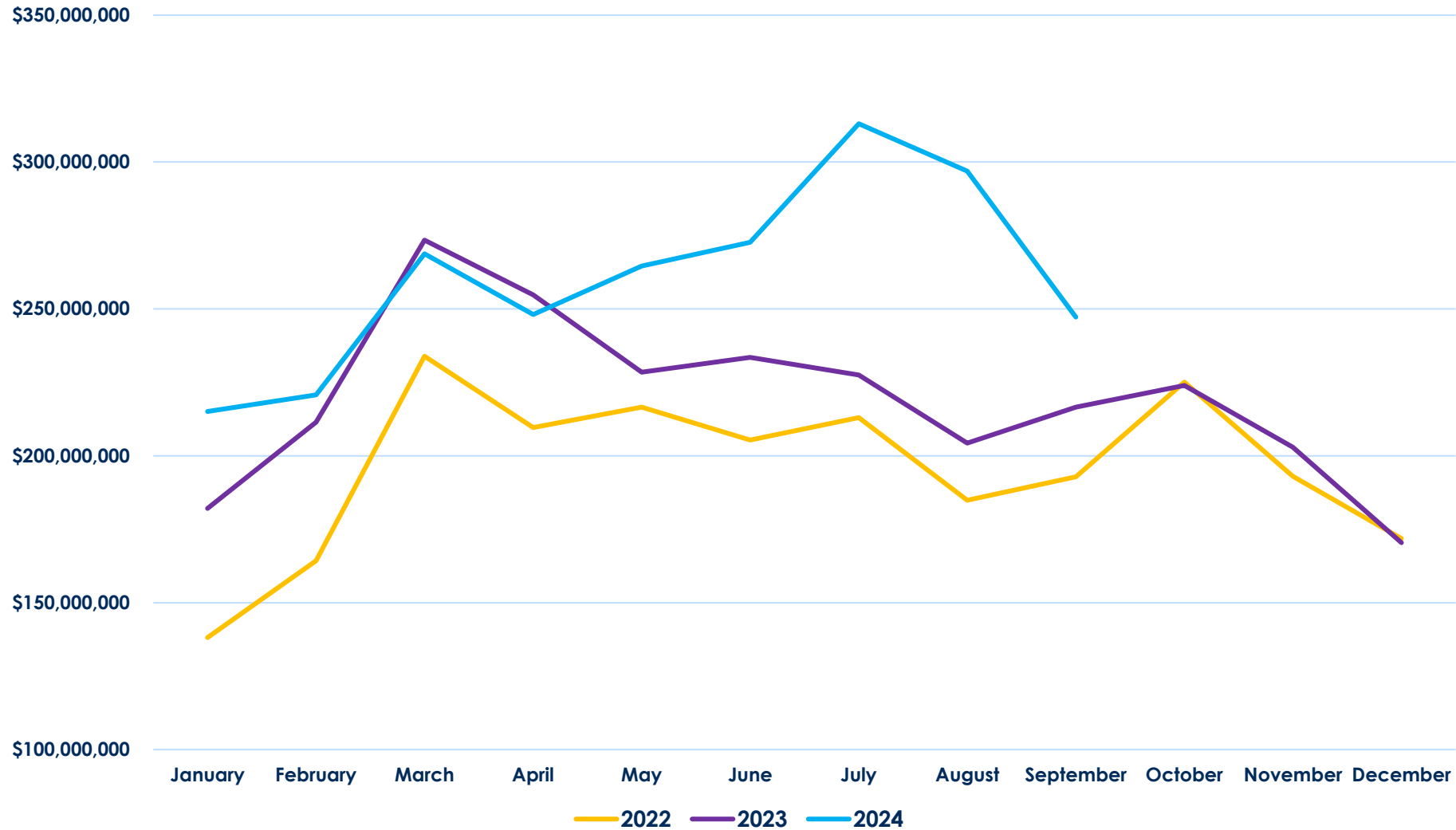
# CY 2024 BUDGET VS FORECAST

<i>(\$ in millions)</i>	2024 Budget	2024 Forecast*	CHANGE
<i>Operating Revenue</i>	\$115.4	\$120.2	\$4.8
<i>Non-Operating Revenue</i>	113.8	121.9	8.1
<b>TOTAL REVENUE</b>	<b>\$229.2</b>	<b>\$242.1</b>	<b>\$12.9</b>
<i>Operating Expense</i>	\$120.4	\$116.0	(\$4.4)
<i>Non-Operating Expense</i>	107.4	108.7	1.3
