



CITY OF HOUSTON

2ND ANNUAL INVESTOR CONFERENCE

MARCH 3-4, 2014



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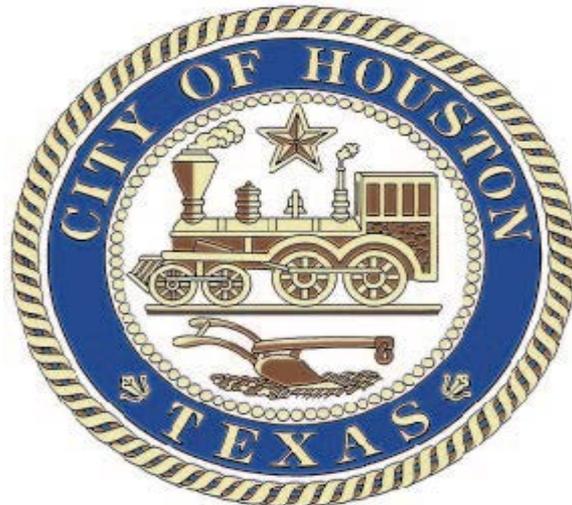
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HoustonfirstSM

Presentation to

Houston Investor Conference

Tuesday, March 4, 2014

Brenda Bazan, CFO

Peter McStravick, COO - Hotels



What is **Houstonfirst**SM and how does it relate to the City?

- In 2000, the City created a local government corporation (LGC) named Houston Convention Center Hotel Corporation to construct, operate and maintain the Hilton Americas-Houston Hotel.
- Effective July 1, 2011, the city's Convention and Entertainment Facilities Department (CEFD) was consolidated into the Hotel Corporation and renamed Houston First Corporation.
- The goal was to improve the coordination of convention and entertainment services by spending hotel occupancy tax revenues under one governing body.
- Houston First assumed all principal roles and responsibilities of CEFD and acts as the City's agent for collection of hotel occupancy taxes.
- Houston First is governed by the Hotel Corporation's board of directors as it existed on July 2011.
- The City receives an annual lease payment and has an oversight role through approval of board members, budget and debt. Debt pledges, bond covenants and cash flows related to first lien bonds were not affected



Facility Overview

Houston First owns the Hilton Americas-Houston Hotel and manages the following facilities:

- George R. Brown Convention Center
- Theater District Parking Garage and other downtown parking facilities
- Jones Hall for the Performing Arts
- Wortham Theater Center
- Miller Outdoor Theatre
- Certain downtown parks and outdoor venues
- Other smaller venues

And coming soon, nearby partners...

- The Nau Center for Texas Cultural Heritage
- The Sunset Coffee Building
- The Marriott Marquis



Who approves major projects?

- Board of HFC approves annual operating and capital budgets
- HFC Board and Houston City Council approve all matters related to debt



The Basics of C & E Debt

- C&E first lien debt is nominally divided into debt that was used to build the Hilton (the “hotel bonds”) and debt that was used to expand the convention center (the “convention center bonds”). However, all first lien bonds are City obligations and share equal security features.
- Pledged revenue – revenue pledged to first lien bonds consists of 81% of Hotel Occupancy Tax (HOT) and parking revenues from certain downtown garages.
- The taxes that were rebated to the Hilton for its first ten years of operation have expired and the HOT collected at the Hilton is now part of city-wide collections.



Debt Basics (continued)

- **First Lien Debt - \$626 million issued, \$437 million currently outstanding.**
- **Additional bonds test (1.35 x MADS) will make an increasing amount of new debt available each year as long as HOT revenues continue to increase.**
- **Bonds rated A-, A3 with stable outlook.**
- **Subordinate lien Commercial Paper was replaced with a \$75 million, 5-year multi-advancing private placement note with Regions Bank in 2013. Current balance outstanding is \$42 million.**
- **\$125 million mortgage loan on Hilton was closed in 2013. Current balance is \$50 million but additional draws are anticipated with the development of the Marriott Marquis and other Convention District projects.**



Financial Interaction Between City and HFC

- All pledged revenue and debt service continue to be recorded on City books pursuant to bond covenants.
- City holds all debt service reserve funds and 90-day operating reserve pursuant to bond covenants.
- HFC revenues include net pledged revenue plus non-pledged revenues, primarily net income from the Hilton Hotel and event revenues.
- HFC funds and maintains capital reserves for the Hilton Hotel



HOT Revenue Projections

- HOT is the second largest source of revenue for HFC
- In 2013, HOT grew by 13.5% over prior year
- Annual projections are made by Smith Travel, PKF Hospitality Research, and Institute of Regional Forecasting at University of Houston; UH model makes longer-term predictions
- 2014 budget for HOT is \$88 million, an 11.7% increase over 2013

Calendar Year	YEAR OVER YEAR INCREASE	HOT COLLECTIONS(m)
2000	3.9%	\$ 42.2
2001	6.1%	\$ 44.8
2002	-4.5%	\$ 42.8
2003	-5.1%	\$ 40.6
2004	6.2%	\$ 43.1
2005	4.1%	\$ 44.9
2006	21.5%	\$ 54.5
2007	8.7%	\$ 59.3
2008	12.1%	\$ 66.4
2009	-13.3%	\$ 57.6
2010	-5.4%	\$ 54.5
2011	11.5%	\$ 60.8
2012	14.1%	\$ 69.4
2013	13.5%	\$ 78.8
2014	11.7%	\$ 88.0
2015	6.0%	\$ 93.3
2016	6.0%	\$ 98.9
2017	6.0%	\$ 104.8

Predicted





The Future of the Convention District



Aerial Rendering from the Master Plan



Lost Opportunities

2,500 Rooms on Peak or Greater

(January 2008 to December 2013)

- 205 groups
- 3.9 million room nights
- 18% lost due to Inadequate Housing packages (733,864 room nights)

January 28, 2014

Source: Greater Houston Convention and Visitors Bureau



Lost Opportunities Due to Inadequate Housing

Account	Meeting	Year	Peak	Total
International Association of Chiefs of Police	Annual Conference	2021	6,500	30,436
Epicor Software Corp	Epicor Software Corporation Insights	2016	2,956	11,954
Cardinal Health, Inc.	Retail Business Conference	2016	3,850	18,270
Snap-On Tools	Snap-On Tools SFC	2015	3,637	10,347
HelmsBriscoe	Confidential Meeting	2014	3,500	10,800
Confidential Acct	Confidential Meeting	2018	3,900	16,278
Confidential Acct	Confidential Meeting	2015	3,900	16,278

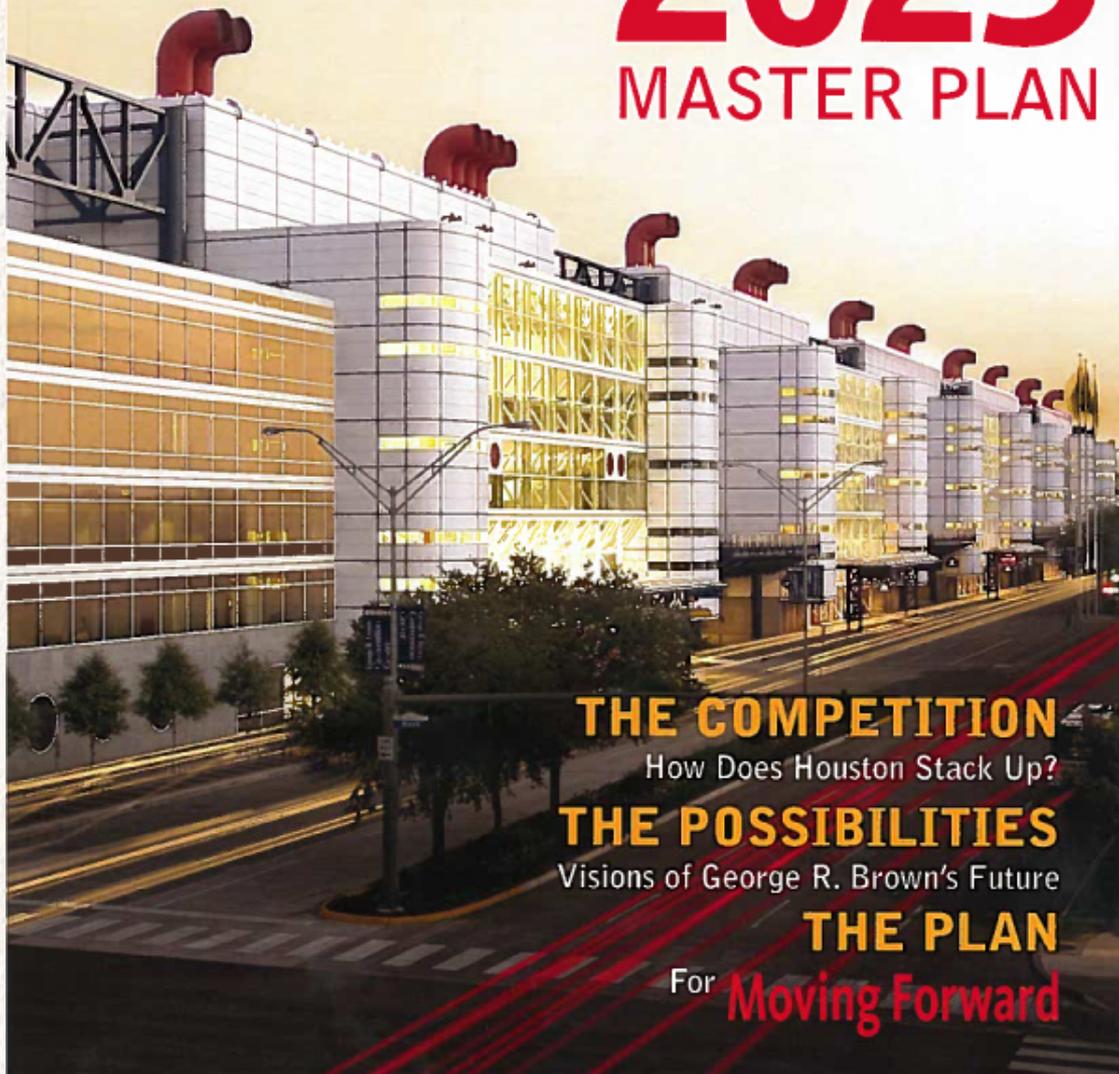
January 29, 2014

Source: Greater Houston Convention and Visitors Bureau

DECEMBER 2011

GEORGE R. BROWN CONVENTION CENTER

2025 MASTER PLAN



THE COMPETITION

How Does Houston Stack Up?

