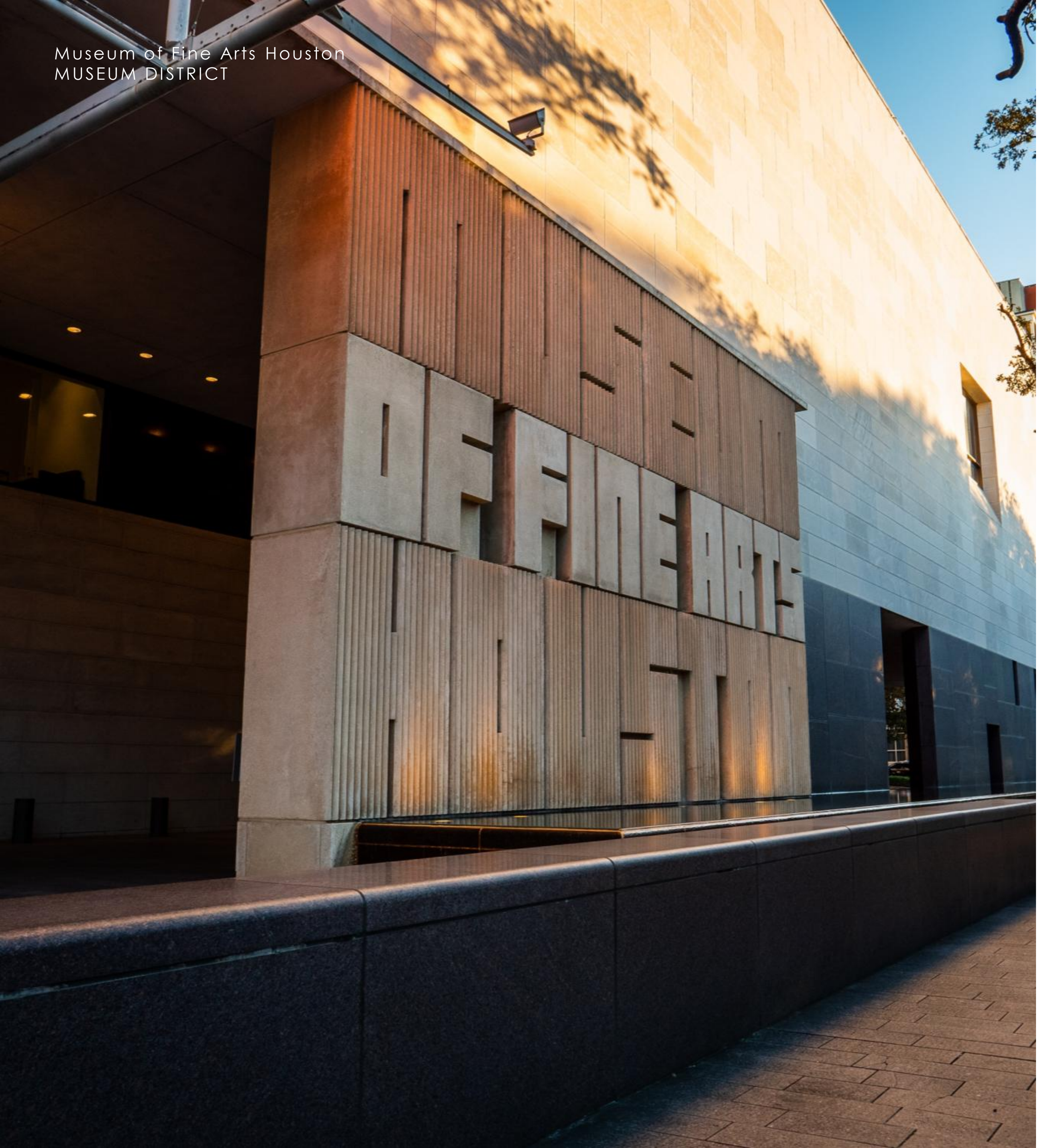
HOUSTON FIRST CORPORATION

GRB TRANSFORMATION PROJECT UPDATE

OCTOBER 2025

Houstonfirst



TRANSFORMATION PROJECT: FEASIBILITY & ECONOMIC IMPACT ANALYSIS

Michael Heckman
President & CEO

Bethanie DeRose
Hunden Partners

HOUSTON CITY COUNCIL BUDGET & FISCAL AFFAIRS COMMITTEE

October 7, 2025

Houstonfirst

Incremental Expansion Impacts

Solidify Houston as a top Tier-1 convention, event, and host-city market.

