

AGENDA

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING

December 5, 2022 – 12:00 P.M.

**George R. Brown Convention Center, 3rd Floor Executive Board Room
1001 Avenida de las Americas
Houston, Texas 77010**

BOARD MEMBERS:

David Mincberg (Chair), Desrye Morgan (Vice-Chair), Sofia Adrogué, Elizabeth Brock, Nicki Keenan, Reginald Martin, Ryan Martin, Alex Brennan-Martin, Paul Puente, Bobby Singh, Tom Segesta, Gerald Womack, Jay Zeidman, Mayor Pro-Tem Dave Martin, Ex-officio, Council Member Robert Gallegos, Ex-officio

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

Code of Business Conduct and Ethics – As a reminder, under Houston First Corporation's Code of Business Conduct and Ethics Policy, if you have a potential conflict of interest that you have not previously disclosed relating to a transaction or arrangement being discussed or voted on, you should notify the Chair and refrain from voting on the transaction or arrangement and recuse yourself from the discussion on the matter at hand. You should have received a copy of the Policy, but if not, let us know and we will provide one for you.

- I. Call to Order**
- II. Public Comments**
- III. Minutes – November 10, 2022**
- IV. Presentation and Discussion**
 - A. Code of Business Conduct and Ethics Policy**

V. Board Business

- A. Consideration and possible approval of increased funding for the Recovery Architectural Services Agreement with Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture, the issuance of a new task order(s) for additional design services related to updating and completing mitigation documents for Wortham Theater and Theater District Parking Garages due to Hurricane Harvey, and a First Amendment to such Agreement.

VI. Adjourn

III. Minutes – November 10, 2022

MINUTES

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING
November 10, 2022 – 3:00 P.M.
Partnership Tower, 701 Avenida de las Americas, Suite 200
Houston, Texas 77010
HOUSTON FIRST 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, Suite 200, Houston, Harris County, Texas 77010, on Thursday, November 10, 2022, 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 Minberg (Chair), Desrye Morgan (Vice-Chair), Sofia Adrogué, Elizabeth Brock, Alex Brennan-Martin, Nicki Keenan, Ryan Martin, Reginald Martin, Paul Puente, Tom Segesta, Gerald Womack, Jay Zeidman, Mayor Pro-Tem Dave Martin, and Council Member Robert Gallegos.

1. **Call to Order.**

David Minberg, Chairman of the Board, called the meeting to order at 3:03 p.m., and a quorum was established.

Meeting attendees include Eric Goodwine, Congresswoman Sheila Jackson Lee’s Office Representative, Council Member Mary Nan Huffman, and Stephen Castillo.

2. **Public Comments.** Cathy Martinez with SEIU, Texas, represented the Housekeepers and building workers for the George R. Brown Convention Center (“GRB”), Wortham Center, and all City entertainment centers. Ms. Martinez expressed her concerns about the new incoming janitorial contractor.

Ms. Martinez asked the Board to ensure the new contractor is committed to signing the existing union contract and pledging to retain the current workers. She highlighted that some workers have worked for over 10-20 years through two significant events: Hurricane Harvey and the COVID pandemic. She wishes to confirm existing workers will continue to work in their applicable facilities and maintain the same benefits as provided by the current contractor, Midwest Maintenance Company, Inc.

Midwest Maintenance has many benefits, including sick leave, vacation time, and holidays. SEIU wants to ensure that the new contractor provides all existing benefits to the workers. Due to the pandemic, sick leave has been a critical priority.

Paul Puente thanked Ms. Martinez for attending and stated he was a huge advocate of continuing the contract with the current workers.

Gerald Womack echoed Mr. Puente's sentiment and thanked Ms. Martinez for attending. Additionally, Mr. Womack affirmed that HFC must support the workers because they worked directly with HFC, the City, and the Convention Center. Similarly, Mr. Womack conveyed that we must support our workers because they are the first people visitors see and are needed for HFC to attract consumers.

Council Member Robert Gallegos also thanked Ms. Martinez's attendance and indicated that he spoke to Elsa Caballero, President, SEIU Texas. He also noted that he was informed that the new contractor, if approved, would honor the \$15.00 per hour rate on January 1, 2023, and that the new contractor would interview every worker, the vast majority of which it would likely transfer.