THE POSSIBILITIES

Visions of George R. Brown's Future

THE PLAN

For **Moving Forward**



Houston Area Council

Livable Centers Study for Houston Downtown Management District & East Downtown Management District



Final Report
September 30, 2011



A TECHNICAL ASSISTANCE PROGRAM (TAP) REPORT

THE DISCOVERY DISTRICT: A ROAD MAP AND TOOL KIT TO CONNECT, CATALYZE AND CAPITALIZE THE TRANSFORMATION OF DOWNTOWN HOUSTON

HOUSTON, TX



**Urban Land
Institute**

Houston



Takeaways from the Studies

- Public investments draw a lot of people for specific events, although they have not by themselves resulted in a cohesive urban fabric in the surrounding neighborhood.
- Implement policies that will encourage and support more residential development.
- Implement policies to require active ground floors.
- Vitality at the ground level is necessary for the future success of the area as a whole and its individual components.
- The success of the area will depend on celebrating the pedestrian experience.
- The pedestrian realm should be seen as a public open space .



HoustonfirstSM

- Retail Follows Residential
 - City adopted Downtown Living Initiative – incentive for new multi-family
- Requiring ground floor retail in new hotels
- Repositioning Hilton's former steakhouse into a Pappasito's
- Widened and enhanced landscaping on Crawford between Polk and Dallas visually connecting Toyota Center to Discovery Green
- Developing restaurant pads in the north and south ends of the GRB as well as two retail spaces on street level
- In 2015, Hilton will reposition its coffee bar to the corner of ADLA and Dallas
- Embassy Suites looking for operator for its restaurant pad
- Marriott Marquis activating all sides of the building
- 2000 space garage and office tower will have retail along ADLA complementing Nau Center



New Hotel Development Incentivized by HFC





KNAUER

architecture
design
direction



HILTON HOUSTON CONVENTION CENTER
design presentation
January 15, 2013



10 x 12 rough sawn wood beams hung through angled ceiling perpendicular to bar

PAPPASITO'S
PAPPASITO'S



reclaimed wood plank wall décor @ ceviche lounge

PAPPASITO'S
PAPPASITO'S



PDR gem lighting

PAPPASITO'S
PAPPASITO'S



Hilton Americas: Current site





Hilton Americas: Proposed Coffee Bar





Hilton Americas: Proposed Coffee Bar





New Housing Development





Crawford at the Hilton





White Promenade Looking South





White Promenade Looking North





The New Marriott Marquis Opening in 2016

- RIDA Development Corp. plans to develop a 1,000-room Marriott Marquis at the north end of the GRB
- HFC has negotiated a development and funding agreement with RIDA
- Groundbreaking is expected to take place in 2014
- Anticipated hotel opening is 2016 in time for 2017 Super Bowl





McCormick Place Entry Plaza



ANAHEIM CONVENTION C

AVAYA

ANAHCOM
Welcome to the
2013 NACAS Exhibit Hall

Anaheim Convention Center Revised Entry



Anaheim Convention Center Plaza



GRB Convention Center Entry



GRB Convention Center Entry



GRB Convention Center Entry









Nau Center for Texas Cultural Heritage

- State-of-the-art destination visitors' center that tells the story of Southeast Texas through immersive exhibits
- An inspirational experience for students, educators and visitors:
 - A regional gateway for cultural heritage tourism showcasing the best of our region
 - It will compel visitors to discover the history and culture that defines Southeast Texas
 - It will be a primary field trip destination for fourth and seventh grade Texas history students
- Will be located between George R. Brown Convention Center and Minute Maid Park
- Groundbreaking tentatively planned for this fall
- Will become a Houston First facility on completion



NAU CENTER FOR TEXAS CULTURAL HERITAGE

HOUSTON FIRST

HOUSTON FIRST



Sunset Coffee Building at Allen's Landing Opening in 2015

- Houston First providing final \$2.5 million to rebuild and renovate the historic structure built in 1910
- Partnering with Buffalo Bayou Partnership
- Goal is to help breathe new life into Allen's Landing and north end of downtown and strengthen connection between downtown and the bayou
- Houston First will own and operate the building and grounds
 - Ground level will be canoe-kayak rental center
 - Upper levels (and rooftop terrace) event rental space
 - Middle level will be BBP office
 - Boat tours, other activities planned for site
- Launch event planned for early 2015





Future Financing Considerations

- \$41 Million current refunding for savings will be completed in 2014
- Additional first lien bonds become an option in 2014; takeout of Regions loan and Hilton mortgage loan will require reservation of debt capacity.
- Fixing out auction rate securities is possible without meeting new bonds test although not currently under active consideration due to advantageous rate; 2011 refunding reduced amount of auction rate bonds from \$150 million to \$75 million



Summary

- Houston's future as a convention destination and business travel destination is bright.
- The new Marriott Marquis and the John Nau Center for Texas Cultural Heritage and other Convention District projects described today will enhance this future.



Thank you
for visiting
HoustonfirstSM

www.houstonfirst.com

713-853-8000

Houstonfirst



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Houston's Combined Utility System

Overview of the System and its Financing

**Presented by Susan Bandy, CPA, Deputy Director
Department of Public Works & Engineering**



Executive Summary

Area Growth and Water Needs Growth

- ◆ By 2060, the Houston Area population is estimated to double
- ◆ Per state mandated ground water reduction plans, the region is shifting from reliance on ground water to surface water

Financial Strength

- ◆ Comparing FY2000 to FY2013, Revenues grew by 57% or \$350 million a year
- ◆ CUS has over 550 days of available operating cash
- ◆ Per Ordinance since 2004 – rates are adjusted automatically each year on April 1st

Capital Program

- ◆ April 2010, City Council approved funding levels in the rates to support a “Best Practices Capital Program” of \$370 million annually
- ◆ Pay-as-you-go cash funding: 2011 \$50M, 2014 \$65M projected

Credit: CP and Variable Instruments

- ◆ Over the last several years the CUS has reduced LOC needs, or other bank supported backing, from \$2.3 billion to \$1.6 billion by reducing CP credit lines and converting all non-swapped variable debt to fixed bonds
- ◆ CUS has executed all appropriate refundings during this period at attractive interest rates

CUS Organization's Vision

To plan, design, construct, operate & maintain Houston's critical public infrastructure systems in a coordinated manner to provide drinking water and wastewater collection and treatment; and do so responsively, effectively, efficiently and in an environmentally responsible fashion to serve our customers.

Houston CUS – One of Largest Water & Sewer Systems in U.S.

- ◆ 600 square miles
- ◆ 7,200 miles of water lines
- ◆ 6,950 miles of wastewater lines
- ◆ Budget average of 450 MGD of potable water (860 max)
 - ◆ Available potable water (MGD) - treatment plants 625 + Ground 235 permit
 - ◆ Highest day on record – 672 MGD treated in Sept. 2011
- ◆ Supply an average of 205 MGD of untreated water
- ◆ Treat ~230 MGD of wastewater (564 permitted)
- ◆ Maintain ~460,000 active accounts and related measuring systems and technologies

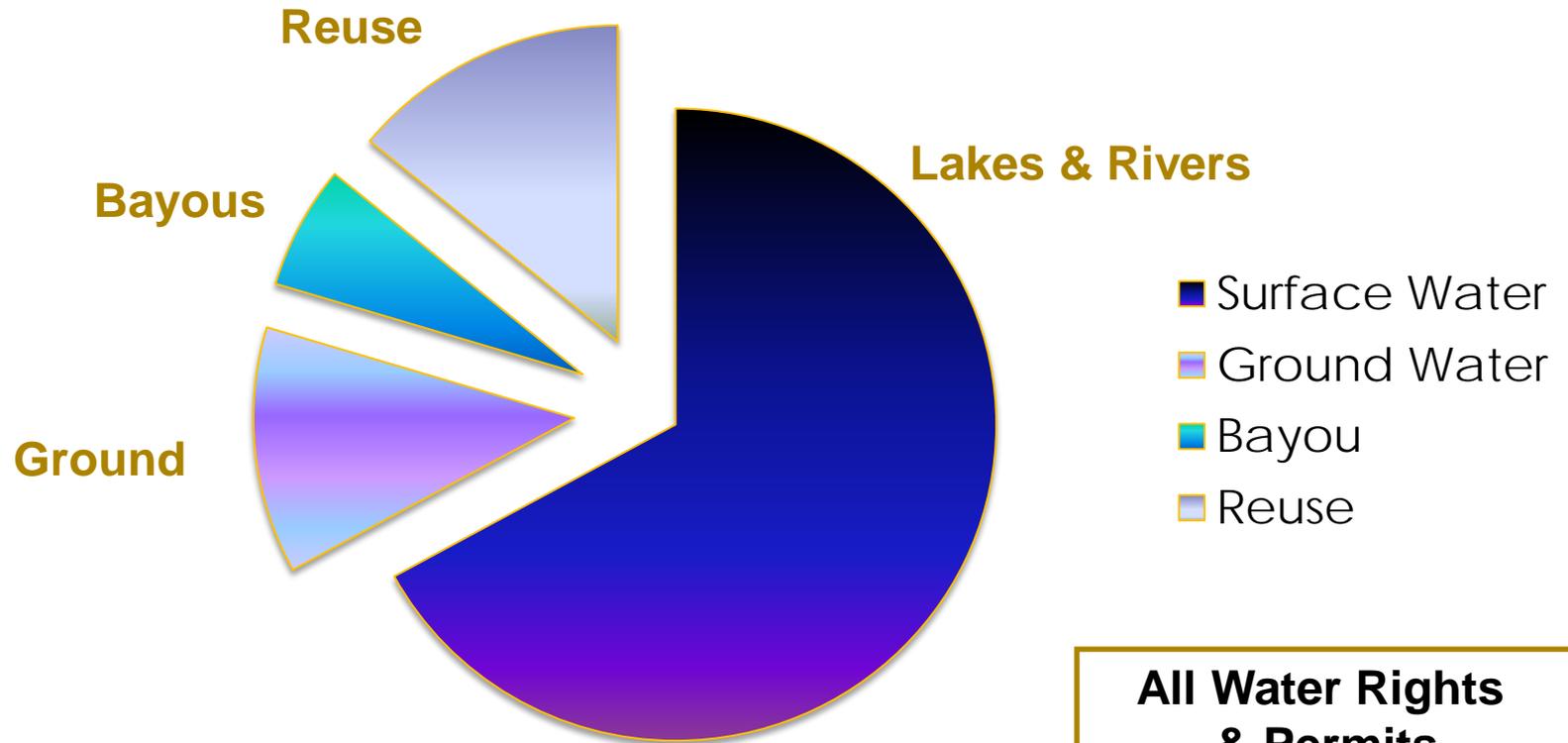
CUS Management Team



The CUS senior management team has an average of 29 years of related experience and is dedicated to the well-being of the CUS system and serving Houston.

