

# AGENDA

## HOUSTON FIRST CORPORATION

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**BOARD OF DIRECTORS MEETING**  
**February 25, 2021 – 3:00 P.M.**  
**Live Video and Audio Conference Meeting**  
**Join the Meeting [Here](#)**  
**Meeting Room Password: 823139**

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**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, Council Member Dave Martin, Ex-officio, Council Member David Robinson, Ex-officio*

*In accordance with the modified Texas Open Meetings Act provisions announced by Texas Governor Greg Abbott on March 16, 2020, this Agenda is posted for public information, at all times, for at least 72 hours preceding the scheduled time of the meeting online at <https://www.houstonfirst.com>.*

*Any questions regarding this Agenda, should be directed to Lisa K. Hargrove, General Counsel at either 713.853.8965 or [Lisa.Hargrove@houstonfirst.com](mailto: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 – January 28, 2021**
- IV. Presentations, Reports, and Updates**
  - A. Houston First Chairman Report
  - B. Inclement Weather Response
  - C. HFC Acting President & CEO Report
  - D. Sustainability Class Study

## V. Board Business

- A. Consideration and possible approval of modification and extension of (or new) loan from The Variable Annuity Life Insurance Company (or any one or more of its affiliates) to be secured by a deed of trust lien against the Hilton Americas-Houston Hotel and garage.
- B. Consideration and possible approval of a Construction Services Agreement with Manhattan Construction Company for the construction of Lynn Wyatt Square for the Performing Arts and Owner's Contingency.
- C. Consideration and possible approval of increased funding for Manhattan Construction Company and a comparable increase to the guaranteed maximum amount for the continued repair and replacement of damages to the Theater District Parking Garage due to Hurricane Harvey.
- D. Consideration and possible approval of increased funding for Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture, for a task order for additional design services related to the continued repair and replacement of damages to the Wortham Theater and Theater District Parking Garage due to Hurricane Harvey.

## VI. Adjourn

**III. Minutes – January 28, 2021**

# MINUTES

## HOUSTON FIRST CORPORATION

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**BOARD OF DIRECTORS MEETING**  
**January 28, 2021 – 3:00 P.M.**  
**Live Video and Audio Conference Meeting**

*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 via Live Video and Audio Conference on Thursday, January 28, 2021, commencing at 3:00 p.m.*

*In accordance with the modified Texas Open Meetings Act provisions announced by Texas Governor Greg Abbott on March 16, 2020, this Agenda was posted for public information, at all times, for at least 72 hours preceding the scheduled time of the meeting online at <https://www.houstonfirst.com>.*

1. The Chairman called the meeting to order at 3:01 p.m. and a quorum of Board Members was established with the following members present virtually: David Mincberg (Chair), Desrye Morgan (Vice-Chair), Sofia Adrogué, Elizabeth Brock, Nicki Keenan, Reginald Martin, Alex Brennan-Martin, Paul Puente, Bobby Singh, Tom Segesta, Gerald Womack, Jay Zeidman, and Council Member David Robinson, Ex-Officio.
2. **Public Comments.** None.
3. **Review and approval of minutes from prior meeting.**  
  
Following a motion duly seconded, the meeting minutes of December 17, 2020 were approved as presented. Ryan Martin and Council Member Dave Martin, Ex-Officio were not present for the vote, but did appear later in the meeting.
4. **Presentations and Reports.**
  - A. **Houston First Chairman Report.** Prior to his report, Chairman David Mincberg asked Council Member David Robinson to provide an update on the City of Houston (City).

Council Member Robinson stated that he and Council Member Dave Martin, Mayor Pro-Tem, participated in a Public Safety and Homeland Security meeting to discuss the deployment of the COVID-19 vaccine with the Director of the Harris County Health Department and Dr. David Persse, City Chief Medical Officer. The City has received over 42,000 vaccines and administered approximately three quarters of them. The City remains actively engaged with the community to increase the number of vaccinations. The virus remains a threat so it’s important



that everyone continue to wear masks and follow proper health and safety protocols. He concluded his remarks by stating that it is a beautiful day in Houston, Texas and he's glad to be with the HFC Board; let's make 2021 great.

The Chairman then gave his report. He informed the Board that they will continue to meet virtually until Board Members have had an opportunity to get vaccinated and everyone is comfortable gathering in-person. A lot of work is being done behind the scenes to prepare HFC for a strong rebound in the third or fourth quarter of 2021. He also stated that staff has done an excellent job of retaining and booking new business with the World Petroleum Congress scheduled for December 2021 and events scheduled as far out as 2026. Additionally, he extended his compliments to the PR staff and their proactive approach to handling communications in order to improve transparency and inform the media of any events taking place.

The mortgage on the Hilton Americas-Houston Hotel (Hotel) will mature in May 2021 so members of HFC staff, outside legal counsel, and the Chairman continue to negotiate the terms of a new loan. The Chairman offered to discuss the details of the transaction with Board Members if interested, but stated that the details will not be made public at this time. He anticipates bringing the business item to the full Board at the February meeting for consideration.

A memorandum was circulated to Board Members regarding committee assignments and the Chairman encouraged Board Members to contact him with any questions. He also explained that he is working with Reginald Martin and the Greater Houston Convention & Visitors Bureau (GHCVB) to fill vacant committee seats with members of the GHCVB.

Lastly, the Chairman thanked all HFC employees who have recently retired for their service and dedication on behalf of the Board.

- B. HFC Acting President & CEO Report. Michael Heckman provided the CEO Report and discussed how HFC is executing the 2021 business strategy.

HFC will host a number of activities in February to commemorate Black History Month. The Marketing team will deploy activations via social media and African American Heritage sites and with a black-owned restaurant round up. Additionally, HFC will host the BLCK Market at Avenida every Saturday from 1:00 p.m. to 5:00 p.m. The event will be socially distanced and all attendees must wear a mask. HFC staff will receive internal communications throughout the month and Christine West, Cultural Programs Manager, curated an art exhibit at Partnership Tower.

Bobby Singh voiced concerns with the use of the name BLCK Market and asked that staff re-visit other options. Mr. Heckman stated that he will look into the matter.

He then discussed the events hosted at George R. Brown Convention Center (GRB) and how event execution ties directly to the efforts of the Sales and

Marketing teams. He then asked Chief Operating Officer, Luther Villagomez, to provide further detail.

Luther Villagomez explained that the GRB went dark in March of 2020 and staff began to reorganize safety protocols. Shortly thereafter, the GRB reopened in late spring. According to a report from Go Live Events, Houston is one of a few cities with an event center that had remained open during the pandemic and Mr. Villagomez explained how this will give Houston a competitive advantage over other cities. He then asked John Gonzalez, Senior VP and General Manager of Convention & Cultural Services, to discuss some of the events that HFC has safely hosted.

John Gonzalez discussed some of the new safety protocols that have been implemented at HFC facilities. All facilities have received safety certifications and with federal funds under the CARES Act, HFC has made improvements to its facilities that include touchless systems, UV sanitation, electrostatic spraying, sneeze guards, and thermal scanning technology. The Operations team is also working closely with the Marketing team to promote the Houston Clean initiative and the Sales team to design floor plans and make modifications to trade shows as needed. Nine events have been hosted at GRB including the Thanksgiving Feast, Christmas Feast, and Bridal Extravaganza. Mr. Gonzalez stated that the GRB has events planned in March and through the remainder of 2021 and the Operations team will continue to execute and conduct business in a safe manner.

Michael Heckman then provided a convention update. Trends have not changed as business remains soft in the first half of 2021, but business is expected to increase in the third and fourth quarters beginning in July. There are currently 16 city-wide conventions scheduled from July through December. Houston has also been the recipient of conventions that have relocated from other cities. Mr. Heckman then asked John Solis, Senior VP of Sales & Client Services, to discuss sales activity.

John Solis explained that the Sales team continues to communicate with the groups scheduled for 2021 on a daily basis. There are also five groups that the Sales team has engaged and if all goes as planned, there could be as many as 18 city-wide events this year. There has been a steady increase in lead volume since August with 30% of the leads targeting 2021. The Sales team picked up five city-wide leads in January, which is a huge shift from 2020.

Mr. Heckman informed the Board that he had a visit with Don Welsh, CEO of Destinations International. Mr. Welsh said many of positive things about Houston and explained that there are opportunities to host events that other cities may not have through the end of 2021. Mr. Heckman then asked Tom Segesta to share his thoughts on the meeting.

Tom Segesta stated every time Mr. Welsh comes to Houston he falls in love with the City and is a great representative to market Houston. Mr. Segesta explained



that he and Mr. Welsh worked together in Chicago and he was influential in increasing visitors to the city. He thanked Mr. Heckman for bringing Mr. Welsh to Houston and hopes that he is inspired by his insight.

Chairman Mincberg asked Nicki Keenan to share her experience as a hotelier on current industry trends.

Tom Segesta chimed in and stated that January has been the best month for the Four Seasons Hotel since March 2020 and he continues to see great momentum in the downtown area.

Nicki Keenan echoed the sentiments of Mr. Segesta. She also shared a national perspective on the hospitality industry. Ms. Keenan stated what is currently being actualized are opportunities surrounding youth sports and public shows with increased health and safety measures. In the restaurant industry, there has also been a shift in states like California that have gone from to-go and delivery only food service to patio dining and she is hopeful there will be similar trends in New York. Locally, hotels in Houston and Galveston continue to book events that have relocated from other cities and there is a resurgence in business travel at the Post Oak Hotel. Additionally, leisure travel continues to flourish and social markets continue to sustain a lot of hotels.