3. **Review and approval of minutes from prior meetings.** Following a motion duly seconded, the meeting minutes of September 15, 2022, were approved as presented.

4. **Presentations, Reports, and Updates.**

- A. Houston First Chairman's Report.

Mr. Mincberg commented on the Astros' World Series win and stated it was good to see all the activity along the Avenida in the last several weeks. He also acknowledged that HFC hosted the Consular Ball and the State of the City Luncheon. HFC was the lead underwriter for the Consular Ball, which was phenomenal and had a record number of Consul Generals in attendance. In parallel, Board Member Elizabeth Brock and Cindy Clifford significantly contributed to the success of the State of the City Luncheon.

5. **Board Business.**

- A. Consideration and possible approval of the annual election of Officers pursuant to the Houston First Corporation Bylaws.

- i. Michael Heckman, President & CEO
- ii. Frank Wilson, Treasurer
- iii. Lisa Hargrove, Secretary
- iv. Frank Wilson, Investment Officer

Lisa Hargrove, General Counsel, informed the Board that November is the annual corporate meeting, and the Board must elect a slate of officers. Item 5A, a proposed slate of officers, was presented to the Benefits, Compensation, and Finance Committee, where the item was approved unanimously.

Following a motion duly seconded, the approval of the annual election of Officers pursuant to the Houston First Corporation Bylaws, was approved unanimously.

- B. Consideration and possible approval of the Houston First Corporation 2023 Budget.

Mr. Heckman indicated that the COVID financial crisis is now in the past and that HFC has fully recovered. He emphasized that 2023 is expected to have the highest HOT tax collections in the City's history and added that travel in 2023 strong.

Mr. Heckman reported that HFC has overperformed on its budget for 2022 and will deliver a balanced budget for 2023. He explained that the process for approving the budget remained as in previous years.

Mr. Heckman highlighted HFC's strategic pillars: transformational leadership, destination development, revenue diversification, and asset growth. Correspondingly, he reiterated that departments may only spend funds on an initiative if it applies to one or more of the following value drivers: destination brand/image enhancement, operational efficiency, organizational innovation, exceptional visitor/customer experience, or revenue generation.

Mr. Heckman reported that the budget for 2023 will be up by almost \$23 million from 2019.

Frank Wilson, Chief Financial Officer, reported a 2022 Total Revenue Forecast of \$194.2 million compared to a 2022 Budget of \$183.3 million, a 2022 Total Expense Forecast of \$192.7 million compared to a 2022 Budget of \$196.5 million with a 2022 Revenue in Excess of Expense of \$1.5 million compared to a 2022 Budget of \$-13.2 million resulting in a \$14.7 million change for 2022. HFC will finish 2022 in the black by \$1.5 million.

Mr. Heckman identified the priorities for 2023, which include: proliferating Houston's Unified Brand, leveraging and capitalizing on high-profile events, building upon the success of Houston Week in Mexico, developing a 10-year Destination Development Plan, understanding and enhancing the 360° visitor experience, continuing and improving digital 'smart targeting', increasing the use of social media influencers, accelerating long-term city-wide convention sales, attracting national impact events, developing annual events that drive economic impact, using the opening of Lynn Wyatt Square as a catalyst, amplifying Heritage Month, and developing infrastructure and economic models for TV & film projects.

Mr. Wilson presented the Proposed CY 2023 Budget with Total Revenues budgeted at \$207.6 million, Total Expenses at \$205.9 million, and Revenues in Excess of Expenses at \$1.6 million. Additionally, HFC budgeted \$29 million for Capital Expenditures based on assumptions.

Following a motion duly seconded, the Houston First Corporation 2023 Budget was approved as presented.

C. Consideration and possible approval of a Services Termination Agreement between Houston First Corporation and Greater Houston Convention & Visitors Bureau.