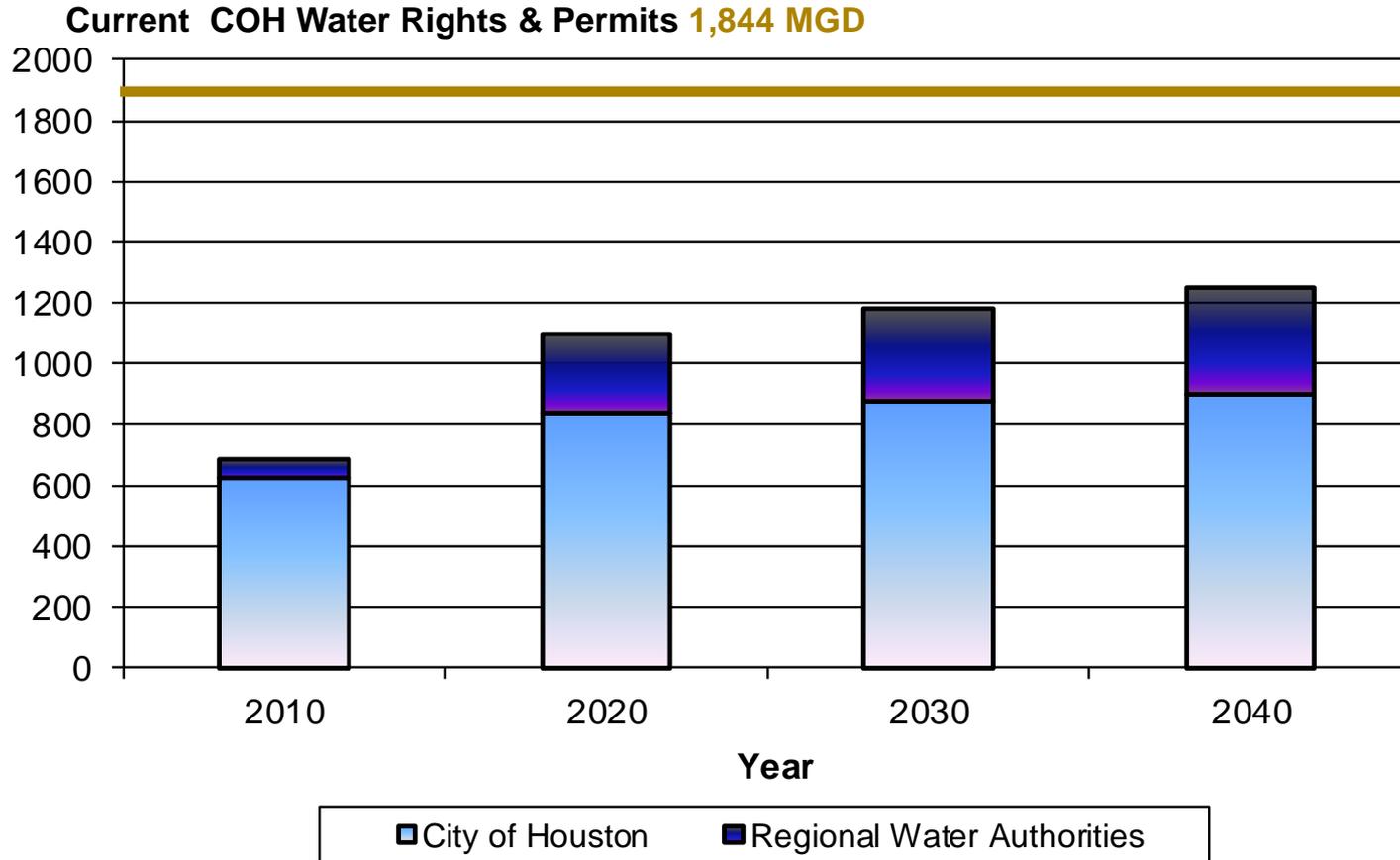
COH Water Supply

Water Supply 1,844 Million Gallons per Day



**All Water Rights
& Permits
1,844 MGD
As of February 2014**

Projected Demand vs. Current Supply



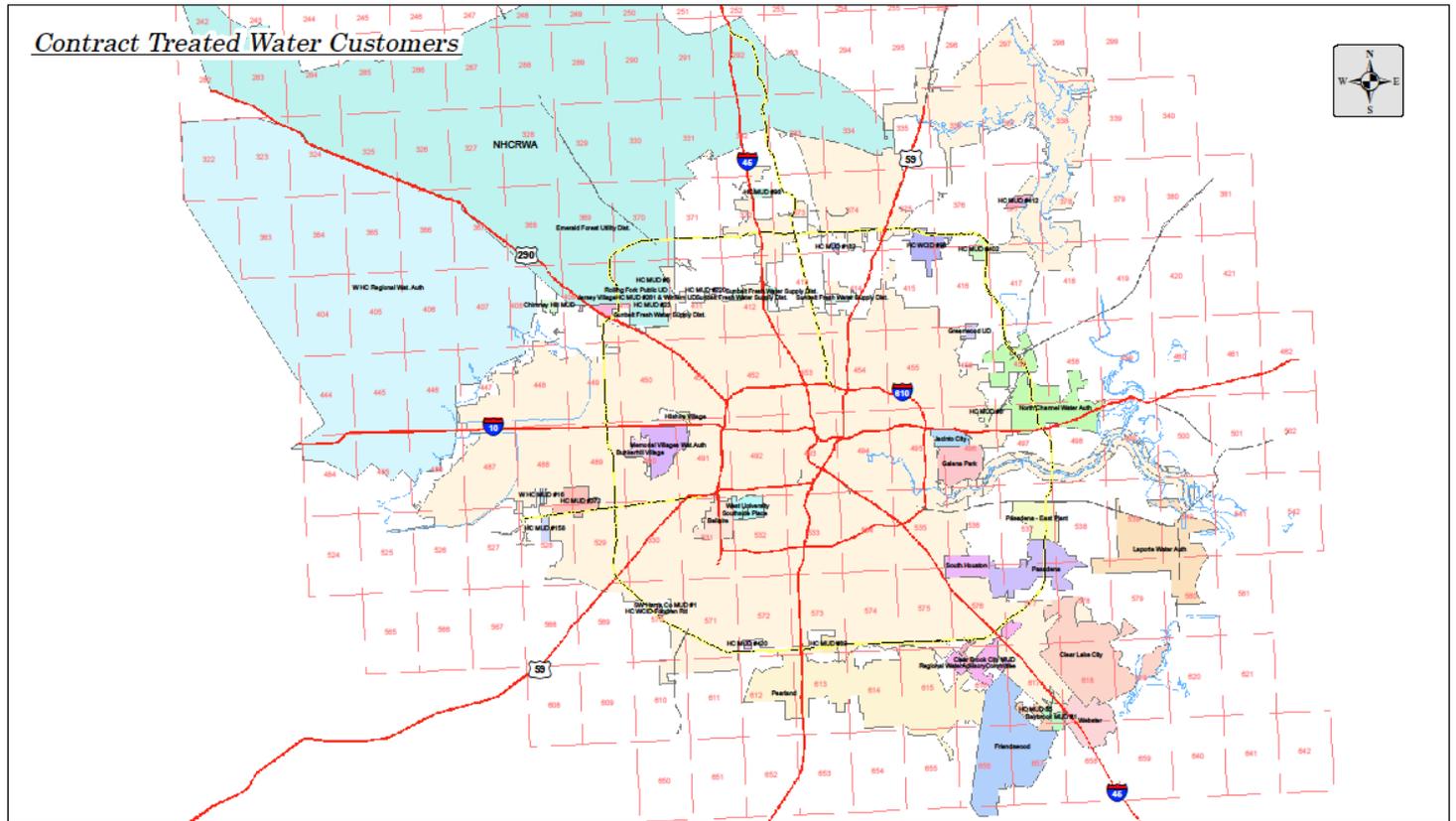
Strong Regional Water Supplier

Population Served: 4.4 million

Customers: Cities, Water Authorities & MUDs

- Baytown
- Bellaire
- Bunkerhill Village
- Clear Brook
- Clear Lake City
- Deer Park
- Friendswood
- Galena Park
- Hilshire Village
- Humble
- Jersey Village
- League City (GCWA)
- NASA
- Pasadena
- Pearland
- San Jacinto
- South Houston
- Southside Place
- Spring Valley
- Webster
- West University

Contract Treated Water Customers



City of Houston, Department of Public Works & Engineering, Public Utilities Division, Water Customer Mapping GIS 10/17/14

Scale: 1:100,000

CITY OF HOUSTON
Department of Public Works & Engineering
Public Utilities Division
Water Customer Mapping Operations

01/29/18 10:27:39 AM



Water Authorities 4
MUD Districts ~110

Long Term Financial Planning

2004

Closed the system
First rate increase since 1993
Instituted annual rate adjustment
Bonds restructured

2010

Best practice CIP
Began partial pay-as-you-go funding of CIP
Improved adjustment indexes
Major rate increase approved by Council
Rates set at cost of service