<b>TOTAL EXPENSE</b>	<b>\$227.8</b>	<b>\$224.7</b>	<b>(\$3.1)</b>
<b>REVENUE IN EXCESS OF EXPENSE</b>	<b>\$1.4</b>	<b>\$17.4</b>	<b>\$16.0</b>

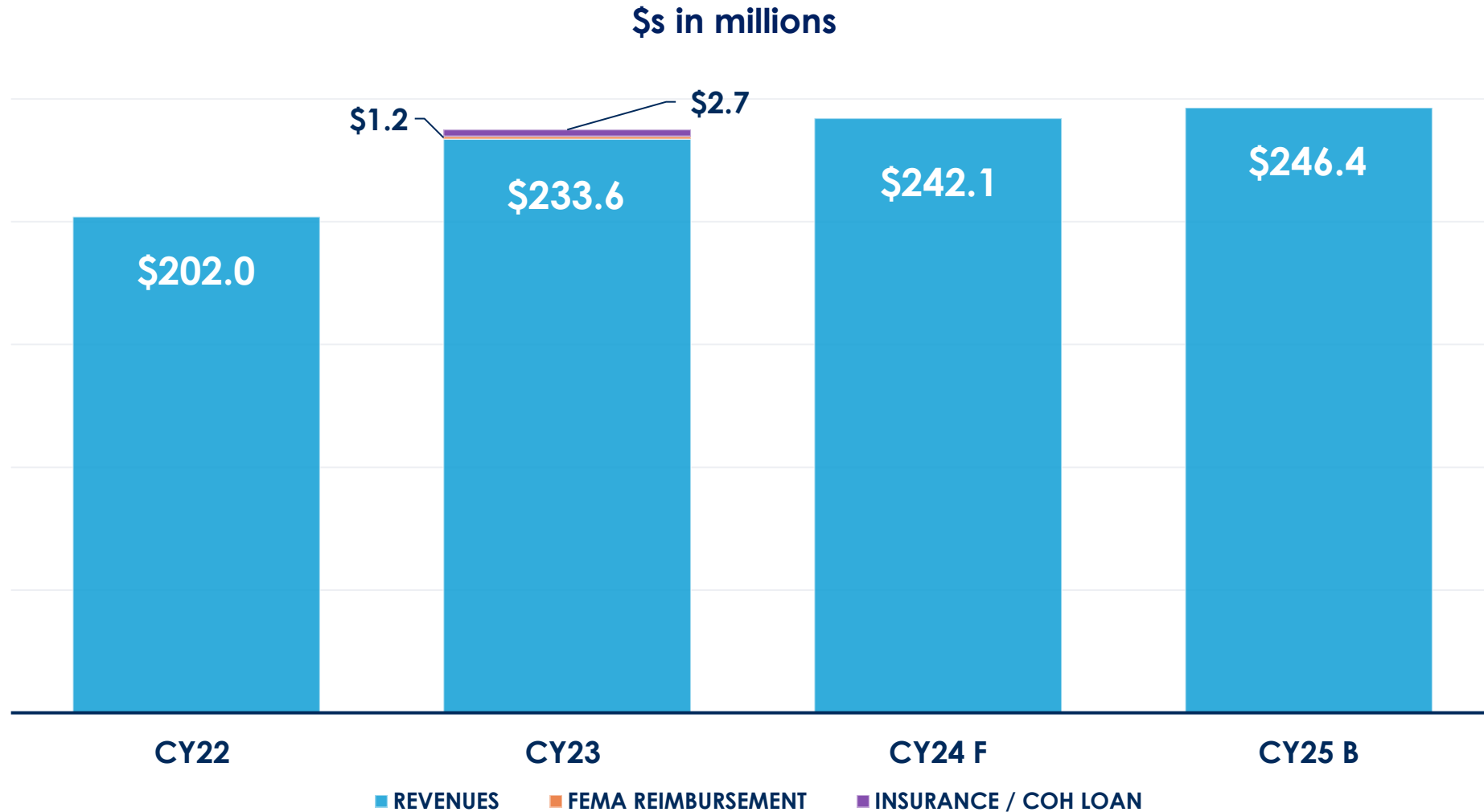
\*In 2024, instead of financing capital expense, all capital (\$21.5 M) will be funded from non-financed funds. In 2023, capital expense of \$10.4 M was funded from non-financed funds.