Due to their positions on the Greater Houston Convention & Visitors Bureau's ("GHCVB") Board of Directors, Tom Segesta and Reginald Martin recused themselves from this item and left the room before the discussion began. Mr. Heckman explained that the GHCVB is forging ahead as a different organization under a new name and mission. He also acknowledged that strategic sessions with the GHCVB Executive Committee resulted in a new mission focusing on three pillars: advocacy, member services, and workforce development. Moreover, Mr. Heckman specified that GHCVB

would serve its members as a hospitality trade association and that it wished to manage its personal affairs and oversee its staff. Correspondingly, the Services Termination Agreement between GHCVB and HFC cleanly and amicably separates the two organizations and allows the GHCVB to hire its own staff and president, initiating HFC's cessation of staff support.

Following a motion duly seconded, a Services Termination Agreement between Houston First Corporation and Greater Houston Convention & Visitors Bureau was approved unanimously.

At this time Board Members, Tom Segesta and Reginald Martin returned to the room.

D. Consideration and possible approval of a Funding Agreement between Houston First Corporation and The Foundation for Jones Hall.

Mr. Heckman reported that the Foundation for Jones Hall is undergoing a capital campaign to improve certain aspects of Jones Hall. The City of Houston has agreed to contribute to the Foundation via an Interlocal Agreement with Houston First Corporation. Management is requesting authorization to enter into an agreement with the Foundation for Jones Hall to forward the \$2.5 million received from the City of Houston.

Following a motion duly seconded, the Funding Agreement between Houston First Corporation and The Foundation for Jones Hall was approved.

E. Consideration and possible approval of a Janitorial Cleaning Services Agreement between Houston First Corporation and Caring Commercial Cleaning, Inc.

Ms. Hargrove described the bid process and informed the Board that management recommends approving a Janitorial Cleaning Services Agreement between HFC and Caring Commercial Cleaning, Inc., an Asian-owned business based in Sugar Land, Texas, MBE-certified by the City of Houston.

Following a motion duly seconded, the Janitorial Cleaning Services Agreement between Houston First Corporation and Caring Commercial Cleaning, Inc. was approved.

F. Consideration and possible approval of funding for an Engineering Services Agreement between Houston First Corporation and Page Southerland Page, Inc. for various services.

Mr. Villagomez stated that this request is for \$700,000 for Page Southerland Page, Inc. ("Page Southerland") to provide design services for various smaller capital projects, which HFC selected in November 2021 through an RFQ process.

Mr. Villagomez identified that Page Southerland's work would include structural repairs to improve the safety of the Theater District garages, structural and drainage reviews for re-roofing projects at Hilton Americas Houston Hotel, a glass elevator replacement at Jones Hall, GRB building automation system, and facility assessments at Wortham and Jones Hall.

Following a motion duly seconded, funding for an Engineering Services Agreement between Houston First Corporation and Page Southerland Page, Inc. for various Services was approved.

- G. Consideration and possible approval of increased funding for the Recovery Architectural Services Agreement with Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture, the issuance of a new task order(s) for additional design services related to updating and completing mitigation documents for Wortham Theater and Theater District Parking Garages due to Hurricane Harvey, and a First Amendment to such Agreement.

Roksan Okan-Vick, Urban Development Officer, explained the request is \$960,000 for Harrison Kornberg Architects, LLC and ARUP Texas, Inc., in a joint venture to: update 2019 Theater District mitigation design documents to incorporate all Hazard Mitigation Projects and other updates to four sets: Wortham, Blue Garage, Green Garage, and Yellow Garage, provide permit sets, provide CDs for bidding, and estimated construction cost and schedule. Diversity participation to date is at 46%. The request includes reimbursables and a 20% contingency.

Ms. Okan-Vick stated that HFC was involved in the restoration work since 2017, which included mitigation work to Wortham Theater. She mentioned that HFC had agreed to complete design documents only and not to do the project.

Steve Costello, Chief Recovery Officer for the City of Houston, explained that this project started several years ago and that his role is to facilitate as many hazard mitigation projects as possible, recognizing FEMA's support. Correspondingly, Mr. Costello highlighted his concern that if this mitigation project does not proceed, FEMA and insurance carriers may deny claims for reimbursement in the event another disaster like Harvey occurs. Therefore, he encouraged the Board to move forward with the project.