Tom Segesta asked if the City has looked into identifying hospitality workers as essential workers for purposes of receiving the COVID-19 vaccine.

Council Member David Robinson stated that his office has had similar discussions and he recently received an encouraging response. He offered to disseminate the information through HFC channels.

Mr. Heckman then announced that Don Welsh and Destinations International will host its advocacy meeting in Houston this fall. He then shifted the discussion to marketing and the use of Customer Relationship Management (CRM). Mr. Heckman asked the Director of Marketing, Holly Clapham, to give a brief report.

Ms. Clapham stated for years the philosophical approach in the meetings market has been “dominate don’t dabble,” but in unprecedented times and an unconventional space, there is no real grasp on the client universe. The marketing strategy for first quarter is to place messaging on social media. Six days ago, the Marketing team launched a CRM targeting campaign on Facebook featuring 11 diverse video units with an “open for business” message. The Marketing team will then study client behavior in three audience segments: definite business, tentative business, and lost and cancelled business. In addition, they have engaged look-a-like audience development to geographically target key markets, job titles, and social communities to provide further insight.

Mr. Heckman compared the tools used by marketing to targeted ads used by Amazon for better efficiency.

Ms. Kennan discussed the importance of selling destination appeal first in order to increase leisure travel and conventioners.

Mr. Heckman informed the Board that in order to increase communication with community stakeholders, he contacted over 150 hotels in the community to discuss HFC's 2021 strategy. Additionally, HFC will also host a virtual forum with sales directors to engage as many hoteliers as possible, namely those outside of the Galleria area and central business district who feel HFC does not appeal to their business needs.

In conclusion, Mr. Heckman shared the names of HFC employees that participated in the Voluntary Separation Incentive Plan (VSIP). HFC hosted a virtual going away event on Microsoft Teams with nearly 100% participation. Mr. Heckman stated that many heartwarming memories were shared and the combined level of service for all participants is 288 years. He thanked all retirees for their service on behalf of the entire HFC team.

Bobby Singh stated that he did not have the opportunity to work with all those retiring, but he worked closely with Rick Ferguson and Rob Jackson and both were true professionals. He extended his thanks for their service and wished everyone the best. He also thanked Mr. Heckman for hosting a virtual event.

Council Member Dave Martin thanked all of the presenters for the information provided. He then asked what incentives the participants received and how the Marketing team is analyzing the dollar value of the data collected to assess the effectiveness of the advertisements.

Mr. Heckman stated that each participant received a different compensation package based on their years of service and level of seniority. Council Member Martin asked for further detail and Mr. Heckman stated he can provide the information.

Ms. Clapham stated that the Marketing team is measuring the efficiency of the meetings campaign in a number of different ways to assess which audience segment is producing the most value. However, analyzing revenues is a part of a long-term process in order to capture accurate data. She also offered to meet with Council Member Martin to discuss the process in greater detail.

Sofia Adrogué reiterated the comments of Bobby Singh and thanked all retirees for their years of service. She stated it is a true loss and a true gain for others who will have the luxury of their expertise. And in due course, she will be interested to see what happens with the noticeable absences.

Gerald Womack echoed the sentiments of his colleagues and stated that there is a lot of history represented. He recognized Reginald Randolph and his bravery for staying overnight in the parking garage during a flood. He also recognized Brenda



Scott-Savage, Rick Ferguson, Rob Jackson, and Patti Olson for their efforts. He proclaimed that he hopes HFC can find quality employees to fill any vacancies because there are a lot of shoes to fill.

Tom Segesta congratulated all those retiring and the impact they've made in their careers to the City. He also thanked Mr. Heckman for hosting a well-attended virtual event and staff for setting the City up for success. He then addressed a very important topic of safety in the downtown area and several incidents that have occurred at the Four Seasons Hotel with the homeless population.

Council Member Robinson stated that the City is acutely aware of what is going on in downtown Houston. Marc Eichenbaum, Special Assistant to the Mayor for Homeless Initiatives, is also working to address these issues and going forward the City will try to increase its efforts. He also informed the Board of a loophole in a civic ordinance that allows for scooters on public rights-of-ways. He further explained that City Legal and the Administration of Regulatory Affairs is actively working to address this issue.

Gerald Womack also commented that Harris County has allocated funds for triage treatment for the homeless population living with mental illness in the downtown area.

Nicki Keenan joined everyone in thanking and congratulating those who have retired and stated that it is a tremendous talent set and tremendous loss to HFC. She also discussed the importance of having a staffing plan in place to deal with increased business in the latter half of the year and beyond.

Mr. Heckman explained that HFC is absolutely thinking about staffing and how to operate as efficiently as possible, so if the need is there, HFC will rise to meet it.

Mr. Womack stated he wants to ensure that HFC maintains communication with furloughed employees. Mr. Heckman confirmed that he sent out an email communication this week.

Ryan Martin stated that we know there will be a recovery and are gaining more prospective on the light at the end of the tunnel, however, it is important to invest in staff like marketing. He also stated that he supports HFC's dynamic perspective and thinks that it is strategically sound.

Council Member Martin then made a motion that the next Board meeting be held in-person rather than a virtual meeting. Chairman Mincberg stated because that item is not on the agenda, he respects the motion, but will not raise the item for consideration at this time.

The Chairman also directed Board Member's attention to an image of Smither Park located in southeast Houston. He encouraged all Board Members to visit and



stated that folk artists are working in the park daily and believes that the mosaic tile wall is a phenomenal piece of art.

- C. Financial Report. Frank Wilson, HFC Chief Financial Officer, provided the financial report. He began his report with an update on diversity spend and stated that for the month of December, HFC spent \$1.2 million with diverse business partners, thanks in large part to funds received from the CARES Act. HFC spent \$17.3 million with diverse partners for the year, which represents a diversity spend of 33%. Mr. Wilson acknowledged the Procurement Department for their efforts as well as Roger Harris, Development Specialist Manager. He also announced that 2021-2022 Procurement Plan is now posted on the HFC website.

The Small Business Administration is accepting applications for the Paycheck Protection Program (PPP) and HFC has submitted a second application for a forgivable loan in the amount of \$2 million. Mr. Wilson also applied for a PPP loan for the Hilton Americas-Houston Hotel. Additionally, HFC is pursuing other grant opportunities. Mr. Wilson also informed the Board that the Finance Department is now using analytic tools to assist with forecasting. The tools include data from Oxford Economics along with data input by the Finance team to combine travel intentions, search intentions, and hotel and air bookings.

Mr. Wilson then provided an update on Hurricane Harvey related expenses. The total budget for the recovery project is \$152.3 million and HFC has approximately \$1.3 million in expenses remaining. At this time, HFC has received \$117 million in reimbursements thanks to the efforts of HFC Controller, Stephany Bland, and Accounting Analyst, Dino Constantino. Additionally, HFC budgeted \$1.35 million of reimbursement from the State Event Trust Fund and has received \$800,000 with the help of Cindy Decker, HFC VP of Market Strategy.

HFC's financial forecast for year-end 2020 reflects higher than anticipated revenues for parking and hotel occupancy taxes (HOT). Expenses will likely be over the budgeted amount due to purchases made at the end of the year with CARES Act funds, but all other major expenses will be either at or below budget. HFC will finish 2020 with a deficit of approximately \$3 to \$4 million. He is laser focused on the budget and strategic plan for 2021 and is working to reduce HFC's debt with help from financial advisors and the City's finance working group to refinance a bond issue.

Desrye Morgan asked about the size of the refunding and Mr. Wilson confirmed that it is approximately \$30 million.

Mr. Wilson concluded his report by informing the Board that he is working with HFC's Human Resources Director, Tim Moyer, on learning and development efforts that include trainings related to unconscious bias, sales and customer service, sexual harassment, and management coaching. He also shared that initiatives regarding diversity and inclusion are also underway.

Mr. Womack thanked Mr. Wilson for his report and the figures on diversity spend. He also stated that it would be helpful to see a comparison from previous years.

- D. Legislative Review. Jonathan Newport, Vice President of Public Policy, provided the legislative review. With a new President and administration, Congress, and the 87<sup>th</sup> Session of the Texas Legislature, it is a busy time for the Public Affairs Department. The advocacy efforts of his team are not limited to issues that directly impact HFC, but largely include Houston's hospitality and travel industry. He also shared a list of organizations that HFC works with. He is closely tracking the Biden administration, the proposed stimulus bill and working with members of the Senate to determine HFC's eligibility for various funding sources and funding set aside for the deployment of the COVID-19 vaccine. Additionally, he is closely monitoring all orders related to domestic and international travel.

The Texas Legislature went into session on January 12, 2021 and Mr. Newport anticipates things will move more slowly as lawmakers try to navigate COVID-19. Some of the issues facing the legislature this year include COVID-19, redistricting, which will likely be addressed in a special session, issues surrounding criminal justice and racial equity, and the biennial budget. The issues of specific focus for HFC consist of the major funding sources such as HOT, the Event's Trust Fund, and state film incentives. He will also track legislation that impacts the perception of Texas to visitors like technology, new methods of travel, and any divisive legislation. He further explained that the issues discussed are not an exhaustive list and he is actively such as tracking over 130 bills at this time.

In conclusion, Mr. Newport encouraged Board Members to contact him if there are any issues of importance they would like to discuss or if they have direct relationships with members of the legislature. Mr. Newport named the lawmakers who have been true champions of HFC and stated that the organization is fortunate to have great advocates.