Build on the GRBCC's existing momentum by modernizing the facility to align with industry trends and evolving planner expectations.

Win business currently lost due to limitations of the center and surrounding district.

Grow Houston's share of high-impact conventions, drive year-round hotel demand, decrease "dark days" and amplify the city's visibility on the global stage.

STABILIZED ANNUAL PERFORMANCE IMPROVEMENTS

30%
Increase in events held

62%
Increase in citywide equivalents

-66%
Reduction in "dark days"

+4.7%
CBD Hotel Occupancy Lift

+337,400
CBD Group Hotel Room Nights Added

30-YEAR RETURN ON INVESTMENT

$20.6B
New Spending

$5.6B
New Hotel Room Revenue

$6.0B
New Earnings/Payroll

$740.1M
Total Tax

hunden partners

Convention Market Findings & Case Studies

Competitive Set Hotel Package

Houston's walkable
hotel package needs

2,568 rooms

to meet the competitive
city average.

COMPETITIVE SET:
Dallas | Austin | New Orleans | Anaheim | Atlanta
Phoenix | Denver | San Antonio | Nashville

\+

Findings support the
recommendations for a new

800 room

HQ Hotel.

Convention Center Expansion Conclusions

Hunden interviewed many of the comparable convention centers identified to understand the impact of space expansion to events, room nights, business mix, and overall center operations. The following conclusions were drawn:

1. Competition across the industry is at an all-time high, driven by major convention center expansions and headquarter hotel developments, such as in Dallas and Austin, that are either underway or recently completed in major markets.
2. **Hosting simultaneous or overlapping events enables more a consistent flow of business.**
3. Targeting events during shoulder seasons, periods between the peak season and off-peak season, helps maximize space utilization.
4. **Increased date availability and space configurations eliminate previous scheduling bottlenecks due to space constraints, such as limited ballroom space.**
5. Demand for adaptable breakout spaces and reconfigurable ballrooms continues to grow.
6. Increases competitive positioning for most valuable groups including larger scale and higher quality business.

hunden partners

GRBCC Performance Projections

Historical Event and Overnight Performance

Hunden analyzed GRB activity and room nights generated from 2017 through 2024. Based on this analysis, 2024 was selected as the most recent representative year to benchmark future stabilized performance. Stabilization is defined as occurring 18 months after both the South Expansion and the additional hotel are fully operational.

	2024 Actuals			Stabilized Year		
Type	**Annual Events**	**Attendees per Event**	**Room Nights**	**Annual Events**	**Attendees per Event**	**Room Nights**
Sporting Event	8	19,231	23,768	11	15,460	23,899
Convention/Conference	37	13,316	253,734	46	13,066	362,087
Corporate Convention	7	9,766	56,232	14	10,895	124,053
Banquet	12	858	-	16	847	-
Other (Festivals, Social, Religious, etc.)	24	6,117	1,541	26	6,446	1,541
Consumer Show	31	5,889	12,962	38	5,917	16,860
Trade Show	7	5,075	11,748	15	5,901	41,267
Meeting	22	1,022	3,804	26	1,086	6,656
Total/Average	**148**	**7,527**	**363,789**	**192**	**7,533**	**576,363**

30%
Increase in number of events

62%
Increase in citywide equivalents

59%
Increase in total GRB room nights

GRBCC Revenue

KEY REVENUE CHANGES (2024 TO 2032 STABILIZATION)