On Going Since 2010

Maintain strong cash position of over 500 days of O&M
Instituted system- wide continuous process improvement goals
Continue to increase CIP pay-as-you-go funding
Voters passed drainage fee

CUS Rates

Rate Structure

- CUS is 100% self funded
- Rates set at customer class cost of service
- Generates sufficient revenues to fund 'Best Practices' CIP of \$370 and includes partial cash funding
- Generates Net Revenues to meet a minimum of:

1.3 annual debt coverage

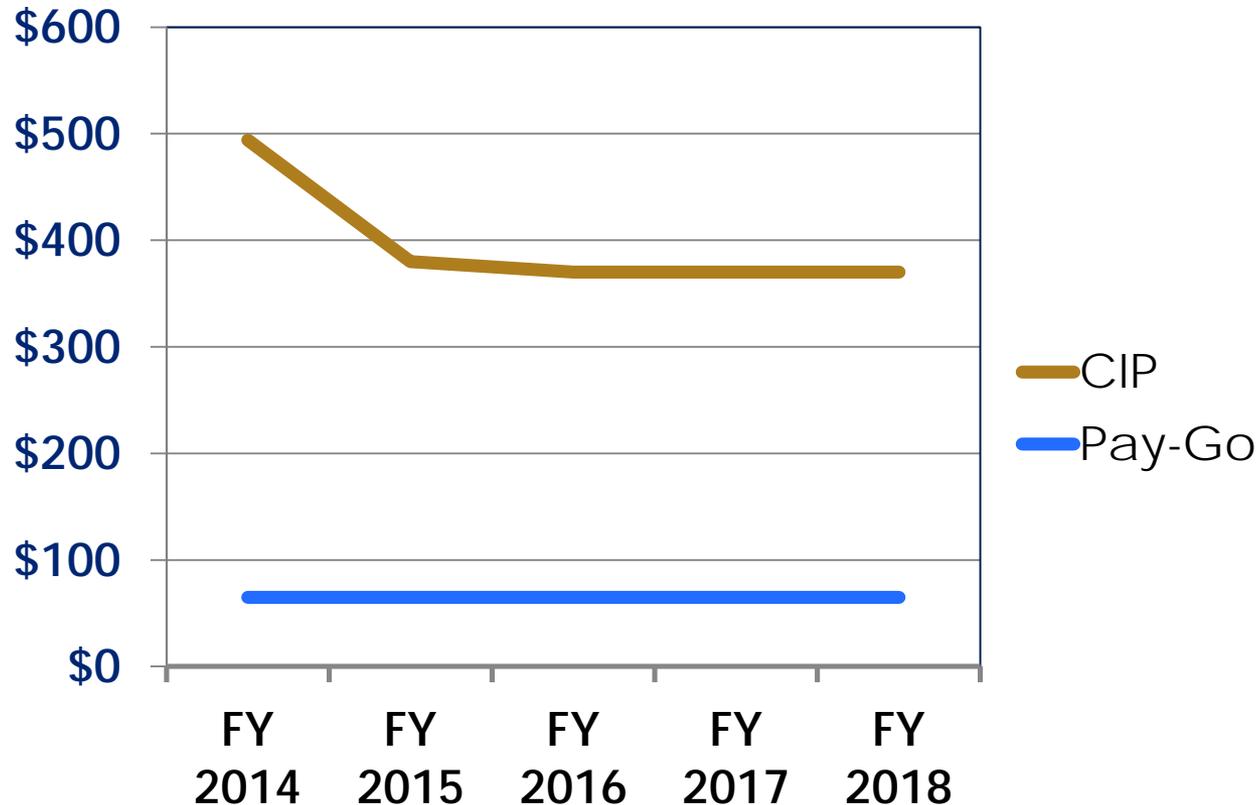
**Producer Price Index
Finished Goods**

OR

**Houston Regional
Consumer Price Index
Plus
US Census Year over
Year Population**

**Requires a cost of
service rate analysis**

CUS Capital Program (CIP) Water & Wastewater 2014-2018



Capital Improvement Projects



South East Purification Plant

Image # 110323 6299
Date 03.23.11

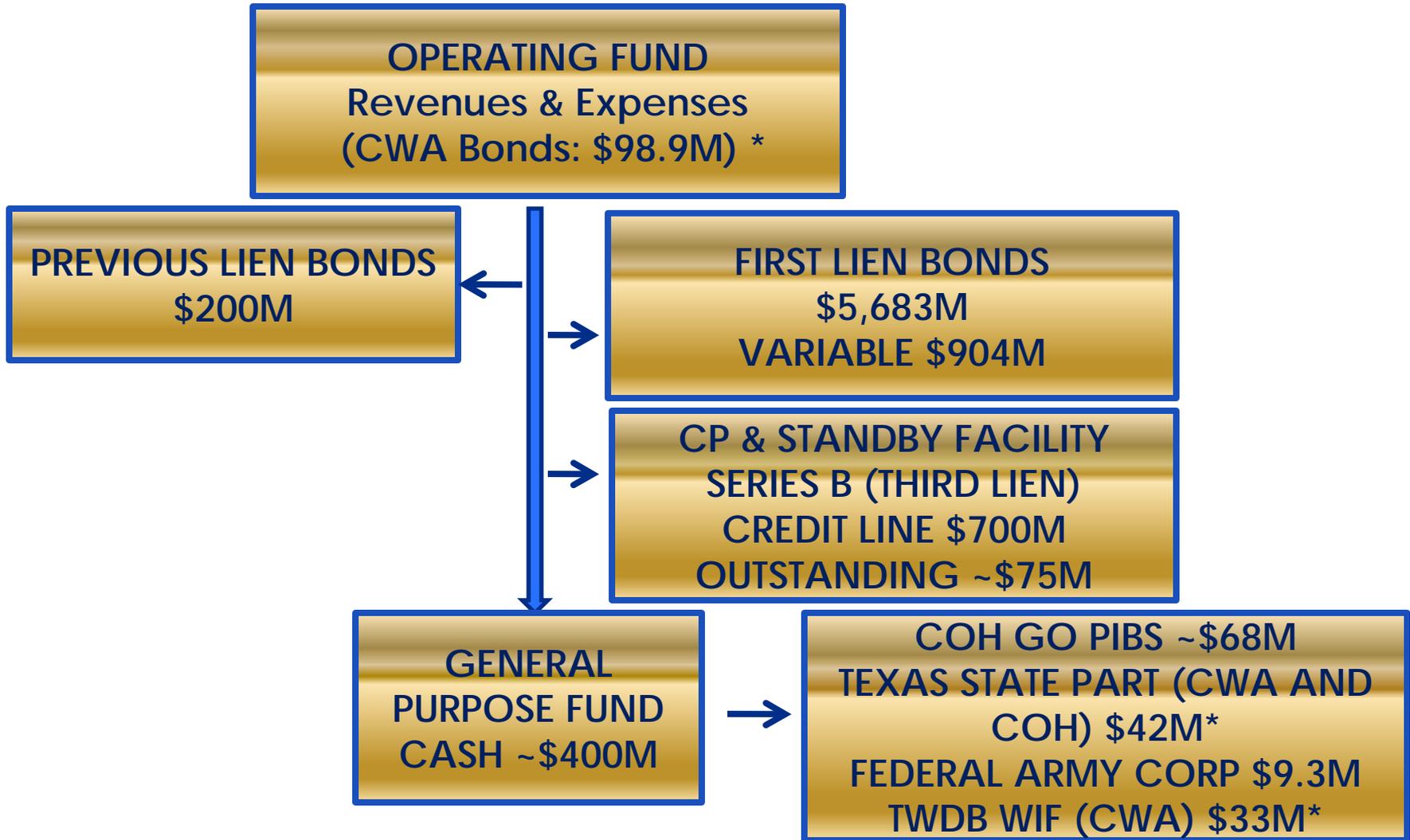
Ongoing CIP projects:

- Replacement of aging infrastructure
- Expansion of raw water conveyance: Luce Bayou *
- Expansion of surface water production and distribution systems*

*Regional Project



CUS Debt Flow of Funds



Revenues & Expenses Highlights

Cash Basis

CAFR FY 2012 CUS \$M

Revenues	\$ 969
Expenses O&M	<u>(418)</u>
Net Revenues	\$ 551

Annual Bond Debt Service
Coverage:

1.48

CAFR FY 2013 CUS \$M

Revenues	\$ 984
Expenses O&M	<u>(400)</u>
Net Revenues	\$ 584

Annual Bond Debt Service
Coverage:

1.50

CUS O&M

- ◆ **Implementing savings in chemical costs while maintaining product quality**

- ◆ **Electricity savings**

- ◆ Replacing pumps with more efficient pumps
- ◆ Switching from analog to digital equipment for efficiencies
- ◆ Installing LEDs at plants, pump stations, and lift stations

- ◆ **Efficiency Initiative: working with outside consultant to reduce costs citywide**

- ◆ **Continuing work on regional projects that provide economies of scale: Luce Bayou, Southeast Water Purification Plant, joint transmission lines, and Northeast Water Purification Plant**

CUS Awards

- ◆ **American Public Works Association's Accreditation 2013**

PWE with the CUS submitted 400+ processes and SOPs for accreditation. After a successful "self assessment" APWA reviewers accredited PWE. Largest PWE department ever accredited

- ◆ **Texas Superior Water Rating 18 consecutive years**

- ◆ **Water Environment Research Federation**

Honoring Twenty Years of Commitment (1993 – 2013) Award 2013

- ◆ **National Association of Clean Water Associations**

Platinum, Gold and Silver Awards 2013

- ◆ **National Association of Clean Water Associations**

Operations and Environmental Performance Award (Collection System): Application of the Automatic Meter Reading (AMR) for monitoring sanitary sewer manhole overflow 2014

CUS FY14 Financing Transactions

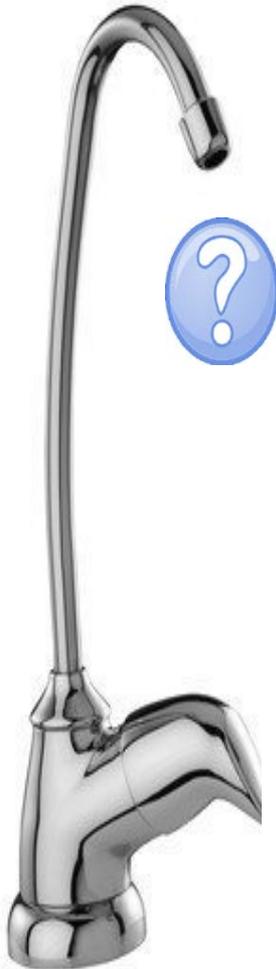
- ◆ **TWDB Clean Water Loan #28 \$65.0M 2013A**
 - ◆ Closed: February 12, 2014

- ◆ **2004A Refunding**
 - ◆ ~ \$1.4 billion – part taxable, part tax exempt in March 2014 pricing

- ◆ **New Money ~\$200M Spring 2014**
 - ◆ Estimated Closing date: May 2014

- ◆ **Renew Commercial Paper B-2 bank facility, \$75M**
December 2014

Q&A



For further information, please contact:
Susan Bandy – (832) 395-2468
Kate Bechtold – (832) 395-2578



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City of Houston Investor Conference

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Houston's airports are as diverse as the City they serve



Houston Airport System At-a-Glance

Three-airport system managed and operated by the City's Department of Aviation (HAS) serving the nation's fifth-largest metropolitan area.

