

AGENDA

HOUSTON FIRST CORPORATION

ENTREPRENEURIAL COMMITTEE

March 3, 2020 8:30 A.M.

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

Houston, Texas 77010

HFC Board Room

COMMITTEE MEMBERS:

Chris Pappas (Chair), Paul Puente (Co-Chair), Elizabeth Brock, George DeMontrond, Reginald Martin, Nick Massad, Desrye Morgan, Jay Zeidman

In accordance with the Texas Open Meetings Act, this Agenda is posted for public information, at all times, for at least 72 hours preceding the scheduled time of the meeting on the bulletin board located on the exterior wall of the Houston City Hall building, located at 901 Bagby. The Agenda is also available online at <https://www.houstonfirst.com>.

To reserve time to appear, come to the meeting at least ten minutes prior to the scheduled public session shown on the Agenda.

Any questions regarding this Agenda, or requests for special needs assistance, should be directed to Lisa K. Hargrove, General Counsel at either 713.853.8965 or Lisa.Hargrove@houstonfirst.com.

- I. Call to Order**
- II. Public Comments**
- III. Minutes** – January 29, 2019 and September 10, 2019
- IV. Presentations, Reports and Updates**
 - A. Event Portfolio Update
 - B. New Opportunities Report
- V. Committee Business**
 - A. Consideration and possible recommendation of the 2020 Sponsorship Bonus Program.
- VI. Adjournment**

III. Minutes – January 29, 2019

MINUTES

HOUSTON FIRST CORPORATION

**JOINT ENTREPRENEURIAL COMMITTEE
HOUSTON FIRST CORPORATION
January 29, 2019 – 1:30 P.M.
Partnership Tower, 701 Avenida de las Americas, Ste. 200
Houston, Texas 77010
HFC BOARD ROOM**

The Joint Entrepreneurial Committee ("Committee") 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 Tuesday, January 29, 2019, commencing at 1:30 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 Committee members were present for the meeting: Paul Puente (Co-Chair), Chris Pappas (Co-Chair), Phyllis Bailey, Nick Massad, Jr., Jay Zeidman, and George DeMontrond.

The meeting was called to order at 1:31 p.m. and a quorum was established.

1. **Public Comments.** None.
2. **Review and approval of minutes from prior meeting.** Following a motion duly seconded, the meeting minutes of October 31, 2018 were approved as presented.
3. **Presentations and Reports.**
 - A. **Event Portfolio Update.** Michael Heckman informed the Committee that SpaceCom 2018 presented well and had good media coverage. There were more than 2,200 attendees with 34 countries present. Mr. Heckman further explained that to grow the event in the future, SpaceCom will include an Entrepreneur Summit as part of Mayor Sylvester Turner's Initiative. One challenge that SpaceCom faces is how to expand into other industries, including the medical and technology sectors. HFC received net revenues of \$150,000 for SpaceCom, but did not receive any net profitability. Mr. Heckman explained that the cap on investment for SpaceCom of \$350,000 has already been met and HFC's partner, National Trade Productions ("NTP"), took a loss in 2017.

Paul Puente suggested that HFC look to market the oil and gas industry and robotics.

Chris Pappas suggested that HFC look to integrate satellite communication and drone technology into SpaceCom and Michael Heckman discussed a large convention held in Denver.

NTP surveyed attendees at SpaceCom and the feedback was more positive this year so HFC hopes to build off the comments received.

Nick Massad asked what is HFC's ownership in the show and how much has HFC invested. Mr. Heckman stated that HFC has made a cash investment of \$350,000 and has 40% ownership in SpaceCom while NTP has 60%.

B. New Opportunities.

Wine & Food Festival

Mr. Heckman informed the Committee that planning for the Wine & Food Festival is still underway. There has been some delay because event organizers want to add a unique concept to the Houston Food & Wine Festival separate from New York and Miami and they would like to include a music festival. Turner Live Events, an experienced media partner, that has worked with many groups, including the Final Four has been asked to produce the music and entertainment festival component. According to Mr. Heckman, the Houston Wine & Food Festival will be a three-day event that will be held in May or June 2020.

Major event producers have reached out to HFC to form possible strategic partnerships. Jay Zeidman also briefly discussed opportunities related to an innovation event.

Comicpalooza 2019

Mr. Heckman explained that it will be difficult to reach the attendance numbers Comicpalooza had last year because it will be held on Mother's Day weekend.

He also stated that HFC has enhanced its security plan for the event which worked well last year. Parking can also be a challenge, but there is a designated off-site parking location for volunteers and HFC has created an integrated traffic plan. Additionally, HFC has utilized paid social media influencers to spread the word about the event and increase ticket sales.

Mr. Heckman provided an overview of the 2018 actual versus the 2019 projected budget for Comicpalooza. According to Mr. Heckman, profitability for next year will likely go up and HFC hopes to pay off the entire million-dollar investment in Comicpalooza.

There was discussion regarding the budget and the Committee recommended that HFC staff account for the risks involved, namely the material change with the event date in 2019.

4. **Committee Business.**

A. Consideration and possible approval of the 2019 Comicpalooza Operating Budget.

A motion was made to approve the 2019 Comicpalooza Operating Budget. The motion passed unanimously.

George DeMontrond asked that Mr. Heckman and his team make the necessary adjustments to the budget to ensure there is no loss and cut expenses as necessary.

C. Consideration and possible approval of the 2019 Sponsorship Bonus Program.

Michael Heckman informed the Committee of the current Sponsorship Bonus Program approved by the Benefits & Compensation Committee.