Council Member Martin stated that the Operations Committee tabled this item during their meeting due to ambiguities concerning HFC's financial expectations for the project. At the time, the Operations Committee awaited responses from the City to meet again to examine additional information, vote on this item, and make a recommendation to the Board. Elizabeth Brock agreed that it was her understanding that the information would be provided to the Committee before bringing a recommendation to the Board.

Following a motion, duly seconded, the request to approve an increase to funding for the Recovery Architectural Services Agreement with Harrison Kornberg Architects, LLC and ARUP Texas, Inc, a joint venture, the issuance of a new task order(s) for additional design services related to updating and completing mitigation documents for Wortham Theater and Theater District Parking Garages due to Hurricane Harvey, and a First Amendment to such Agreement was tabled back to the Operation Committee.

6. **Adjournment.**

The meeting adjourned at 5:07 p.m.

V. (A) Consideration and possible recommendation of increased funding for the Recovery Architectural Services Agreement with Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture, the issuance of a new task order(s) for additional design services related to updating and completing mitigation documents for Wortham Theater and Theater District Parking Garages due to Hurricane Harvey, and a First Amendment to such Agreement.

Consideration and possible approval of increased funding for the Recovery Architectural Services Agreement with Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture, the issuance of a new task order(s) for additional design services related to updating and completing mitigation documents for Wortham Theater and Theater District Parking Garages due to Hurricane Harvey, and a First Amendment to such Agreement.

DESCRIPTION: With regard to the Recovery Architectural Services Agreement (Agreement) with Harrison Kornberg Architects, LLC and ARUP, Texas Inc. (HKA-ARUP), Houston First management requests that the Board of Directors approve the following matters related to continued mitigation for Wortham Theater and Theater District Parking Garages:

- (i) Additional funding in an amount not to exceed \$960,000, inclusive of a contingency;
- (ii) Issuance of a new task order(s) for additional design services through the mitigation construction bidding process; and
- (iii) Execution of a First Amendment with HKA-ARUP to extend the Agreement term and containing other terms and conditions.

To date, expenditures under the HKA-ARUP Agreement total approximately \$10.2 million dollars. The joint venture has achieved 46% diversity participation toward a goal of 30%. HFC has had approximately 77% of its expenses reimbursed by FEMA.

The final design, permitting and the construction bid process, is estimated to be completed in late 2024.

RESOLVED, that the Board of Directors of Houston First Corporation approves the following resolutions with respect to the Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture, Agreement:

RESOLVED, that the Board of Directors of Houston First Corporation hereby approves and authorizes the following

- (i) Additional funding in an amount not to exceed \$960,000, inclusive of a contingency;
- (ii) Issuance of a new task order(s) for additional design services through the mitigation construction bidding process; and
- (iii) Execution of a First Amendment to extend the Agreement term and containing other terms and conditions;

together with such conditions or modifications that are approved by the President & Chief Executive Officer, as he may determine to be in the best interest of the Corporation and to execute such Contract Amendments, Task Orders, Directives or other documents (collectively the "Transaction Documents") as may be required to effectively document the above three matters; the President and Chief Executive Officer is, without the necessity for joinder of any other person, authorized, empowered and directed for and on behalf of the Corporation to execute and deliver the Transaction Documents in a form as approved by President & Chief Executive Officer, or any Authorized Person (defined below), such approval to be conclusively established by the execution and delivery of the Transaction Documents by any Authorized Person; and

FURTHER RESOLVED, that each of the President and Chief Executive Officer and General Counsel of this Corporation is each hereby designated by this Corporation as an "Authorized Person" for purposes of this resolution and with respect to the Transaction Documents to be executed hereunder; and

FURTHER RESOLVED, that the Transaction Documents executed by any Authorized Person, for and on behalf of and in the name of this Corporation before or following the adoption of the foregoing resolution, in connection with the described transaction, be and is hereby ratified, confirmed and approved in all respects for all purposes.



HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING



Hines Lake
MEMORIAL PARK

George R. Brown Convention Center
3rd Floor Executive Board Room
Monday, December 5, 2022
12:00 p.m.