# HOTEL REVENUE TO THE MARKET

## ROOM REVENUE YOY COMPARISON



# MAJOR REVENUE TRENDS



# 2025 STRATEGIC PRIORITIES

Reflection Pool  
HERMANN PARK



- **Strengthen Houston's Brand Equity**
- **Lead, Align, and Serve Houston's Hospitality Industry, Improving Synergy and Performance**
- **Boost the Economic Impact of Leisure Travel**
- **Cultivate a Diverse Portfolio of Convention and Meetings Business That Delivers Returns to the Hospitality Industry**
- **Increase Visitation to Houston from International Leisure Travel**
- **Transform and Expand the Convention District into a Modern and Vibrant Destination for Visitors and Locals to Gather**
- **Employ Other Strategic Programs That Further Protect and Improve HFC's Enterprise Value**
- **Attract, Nurture, and Retain High-Performing Team Members by Pursuing Excellence in Our Corporate Culture**



# SELECT 2025 CITYWIDE CONVENTIONS

*Attendance*

## JANUARY

PCMA	4,000
United Rentals	3,000
O'Reilly Auto Parts	10,000

## FEBRUARY

American Association of Professional Landmen (NAPE)	9,000
American Physical Therapy Association	15,000
Dassault Systemes SOLIDWORKS Corporation	5,000

## MARCH

CERAWeek	8,000
American College of Healthcare Executives	4,500

## APRIL

Academy of Managed Care Pharmacies	4,000
First Robotics	50,000
Specialty Coffee Association	15,000

*Attendance*

## MAY

Association for Uncrewed Vehicle Systems International	8,000
DreamCon	20,000

## JULY

Amateur Athletic Union (AAU)	15,000
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## SEPTEMBER

National Black MBA Association, Inc. (NBMBA)	8,000
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## OCTOBER

AfroTech	25,000
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## NOVEMBER

American Society of Nephrology	13,000
National Association of Independent Schools	5,500

# PROPOSED CY 2025 BUDGET

**\$246.4M**

TOTAL REVENUES

**\$243.3M**

TOTAL EXPENSES

**\$27.1M**

CAPITAL EXPENDITURES

## ASSUMPTIONS:

- No recession in 2025, modest revenue growth
- Avenida South Garage not fully demolished in 2025
- Leisure travel growth continues, but moderates
- Business travel continues to improve
- Hotel occupancy and rates improve moderately
- Corporate meeting demand continues
- Return to offices improves
- Concerts, sporting and other events continue to drive parking
- Less inflation pressure, lower interest rates

# PROPOSED CY 2025 BUDGET SUMMARY

<i>(\$ in millions)</i>	<b>2024 Forecast Budget</b>	<b>2025 Proposed Budget</b>	<b>CHANGE</b>
<i>Operating Revenue</i>	\$120.2	\$ 122.7	\$2.5
<i>Non-Operating Revenue</i>	121.9	123.7	1.8
<b>TOTAL REVENUE</b>	<b>\$242.1</b>	<b>\$246.4</b>	<b>\$4.3</b>
<i>Operating Expense</i>	\$116.0	\$130.4	\$14.4
<i>Non-Operating Expense</i>	108.7	112.9	4.2
<b>TOTAL EXPENSE</b>	<b>\$224.7</b>	<b>\$243.3</b>	<b>\$18.6</b>
<b>REVENUE IN EXCESS OF EXPENSE</b>	<b>\$17.4</b>	<b>\$3.1</b>	<b>(\$14.3)</b>

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