Frank Wilson briefly explained the process for structuring the bonus program and stated that HFC goes to market and uses other resources such as Chase Source to determine compensation.

A motion was made to approve the 2019 Sponsorship Bonus Program. The motion was passed unanimously.

5. **Adjournment.** The meeting was adjourned at 2:53 p.m.

III. Minutes – September 10, 2019

MINUTES

HOUSTON FIRST CORPORATION

ENTREPRENEURIAL COMMITTEE
September 10, 2019– 10:00 a.m.
Partnership Tower, 701 Avenida de las Americas, Ste. 200
Houston, Texas 77010
HFC BOARD ROOM

The Entrepreneurial Committee (“Committee”) 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 Tuesday, September 10, 2019 commencing at 10:00 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 Committee members were present for the meeting: Paul Puente (Co-Chair), Reginald Martin, and George DeMontrond.

The meeting was called to order at 10:10 a.m. A quorum was not established.

1. **Public Comments.** None.
2. **Review and approval of minutes from prior meeting.** [No action was taken.]
3. **Presentations and Reports.**
 - A. Event Portfolio Update.

Comicpalooza

Michael Heckman gave an in-depth report on Comicpalooza. Mr. Heckman stated there were a number of challenges this year with the change in event dates and poor weather conditions, but the team did a wonderful job. Comicpalooza also had a great talent line-up with stars Emilia Clarke and Nathalie Emanuele of Game of Thrones. According to Mr. Heckman, Comicpalooza had 45,923 attendees representing a number of states and countries.

Reginald Martin asked how HFC can build on the enterprise value of Comicpalooza outside of profitability. Mr. Heckman stated he and his team continue to look toward the future.

Mr. Heckman stated that the number of email subscribers for Comicpalooza has increased to 50,000 people and the event has over 100,000 social media followers. They also continue to increase the number of partner activations. This year they hosted the ESPN Collegiate E-Sports Championship at Comicpalooza and it was a great fan experience. Additionally, Mr. Heckman and his team worked with Christine West to incorporate cultural arts and programming on Avenida to engage the community. Overall media coverage for Comicpalooza was tremendous. For example, news coverage of Emilia Clarke of Game of Thrones sitting court-side at the Houston Rockets game had over 75 million impressions world-wide. Mr. Heckman stated Comicpalooza performed very well, just slightly under the amount budgeted for the event, likely due to weather. However, net revenues to HFC are \$768,229.

Paul Puente asked what dates the event was held in previous years. Mr. Heckman discussed the profitability of the event from 2017 through 2019.

Committee members asked if Comicpalooza has considered hosting the event on a bi-annual basis. Mr. Heckman explained some other markets have done so with varying degrees of success. He stated in the future there may be a possibility to host an event in the summer months during need periods for hotel business.

Reginald Martin asked for additional information on need dates. Brenda Bazan stated that the sales team has identified those dates over the next five years and would be happy to share that information.

Mr. Heckman concluded his report on Comicpalooza by announcing the dates for next year's event on May 22-24, 2020.

Wine & Food Festival

Mr. Heckman stated that the agreement to host the Houston Wine & Food Festival is nearly final, but he is waiting on approval from the Food Network. After the agreement has been finalized, Mr. Heckman will present the agreement to the Committee for further review.

Reginald Martin asked if hosting an activation in 2020 would negatively impact negotiations because the window of opportunity to host the festival in 2020 is closing. Mr. Heckman stated he will have a conversation with Southern Glazer's next month, but he believes the participation of the Food Network is key to the success of the event.

Mr. Martin recommended that the group look into other opportunities if the deal is not finalized soon. Paul Puente echoed those sentiments.

Mr. Heckman stated both he and Brenda Bazan have discussed a strategy for moving forward with the event, possibly in 2021. He stated it is his preference that they wait 18 months and shift their focus on other opportunities to ensure the event is executed properly.

George DeMontrond asked if the Food Network has any objections. Mr. Heckman confirmed that he and his team have been responsive to all requests made.

B. New Opportunities. None.

C. 2020 Budget Overview. Brenda Bazan provided a brief overview of the HFC corporate strategy. Frank Wilson discussed the HFC 2020 Budget and the two-page briefing document prepared by Susan Tucker. After further discussion, Mr. Wilson allowed Mr. Heckman to discuss the specifics of the Partnerships & Event Development budget.

Mr. Heckman discussed his teams' accomplishments in 2019, including SpaceCom, the James Beard Awards, and WPC. He also announced that the Chair of the WPC Host Committee, Jeff Shellebarger, will present an update to the HFC Board next week.

Department goals for 2020 include revenue development and engaging corporate partners within HFC facilities. Mr. Heckman stated he has engaged Superlative Group to provide expert guidance on how they can generate revenues for HFC.

George DeMontrond asked about the use of spectacular signs. Jonathan Newport stated HFC is a part of a larger group of stakeholders in the downtown area and there has been discussion regarding the use of signage.

Mr. Heckman gave a brief overview of the department budget.

Brenda Bazan stated no action can be taken because the Committee failed to establish a quorum. However, she stated that she will advise the Board that the Committee has thoroughly discussed the department budget.

George DeMontrond asked if staff may consider a bylaw change to allow less Committee members be present to establish a quorum. He also stated that a lot of time and resources are expended and it is a terrible use of staff resources when no action can be taken.

Brenda Bazan explained that Committee members cannot always attend meetings, but thanked Mr. DeMontrond for his comment.

4. **Committee Business.**

A. Consideration and possible recommendation of the 2020 Entrepreneurial Partnerships and Event Development Budget. [No action was taken.]

5. **Adjournment.** The meeting was adjourned at 11:23 a.m.