

# MINUTES

## HOUSTON FIRST CORPORATION

**BOARD OF DIRECTORS MEETING**  
**October 4, 2019 – 10:30 A.M.**  
**Partnership Tower, 701 Avenida de las Americas, Ste. 200**  
**Houston, Texas 77010**  
**HFC BOARD ROOM**

*The Board of Directors ("Board") of Houston First Corporation (the "Corporation" or "HFC"), a Texas local corporation created and organized by the City of Houston as a local government corporation pursuant to TEX. TRANSP. CODE ANN. §431.101 et seq. and TEX LOC. GOV'T. CODE ANN. §394.001 et seq., held a meeting at Partnership Tower, 701 Avenida de las Americas, Houston, Harris County, Texas, 77010, on Friday, October 4, 2019, commencing at 10:30 a.m.*

*Written notice of the meeting including the date, hour, place and agenda for the meeting was posted in accordance with the Texas Open Meetings Act.*

*The following Board members participated in the meeting: David Mincberg (Chair), Ryan Martin, Reginald Martin, Alex Brennan-Martin, Tom Segesta, Bobby Singh, Gerald Womack, Jay Zeidman, and Council Member David Robinson, Ex-officio*

The Chairman of the Board called the meeting to order at 10:35 a.m. and a quorum was established.

1. **Public Comments.** None.
2. **Review and approval of minutes from prior meeting.** Following a motion duly seconded, the meeting minutes of September 26, 2019 were approved as presented.
3. **Board Business.**
  - A. **Consideration and possible approval of a Loan Broker Agreement for the Hilton Americas-Houston Hotel.**

Mitch Miskowski briefly discussed the selection process for a loan broker at the Hilton Americas-Houston Hotel ("Hotel"). According to Mr. Miskowski, over twenty companies attended the pre-bid meeting and HFC received a total of four proposals. The firm that received the highest score was Walker & Dunlop, Inc. The selection committee determined that Walker & Dunlop, Inc. provided the best value and also noted that their leadership team has previously worked with HFC and the Hotel.

Prior to a motion being made for discussion, Chairman Mincberg recused himself and left the meeting.

Frank Wilson informed the Committee that the fee under the contract will be \$200,000.

Jay Zeidman asked why there is a 15% diversity goal set for this project and what services the subcontractor will provide. Roger Harris explained there was little data to compare similar contracts, but he's confident there are some contracting opportunities. All proposers submitted their diversity participation, except one certified firm that proposed a subcontractor located out-of-state.

Ryan Martin asked why this item was brought before the HFC Board if the value of the contract is below the \$250,000 threshold established in the Procurement Manual and can be approved by Brenda Bazan. Staff explained that a request was made for a best-and-final offer not to exceed \$250,000 prior to the meeting being set so the value had not yet been determined. Additionally, the item was presented to the Board in order to be more transparent.

Gerald Womack commented that just because the price is lower does not mean that it is the right firm for the job and Mr. Harris stated that the team at Walker & Dunlop previously provided services to the Hotel.

Bobby Singh asked if all proposers agreed to meet the 15% diversity goal for the contract and also asked Mr. Harris to specify the services the subcontractor will provide. Mr. Harris explained that it is not upon HFC to advise the subcontractor on the type of services they will provide, but the determination should be made between the contractor and subcontractor.

Gerald Womack informed the Board that he is familiar with the work of the subcontractor hired and stated that the firm is well qualified to perform the work.

Bobby Singh commented that the HFC Board should be aware of the subcontractor's responsibilities as it provides more insight into the company's capabilities because those questions are asked of HFC Board Members.

Reginald Martin stated he is concerned with the arbitrary nature of the diversity goal set and wants to make sure HFC is engaging the right people. He further commented that HFC staff should do a better job of distinguishing the role of diverse subcontractors under our service contracts. Frank Wilson stated that HFC actively seeks to hire qualified firms and requires that all subcontractors have a meaningful role under each contract. Mr. Martin commented that HFC staff should define the role of subcontractors prior to the scoring process.

Brenda Bazan acknowledged the comments of the Board Members and stated HFC staff will go back and review the solicitation process to address the comments made. She also agreed with the sentiments of the Board that the item should be removed from the agenda.

