

# MINUTES

## HOUSTON FIRST CORPORATION

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**BOARD OF DIRECTORS MEETING**  
**January 16, 2020– 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 Thursday, January 16, 2020, commencing at 3:00 p.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, Alex Brennan-Martin, Paul Puente, Ryan Martin, Reginald Martin, Tom Segesta, Bobby Singh, Gerald Womack, Jay Zeidman, Council Member Dave Martin, Ex-Officio, and Council Member David Robinson, Ex-Officio.*

*The following Houston City Council Members also attended the meeting: Council Member Sallie Alcorn, Council Member Martha Castex-Tatum, Council Member Jerry Davis, Council Member Edward Pollard, and Council Member Michael Kubosh.*

The Chairman of the Board called the meeting to order at 3:04 p.m. and a quorum was established.

1. **Public Comments.** Martye Kendrick and Reid Wilson spoke on behalf of Texas Hospitality Partners and thanked HFC staff for their assistance in finalizing documents for the W Hotel project.

Darnell Tiegle spoke in support of the W Hotel project on behalf of the local union. Mr. Tiegle explained that the construction of the W Hotel will create a number of good jobs for individuals in the hospitality industry. He also stated that the W Hotel is exactly what the City needs to help advance the community.

Neel Lund, VP of Global Development for the W Hotel, stated that Houston is an important market. Houston is the only major city in the U.S. that does not have a W brand. Mr. Lund also stated that the W Hotel would be a wonderful addition to the vibrant center of Houston’s downtown area alongside the Marriott Marquis and it will further bolster Houston’s appeal as a convention destination. Mr. Lund informed the Board that the

development team will work with Marriott to ensure that the lifestyle and food and beverage elements are consistent with other W Hotel properties. In conclusion, Mr. Lund stated he and his team are eager to begin the project.

Al Kashani thanked the Board and HFC staff for their assistance in finalizing the documents for the W Hotel. Mr. Kashani then discussed some of the project highlights. According to Mr. Kashani, taxpayer dollars will not be used to initiate the project. He also announced that the economic impact of the W Hotel is \$3.4 billion and it will create 300 new jobs. Additionally, diversity participation will be a priority during all phases of the project and operations. Mr. Kashani stated that he hopes the City of Houston will use the W Hotel as a model for future projects. He concluded by announcing that a documentary will be filmed throughout construction and he hopes that the Board will vote in favor of the agenda item.

The Chairman recognized all members of City Council in attendance at the meeting and opened the floor for remarks.

Council Member Martha Castex-Tatum stated she is honored to serve as a Houston City Council Member. She further stated that she is aware of the imprint that HFC has on the City. As the elected Vice Mayor Pro-Tem and Chair of the Economic Development Committee, she would like to be more in tune with the work that is happening at HFC.

David Mincberg stated that he and HFC staff will reach out to Council Member Castex-Tatum soon to arrange a meeting.

Council Member Jerry Davis thanked the Board for their service. He also stated that it may be a challenge for Board Members to decide on today's agenda item. However, as a member of the City's Workforce Committee, he wants to put Houstonians to work and ensure everyone has a fair opportunity to earn a livable wage.

Council Member Michael Kubosh stated it has been a long journey for HFC and the development of Partnership Tower and Avenida. He thanked HFC's leadership and is glad to attend today's meeting.

Chairman Mincberg thanked all Council Members for their remarks and stated all are welcome to attend future meetings. He also asked that they contact HFC if the Board can be of service.

2. **Review and approval of minutes from prior meeting.** [This item was taken out of order.]

Following a motion duly seconded, the meeting minutes of December 19, 2019 were approved as presented.

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

The HFC Board entered Executive Session at 3:17 p.m. and returned at 4:43 p.m. No action was taken.

## 4. Board Business.

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

A motion was made by Ryan Martin and duly seconded by Gerald Womack.

Bobby Singh thanked HFC staff for their hard work and effort on the W Hotel project as well as Brenda Bazan for her leadership. Board Members Paul Puente, Elizabeth Brock, Desrye Morgan, and Gerald Womack also echoed those sentiments and thanked staff for their leadership and due diligence.

A motion was made to vote on the item and approved with ten in favor and three opposed. The three Board Members opposed are David Minckberg, Nicki Keenan, and Alex Brennan-Martin.

## 5. Presentations and Reports.

- A. Report by Houston First Chairman. None.
- B. HFC President & CEO Update. Brenda Bazan discussed Board Members' requests for quarterly updates. She also discussed her trip to the 2020 PCMA Conference and stated that there is a lot of excitement and enthusiasm about hosting the event in Houston in 2021. In order to raise funds for PCMA 2021, staff recommended a voluntary hotel fee be collected by 26 hotels in the downtown Houston area, and 17 hotels have confirmed participation.

Ms. Bazan stated that the Board approved a loan of \$4 million to host WPC 2020 and the first payment was received on-time on December 31, 2019. The second payment will be due on March 31, 2020 and the third and final payment is due on June 30, 2020.

Ms. Bazan stated this concludes her presentation and any additional information will be sent via email in her President's report.

- C. Chief Financial Officer Update. Frank Wilson informed the Board that he will have the 2019 year-end numbers by mid-March. Mr. Wilson stated year-over-year revenues from hotel occupancy taxes will increase. Revenues at the Hilton Americas-Houston Hotel are below budget, likely as a matter of timing.

Mr. Wilson also discussed the budget for the Hurricane Harvey Recovery Project and all funds received as a result of FEMA reimbursements.

Lastly, Mr. Wilson informed the Board of the revised 2020 Procurement Plan available on the Houston First website.

Ryan Martin asked what the net difference is for revenues spent on the recovery project compared to reimbursements. Mr. Wilson explained that HFC will have spent \$152 million at the end of the project and has received \$81.9 million in

reimbursements, thus far, with more to come. He also explained that he cannot confirm the total amount of project expenses that have been denied for approval by FEMA because HFC will submit several appeals.

Council Member Dave Martin asked if Mr. Wilson could further explain the reimbursement process as it relates to the City. Mr. Wilson discussed the amount of funds being withheld by the City in the event of deobligation. Council Member Martin stated that HFC is being treated unfairly and perhaps his fellow Council Members in attendance can assist HFC.

Reginald Martin asked what is HFC's timeline for outstanding FEMA reimbursements and Mr. Wilson stated he cannot provide a definitive answer. However, HFC has received reimbursement more quickly than expected.

Chairman Mincberg stated he would like to commend Mr. Wilson and the Finance team on the recovery process because it is very important that HFC recover those funds.

6. **Adjournment.** The meeting was adjourned at 5:15 p.m.