Chairman Minckberg explained that we often overlook the enormous impact of legislation that both helps and hurts our organization and encouraged Mr. Newport to reach out to Board Members for assistance.

Nicki Keenan thanked Mr. Newport for his excellent presentation and stated that there are potential business opportunities to host conferences with many of our partner organizations. Landry's has a strong lobbying force and Ms. Keenan believes that they can work with HFC to have a stronger impact. Lastly, she thanked Mr. Newport for following any issues related to international travel and explained how important it is to Houston and increasing business travel.

Paul Puente thanked Mr. Newport for his report and stated that he would like to extend his resources to HFC of individuals connected with labor unions in the hotel industry.

5. Adjournment. The meeting was adjourned at 4:43 p.m.

**V. (A) Consideration and possible approval of modification and extension of (or new) loan from The Variable Annuity Life Insurance Company (or any one or more of its affiliates) to be secured by a deed of trust lien against the Hilton Americas-Houston Hotel and garage.**

**Consideration and possible approval of modification and extension of (or new) loan from The Variable Annuity Life Insurance Company (or any one or more of its affiliates) to be secured by a deed of trust lien against the Hilton Americas-Houston Hotel and garage.**

**DESCRIPTION:** The loan entered into between Houston First Holdings LLC (“HFH”) and The Variable Annuity Life Insurance Company (AIG) (collectively, the “Parties”) that is secured by a deed of trust against the Hilton Americas-Houston Hotel and parking garage was due to mature in May 2020. As a result, the Houston First Board of Directors approved a long-term refinance loan with AIG in February 2020. However, due to financial concerns regarding the global pandemic, the Parties failed to finalize an agreement for a long-term loan and agreed to an interim financing package for a period of one-year. Staff now recommends the acceptance of another extension of the loan with AIG.

The terms of the proposed loan with AIG are set forth in the attached Term Sheet.

**RESOLVED**, that Houston First Corporation, individually and in the various capacities reflected below, consummate and cause each entity for which it has acting authority, directly or indirectly as reflected below, to consummate the following transactions:

**RESOLVED**, to cause Houston First Holdings LLC (“HFH”) to consummate a loan or modification to the existing loan (the “Loan”) from AIG Asset Management (together with any of its affiliates as it may designate and that are approved by any Authorized Person including The Variable Annuity Life Insurance Company, herein called “Lender”) providing for loan proceeds to HFH to be substantially on the terms and conditions set forth in the attached Term Sheet, with such changes thereto as may be deemed necessary or desirable and approved by the Chairperson and President of this Corporation, which Loan is to be secured by a deed of trust lien and security interest in the Hilton-Americas Houston Hotel and Avenida South Garage Property (and all other property related thereto) and may contain such other terms as may be approved by the Authorized Persons executing the Transaction Documents (defined below) related to such Loan, and also generally to take all such further and other actions, and execute and deliver such documents, instruments and agreement as may be necessary or desirable in connection therewith; and

**FURTHER RESOLVED**, that this Corporation (for itself and in the various capacities reflected below) execute such instruments, documents, and agreements as may be necessary or desirable to effect such transactions or that may be required by the Lender or otherwise including, without limitation, deeds, bills of sale, assignments, notices, notes, mortgages, deeds of trust, loan agreements, subordination non-disturbance and attornment agreements, affidavits indemnities, cash management agreements, deposit control account agreements, contracts, agreements, pledges, security agreements, financing statements, closing settlement statements, confirmations, modifications, amendments, ratifications, and certificates, all on such terms and conditions as any Authorized Person deems necessary or advisable (collectively, the “Transaction Documents”); and that any Authorized Person be, and each acting alone hereby is, severally and without the necessity for joinder of any other person, authorized, empowered and directed for and on behalf of this Corporation (for itself and in the various capacities reflected below) to execute and deliver the Transaction Documents in the form and upon the terms as said Authorized Person may approve, such approval to be conclusively established by his or her execution and delivery of the Transaction Documents; and

**FURTHER RESOLVED**, that each of the Chairperson, President and Chief Executive Officer, Chief Operating Officer, General Counsel, and Chief Financial Officer of HFC is each hereby designated by the Board of

Directors as an "Authorized Person" for purposes of this resolution and with respect to the Transactions; and;

**FURTHER RESOLVED**, that the Corporation shall be authorized to act in the various capacities reflected below in connection with the transaction and the execution and delivery of the Transaction Documents:

Capacity

For itself

As sole member

Entities

Houston First Corporation

Houston First Holdings LLC; and

**FURTHER RESOLVED**, that any and all transactions by any Authorized Person, for and on behalf of and in the name of this Corporation (for itself and in the various capacities reflected above) before or following the adoption of the foregoing resolutions, in connection with the described transaction or any of the foregoing matters, including without limitation negotiation of the terms of the transaction or execution and delivery of Transaction Documents be, and they are hereby ratified, confirmed and approved in all respects for all purposes.





Investments

# Hilton Americas

## Loan Extension

### NON-BINDING TERM SHEET

February 10, 2021

#### Basic Terms

Loan Amount:	\$125,000,000
Loan Term:	3 years with (2) 1-year Extensions
Loan Amortization:	Interest-only
Interest Rate:	300 bps over the 1-month LIBOR with a floor rate of 4.50%
Prepayment:	Closed to prepayment for 18 months; open thereafter at par and at par during the Extensions.
Loan Fee:	50 bps plus 25 bps for each Extension (if closing is prior to May, 2021, the 50 bps shall be prorated in light of payment of fee for extension in April, 2020)
Collateral:	Hilton Americas and the attached Parking Garage – Houston, TX.
Security:	First Mortgage
Closing:	Within 45-60 days;

#### Ancillary Terms

Secondary Financing /  
Assumption/Transfers:

None

Impounds: Customary tax and insurance escrow and 4% FF & E Reserve; The tax escrow will be waived so long as HFC maintains its tax-exempt status. The FF & E Reserve will be waived so long as Hilton approves the waiver.

Debt Service  
Reserve:

Borrower to deposit \$6.3 million into an escrow with Lender for monthly debt service payments (the “DSR Escrow”) with credit given for the \$4 million currently in the FF&E reserve plus an estimated \$1.225 million EBITDA. Borrower will fund the difference (estimated at \$2,278,470) and make the deposit at Closing and the \$4.0 million in the FF&E Reserve will be transferred to the DSR at Closing. Borrower shall have the right to withdraw funds from the DSR Escrow to pay debt service payments to the extent that funds from operations are inadequate to do so; provided that the balance of the DSR Escrow may never be less than \$2.0 million.

At the end of each loan year if the Net Cash Flow as defined by NAIC Guidelines for the next calendar year combined with the Debt Service Reserve balance is not sufficient to maintain a CM3 threshold (e.g. \$7.504 million), Borrower will be required to replenish the DSR Escrow up to the \$7.504 million threshold on or before January 31 of the calendar year.

#### Closing

#### Requirements

Misc.:

Customary closing requirements, including, without limitation, Phase I Environmental Report, Engineering Report, and customary title;

This non-binding term sheet is being provided in accordance with that certain Discussions Letter, dated March 27, 2020 and executed among Lender and Borrower (the “**Discussions Letter**”). Lender has prepared this **non-binding** term sheet solely for the purpose of facilitating further Discussions under the Discussions Letter by summarizing, “without prejudice” and for discussion purposes only, the basic terms of a possible modification of the Loan Documents, based upon the information that Lender has received and reviewed to date.

Therefore, this non-binding term sheet is NON-BINDING. Borrower may not rely upon this non-binding term sheet for any purpose whatsoever. This non-binding term sheet does not constitute an offer nor an agreement binding on any party and is provided solely to facilitate Discussions. Neither this non-binding term sheet nor any Discussions nor negotiations, proposals, or proposed modifications are intended to be legally binding and will not be legally binding upon any party, unless and until such negotiations, proposals, and proposed modifications are reduced to written Definitive Documents that are executed and delivered by the parties.

All negotiations, proposals, proposed modifications, and Definitive Documents are subject to the review and approval Lender's credit committee (including, without limitation, all proposals contained in this non-binding term sheet); provided, further that, even if Lender's credit committee "approves" a proposal or proposed modification, the same shall not be binding upon Lender until reduced to written Definitive Documents executed and exchanged by the parties, notwithstanding any emails, letter correspondences, or other communications indicating such approval.

Neither Lender nor Borrower are obligated to engage in or continue to engage in any further discussions related to this non-binding term sheet and either party may terminate such discussions and negotiations at any time until Definitive Documents have been executed and delivered by the parties.

This non-binding term sheet does not constitute a waiver or release by Lender of any obligations or of any existing Default or Event of Default or any Default or Event of Default which may arise following the date hereof, and shall not be deemed to be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, and shall not otherwise prejudice any right or remedy which the Lender may now have or may have in the future under or in connection with any Loan Document. The Lender expressly reserves all of its rights and remedies under the Loan Documents.

**V. (B) Consideration and possible approval of a Construction Services Agreement with Manhattan Construction Company for the construction of Lynn Wyatt Square for the Performing Arts and Owner's Contingency.**

**Consideration and possible approval of a Construction Services Agreement with Manhattan Construction Company for the construction of Lynn Wyatt Square for the Performing Arts and Owner's Contingency.**

**DESCRIPTION:** On November 20, 2020, Houston First Corporation ("HFC") issued a Request for Competitive Sealed Proposals, pursuant to Chapter 2269.151 *et seq.* of the Texas Government Code, for a Construction Services Agreement for the Lynn Wyatt Square Project ("RFP"). In the RFP, HFC requested responses from experienced construction contractors for the redevelopment of Lynn Wyatt Square for the Performing Arts in downtown Houston, Texas. Construction work includes demolition of existing structures, as well as construction of new facilities located on top of an existing underground parking structure and additional services detailed in the Construction Documents for the project. HFC anticipates construction will begin in Spring 2021.