Building Space Rental

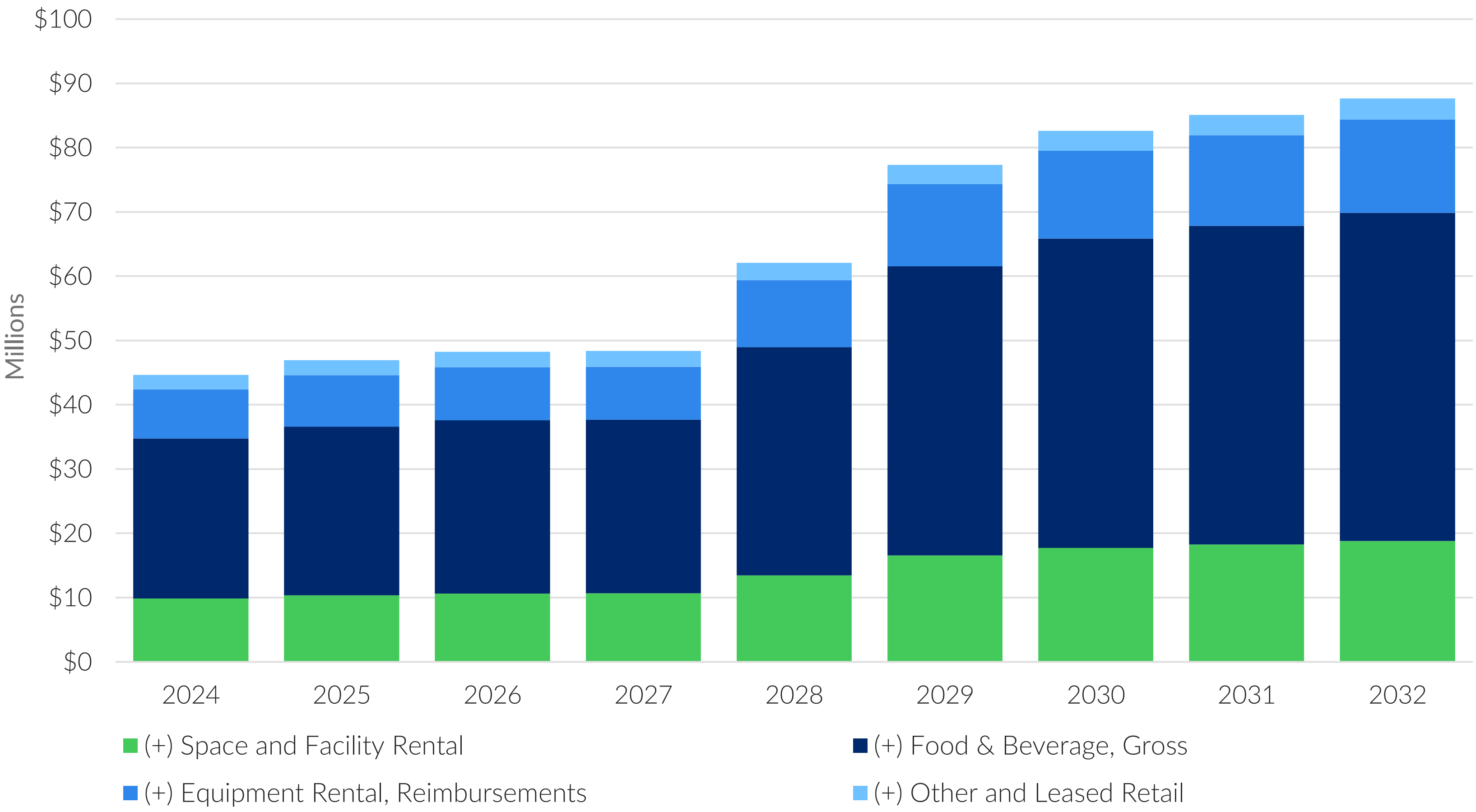
79%

Increase

Food & Beverage Revenue

93%

Increase



Does not include parking revenues or potential naming rights/sponsorship
Source: Hunden Partners

Total Room Nights | Before and After

Added Room Nights from New Events

LEGEND

Dark Days
(-) 200 RN
+1,500 RN
+2,500 RN
+5,000 RN

+62%

in citywide equivalent room nights (1,500+ RN)

-66%

in "dark days" – days not impacted by convention center events

Average CC Room Night impact:

983 to 1,565

(including move-in/out)