- Bush IAH – international gateway hub
 - United's largest hub
- Hobby – coast-to-coast domestic service
 - One of Southwest's top 10 airports
- Ellington – NASA, general aviation and military



	IAH	HOU	TOTAL
Enplaned passengers (M)	19.9	5.6	25.5
Share domestic	77%	100%	82%
Originating percentage	47%	72%	53%
Average daily departures	652	162	814
Number of gates	149	25	174

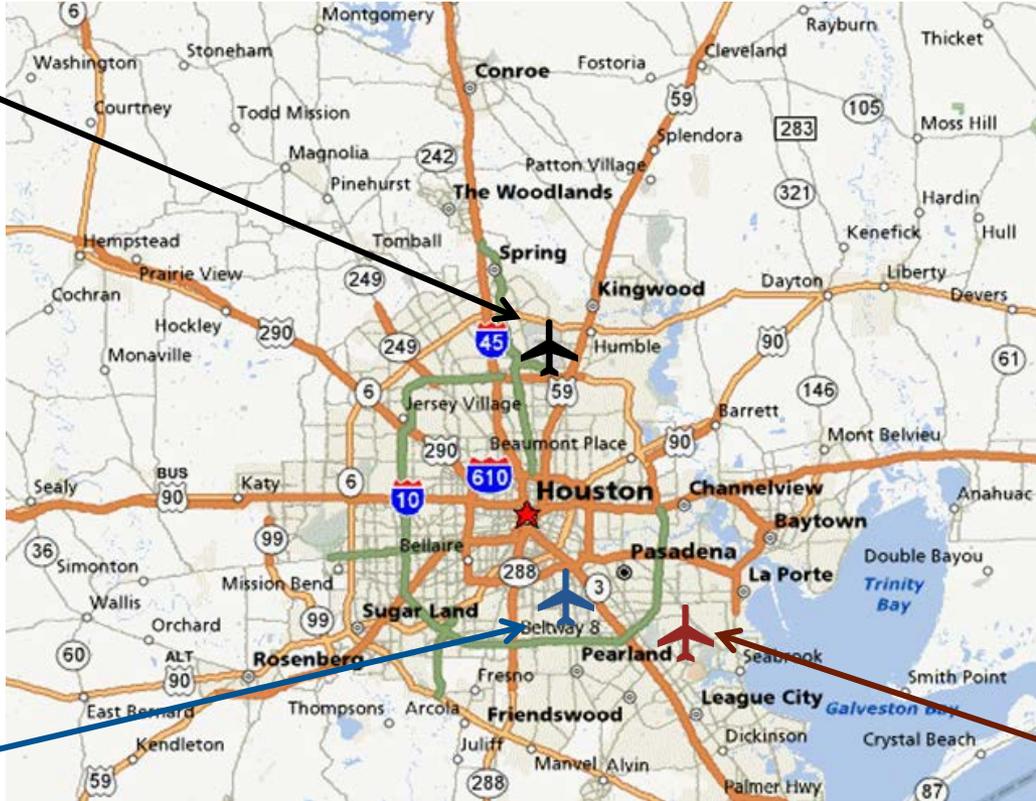
Source: Houston Airports Statistics 2013. Data are for CY 2013, except for the number of gates which reflects the completion of the B-South project (anticipated late March 2014).

Houston Airport System At-a-Glance

Houston's airports offer convenient choices to the MSA's 6.2 million residents.



IAH



HOU

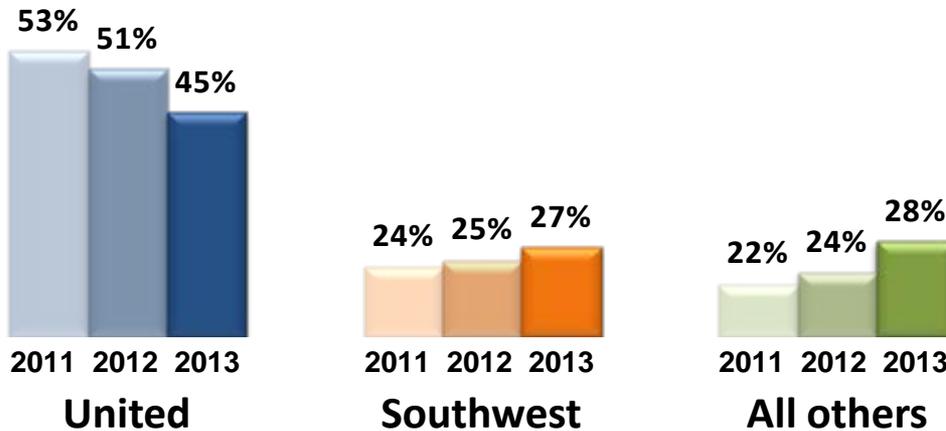


EFD

Competition is on the rise in Houston

Reflecting the strength of the local economy, other airlines have increased service to offsetting service reductions attributable to United's network realignment.

Market share of O&D passengers



Source: Houston Airports Statistics CY 2011 – 2013.

Houston's average domestic fares are strong

IAH's average domestic fares are highest of 10 busiest U.S. hub airports; Southwest has been able to raise fares and increase passenger traffic at HOU.

10 busiest large hub airports

	CY 2013 AVG	YOY %
IAH	\$222	(0.3%)
SFO	\$208	6.2%
JFK	\$201	3.3%
LAX	\$197	3.8%
DFW	\$189	(3.1%)
CLT	\$188	0.5%
ORD	\$182	4.8%
ATL	\$174	4.3%
PHX	\$166	5.1%
DEN	\$152	1.9%

10 busiest Southwest airports

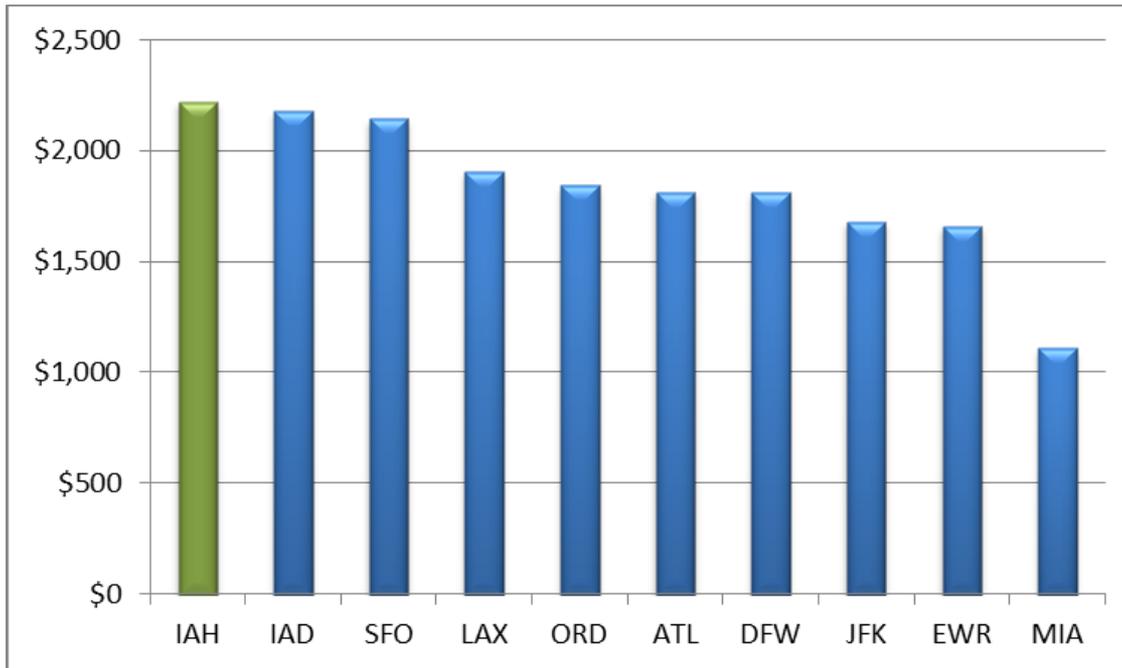
	CY 2013 AVG	YOY %
LAX	\$197	3.8%
ATL	\$174	4.3%
PHX	\$166	5.1%
HOU	\$164	5.9%
DEN	\$152	1.9%
BWI	\$152	-1.8%
LAS	\$152	2.1%
MCO	\$148	2.0%
MDW	\$144	3.5%
DAL	\$135	1.7%

•Source: Source: Airlines Reporting Corporation (ARC) data as reported in Diiomi FMI, accessed February 2014.

Houston is also a highly profitable international market

Average premium fares at IAH are the highest in the country.