HFC received eight proposals that were reviewed and scored by a five-person selection committee. Prior to scoring, all proposers participated in virtual interviews with the selection committee. The construction contractor that received the highest score was Manhattan Construction Company ("Manhattan"). Manhattan has agreed to use good faith efforts to exceed the 24% diversity goal under the contract and has agreed to satisfy a prevailing wage requirement for building construction and repair services in accordance with Chapter 2258 of the Texas Government Code.

Staff proposes approval of a Construction Services Agreement with Manhattan and an owner's contingency for such contract and other project-related goods and services in the not-to-exceed amount of \$22,000,000 based on the following estimates:

- Construction costs, inclusive of the Contractor's fee
  - \$ 20,888,000
- Owner's Contingency @ ~5%
  - \$ 1,112,000

A portion of construction costs, approximately \$18,000,000, is expected to be funded by third-party donors.

**RESOLVED**, that the Board of Directors of Houston First Corporation approves the following resolutions with respect to the Construction Services Agreement:

**RESOLVED**, that the Board of Directors of Houston First Corporation hereby approves the negotiation and finalization of the Construction Services Agreement (the "Agreement") between Houston First Corporation and Manhattan Construction Company and a owner's contingency for such contract and other project-related goods and services in a not-to-exceed amount of \$ 22,000,000 based upon the above parameters, together with such conditions or modifications that are approved by the Chairperson or Acting President may determine to be in the best interest of the Corporation, and to execute a Construction Services Agreement with Manhattan Construction Company, including, as construction progresses, amendments, change orders and addenda thereto, and other project-related contracts and instruments; each acting alone hereby is, severally and without the necessity for joinder of any other person, authorized, empowered and directed for and on behalf of the Corporation to execute and deliver such contracts and instruments in a form as approved by either the Chairperson or the Acting President,

or any Authorized Person (defined below), such approval to be conclusively established by the execution and delivery of the Transaction by any Authorized Person; and

**FURTHER RESOLVED**, that each of the Chairperson, Acting President and Chief Executive Officer, Chief Operating Officer, General Counsel, and Chief Financial Officer of this Corporation are each hereby designated by this Corporation as an "Authorized Person" for purposes of this resolution and with respect to the Transaction to be executed hereunder.



**V. (C) Consideration and possible approval of increased funding for Manhattan Construction Company and a comparable increase to the guaranteed maximum amount for the continued repair and replacement of damages to the Theater District Parking Garage due to Hurricane Harvey.**

**Consideration and possible approval of increased funding for Manhattan Construction Company and a comparable increase to the guaranteed maximum amount for the continued repair and replacement of damages to the Theater District Parking Garage due to Hurricane Harvey.**

**DESCRIPTION:** Houston First Corporation (the "Corporation") entered into a Construction Agreement with Manhattan Construction Company ("MCC") to address pre-construction and construction phase services related to restoration of Wortham Theater Center and the Theater District Parking Garages due to Hurricane Harvey, effective January 19, 2018. The initial guaranteed maximum amount ("GMAX") for the agreement was \$64,828, 815. On February 15, 2020, the Joint Board of Directors and Hotel Committee of the Corporation approved an increase to the GMAX of \$73,677,524 to address unforeseen damages and repairs at the facilities. Thereafter, upon reconciliation of allowances and contingencies under the project, the Corporation felt it was appropriate to reduce MCC's fees by \$540,000 and to reallocate those funds to other necessary project related expenses.

Throughout the project, MCC has maintained operations at the blue and yellow garages in the Theater District Parking Garage through use of a standby generator provided by Gilbane Reconstruction Services LLC as an "owner-provided" item to be installed and commissioned. However, following testing of the generator by permit officials, it was determined that the standby generator does not meet current life safety code requirements. Staff determined that the most cost-effective solution is the purchase of a supplemental generator that meets life safety requirements and will allow for additional capacity.

Staff is requesting \$420,000 on behalf of MCC for the installation and commission of a generator and a comparable increase to the GMAX under the agreement between the Corporation and MCC. Total MCC costs are inclusive of electrical, plumbing, concrete, and mechanical work to extend gas lines and modify existing circuitry as well as insurance and any contingencies and allowances. The expected lead time for the generator is 14 to 16 weeks and installation and commission will take approximately four weeks.

**RESOLVED**, that the Board of Directors of Houston First Corporation hereby approves and authorizes the following: (i) an increase in funding under the Construction Agreement between Houston First Corporation and Manhattan Construction Company in the amount of \$420,000; (ii) the resultant new project GMAX of \$73,557,524 and (iii) an extension of services through June 30, 2021; together with such conditions or modifications that are approved by the Chairperson or Acting President & CEO, as they 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 additional funding for design services; each acting alone hereby is, severally and 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 either the Chairperson or the Acting President & CEO, 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 Chairperson, Acting President and Chief Executive Officer, Chief Operating Officer, General Counsel, and Chief Financial Officer of this Corporation are 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.

**V. (D) Consideration and possible approval of increased funding for Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture, for a task order for additional design services related to the continued repair and replacement of damages to the Wortham Theater and Theater District Parking Garage due to Hurricane Harvey.**

**Consideration and possible approval of increased funding for Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture, for a task order for additional design services related to the continued repair and replacement of damages to the Wortham Theater and Theater District Parking Garage due to Hurricane Harvey.**

**DESCRIPTION:** On June 20, 2019, the Board of Directors of Houston First Corporation approved the issuance of two task orders with Harrison Kornberg Architects, LLC and ARUP, Texas Inc. (“HKA-ARUP”), a joint venture, and the reallocation of funding for design, construction administration, and FEMA related services. Subsequently, the HFC Board approved additional reallocations of funds to the Disaster Expense Budget allocated to HKA-ARUP and an extension of services through December 31, 2020. Thus far, there has been no increase to the overall project budget of \$152, 084, 810.

Staff now requests additional funding in an amount not to exceed \$130,000 for additional design documentation and construction administration services related to the extended construction schedule and installation of a new supplemental generator to serve the blue and yellow garages in the Theater District Parking Garage.

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

**RESOLVED**, that the Board of Directors of Houston First Corporation hereby approves and authorizes the following: (i) issuance of a new task order to Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture, for additional services in an amount not to exceed \$130,000; and (ii) an extension of services through June 30, 2021; together with such conditions or modifications that are approved by the Chairperson or Acting President & CEO, as they 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 additional funding for design services and the extension of services; each acting alone hereby is, severally and 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 either the Chairperson or the Acting President & CEO, 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 Chairperson, Acting President and Chief Executive Officer, Chief Operating Officer, General Counsel, and Chief Financial Officer of this Corporation are 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

Marriott Marquis Houston  
DOWNTOWN

**LIVE VIDEO & AUDIO  
CONFERENCE MEETING**

Thursday, February 25, 2021  
3:00 p.m.

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# PUBLIC COMMENTS

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Anyone who wishes to address the Board during the Public Comment session may do so by clicking the **“Raise Hand”** icon to be acknowledged. You may also click the **Q&A** icon to type in your comments.

**HFC BOARD OF DIRECTORS MEETING**

February 25, 2021



# MINUTES

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January 28, 2021

**HFC BOARD OF DIRECTORS MEETING**

February 25, 2021





HOUSTON FIRST  
**CHAIRMAN'S  
REPORT**

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**DAVID M. MINCBERG**

**HFC BOARD OF DIRECTORS MEETING**

February 25, 2021

**Houstonfirst**

# HOUSTON FIRST INCLEMENT WEATHER RESPONSE

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## **LUTHER VILLAGOMEZ**

*Chief Operating Officer*

## **JOHN GONZALEZ**

*Sr. VP and General Manager, GRB*

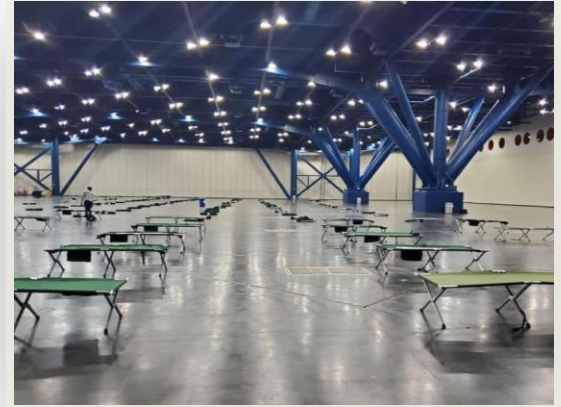
## **JACQUES D'ROVENCOURT**

*General Manager, Hilton Americas-Houston*

## **HFC BOARD OF DIRECTORS MEETING**

February 25, 2021





# CITY OF HOUSTON WARMING CENTER AT GRB

**THURSDAY**  
**February 11**

COH approaches HFC about opening warming center at the GRB

**FRIDAY**  
**February 12**

Preparations begin at the building

**SUNDAY**  
**February 14**

Warming center opens at 2 p.m.