TOTAL GEORGE R BROWN CONVENTION CENTER ROOM NIGHT IMPACT

CURRENT GRBCC (2024 CALENDAR)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	TOTAL
January									485	595	495	31	111	155	205	767	1,002	930	3,454	8	118	131	146	162	180	200	222	6,450	6,505	6,490	155	28,995
February	191	213	97	108	120	1,450	2,470	753	150	94	274	380	757	764	1,889	1,862	300			25	25	25	50	95	120	200	4,000	5,532				21,944
March	5,200	5,100	300	301	934	1,110	950	226	3,018	4,191	2,840	2,875	2,900	451	450	1,550	2,550	6,050	6,176	6,170	6,440	6,700	1,515	2,178	2,150	200	180					72,705
April							1,337	1,510	1,533	265	515	580	550	500	1,300	2,400	3,500	5,200	5,412	3,500	600	450	312	281	352	1,600	2,347	400				34,444
May		165	488	2,251	2,400	691	689	4					249	450	401	645	900	2,400	2,418	2,010	1,015	325	75	570	579	200	25	32	110	281	430	19,803
June	650	1,050	2,170	2,290	1,930	1,200	1,100	1,400	3,400	4,714	2,000	676	656	485	479	56	290	300	439	224	399	606	650	780	1,397	4,300	4,352	4,350	2,900	1,000		46,243
July	900		60	650	869	760	450	430	2,400	2,567	2,300	700	188	500	1,280	1,200	620	30	40	150	300	2,360	2,300	2,200	1,800	300	10	86	480	750	1,759	28,439
August	1,884	1,330	902	857	560	23	150	200	882	1,337	400				11	20	80	150	800	838	600	220	55	100	699	719	705	400	40	51	15	14,028
September	50	145	400	760	779	600	60		325	330	340	40	80	230	400	1,300	2,890	3,005	2,995	2,107	58	20	40	100	105	50	200	400	800	1,799		20,408
October	1,820	1,700	470	460	200	156	200	500	2,612	2,674	1,077	400	730	940	925	1,037	1,017	500	1,900	1,994	1,885	1,585	131	92	455	1,210	1,260	1,067	800	700	800	31,297
November	450	250	50	440	562	900	2,000	2,137	1,100	400	570	1,400	2,352	3,600	4,752	3,410	3,126	336	695	700	1,300	1,429	1,300	600	5	25	25	60	90	80		34,144
December	23				50	100	100	50			41	250	750	2,024	2,000	100			150	250	200	150										6,238
																															TOTAL	358,688
																															1,500+ DAYS	81
																															NO IMPACT DAYS	48

FUTURE GRBCC (TRANSPOSED ON 2024 CALENDAR)

