

MINUTES

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING

December 19, 2019 – 3:00 P.M.

Partnership Tower, 701 Avenida de las Americas, Ste. 200

Houston, Texas 77010

HFC BOARD ROOM

The Board of Directors (“Board”) of Houston First Corporation (the “Corporation” or “HFC”), a Texas local corporation created and organized by the City of Houston as a local government corporation pursuant to TEX. TRANSP. CODE ANN. §431.101 et seq. and TEX LOC. GOV’T. CODE ANN. §394.001 et seq., held a meeting at Partnership Tower, 701 Avenida de las Americas, Houston, Harris County, Texas, 77010, on Friday, October 4, 2019, commencing at 10:30 a.m.

Written notice of the meeting including the date, hour, place and agenda for the meeting was posted in accordance with the Texas Open Meetings Act.

The following Board members participated in the meeting: David Mincberg (Chair), Desrye Morgan (Co-Chair), Nicki Keenan, Elizabeth Brock, Sofia Adrogué, Paul Puente, Ryan Martin, Reginald Martin, Alex Brennan-Martin, Tom Segesta, Bobby Singh, Gerald Womack, Jay Zeidman, Council Member Dave Martin, Ex-officio, and Council Member David Robinson, Ex-officio

The Chairman of the Board called the meeting to order at 3:05 p.m. and a quorum was established. Chairman Mincberg also recognized Council Member Michael Kubosh who attended the meeting.

The Chairman removed item 6A from the Agenda.

1. **Public Comments.** James Harrison of Harrison Kornberg Architects wanted to extend a thank you in-person to the HFC Board for giving his firm an opportunity to work on the Hurricane Harvey Recovery Project. Through this opportunity, he stated, Harrison Kornberg has been able to partner with larger construction companies and has completed work for the Dallas Museum of Art.

Gerald Womack noted that Mr. Harrison and his family are from the Third Ward and are educators in the community. He then thanked Mr. Harrison for speaking and stated that Mr. Harrison is a great example of what HFC wants to accomplish.

Council Member David Robinson stated he is very familiar with the outstanding work of Mr. Harrison’s firm and is proud to be a professional colleague because his firm does a tremendous job.

Elizabeth Brock stated it is always great to hear success stories.

Bill Franks of Texas Hospitality Partners, L.P. thanked the HFC Board for a good year and the progress made on the W Hotel Development Project. He and his team are excited and optimistic about the opportunity and look forward to 2020. Mr. Franks also addressed the recent news article regarding the project in the Houston Chronicle. He explained his firm was not involved, but assured the Board that any future article will include more information.

Al Kashani recognized James Harrison and noted that he was the first person to work with Mr. Harrison on a project in Houston. He also thanked the HFC Board for a great year and stated he is ready to finalize the W Hotel documentation. Mr. Kashani concluded his remarks by stating he and his team are ready, willing, and able to move forward with the project.

2. **Review and approval of minutes from prior meeting.** Following a motion duly seconded, the meeting minutes of October 4, 2019 were approved as presented. Ryan Martin was not present for the vote.

3. **Presentations and Reports.**

- A. Report by Houston First Chairman. None.
- B. HFC President & CEO Update. Brenda Bazan informed the Board that she will distribute a report via email as there are no material items to discuss.
- C. Chief Financial Officer Update. Frank Wilson provided a brief update, beginning with the financial results from Hotel Occupancy Tax. He informed the Board that HFC will finish the year \$822,591 in the black. Revenues from the Hilton Hotel will fall just short of budget due to displacement; however, food and beverage revenues at GRB are very strong and above budget. Additionally, all major expenses are either at or below budget, except food and beverage. He concluded his presentation with an update on expenses for the Hurricane Harvey Recovery Project.

4. **Executive Session.** Executive (closed) session pursuant to Texas Government Code Section 551.072 for the purpose of consultation with Houston First Counsel regarding certain real estate matters related to the construction of a hotel on top of Partnership Tower.

The HFC Board entered executive session at 4:05 p.m. and returned at 4:26 p.m. No action was taken.

5. **Board Business.**

- A. Consideration and possible action with regard to a Development Agreement, Air Rights Lease and other ancillary documents with Texas Hospitality Partners, L.P. for the construction of a hotel on top of Partnership Tower.

[This item was removed from the Agenda.]