**SATURDAY**  
**February 20**

Last day of warming center operations

# CITY OF HOUSTON WARMING CENTER AT GRB

- Approximately 800 residents sheltered
- Transportation, bed and two daily meals provided for residents
- HFC staff provided 24-hour operational support
- COVID-19 safety protocols and social distancing guidelines were followed





# CITY OF HOUSTON WARMING CENTER AT GRB

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**HFC staff overcame several challenges during warming center operations, including:**

- Managing large population of residents under COVID-19 safety protocols
- Maintaining normal building operations during unprecedented severe weather



# THANK YOU TO OUR TEAM

Our sincere thanks to the Houston First team members who dedicated their time and hard work to support operations for the City of Houston warming center. Your commitment to Houston First's mission of advancing quality of life for all Houstonians and your unwavering dedication to our team and our city is truly appreciated.

**Timothy Dickson**

**John Flores**

**Martha Garza**

**John Gonzalez**

**Tony Guerrero**

**Todd Holloman**

**Adam Logan**

**Christophe Malsang**

**Kenneth Mann**

**Aaron Reeves**

**John Sandoval**

**Tim Smith**

**Jaime Solis**

**Kerry Warner**

# HOUSTON FIRST THANKS OUR PARTNERS

Houston First recognizes our service partners from **Midwest Maintenance, Levy, TDIndustries, Andy Frain Services, WinPark, ERS,** and **Smart City** who supported operations for the City of Houston warming center. Thank you for your support of Houston First and our community. Your hard work and dedication are invaluable.

Evonne Alvarez  
Stephen Benavides  
Gloria Biegay  
John Bonner  
Linda Brown  
Leon Bundage  
Catalina Chapa  
Anthony Dickson  
Maria Escobar  
Gloria Flores  
Jesse Gallegos  
Cecilia Elizabeth Garcia  
Maria Garcia  
Henry Gilbert

Bryan Hawkins  
Olerick Henderson  
Leonardo Herrera  
LaTara Jacobs  
Albert Janak  
Michael Kelley  
Syed Khan  
Barry Kohlus  
Safia Kuzu  
Maria de Jesus Lopez Pena  
Andrea Montes de Mendez  
Anita Mendieta  
Sheneka Perrymond  
George Phillips

James "Rob" Robertson  
Lawrence Robertson, Jr.  
Tom Rourke  
Frank Saldana  
Rosesli Salvador  
TJ Shiflet  
Kinsella Sosa  
Dominic Soucie  
Dominic Tierno  
Maria Tovar  
Ashley Villers  
Gwendolyn White  
Brad Whiting  
Patricia Zamora

# HILTON AMERICAS-HOUSTON

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## PREPARATION

- Review of hurricane preparedness and supplies on hand
- 1800-gallon diesel tank ordered
- Increased food and water order
- Executive team and other team members still active moved into the hotel in preparation

## EXECUTION

- Delivered bottled water to guest rooms during the water outage
- Closed the pool — in the beginning, delivered buckets of water (taken from the pool) to guests to flush commodes. Switched to large trash cans filled with pool water and made it “self-serve” on each floor
- Houston Health Department provided guidance on how to serve food safely in the Lobby Bar and modifications were made
- GRB opened a set of restrooms for guests and team to be able to use 24/7



**NORMA GONZALEZ**, Director of Human Resources;  
**DEANNE KELLY**, Hotel Manager; **PRISILA HERNANDEZ**, Human Resources administrative Assistant in action expediting and running food to guests dining in the Lobby Bar.

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# HILTON AMERICAS-HOUSTON

## CHALLENGES

- Valentine's weekend rolling into guest room demand and, at the time, needing to be ready for Lone Star Volleyball (which eventually was postponed) at the end of the week
- Working with staffing levels lower than pandemic levels
- Hotel service elevators became inoperable the afternoon of Tuesday, February 16th as the hot and cold coils to one of our air handlers broke sending water in a storage room and down the service elevator shaft. All staff had to service upper floors using guest elevators.
- No running water from the early evening of Tuesday, February 16th until the morning of Friday, February 19th
- Boil water notice Friday, February 19th – Sunday, February 21st. Ice purchased for Starbucks and Lobby Bar. Flushing filters and ordering replacements.



Friday morning relief with water restored and friendly faces from Houston Public Works.





HOUSTON FIRST  
**ACTING PRESIDENT  
& CEO REPORT**

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**MICHAEL HECKMAN**

**HFC BOARD OF DIRECTORS MEETING**  
February 25, 2021

# UPDATES

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- **CONFIRMED:** International Trademark Association **NOVEMBER**
- **CONFIRMED:** One of World's Leading Retailers **SEPTEMBER**
- Health Department Call Center at GRB
- Opportunity for Consumer Event at GRB  
**JUNE-AUGUST**
- Progress for PPP Loans

George R. Brown Convention Center  
DOWNTOWN



# CONVENTION & THEATER EVENTS

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## GRB EVENTS Q1 & Q2 2021

- Lone Star Classic National Qualifier 18s (volleyball) **PENDING**  
**RECHEDULE**
- Cross Court Classic (volleyball) **3/20-21/21**
- Automotive Research Group **3/25-30/21**
- American Spectacular (cheerleading) **3/27-28/21**
- 46th Annual Houston Fishing Show **4/14-18/21**
- NABE Annual Conference **4/27-29/21**
- Lifestyles Unlimited Real Estate Expo **4/29/21 – 5/1/21**
- Lone Star Regionals (volleyball) **5/1-2/21**
- UTHSC School of Dentistry Commencement **5/18/21**





# CONVENTION & THEATER EVENTS

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## UPCOMING EVENTS Q1 & Q2 2021

### Wortham Theater Center

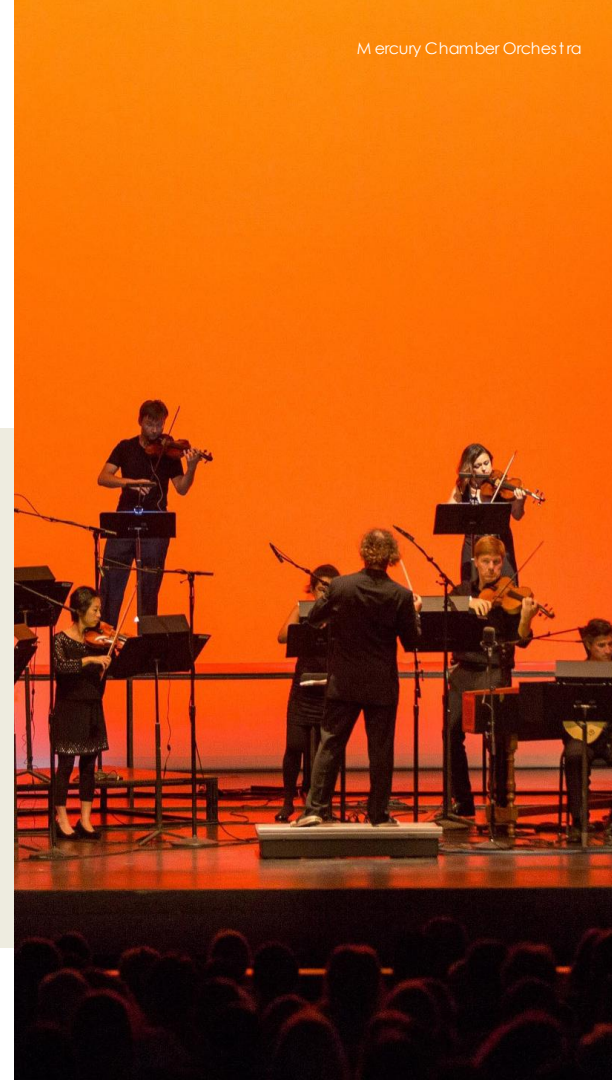
- Mercury continues monthly performances
- HGO continues *Cullen Live* series with multiple recordings and captures
- Houston Ballet has several recordings, captures

### Jones Hall

- Houston Symphony continues weekly performances for both Classical and Pops Series
- SPA will host *Art Heist: A True Crime Walking Experience* in March beginning on The Wharf at Avenida Houston with tours through Downtown





### Miller Outdoor Theatre

- In discussion with performances slated to begin in May









# JANUARY FINANCIAL HIGHLIGHTS

## MAJOR REVENUES (YEAR TO DATE)

	2020 Actual	2021 Budget	2021 Actual	Over (Under) Budget	
GRB Facility Rental	\$223,640	\$22,500	\$53,532	137.9%	
GRB Food and Beverage Revenue	\$4,219,814	\$ -	\$14,497	--%	
Parking Revenue-Avenida	\$630,919	\$190,922	\$182,442	-4.4%	
Parking Revenue-Theater District	\$517,433	\$388,670	\$125,089	-67.8%	

## MAJOR EXPENDITURES (YEAR TO DATE)

	2020 Actual	2021 Budget	2021 Actual	Over (Under) Budget	
Personnel Cost	\$2,217,848	\$1,968,294	\$1,795,447	-8.8%	
Security Contract Payments	\$369,496	\$360,074	\$239,473	-33.5%	
Bldg Maintenance Contract (TDI) Payments	\$358,274	\$247,700	\$195,881	-20.9%	
Parking Contract Payments	\$286,280	\$167,057	\$135,628	-18.8%	
Janitorial Contract Payments	\$581,861	\$117,736	\$82,660	-29.8%	
GRB Food and Beverage Expense	\$2,225,977	\$183,098	\$208,426	13.8%	

### KEY

Positive Variance

Variance < 10%

Variance ≥ 10%



1 January parking for our large contract parkers paid in December

2 Positive variance caused by employees still furloughed and vacant positions that were included in the budget.

# HBJ's 2021 Diversity in Business Awards

**Outstanding Supplier Diversity** recognizes companies that successfully seek out and do business with minority suppliers.