1 HFC BOARD OF DIRECTORS MEETING

NASA Johnson Space Center
SOUTHEAST HOUSTON



2 HFC BOARD OF DIRECTORS MEETING

PUBLIC COMMENTS

Anyone who wishes to address the Board during the Public Comment session may do so by signing up on the Public Comment sign-in sheet at the front of the room.

HFC BOARD OF DIRECTORS MEETING
December 5, 2022

Houstonfirst

Día De Los Muertos Parade
SAM HOUSTON PARK



3 HFC BOARD OF DIRECTORS MEETING

MINUTES

November 10, 2022

HFC BOARD OF DIRECTORS MEETING
December 5, 2022

Houstonfirst

Teen How Taoist Temple
EAST DOWNTOWN



4 HFC BOARD OF DIRECTORS MEETING

PRESENTATION & DISCUSSION

A. Code of Business Conduct and Ethics Policy.

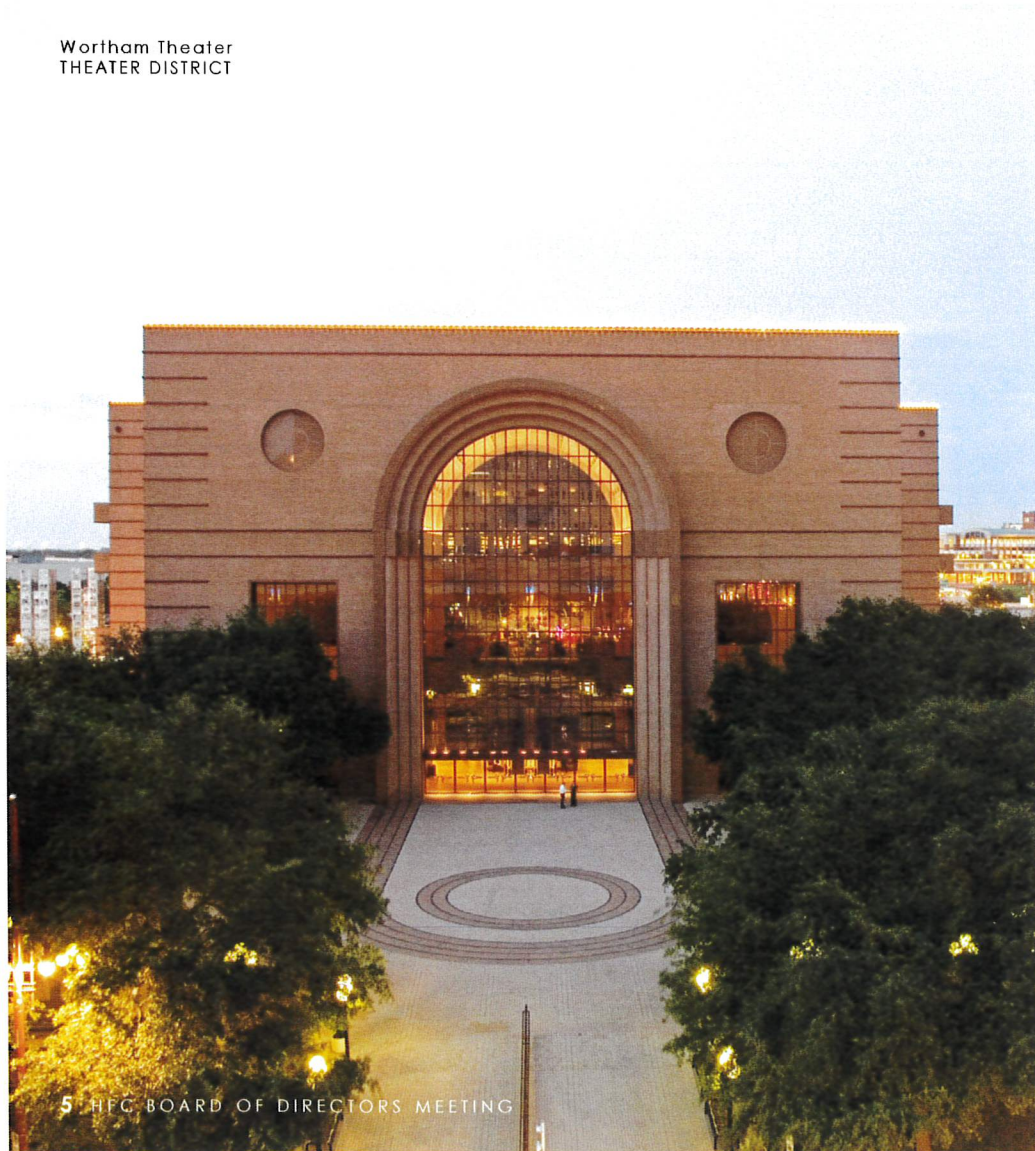
ADRIAN PATTERSON

*Partner, Public Finance
Orrick, Herrington & Sutcliffe, LLP*

HFC BOARD OF DIRECTORS MEETING

December 5, 2022

Houstonfirst



BOARD BUSINESS

