

# MINUTES

## HOUSTON FIRST CORPORATION

**SALES, TOURISM, AND MARKETING COMMITTEE**  
**November 10, 2021 – 2:30 P.M.**  
**Partnership Tower, 701 Avenida de las Americas, Suite 200**  
**Houston, TX 77010**  
**HFC Board Room**

*The Sales, Tourism, and Marketing 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, Suite 200, Houston, Harris County, Texas 77010, on Wednesday, November 10, 2021, commencing at 2:30 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 participated in the meeting: Council Member David Robinson (Chair), James Batt, Sofia Adrogué, Kim Davis, Stephanie Haynes, Sharmagne Taylor, Patricia Voss, and Gerald Womack.*

1. The Committee Chair began the meeting at 2:41 p.m. A quorum was not established.
2. **Public Comments.** None.
3. **Review and approval of minutes from prior meeting.** The minutes were not presented due to a lack of a Committee quorum.
4. **Committee Business.**
  - A. **Consideration and possible recommendation of the 2022 Sales, Tourism, Marketing, Film, and Partnerships & Event Development Budgets.**  
Michael Heckman, President and CEO, stated that Houston First Corporation (“HFC”) would be coming into a transition year in 2022. HFC accomplished much during 2021, and management had done a tremendous job.

Mr. Heckman discussed value creation and the value drivers that flow from them (operational efficiency, organization innovation, experience, revenue generation, destination, and brand enhancement).

Frank Wilson, Chief Financial Officer, discussed the 2021 budget forecast and stated that HFC intends to finish the year better than expected. This is due to the Hilton Americas-Houston Hotel providing more net cash to HFC due to the strength of the

business and the Astros' World Series run. HFC will, however, be in recovery mode through 2022.

Mr. Wilson presented the CY 2022 budget, which he calls "Return to Normal", but believes will be a transitional year. Revenues are growing modestly, but will not beat the volume of expenses.

Mr. Heckman discussed the 2022 Sales & Client Services priorities and stated that over 30 citywide conventions had been booked for 2022, which does exceed the number reported for 2019. There are no groups discussing contingency plans or cancellations for 2023. Due to COVID, getting clients to see the convention facilities in person is essential. Our Client Services team will advance and promote attendance and stakeholders' involvement. Mr. Heckman stated he would prioritize and focus business resources on many short-term business opportunities.

The sales pipeline is not what it has been; because of delays in decision-making due to COVID, many significant conventions have been booked for out years. The Sales team will work with Marketing to unify messages and discussions with meeting planners. Third-party affiliations are also crucial to the pipeline and face-to-face sales calls. Authentic activations promote Houston's brand such as watch parties for DC and Chicago.

Sharmagne Taylor asked if there were any plans for special incentives as a City. Mr. Heckman stated that deals differ from property to property, but they show flexibility in working with clients. Ms. Taylor said everyone is doing a hybrid option and asked if there is city-wide support for that. Mr. Heckman stated that the convention center has technology in place and an Avenida virtual studio. He expects meeting planners to move away from hybrid meetings because it undermines in-person attendance.

Mr. Wilson discussed the 2022 Sales & Client Services budget. He reported variance due to convention district fees, personnel (increased staff), travel promotion, events, and consulting.

Stephanie Haynes asked about personnel headcount. Mr. Wilson indicated that HFC would not return to pre-pandemic levels. The current headcount is as follows: The Sales department in 2022 has 23 employees, previously 19. The Tourism department has five employees, previously 13; and the Marketing department has 17 employees, previously 18.

Jorge Franz, Senior Vice President, Tourism and Industry Relations, discussed the 2022 Tourism priorities. He reported the Houston Experience Marketplace is doing great and has returned to 2019 numbers since August 2021. Tourism will create more experiences through the Houston Marketplace for individual and group travelers, supporting Houston's brand as a culinary and cultural destination. He is working on obtaining a grant to develop a Juneteenth leisure product in connection with Galveston, as well as creating new individual and group travelers, building group leisure, and focusing on areas that have not previously been targeted.

Mr. Franz reported that the Mexico border reopened on November 8, 2021, and numerous individuals are coming to Texas, with many travelers coming into Houston.