- Aon PLC
- CenterPoint Energy
- **Houston First Corp.**
- Icon Information Consultants
- JE Dunn Construction
- Sysco Corp.





# RICE UNIVERSITY SUSTAINABILITY CLASS STUDY

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**PRESENTER**

**JIM BLACKBURN**

*Rice University*

**HFC BOARD OF DIRECTORS MEETING**

February 25, 2021

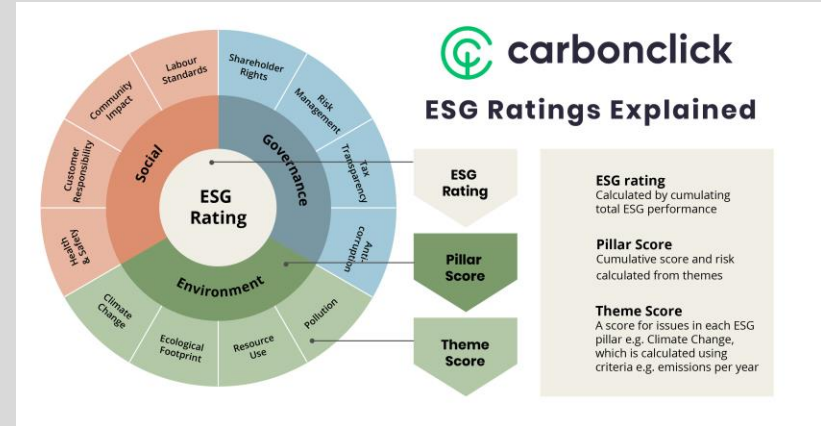
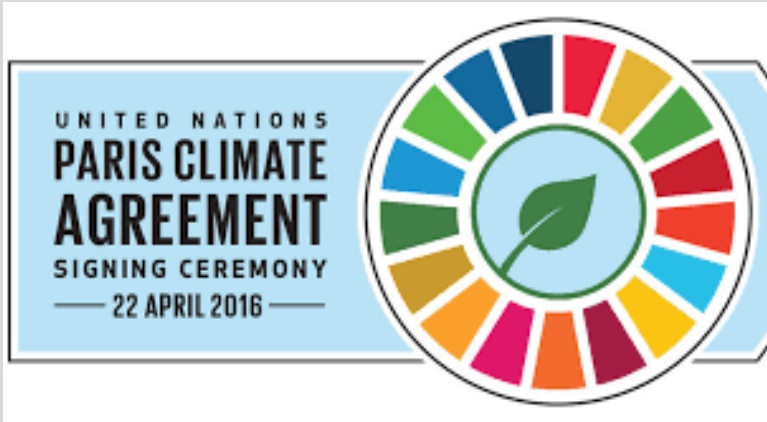


# Houston First Carbon Footprint Analysis

By Joe Huo, Adriana Amaris and  
Max Brigman based on data  
developed in CEVE 306  
Sustainable Design Class Project  
taught by Jim Blackburn and  
Alyssa Graham



# Carbon Dioxide Abatement Programs Are Becoming the Norm



# Four Steps To Becoming Carbon Neutral



**Calculate Your Carbon Footprint**



**Identify Emissions That Can Be Avoided**



**Identify Emissions That Can Be Reduced**



**Identify Emissions To Be Mitigated, Removed or Stored**

# What Is A Carbon Footprint?

“Ecological Footprint” is a term created by Mathis Wackernagel & William Rees

*Carbon Footprint* is “the amount of carbon dioxide and other greenhouse gas compounds emitted due to the consumption of fossil fuels by a particular person, group, etc.”





# Emissions Sources



Scope 1 – Direct Fuel Consumption



Scope 2 – Purchased Electricity



Scope 3 – Employee Travel, Waste, Supplies and Business travel

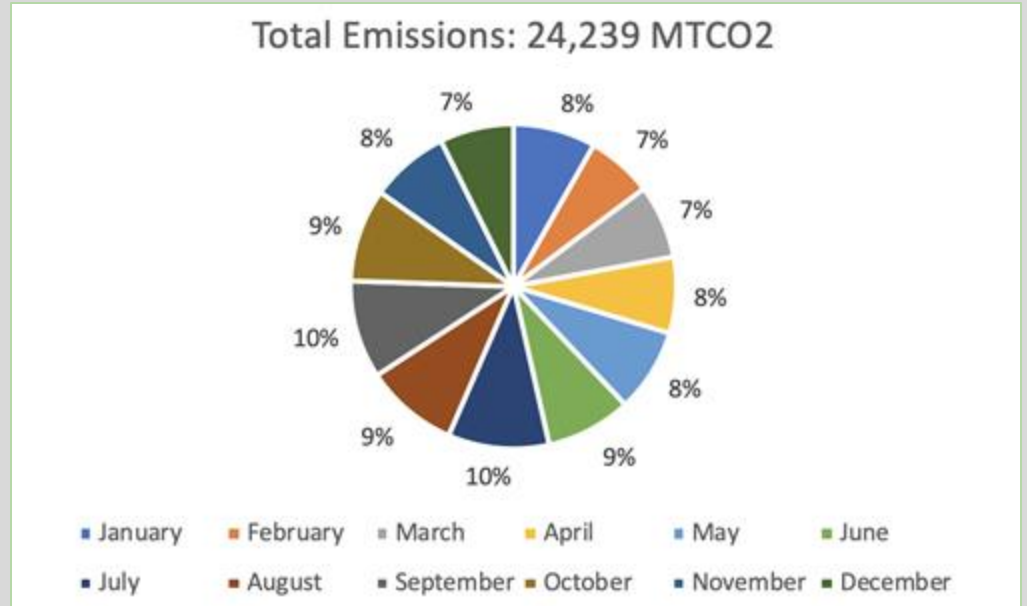
Note: Scope 3 does not include embodied energy and attendee travel

## GRB Scope 1

Scope 1 Emissions Breakdown	% of Total GRB Emissions	Metric Tons CO2e
Direct Fuel Consumption	29.8%	585
Refrigerant Leakage Emissions	70.1%	1,870
Total 2019 Scope 1 Emissions	-	1,960

<i>Month</i>	<i>MTCO2 Emitted</i>
<i>January</i>	1,989.48
<i>February</i>	1,580.97
<i>March</i>	1,781.23
<i>April</i>	1,837.69
<i>May</i>	2,017.21
<i>June</i>	2,057.63
<i>July</i>	2,431.71
<i>August</i>	2,249.38
<i>September</i>	2,366.22
<i>October</i>	2,251.66
<i>November</i>	1,900.14
<i>December</i>	1,775.50
<b><i>2019 Total</i></b>	<b>24,238.83</b>

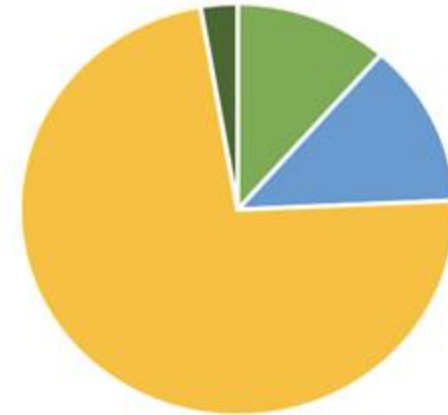
## GRB Scope 2



<b><i>GRB Scope 3 Emissions Breakdown</i></b>	<b><i>% of GRB Consumer Event Emissions</i></b>	<b><i>Metric Tons CO2</i></b>
<b><i>Employee travel</i></b>	11.43	1,099
<b><i>Transportation/ Distribution</i></b>	12.87	1,237
<b><i>Purchased goods/services</i></b>	72.96	7,014
<b><i>Waste generation</i></b>	2.74	263
<b><i>Total 2019 Scope 3 Emissions</i></b>		<b>9,613</b>

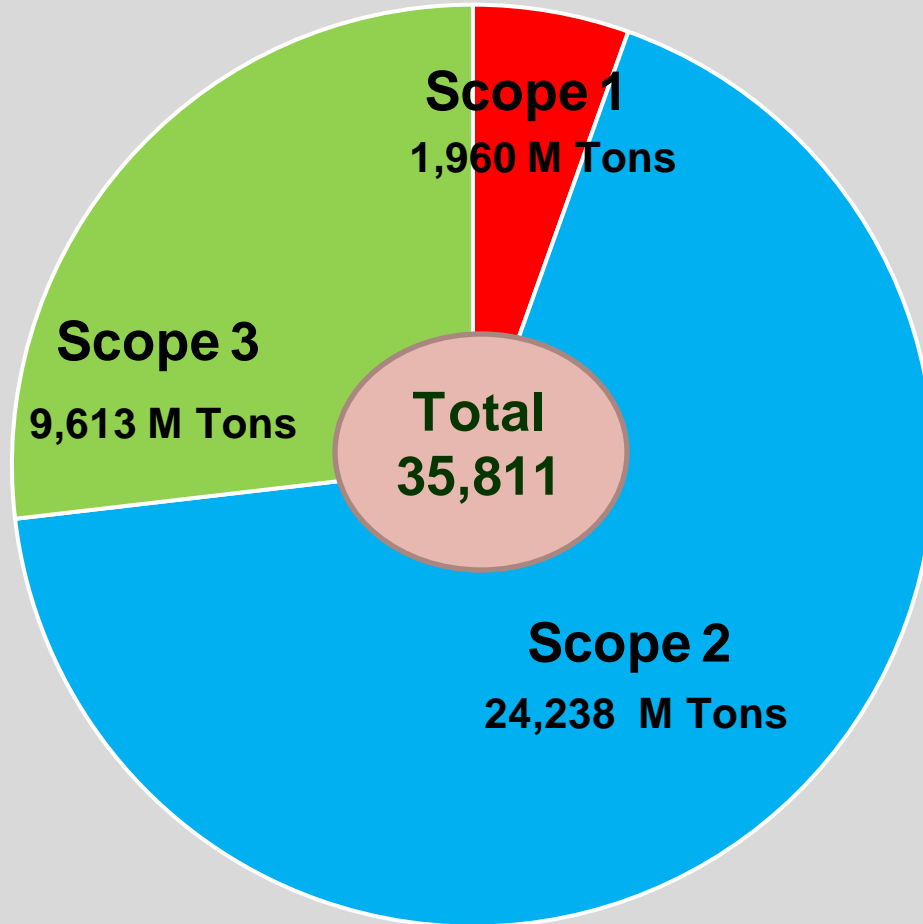
## GRB Scope 3

Total Emissions: 9,613 MTCO2



■ Employee travel
 ■ Transportation/Distribution  
■ Purchased goods/services
 ■ Waste generation