**CY 2013 average one-way fares at
10 busiest U.S. international gateways**



**Airlines with 3-cabin
(F/C/Y) service to IAH**



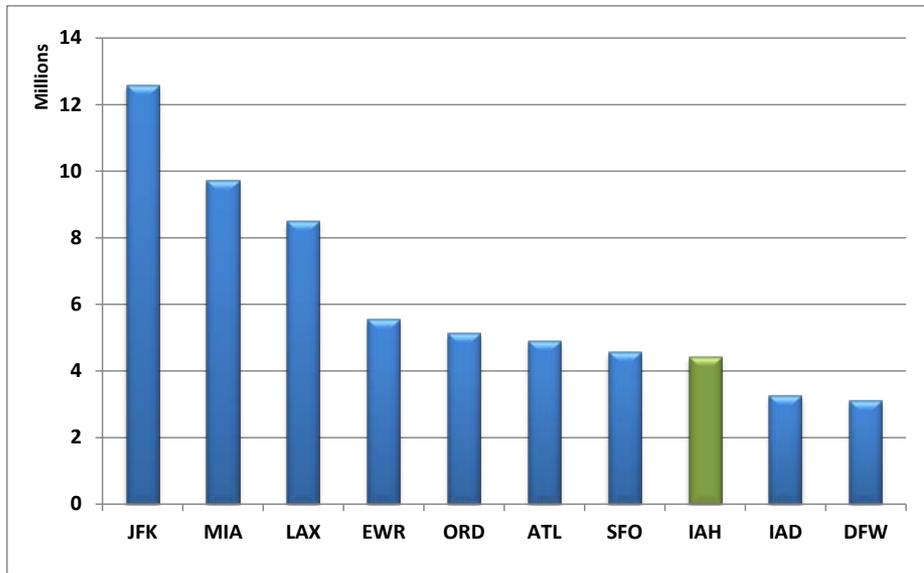
Source: Airlines Reporting Corporation (ARC) data as reported in DiioMi FMI, accessed February 2014.

Houston is a fast-growing international market

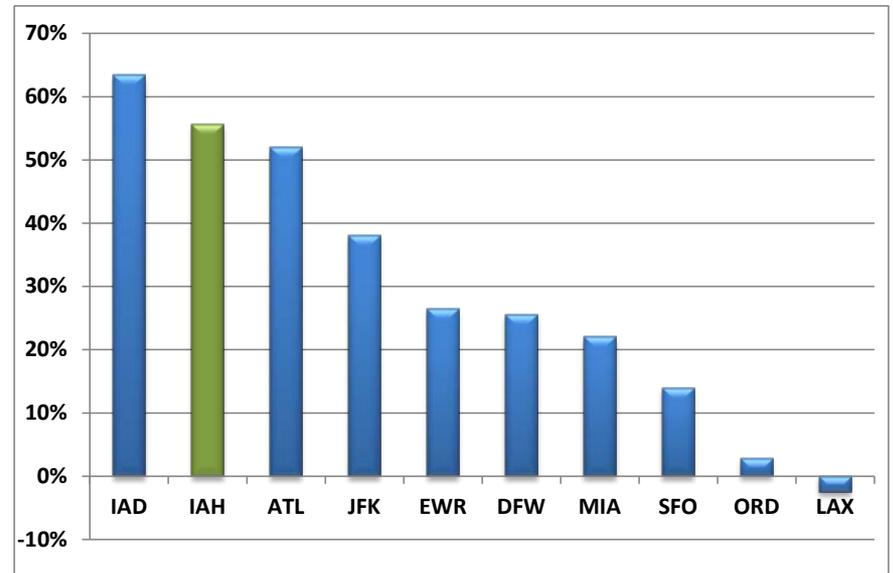
IAH has nonstop service to 67 cities in more than 30 countries. Houston is the nation's 8th largest international hub and is the 2nd fastest-growing since 2001.

Busiest U.S. international gateways

FY 2013 enplaned passengers



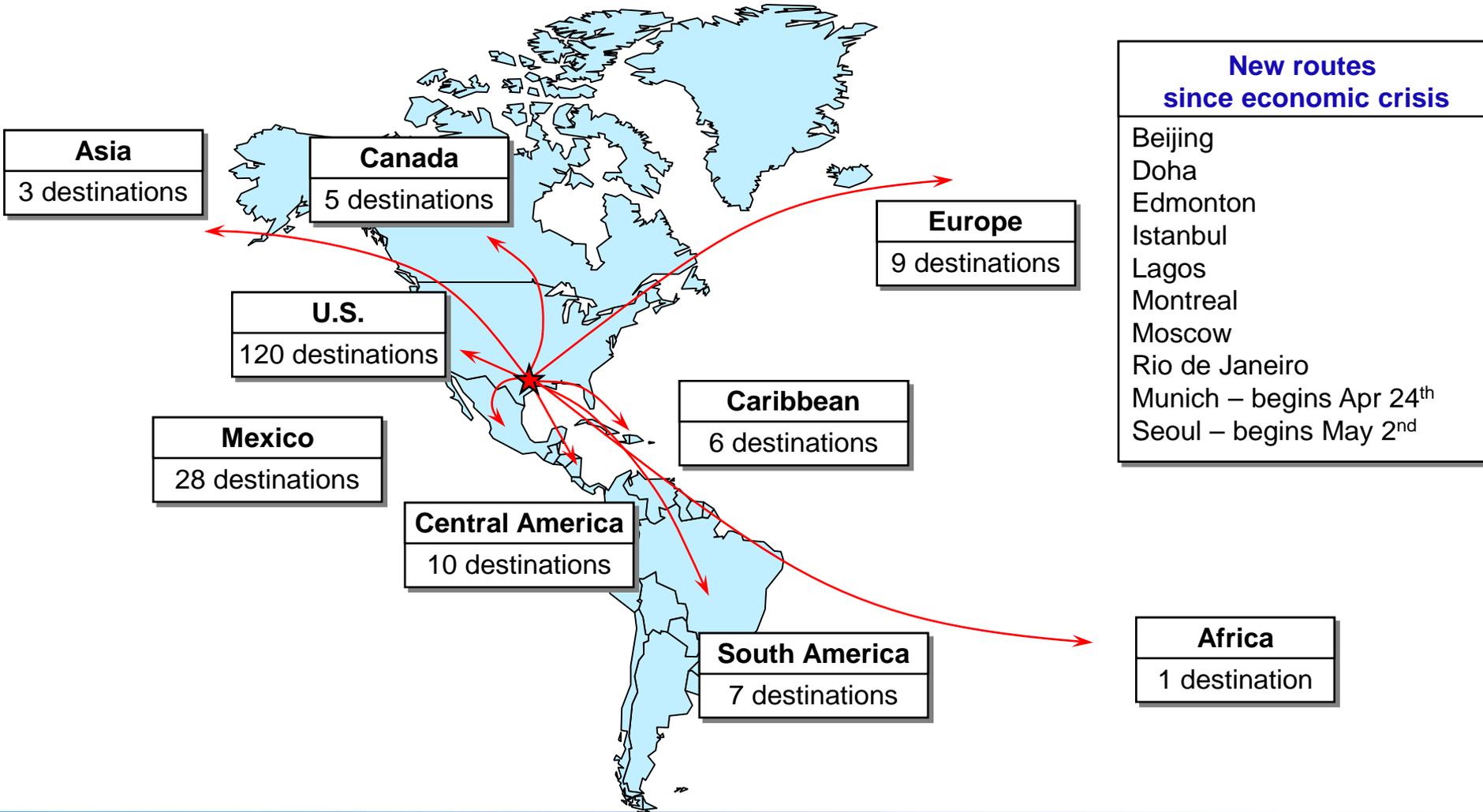
Percent change in enplaned passengers
FY 2001 (pre-9/11) to FY 2013



Source: DOT T-100 YE July 2013

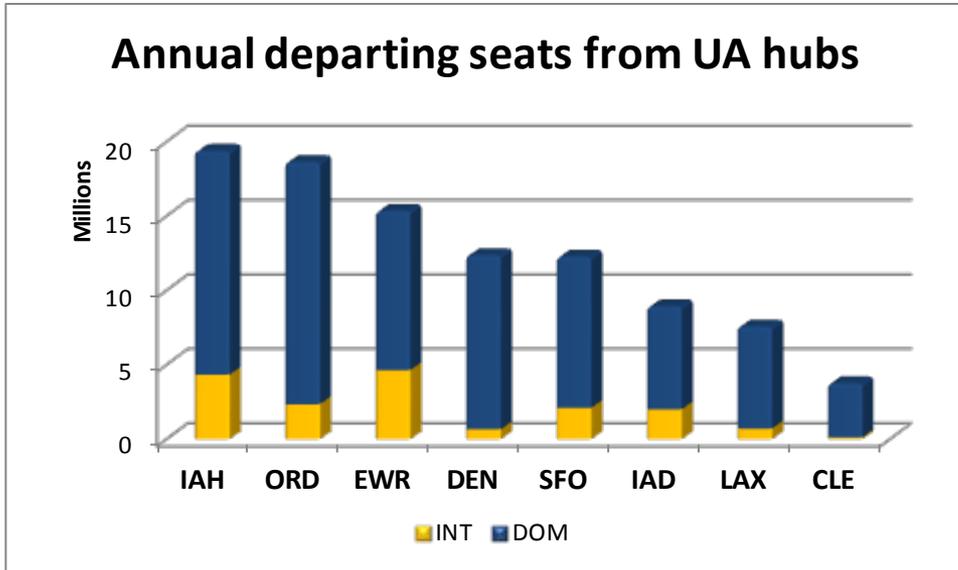
Houston has nonstop service to 5 continents

Airlines continue to add new routes—most outside of IAH's historically strong Latin American market.



Bush IAH remains United's largest hub

United offers nearly 20M annual seats from IAH – more than any of its other 7 domestic hubs.