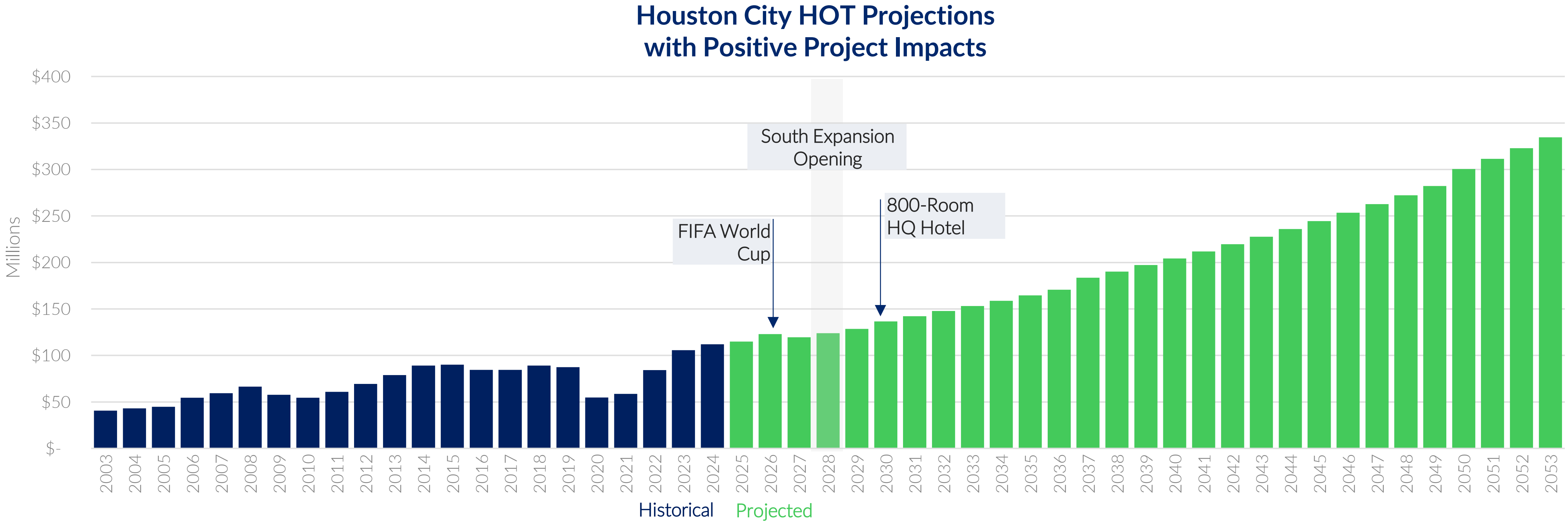
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	TOTAL	NEW
January			226	537	845	1,150	3,162	3,410	3,405	1,595	795	31	111	155	205	767	1,002	930	3,454	8	118	343	446	562	586	400	222	6,450	6,505	6,490	155	44,063	+ 15,068
February	191	213	97	108	120	1,450	2,470	957	390	494	704	2,780	3,324	3,064	2,589	1,862	300	1,437	1,551	2,265	1,135	775	50	95	120	200	4,000	5,532				38,273	+ 16,329
March	5,200	5,100	456	501	1,434	3,722	3,550	1,226	3,018	4,191	3,240	3,675	5,400	4,353	3,850	4,650	2,661	6,050	6,176	6,170	6,440	6,700	1,515	2,178	2,150	200	180	400	800	2,500	3,902	101,588	+ 28,883
April	3,400	3,100	243	661	1,049	2,351	4,837	9,590	9,699	7,715	6,755	6,080	565	500	1,300	2,400	3,500	5,200	5,412	3,500	600	450	312	281	352	1,600	2,347	400				84,199	+ 49,755
May		165	488	2,251	2,400	696	699	24	40	80	230	400	1,549	3,340	3,401	3,635	3,000	2,450	2,428	2,010	1,015	325	75	570	579	200	25	32	110	281	430	32,928	+ 13,125
June	650	1,050	2,170	2,290	1,930	1,200	1,100	1,400	3,400	4,714	2,025	701	681	535	554	156	490	4,300	5,971	5,424	5,499	806	771	1,214	2,057	5,435	5,448	5,056	3,366	1,000		71,393	+ 25,150
July	900		60	650	869	760	476	530	2,705	2,867	2,520	735	288	1,199	1,999	1,905	1,020	70	76	150	300	2,680	2,620	2,520	1,843	400	110	386	1,480	2,302	2,859	37,279	+ 8,840
August	2,734	1,340	902	975	691	169	312	380	1,082	1,559	6,850	6,505	6,490	155	151	146	80	200	850	938	720	620	1,255	1,600	2,877	2,869	905	580	40	51	15	44,039	+ 30,011
September	100	195	500	880	1,179	1,800	1,560	2,178	2,475	530	520	40	80	230	400	1,300	2,890	3,005	2,995	2,107	58	20	40	180	195	150	230	400	800	1,799		28,836	+ 8,428
October	1,820	1,700	470	511	287	253	308	620	4,062	5,144	1,830	550	730	940	925	1,037	1,017	500	1,900	1,994	1,885	1,585	131	92	455	1,210	1,260	1,067	900	803	1,000	36,987	+ 5,690
November	1,137	850	440	440	562	900	2,000	2,137	1,100	400	570	1,400	2,352	3,600	4,752	3,410	3,126	336	695	700	1,300	1,429	1,300	600	5	25	25	60	90	110		35,851	+ 1707
December	73	200	400	800	1,829	1,870	1,700	70		24	66	300	820	2,324	2,300	1,110	990	200	150	250	200	150										15,826	+ 9,588
																															TOTAL	571,262	+ 212,574
																															1,500+ DAYS	131	+ 50
																															NO IMPACT DAYS	16	-32