6. **Board Business—Consent Agenda.** [Items taken out of order. Following a motion duly seconded, the following items were approved unanimously by Consent Agenda: Items 7B, 7C, 7D, 7E, 7F, 7G and 7J.]

- B. Consideration and possible approval of the annual election of Officers pursuant to the Houston First Corporation Bylaws.
- C. Consideration and possible approval of an increase to the overall Project Budget for the Guestroom Renovation Project at the Hilton Americas-Houston Hotel and an increase to Guaranteed Maximum Amount (“GMAX”) for DPR Construction.
- D. Consideration and possible approval of an agreement with Delta Sigma Theta Sorority, Inc. for their 58th Biennial National Convention occurring July 28-August 1, 2027.
- E. Consideration and possible approval of an agreement with Connect Meetings for their Connect Marketplace occurring August 28-September 1, 2022.
- F. Consideration and possible approval of an agreement with the Barbershop Harmony Society for their International Convention occurring July 2-6, 2024.
- G. Consideration and possible approval regarding a Wireless Audio Upgrades Agreement with L-D Systems, LP for Miller Outdoor Theatre.
- J. Consideration and possible approval of additional reallocated funding for Harrison Kornberg Architects LLC and ARUP, Texas Inc., a joint venture, for two modified task orders for the continued repair and replacement of damages to the Wortham Theater and Theater District Parking Garage due to Hurricane Harvey.

[Items 7H and 7I were discussed separately.]

- H. Consideration and possible approval of a Listing Agreement with CBRE Group, Inc. for brokerage services with respect to a restaurant space on Lynn Wyatt Square for the Performing Arts.

Desrye Morgan provided the Board with an overview of the discussion at the Operations Committee Meeting and concerns raised by Committee Members regarding the overall food concept.

Gerald Womack expressed concerns regarding a lack of diversity goal set for the project. Mr. Womack stated it is not just about dollars, but we should also advocate for giving small businesses a fair opportunity. He also stated there was a lack of diversity in the firms that participated in the development of Avenida Houston; therefore, he cannot vote for this item when he knows it's not right.

Paul Puente and Ryan Martin asked additional questions regarding the lease space and the role of the restaurant broker.

There was additional discussion about the lack of a diversity goal and Mr. Singh stated HFC must respect the rules of engagement. Jay Zeidman stated that he respects the work of the Committee and believes that a good faith effort was made

to determine whether a diversity goal was appropriate, so he fully supports the item.

Following a motion duly seconded, the item was approved with two Board Members opposed.

I. Consideration and possible approval of a National Public Relations Services Agreement with Fahlgren Inc., d/b/a Turner PR.

Mitch Miszkowski gave a brief overview of the solicitation process.

Desrye Morgan stated that the HFC Board has raised concerns regarding a lack of diversity and inquired why there was no diversity goal set.

Council Member David Robinson also informed the Board of discussions in the Operations Committee regarding scoring, adding that Turner PR is the incumbent firm. Several Board Members raised the point that incumbent firms have an obvious advantage, however, we should not penalize those firms.

Council Member Martin asked Holly Clapham-Rosenow if she was happy with the recommendation of the selection committee. He also recommended that staff discuss matters with the Procurement Chair beforehand when a solicitation is issued that does not include a diversity goal.

Ms. Clapham-Rosenow stated that she has been very impressed with the services of Turner PR, noting the Houston "Best of List" and coverage during the Apollo 11 anniversary celebration. She also clarified the type of services the firm will provide.

Brenda Bazan added that HFC takes diversity very seriously and is proud that the company has exceeded the 30% corporate-wide diversity goal every year.

Paul Puente explained that Board Members want to see large firms mentoring small businesses and that's the spirit HFC desires to promote.

Mr. Womack stated he has been on the Board a lot longer than most Board Members and the changes made regarding diversity are because he took a stand so he will continue to advocate for diversity. Ms. Morgan echoed those sentiments, adding that while the numbers are high there is always room for improvement and it's important that the Board continue to do its due diligence.

Following a motion duly seconded, the item was approved unanimously.

7. **Executive Session.** Executive (closed) session pursuant to Texas Government Code Section 551.071 to permit the Board of Directors to consult with Houston First General Counsel to seek advice and counsel regarding contemplated litigation.

The HFC Board entered Executive Session at 4:27 p.m. and returned at 4:41 p.m. No action was taken.

8. **Adjournment.** The meeting was adjourned at 4:42 p.m.