Kim Davis asked if Tourism is looking to partner with future travel in the African diaspora. Mr. Franz discussed challenges due to the lack of direct flights into Africa and discussed the Ethiopian flight plan that was initiated pre-Covid. He sees an opportunity for the African market in the future.

Mr. Franz reported that Tourism would focus on creating experiences. Houston has many historical sights, but no one to tell the story. Council Member Robinson stated that a great model is the Freedom Trail in Boston.

Patricia Voss inquired about Canada. Mr. Franz stated there is a market there; however, it is not generating as much travel as Mexico, which is the largest market.

Mr. Franz discussed the priorities for the Film Commission. There has been a resurgence in Houston as a film destination with an increase in direct expenditures and economic impact at 80% of 2019 levels. The Film Commission is working with the Mayor's Office of Cultural Affairs to establish a Houston Music Directory database and identify a warehouse property for a sound stage facility.

Mr. Franz reported that Texas has a small incentive program; the Film Commission will support efforts to increase funding for the Texas Moving Image Industry Incentive Program. HFC will continue to use the Film Commission's social media accounts to promote films/TV/media made in Houston and support Marketing in developing the Houston brand as a film/TV media destination.

Gerald Womack asked if there was a database of local talent. He stated that the Film Commission should create resources to educate groups on how to apply for film incentives through a yearly summit and provide further education to help promote and support at the legislative level. He also asked about the Texas legislative session.

Jonathan Newport, Vice President of Public Policy, stated that film incentives did go up, but there are only \$45 million in film incentives for Texas.

Kim Davis stated that Houston Community College has a sound stage and thinks there is a real opportunity to partner with the College and its students who want real practical experience.

Holly Clapham, Chief Marketing Officer, stated warehouses are costly and difficult to find. She has scouted many Houston locations for Top Chef filming and operators wanted \$300,000 a month.

Mr. Franz discussed priorities for the Event Services team. He stated that the department would collaborate with and leverage internal Houston First event-

associated departments to reduce outsourcing costs and to increase sales prospects through outstanding, first-class event experiences.

Mr. Wilson discussed variances due to revenues from the Tourism Summit and Marketplace. He stated there is an increase in personnel as well as ads and promos.

Ms. Clapham discussed priorities for Marketing. There is a window for film productions now that Houston has hosted the Bachelor and Top Chef. HFC can go out and talk about Houston as a film location, but Houston needs a venue in which to shoot. Production teams are, as of now, attempting to pitch Houston. However, Houston is confronted with this challenge.

The Marketing team would continue strengthening Houston's brand as the culinary capital, regain lost market share in Mexico, develop targeted marketing campaigns, highlight promotional pillars, and maintain the meeting's market by generating awareness.

Sharmagne Taylor asked about media outreach to publications of color and investments in black-owned media. Ms. Clapham discussed the conversation regarding Juneteenth with TSU.

Ms. Taylor stated that HFC must spend money in those communities when HFC shares their stories. In her research, publications question the authenticity and seriousness of your intent without information about how you are investing in specific neighborhoods. It is about building relationships, not just when a need arises.

Gerald Womack stated that we should also be targeting black visitors with marketing campaigns.

Ms. Clapham reported that Marketing would deploy a dedicated retail conversion strategy that has a direct economic impact on hotels. Like media outlets, HFC will have an in-house contact team to align all people.

Stephanie Haynes stated that the marketplace and website have been a lifeline for so many hoteliers due to their unique experiences and wanted to thank management.

Aimée McCurtain, Vice President, Enterprise Strategy Partnership Event Development, presented the 2022 Partnerships & Event Development priorities.

Ms. McCurtain intends to focus on launching new and annual events. She will assess and prioritize events based on several success factors that include extending the Houston brand, market alignment, opportunities, and potential attendance.

Her team will maximize opportunities generated from managed events by focusing on attendee experience and operational excellence and extend the Houston Brand through integrated, organized, and paid promotions and earned media.

Ms. McCurtain further explained that HFC would pursue revenue generation through the commercialization of assets with signage on HFC facilities and online advertising. Strengthening overall prospects and relationships with agencies and sponsors through ongoing communication and the improved process should be a part of a transition to the new team. This requires further collaboration with all HFC departments, and she would develop a dashboard to share internal and external communications better.

5. **Adjournment.** The meeting was adjourned at 4:02 p.m.