# GRB Convention Center Carbon Footprint





# Other Convention Centers

Edmonton, Alberta, CA

Scope 1: 2,304

Scope 2: 5,020

Scope 3: 255

**TOTAL: 7,580 MTons**

Zurich, Switzerland

Scope 1: 29

Scope 2: 300

Scope 3: 1,821

**TOTAL: 2,149 MTons**

# Hilton Americas Hotel

## Scope 1 Sources

Hot water boilers

A/C and Cold Storage

**TOTAL: 969 MTons**

## Scope 2 Sources

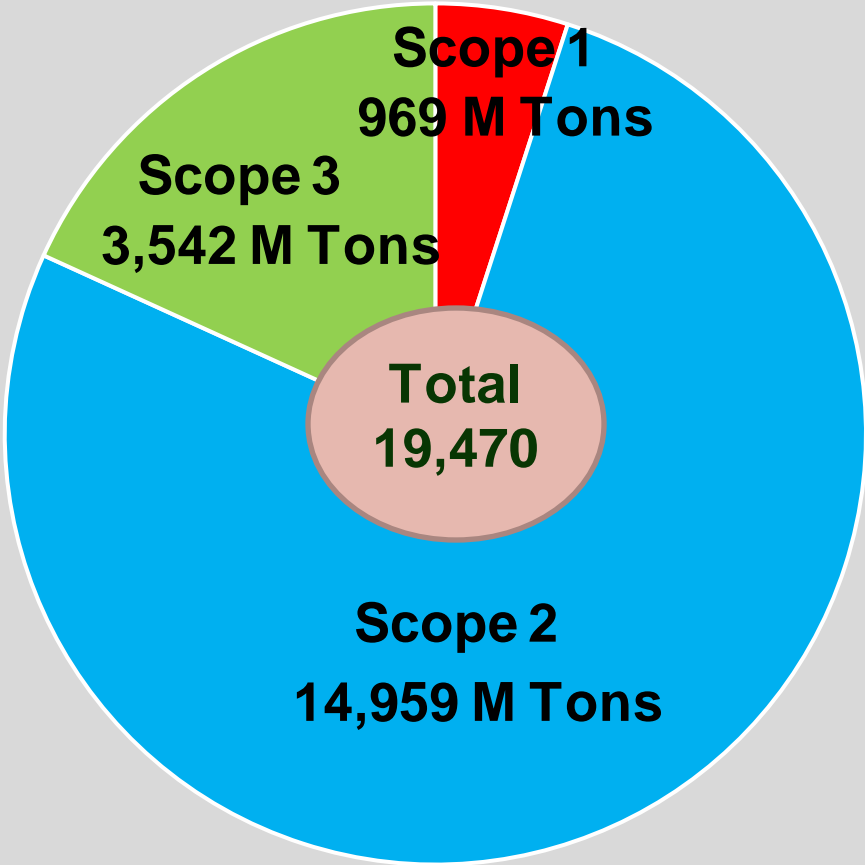
Electricity-consuming operations,  
including externally generated heat

Lights, appliances, etc.

Water fan cooling units

**TOTAL: 14,958 MTons**

# Hilton Hotel Americas Carbon Footprint



■ Scope 1 ■ Scope 2 ■ Scope 3 ■

# Allocation Basis

- **Total number of events – 117**
  - Conventions/tradeshows – 56
    - Consumer events – 33
    - Other events – 28
- **Total event attendance – 939,782**
  - Conventions/tradeshows – 526,982
    - Consumer events – 130,875
    - Other events – 282,015
- The Hilton's occupancy rate for their 1207 rooms in 2019 was 64%.

# Allocation of Carbon Footprint

## • Convention Attendees

- 35,811 MT divided by 939,282 attendees = 0.038 MT/Att  
35,811 MT X \$20 per MT = \$716,220 per year to store  
Divided by 939,782 attendees = \$0.76 per attendee to be CN

## • Hotel Users

- 19,470 MT X \$20 ton = \$389,400 per year to store
- 1207 Rooms X .64 occupancy X 365 = 281,955 occ days
- \$389,400 divided by 281,955 = \$1.38 per room to be CN



# Solar Rooftop Energy Production

- Scope 2 Emissions are the highest
- Can address Scope 2 by generating alternative electricity
- 100% Cover = 21,000,000 kwhr generated vs. use of 34,000,000
- Cost = +/- \$55,000,000



# Mitigation Efforts

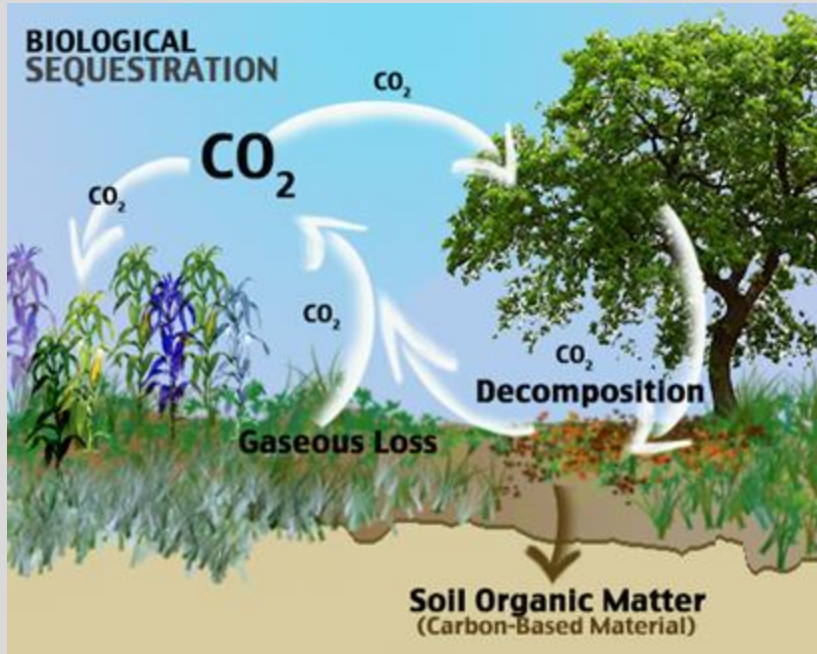


Image Source: [climatechange.lta.org](http://climatechange.lta.org)



Image Source: [texascoastalexchange.org](http://texascoastalexchange.org)

# Carbon Sequestration

- Forested Areas – 3 tons CO<sub>2</sub> per acre
- Coastal Prairie – ½ to 1 ton per acre
- Coastal Marsh – 2 tons per acre



# Example Carbon Sequestration Package for Various Events

- **Conventions/Trade Shows**

- Sequestered about 305 MT/CO<sub>2</sub> per event
- Protected 102 acres of bottomland hardwoods in Brazoria County
- 56 events would protect 5,712 acres of forest per year

- **Consumer Events**

- Sequestered about 166 MT/CO<sub>2</sub> per event
- Protected 332 acres of coastal prairie in Chambers County
- 33 events would protect 10,956 acres of coastal prairie

- **Other**

- Sequestered about 383 MT per event
- Protected 192 acres of coastal wetlands in Matagorda County
- 28 events would protect 5,376 acres of coastal wetlands





Thank You







# HOUSTON FIRST BOARD BUSINESS

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- A. Consideration and possible approval of modification and extension of (or new) loan from The Variable Annuity Life Insurance Company (or any or more of its affiliates) to be secured by a deed of trust lien against the Hilton Americas-Houston Hotel and garage.