Ryan Martin stated a lot of thought went into creating the HFC Procurement Manual and the thresholds so it's important to adhere to the process.

Desrye Morgan stated HFC staff should reach out to the Board, as needed, during the procurement process because Board Members can provide a lot of industry knowledge.

Bobby Singh also commented as a small business owner, he can relate to businesses seeking opportunities to work with a national team and grow their business. He further stated it's not only about the money, but also the references and positioning. He also thanked HFC staff for being transparent.

Roger Harris stated HFC staff does not take its commitment to diversity lightly and explained that he and his team will monitor the status of the contract to ensure the subcontractor is engaged.

The Chairman of the Board was absent for the entire discussion. No action was taken.

B. Consideration and possible approval of a subvention for the Lutheran Church Missouri Synod 2022 Convention.

Cindy Decker gave a brief presentation on the Lutheran Church Missouri Synod 2022 Youth Revival. Ms. Decker stated that the convention has an expected daily attendance of 25,000 attendees with 40,142 total hotel room nights and an estimated economic impact of \$13.4 million to the City. Since there are a number of requirements related to transportation and concessions given the nature of the event, HFC staff is requesting a subvention in an amount not to exceed \$1 million. According to Ms. Decker, all, if not a majority of the event expenses, less approximately \$210,000, will be reimbursed through the State Event Trust Fund.

Following a motion duly seconded, a subvention for the Lutheran Church Missouri Synod 2022 Convention was approved unanimously.

C. Consideration and possible approval of a Parks Naming Rights Policy for various parks managed by Houston First Corporation and its application to Houston's Theater District Square.

Roksan Okan-Vick stated that HFC stewards several park spaces in downtown Houston, Texas and per an exception in the City's Parks Naming Rights Policy, HFC has the opportunity to adopt its own naming rights policy. She further explained that this endeavor is very timely given the upcoming presentation in the Theater District.

Ms. Okan-Vick explained that HFC's Parks Naming Rights Policy is consistent with the Memorial Park Conservancy and the City of Houston's Policy so she is requesting the Board's consideration and approval.

Chairman Minchberg thanked Ms. Okan-Vick, Lisa Hargrove, David Stephenson and all HFC staff that assisted with drafting the policy in such a short amount of time in preparation for Monday's press conference.

Gerald Womack asked what happens if there is another park and a group may not be able to provide a large financial contribution, but is willing to take on the responsibility of preservation of the park. Ms. Okan-Vick stated that such matter

would fall under the authority of the City's Parks Naming Rights Policy. She did however clarify that there will be naming opportunities for interested parties without providing a significant gift under the HFC Parks Naming Rights Policy.

Council Member David Robinson commented that Mayor Turner has taken on an initiative regarding small parks and naming rights that is parallel to the City's community program in order to bring attention to those green spaces that have been neglected, so he may request an update from the administration.

Desrye Morgan asked if there will be future naming opportunities for HFC managed spaces and if there would be a future possibility for a "Martin Park" and Ms. Okan-Vick stated if the space is within HFC's purview, yes. She further explained that the policy addresses park spaces, but that does not mean it cannot be expanded overtime.

Following a motion duly seconded, a Parks Naming Rights policy for parks managed by Houston First Corporation and its application to Houston's Theater District Square was approved unanimously.

- D. Consideration and possible approval of an agreement with Brivic Media, Inc. for Media Buying Services. Chairman Minckberg recognized Holly Clapham-Rosenow for being named a Houston Business Journal "2019 Women Who Mean Business" Honoree.

Ms. Clapham-Rosenow thanked the HFC Board and provided a brief overview of the Media Buying Services solicitation. She explained that media brokerage buying services are a pass through and the firm selected, Brivic Media, Inc., provided the lowest bid with the second-place firm coming in \$150,000 more. Brivic Media also have over twenty years of experience in the industry and works with a number of high-profile clients. She further explained that HFC made good faith efforts to secure a minority partner, but no minority firms responded to the solicitation.

Brenda Bazan commented that Brivic Media was also recognized by the Houston Business Journal as a "Top 25 Women-Owned Business."