- A. Consideration and possible approval of increased funding for the Recovery Architectural Services Agreement with Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture, the issuance of a new task order(s) for additional design services related to updating and completing mitigation documents for Wortham Theater and Theater District Parking Garages due to Hurricane Harvey, and a First Amendment to such Agreement.

MICHAEL HECKMAN

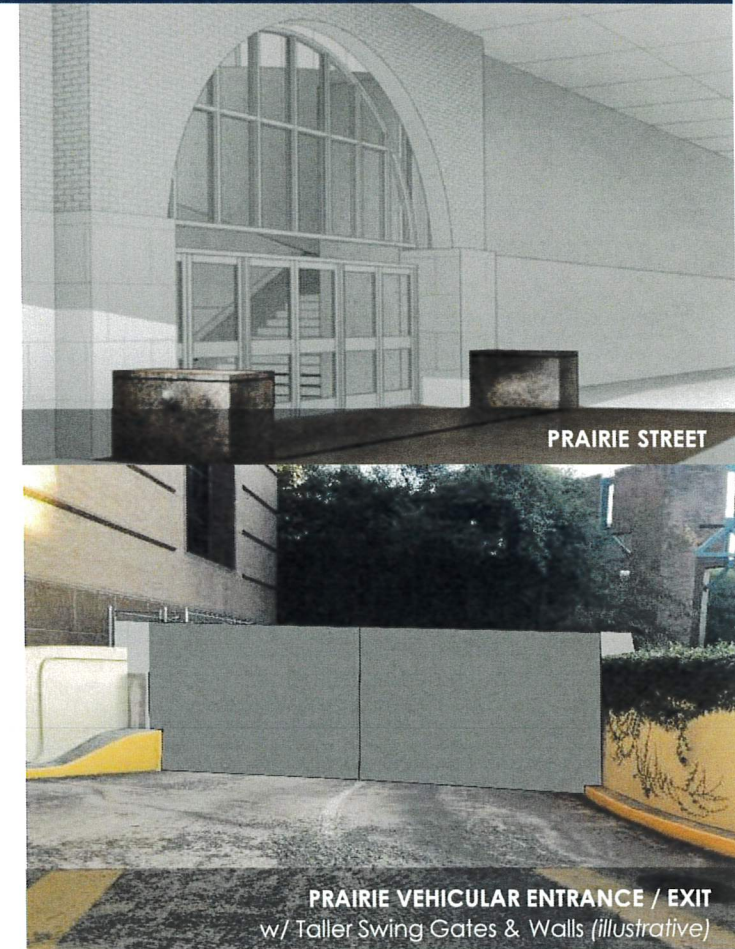
President & Chief Executive Officer

HFC BOARD OF DIRECTORS MEETING

December 5, 2022

REQUEST: \$960,000

- 1. WHO – Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture**
- 2. WHY – To update 2019 Theater District mitigation design documents**
- 3. WHAT – Main scope elements:**
 - Incorporate all HMP and other updates to 4 sets:
 - **Wortham** • **Green garage**
 - **Blue garage** • **Yellow garage**
 - Provide permit sets
 - Provide CDs for bidding
 - Provide estimated cost and schedule for construction
- 4. Diversity participation to date @ 46%**
- 5. Includes reimbursables and 20% contingency**



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