## **PRESENTER**

**FRANK WILSON**

*Chief Financial Officer*

## **HFC BOARD OF DIRECTORS MEETING**

February 25, 2021

**Houstonfirst**

# HILTON LOAN EXTENSION TERMS

	NEW	CURRENT
LENDER	AIG	AIG
AMOUNT	\$125,000,000	\$125,000,000
TERM	3 years with two (2) 1-year extensions	1-year, maturing 5/1/2021
AMORTIZATION	Interest Only	Interest Only
INTEREST RATE	300 bp over 1-mo. LIBOR ( <i>floor rate 4.5%</i> )	350 bp over 1-mo. LIBOR ( <i>floor rate 4.5%</i> )
DEBT SERVICE RESERVE	\$6.3 M (with credit for \$4 M FF&E fund) [can be used to make debt service payments]	Maintain minimum \$4 M FF&E reserve (cannot draw below \$4 M)
PREPAYMENT	No prepayment for 18 months	No prepayment for 6 months
GUARANTOR	None	None
LOAN FEE	50 bp; \$625,000 (3-yrs) +25 bp for each 1-year extension	12.5 bp; \$156,250 (1-yr)

# HILTON LOAN EXTENSION PROCESS

- **Non-recourse refinancing** of \$125 M Hilton Americas–Houston Hotel loan
  - Overall **operating performance metrics** at hotel (avg occupancy, revenues and adjusted EBITDA) significantly stressed over the last 12 months due to COVID.
- 

## **W&D approached broad group of prospective lenders including banks, life insurance companies and debt funds**

- Very limited interest from lenders in providing replacement first mortgage senior debt on non-recourse basis
- Initial indications from a few active lenders being at higher interest rates and/or some component of recourse and additional structure
- Interest from debt funds: non-recourse mezzanine debt behind senior loan (for aggregate loan amounts in excess of \$125 million). However, nearly all were contingent upon extending existing senior loan in place for at least 3-5 years (from AIG or other) and incremental pricing for such mezzanine loan proceeds at or above 12% interest rate.
- Recommend proceeding with AIG refinancing, which provides for up to 5 years duration (including extension options) and prepay flexibility at par after initial 18 months (if market allows and HFC elects to place new permanent financing and/or pay off for any reason).



LYNN WYATT SQUARE FOR THE PERFORMING ARTS



# HOUSTON FIRST BOARD BUSINESS

- B.** Consideration and possible approval of a Construction Services Agreement with Manhattan Construction Company for the construction of Lynn Wyatt Square for the Performing Arts and Owner's Contingency.

**PRESENTER**

**FRANK WILSON**

*Chief Financial Officer*


**HFC BOARD OF DIRECTORS MEETING**

February 25, 2021

**Houstonfirst**

# SELECTION CRITERIA

Evaluation Points

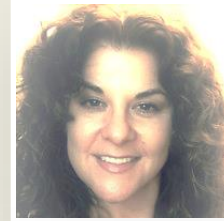
	<b>EVALUATION SCORING</b>	<b>POINTS</b>
	<b>Pricing</b>	<b>35</b>
	<b>Experience &amp; Qualifications</b>	<b>20</b>
	<b>Project Team</b>	<b>10</b>
	<b>Contractors/Suppliers</b>	<b>10</b>
	<b>Project Approach</b>	<b>7</b>
	<b>Diversity Commitment</b>	<b>10</b>
	<b>Safety</b>	<b>4</b>
	<b>Claims History</b>	<b>4</b>
	<b>Interviews</b>	<b>20</b>

# SELECTION COMMITTEE



**ZION ESCOBAR, P.E.**  
*Civil Engineer,  
Executive Director  
Freedman's Town Conservancy*

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**DEYANIRA RODRIGUEZ**  
*Capital Projects Manager  
Houston First Corporation*

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**JAMES HARRISON, AIA**  
*Founding Principal  
Harrison Kornberg*

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**KRISTI GOLLWITZER, P.E.**  
*Urban Development Project Director  
Houston First Corporation*

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**MARIE HOKE FISH, AIA**  
*Project Architect & Urban  
Planner Downtown Redevelopment  
Authority & Central Houston*








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**ROGER HARRIS**  
*(Evaluating Diversity Participation)  
Development Specialist Manager  
Houston First Corporation*

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# SCORE OF PROPOSERS

PROPOSER	SCORE	BID AMOUNT
	578	\$20,888,000
LINBECK	567	\$21,154,779
 	482	\$23,123,323
	480	\$22,650,000
 	457	\$22,983,000
BELLOWS	436	\$28,683,102
STRUCTURA INC.	422	\$17,790,000
	382	\$25,107,419

# RECOMMENDATION:

## MANHATTAN CONSTRUCTION COMPANY

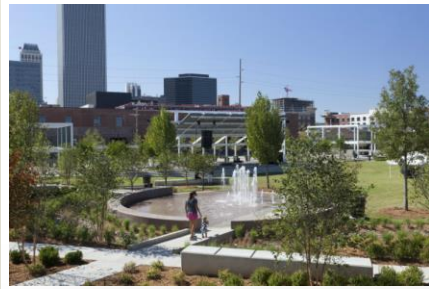


- Scored 1st or 2nd in every category
- Received Maximum Score for Diversity, proposing 41% diversity utilization
- Phasing & Logistics plan will mitigate impacts to the operations on HFC
- Intimately familiar with existing conditions in the garage underneath the plaza
- Estimated project completion: 12 months
- Previous Projects include:
  - Construction of TD Garages
  - Tranquility Park
  - Harris County Criminal Justice Center
  - City Hall Annex
  - Metro Downtown Administration Building
  - Wortham & TD Garages Flood Recovery Project



# RECOMMENDATION:

## MANHATTAN CONSTRUCTION COMPANY



PREVIOUS  
PARK  
PROJECTS

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# MANHATTAN DIVERSITY PARTNERS

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Fountains	<b>Greenscapes</b>	10.30%
Misc Metals	<b>Texas Metal Tech</b>	6.05%
Landscaping	<b>Green Teams</b>	5.95%
Waterproofing	<b>Canalco</b>	5.27%
Electrical	<b>Elec-Net</b>	3.95%
Masonry	<b>Premier Masonry</b>	3.56%
Audio Visual	<b>Ford Av</b>	1.09%
Rough Carpentry	<b>Oxford</b>	0.96%
Structural Steel	<b>A G Welding</b>	0.96%
HVAC	<b>Vista Air</b>	0.89%
Concrete Rebar	<b>TBD</b>	0.69%
Trucking	<b>Gary McGuire</b>	0.67%
Concrete Paving	<b>Skilled Construction Services</b>	0.55%
Plumbing	<b>Chaparrel</b>	0.14%
Doors/Frames/Hardware	<b>Johnson and Powell</b>	0.12%
	<b>TOTAL \$8,595,412</b>	<b>41.15%</b>



# HOUSTON FIRST BOARD BUSINESS

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- C. Consideration and possible approval of increased funding for Manhattan Construction Company and a comparable increase to the guaranteed maximum amount for the continued repair and replacement of damages to the Theater District Parking Garage due to Hurricane Harvey.
- D. Consideration and possible approval of increased funding for Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture, for a task order for additional design services related to the continued repair and replacement of damages to the Wortham Theater and Theater District Parking Garage due to Hurricane Harvey.

## **PRESENTER**

**ROKSAN OKAN-VICK, FAIA**

*Urban Development Officer*

## **HFC BOARD OF DIRECTORS MEETING**

February 25, 2021



# REQUEST: \$550,000

## 1. WHY

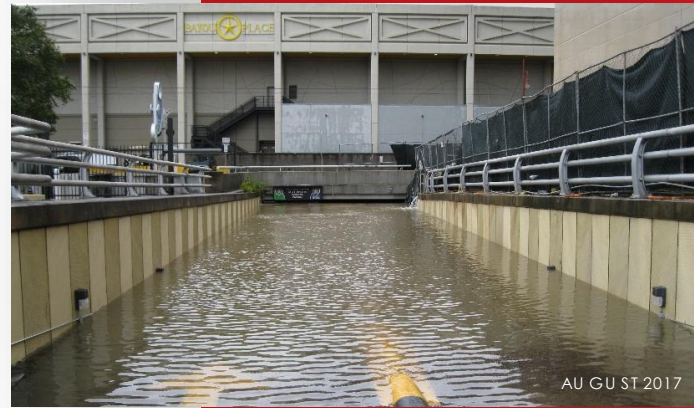
To complete job and close out permit

## 2. WHAT

- Funding of \$420,000 to Manhattan Construction Company for **acquiring, installing** and **testing** a new Type 10, 150KW supplemental emergency generator.
- Funding of \$130,000 to Harrison Kornberg Architects and ARUP for design, documentation and extended construction administration services.

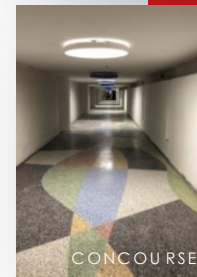
## 3. FEMA reimbursement expected at ~\$423,000

## 4. Amounts are included in the approved 2021 budget.



# PROJECTS STATUS AND STEPS TO CLOSE

1. Wortham permit is closed
2. Not able to close the garage permit with the City — life safety
3. Need to add a new Level-1 emergency generator in the blue garage — supplement
4. New generator — life safety; pass the inspection; add future capacity
5. July completion — Lead 16 weeks; hook-up 2 weeks





# BUDGET STATUS

	2/20/20 Approved \$	2/25/21 Proposed \$	Variance \$
RECOVERY SERVICES	65,170,620	65,170,620	0
PROJECT DESIGN	10,169,083	10,299,083	130,000
PROJECT MANAGEMENT	3,812,583	3,812,583	0
RESTORATION CONSTRUCTION	73,137,524	73,557,524	420,000
<b>TOTAL PROJECT BUDGET</b>	<b>152,289,810</b>	<b>152,839,810</b>	<b>550,000</b>

**\*60%** of the \$550,000 to diverse contractors

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Expected FEMA reimbursement at **\$423,000 (77%)**

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Total FEMA Reimbursement To Date: **\$116,514,000 (77%)**

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