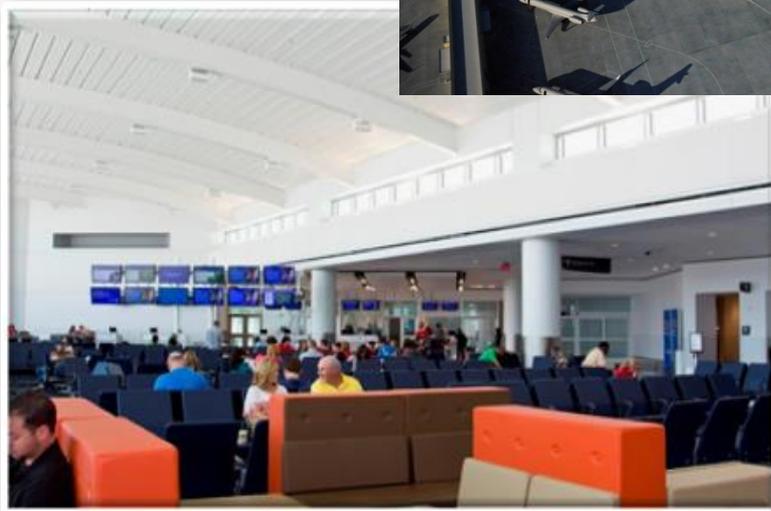
United's IAH Hub

	Average daily flights	Nonstop destinations
Domestic	455	111
International	100	65

Source: UAL IAH Fact Sheet

United is optimizing and renewing its facilities at IAH

In 2013 the new 225K square foot Terminal B-South opened, offering passengers a modern, efficient experience with new, innovative concession choices.



Additional international gate capacity is planned for IAH

The redeveloped Terminal D will provide additional wide body gate capacity, modern technology and expanded retail and concession space catering to premium passengers.



Houston is first inland U.S. airport for the A380

United's Star Alliance partner Lufthansa increased capacity to Frankfurt on the world's largest passenger aircraft. IAH was Lufthansa's first year-round A380 route.



Hobby to be Southwest's primary international gateway

The international terminal will include the construction of 5 new gates, additional check-in facilities, an expanded security checkpoint, a customs and immigration facility with advanced passport control technology, and other passenger conveniences. Support projects include a new parking garage, roadway improvements, and a satellite utility plant.



Ellington to capitalize on Houston's role as Space City

Licensing steps are underway with the goal of becoming the nation's ninth licensed commercial spaceport by January 2015.



HAS's financial position remains strong

Unrestricted cash balance is \$531M, or approximately 770 days cash on hand. Combined with a \$150M commercial paper program, these cash balances provide adequate funding for near-term capital needs.

	Actual FY 2011	Actual FY 2012	Actual FY 2013
Net Revenues (\$M)	\$160.9	\$174.2	\$188.5
Net Debt Service Requirements (\$M)	\$101.9	\$107.3	\$119.5
Debt service coverage	1.58x	1.62x	1.58x
Airline payments per enplaned passenger to HAS			
IAH	\$10.52	\$10.39	\$10.52
HOU	\$ 7.68	\$ 6.63	\$ 6.64

Source: HAS audited FY 2013 CAFR

Unrestricted cash is unaudited as of 12/31/2013. Debt service requirements shown are net of PFCs and grants available for debt service.



Finance & Administration

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CITY OF HOUSTON

2ND ANNUAL INVESTOR CONFERENCE

MARCH 3-4, 2014

HOUSTON INDEPENDENT SCHOOL DISTRICT



City of Houston Investor Conference



March 3-4, 2014



Houston Independent School District

District Overview

- Houston Independent School District is the largest district in Texas and seventh largest in the nation with over 211,000 students.
- The District encompasses 301 square miles within greater Houston.
- The total population of the District is estimated to be 1,329,030.
- District property includes 282 instructional campuses.





Houston Independent School District

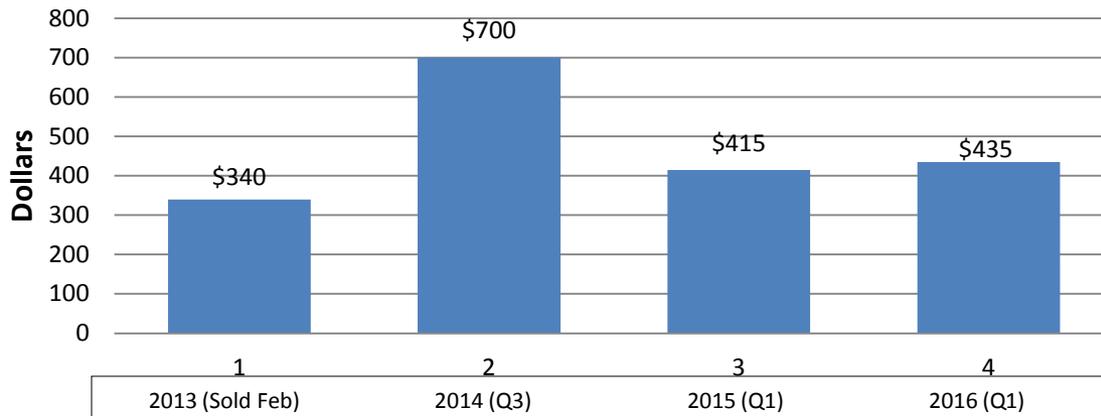
Financial Overview

- The General Fund mid-year fiscal 2014 budget reflects estimated appropriations of \$1,787,085,335.
- Unassigned General Fund balance at fiscal year-end 2013 was \$276,796,499.
- Unassigned General Fund balance at fiscal year-end 2014 is estimated to be \$205,969,513.
- The Debt Service fund mid-year fiscal 2014 budget includes \$266,594,320 in revenues and other sources and appropriations of \$263,204,040.

2012 Bond Program

- 2012 Capital Program to expend \$1.89 billion over the next 8 years.
- Issuance of bonds has been planned in four different sales (shown below).
- Sale dates are estimated and may change subject to project cash flow needs.

Total Bond Referendum = \$1,890,000,000
(sales in millions)





2012 Bond Issuance

Tax Rate Model assumptions at time of bond authorization

Maximum Tax Impact (\$/100)	\$4.85
Estimated Interest Rates	5.00% for Series 2014,2015,2016
Growth in TAV	3.80% 2013 3.00% 2014-15 2.00% 2016-2019 1.00% 2020-2028

Taxable Assessed Value annual increases realized

FY2012	\$105,895,088,157	
FY2013	\$111,568,771,772	5.36%
FY2014	\$125,043,275,107	12.08%

Note: FY2014 is the certified taxable value as reported by HCAD on 12/20/2013.

Current Debt Statistics

Bond Ratings

PSF where applicable AAA

Moody's Aaa

Only 7 districts in Texas rated this highly of 450 ratings issued.

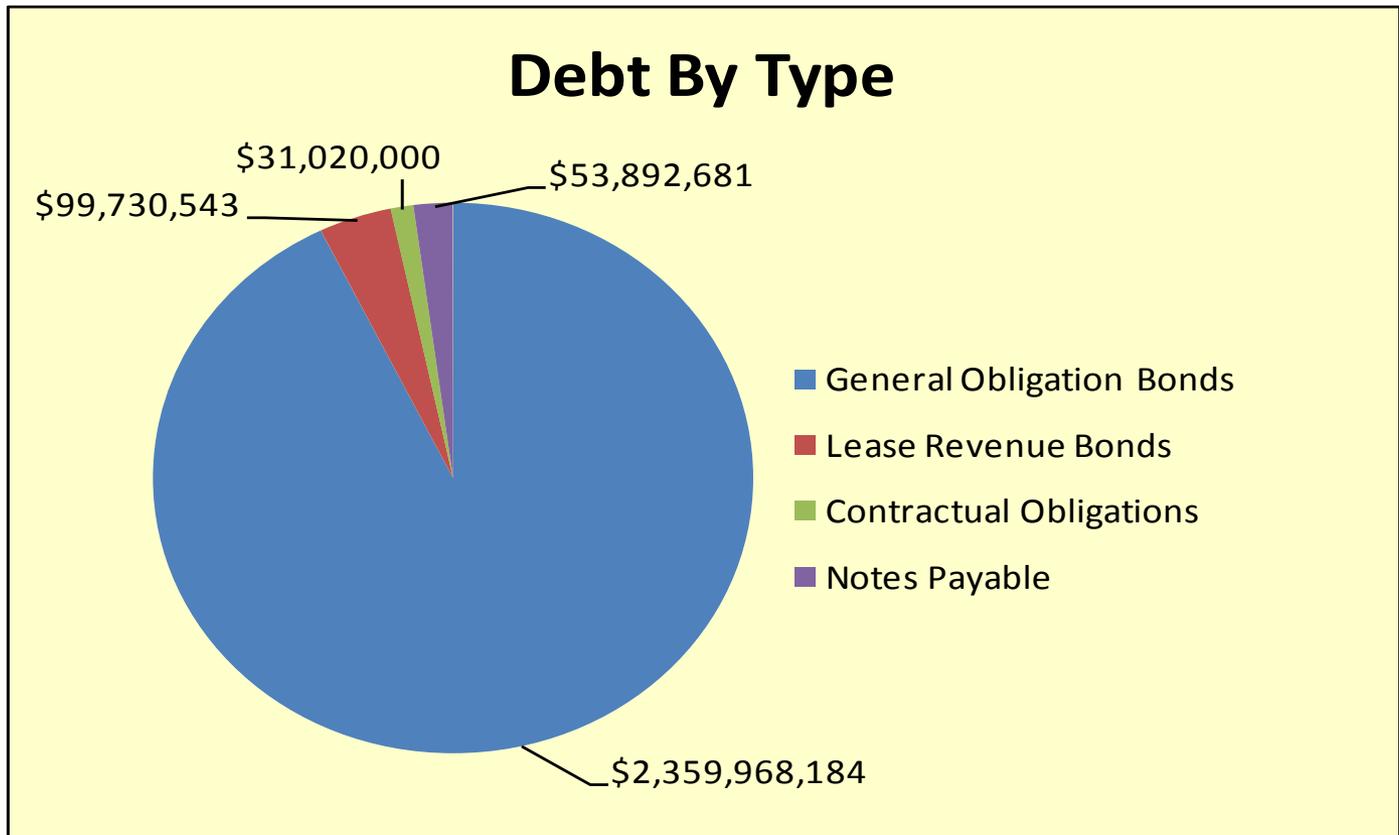
Standard & Poor's AA+

Only 2 districts rated AAA and 13 rated AA+ of 487 ratings issued in Texas.