Gerald Womack stated he didn't receive anything from HFC staff regarding the issuance of this RFP and he cannot support a contract with a five-year term and no diversity participation. He further explained HFC is spending too much money on marketing and not reaching out to minority businesses. According to Mr. Womack, there is no way that HFC staff is unable to find any African-American or Hispanic person able to provide services under this contract.

Reginald Martin thanked Holly and her team for their efforts and informed the Board that this contract is a \$ 4 million ad-buy and further stated that if HFC is not spending the money on the front end, it is important that it does so on the back end.

Desrye Morgan stated that HFC staff has to reach out to the Board when these unique opportunities come up and commented that she is willing to help in whatever way she can.

Jay Zeidman commented that the Board is not there to micromanage staff and stated that Holly has done a great job as outlined in the diversity participation updates provided by Roger Harris. Mr. Harris reminded the Board of the corporate-wide diversity goal and stated that not every contract will have a diversity component.

Ryan Martin stated that HFC has just defined the role of the DMO while reducing the marketing budget so it is important for the company to determine what can be done under current restraints. He also noted that diversity participation is based on a "good faith" standard so what is most important is that HFC achieves the aggregate goal for diversity participation.

Bobby Singh stated in working closely with Holly as Co-Chair, there are many solicitations issued by the Marketing Department where the work is such that it is not divisible or would not provide meaningful work for diversity participants so the Board has to trust the process in order to ensure we have the most competent and qualified firm for the job.

Frank Wilson directed attention to a timeline for issuance of the solicitation. He further explained that Board Members are notified via email when a solicitation is issued in order to garner support in spreading the word to interested firms.

Ms. Clapham-Rosenow assured the Board that she did all she could to find a diversity partner and made several calls, but determined there were no certified firms because the program does not benefit ad agencies, fashion designers, etc. She also stated she was shocked that Brivic Media agreed to the terms of a five-year agreement because rates generally go up 5-7% annually. Ms. Clapham-Rosenow stated she is proud of the work she and her team have done to reach different audiences.

Following a motion duly seconded, an agreement with Brivic Media, Inc. for Media Buying Services was approved with two opposed dissents.

E. Consideration and possible endorsement of a sponsorship for the 2026 FIFA World Cup.

Michael Heckman briefly discussed the 2026 FIFA World Cup. Mr. Heckman stated that the U.S., Mexico, and Canada worked together to win the bid to host the FIFA World Cup in 2026, however, it has not been determined which cities will host the soccer matches. A total of ten U.S. cities will be selected and the City of Houston is competing to be a host city. Mr. Heckman further explained that economic impact to the City is expected to be in the hundreds of millions. Houston is a strong contender having hosted a number of large soccer matches in the past such as the Copa America, but the World Cup Bid Committee has requested sponsorship support. In total, the effort to secure a bid to host the World Cup ranges between \$1.5 and \$2 million. The request of HFC is for a sponsorship in the amount of \$100,000 with \$50,000 to be paid in 2019 and the remaining \$50,000 to be paid in 2020. The Harris County - Houston Sports Authority and Houston Dynamo have both contributed funding and, as the DMO, it is imperative for HFC to additionally contribute. Brenda Bazan will serve on the Board of the Executive Committee.

Council Member David Robinson asked if the amount requested was the same for other competing cities and Mr. Heckman stated that the amount requested is a local effort as the City of Houston has submitted a very strong bid, but we have to do more to convince FIFA that Houston should be a host city.

There was some discussion as to whether or not HFC would be asked to contribute additional funds at a later date.

Mr. Heckman also informed the Board that John Arnold is the Chair of the World Cup Bid Committee. He further explained that he will work collaboratively with the Bid Committee and Ms. Bazan to make sure Houston puts its best foot forward.

Ryan Martin commented that he liked the model created during the Super Bowl and WPC that gives HFC and its President & CEO a Board seat with the organizing committee.

Jay Zeidman commented that several Board Members have met with the World Cup Bid Committee and it is very well organized.

Following a motion duly seconded, a sponsorship for the 2026 FIFA World Cup was approved unanimously.

6. **Adjournment**. The meeting was adjourned at 11:34 a.m.