hunden partners

Local HOT & PFZ Projections

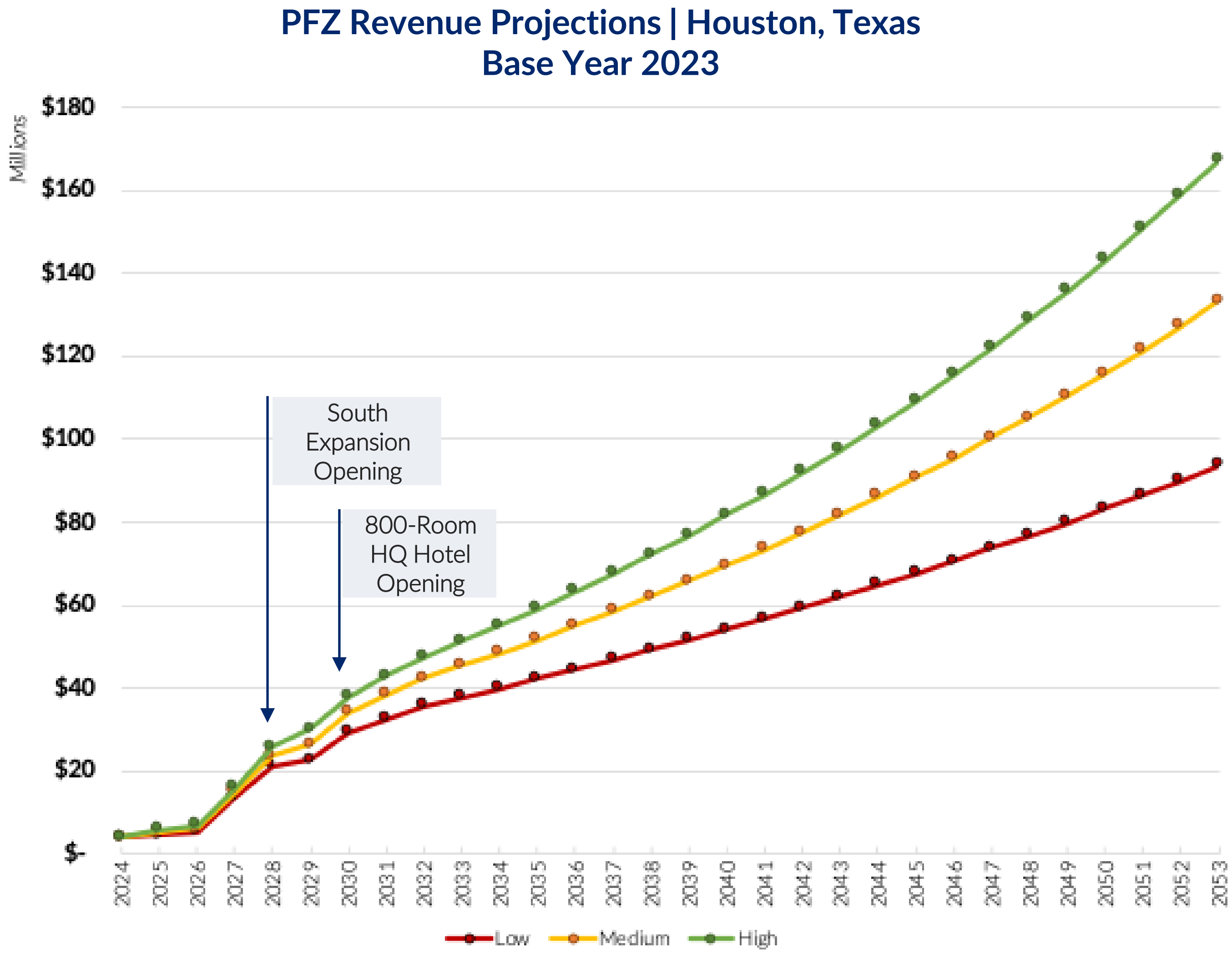
HOT Local Projections

Hunden expects the expansion to lift HOT generation, improve seasonality and increase the stability of the market over the long term.



Year	2025	2030	2035	2040	2045	2050	2025-2053
Projected HOT Revenue	**$115m**	**$137m**	**$165m**	**$204m**	**$244m**	**$301m**	**$6.2 B**

PFZ Projections



30-Year PFZ Totals
Cumulative From 2023 Through 2053 (Term)

High **$2.35B**

Mid **$1.97B**

Low **$1.50B**

hunden partners

Economic, Fiscal & Employment Impact

Project Return on Investment Over 30 Years

	Spending	Earnings/Payroll	Total Tax *Total Tax Impact*
Total	**$20.6 Billion**	**$6.0 Billion**	**$740.1 Million**
Direct	*$12.2 Billion*	*$3.4 Billion*	
Indirect	*$8.4 Billion*	*$2.6 Billion*	

City Sales	*$121.5 M*
City HOT	*$393.6 M*
Sports Auth.	*$112.5 M*
County HOT	*$112.5 M*

Conclusion

Enhancing the GRBCC is essential for Houston to compete as a Tier-1 convention market, especially as Austin, San Antonio, and Dallas are all actively investing in their destinations.

Increased event layering, attraction of higher-rated business, and a reduction in GRBCC "dark days" — all contribute to a significant boost in Houston's economic activity.

The transformation is projected to generate **$20.6 billion in new spending, $6 billion in new earnings, and nearly $740 million in new tax revenues** — economic gains that would not occur **"but for" the investment** in the transformation of not only the GRBCC but the City of Houston.