Outstanding Debt

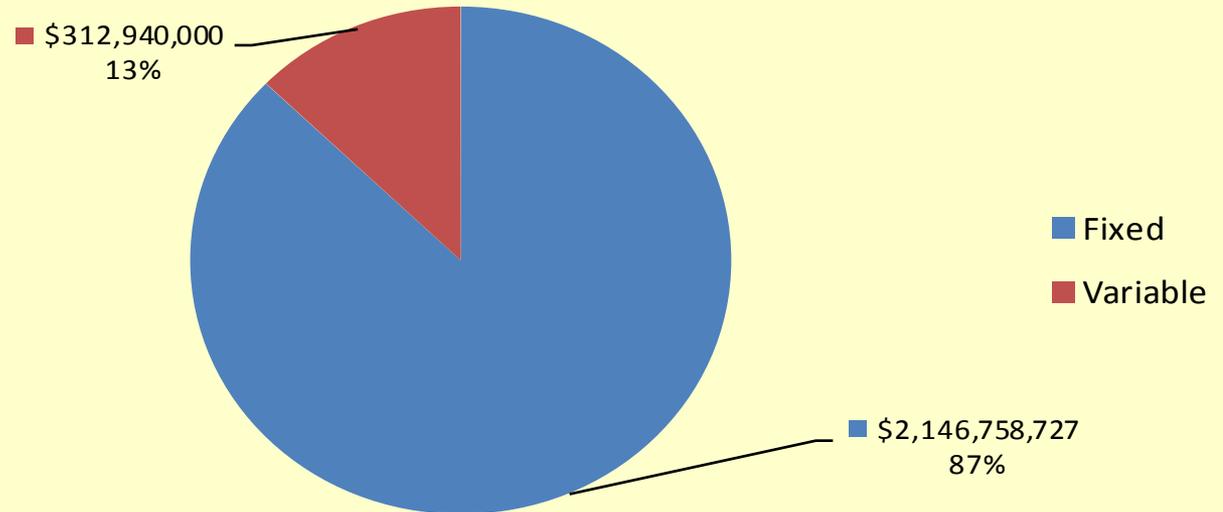
Debt As Of 12/31/2013	Fixed Rate Bonds	Variable Rate Bonds	Other Debt	All Bonds
Outstanding Principal	\$2,146,758,726	\$ 312,940,000	\$ 84,912,682	\$2,544,611,408
Average Life	10.24	15.09	3.25	10.60
Average Coupon	5.03%	2.07%	4.58%	

Debt Structure

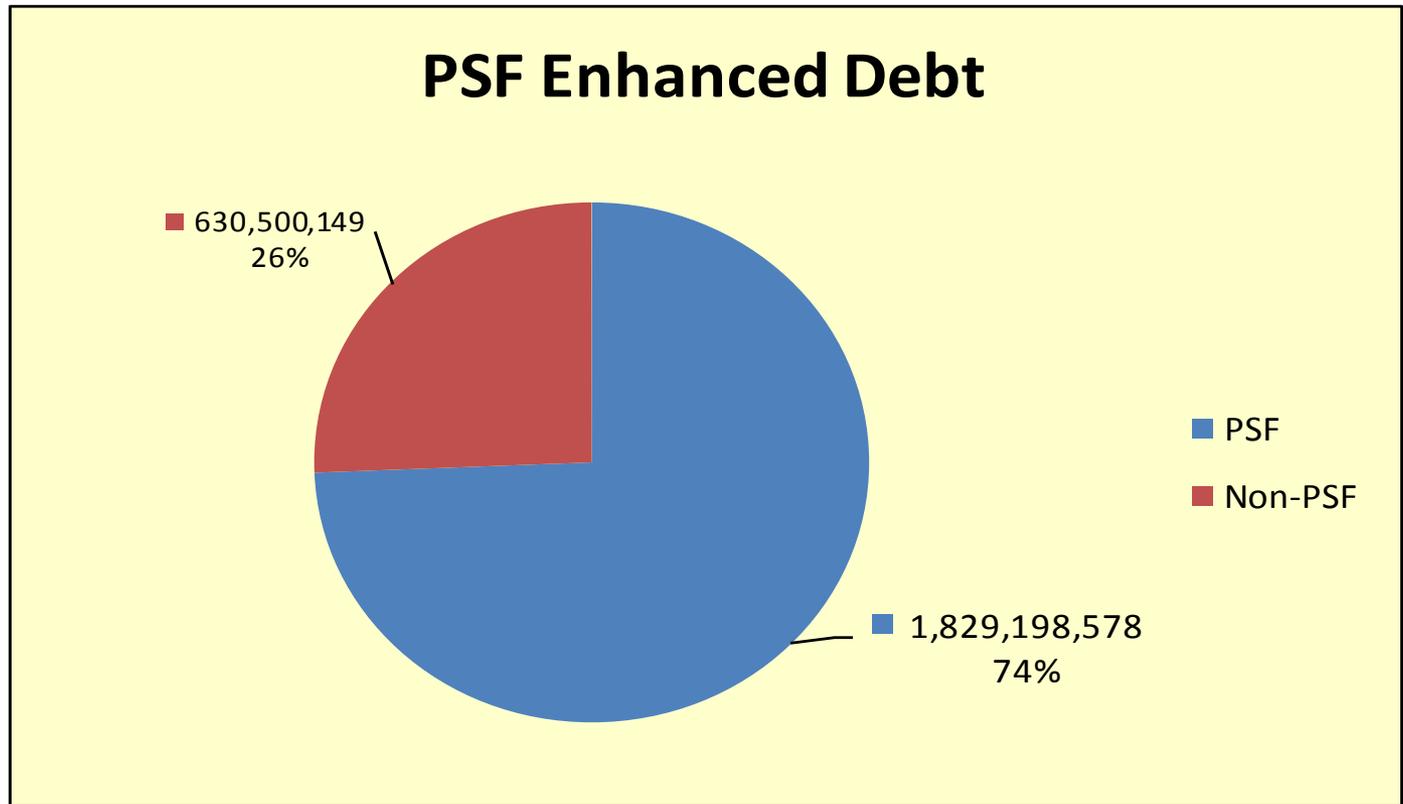


Debt Structure

Bond Debt Interest Rate Structure



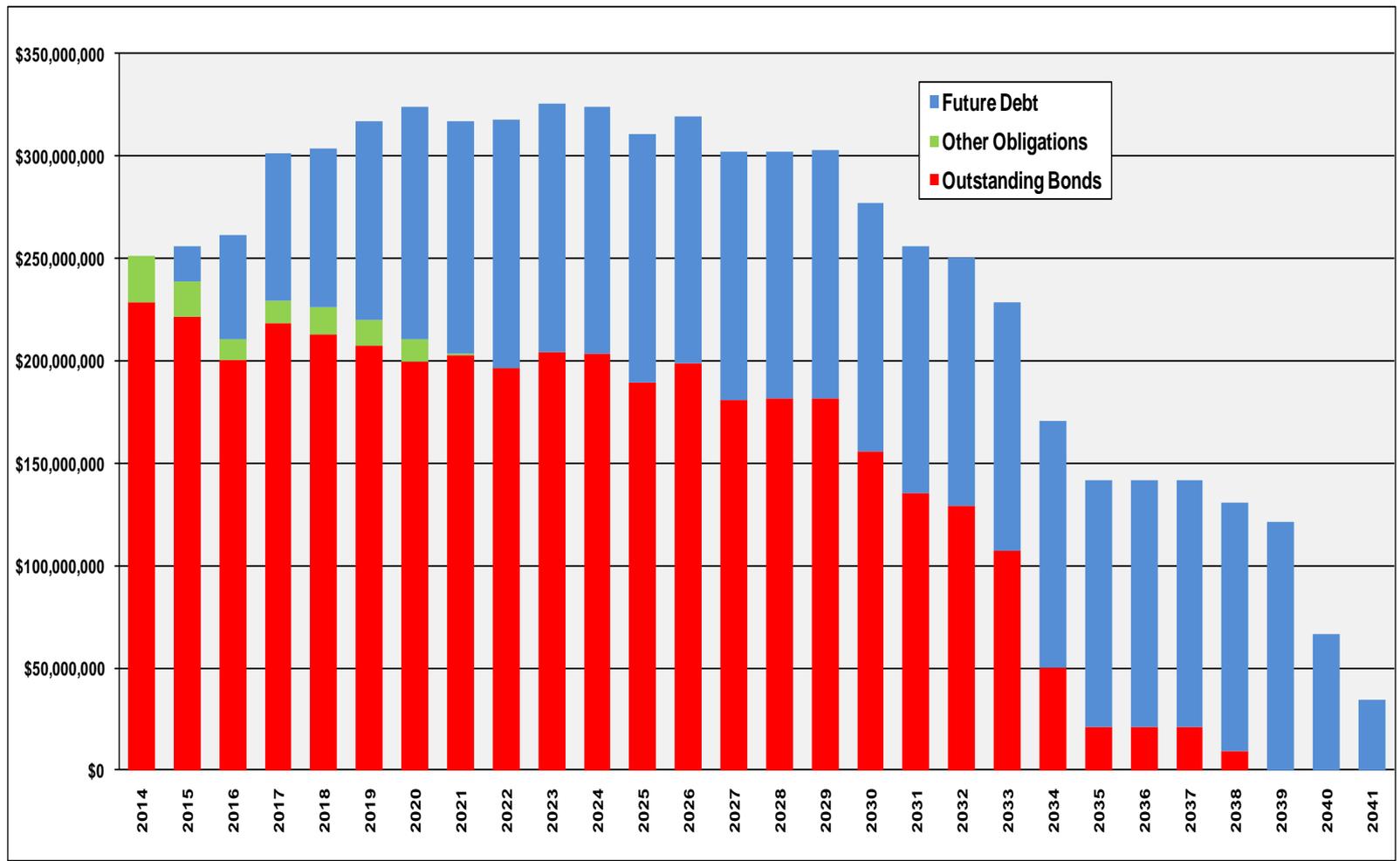
Debt Structure





Debt Service Schedule

Principal and Interest





CITY OF HOUSTON

2ND ANNUAL INVESTOR CONFERENCE

MARCH 3-4, 2014