

# MINUTES

## HOUSTON FIRST CORPORATION

**BOARD OF DIRECTORS MEETING**  
**September 21, 2023 – 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, September 21, 2023, 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 Mincberg (Chair), Sofia Adrogué, Reginald Martin, Alex Brennan-Martin, Paul Puente, Tom Segesta, Jay Zeidman, Mayor Pro Tem Dave Martin, Ex-officio, and Council Member Robert Gallegos, Ex-officio.*

I. **Call to Order.** – The Chairman called the meeting to order at 3:08 p.m., and a quorum was established.

II. **Public Comments.**

Mark Grady, Business Agent Local 51, International Alliance of Theatrical Stage Employees (IATSE), updated Board Members on an agreement reached with Staging Solutions, Inc. He announced that IATSE is currently organizing several venues managed by Houston First Corporation (HFC) and is working through a contract with The Foundation for Jones Hall and is in similar negotiations with the Wortham Center Operating Company. He added that IATSE is conversing with HFC staff at Miller Outdoor Theatre.

Paul Puente, Board Member, thanked Mr. Grady for attending the meeting.

Next to address the Board was Joaquin Martinez, Board Member for the Mariachi Festival, a non-profit founded in 2019, which focuses on Hispanic culture with a mission to promote Hispanic culture through the arts and purposed with starting Mariachi and Folklorico groups in the City of Houston. He thanked HFC for partnering with his organization. He announced that this year’s Festival consisted of a three-day event, each day of which was sold out. Mr. Martinez asked the Board to continue supporting Hispanic events in the future and would like assistance with having the Mariachi Festival during Hispanic

Heritage month in 2024. He stated the next step is to bring visitors to Houston for this event and he would appreciate HFC's support in achieving this goal.

Mayor Pro Tem Martin, Board Member, thanked Mr. Martinez for his leadership with the Mariachi Festival. Council Member Robert Gallegos, Board Member, agreed that HFC should continue to support the Mariachi Festival as well as other Latino events and also thanked Mr. Martinez for his leadership.

Paul Puente, Board Member, attended the events on Friday and Sunday and stated that there was a high level of attendance, inclusive of students from local high schools who are learning Mariachi music.

Chairman David Minberg encouraged Mr. Martinez to return for further discussions with specifics as to how HFC can provide support with future events and congratulated him on a very successful event.

**III. Review and approval of minutes from prior meeting.** – Following a duly seconded motion, the August 3, 2023, minutes were approved as presented.

**IV. Presentations, Reports, and Updates.**

**A. Houston First Chairman's Report**

Chairman Minberg thanked all those who attended the Lynn Wyatt Square Grand Opening this morning. He stated the event was an enormous success.

Mr. Minberg informed Board Members that the Montrose Bridge lighting project will be discussed at a future Board meeting to determine HFC's commitment to the project.

Finally, he announced that HFC is contacting all Mayoral candidates to introduce them to HFC and provide a briefing on the organization.

**B. Houston First President & CEO's Report**

President and CEO, Michael Heckman, expressed gratitude for the hard work and dedication of management and staff involved in the Lynn Wyatt Square project and grand opening.

Management held a Destination Strategies and Insights meeting recently with over one hundred hoteliers in attendance. HFC provided an overview of 2023 and a look at what is anticipated in 2024, as well as marketing, sales, and tourism reports. Mr. Heckman emphasized the great feedback and announced another meeting will be held in January 2024.

Senior Vice President Sales & Client Services, John Solis, reported that through August 2023, definite bookings have improved compared to this same period in 2019. Meetings are at 384 compared to 268 in 2019 which is a 40% increase. Room nights are 284,000 compared to 394,000 in 2019 which is due to smaller meetings. He added that 82% of these definite bookings are made up of corporate and national association business, with the majority of the events booked within a twenty-four-month window.

Mr. Solis illustrated the tentative production which includes businesses that have shown an interest in Houston. There are 1,629 potential meetings with 2,870,255 room nights in 2023 compared to 1,250 meetings and 2,278,448 room nights in 2019. This equates to a 30% increase in meetings and a 26% increase in room nights.

Mr. Solis reported that site and planning meetings in 2023 are on par or have exceeded those in 2019. He indicated that through August 2023, hosted meetings will surpass all of 2022 and will exceed 85% of 2019, which is a very positive gain. The expectation is to be back at 2019 numbers in 2024.

Mr. Solis identified the key numbers of definite meetings for 2023 and 2024. In 2023, there will be 29 meetings, 368,241 total room nights and 28 meetings with 327,156 total room nights in 2024.

Mr. Heckman recognized the HFC team for a successful 2028 Republican National Convention (RNC) bid. He stated that the process touched almost every department. Mr. Heckman acknowledged Nathan Tollett, Vice President Citywide Convention Sales, as the point person and congratulated him on his hard work and for taking the lead on the bid process. He boasted that the RNC stated it was the best site visit it has ever seen.

Frank Wilson, Chief Financial Officer, reported on financials through August 31, 2023. He stated, with the exception of the underperformance of Avenida Parking, all major revenues continue to outperform budget through August. The highest overperforming major revenues are Hotel Occupancy Tax Collections by 11.6%, GRB Food and Beverage by 27.2%, and Parking Revenue – Theater District by 25.6%. He added that Hilton Americas Net Cash is \$3 million or 10.3% better than budget.

Mr. Wilson also reported that three of the major expenses were performing over budget, each of which is related to an increased activity at the George R. Brown Convention Center and a very busy summer. He added that the three largest favorable variances in major expenses are Personnel, Security Contract, and Building Maintenance Contract.

He stated that Total Revenues exceed Total Expenses by \$29.4 million through August 31<sup>st</sup>, which is primarily driven by the \$21.6 million favorable revenue variance to budget.

Todd Holloman, Vice President Venues and Live Events, reported on previous events on the Avenida which included Optik, a temporary art installation which was displayed from July 4th to September 4th, and the National Urban League Community Day held on July 29th. He also presented upcoming events at Lynn Wyatt Square, including Sip and Share at the Square beginning September 29th, FARE in the Square beginning October 3rd, and Mimosas and Music beginning October 1st. Events happening later in the year include City Lights – Avenida Houston from November 18th through December 17th and City Lights – Theater District beginning November 17th, as well as the Annual Christmas Tree Lighting Ceremony on November 22nd at the Wortham.

Paul Puente, Board Member, inquired about the status of the search for a restaurant at Lynn Wyatt Square. Mr. Heckman responded that no bids have been received, but there will be food trucks and vendors until a restaurant is selected.

Council Member Robert Gallegos asked about the areas included in City Lights. Mr. Holloman responded that City Lights is being done in partnership with the Downtown Management District and Central Houston and the areas will include Hermann Square and Bagby Street. Council Member Gallegos suggested the possibility that City Lights coincide with the Dia de Los Muertos Parade downtown. Mr. Heckman recommended he reach out to the Downtown Management District to discuss that possibility.

Mr. Heckman informed Board Members that HFC is currently in the CY24 Strategy and Budget Planning process, with reports to be presented in the November Committee and Board meetings. He also stated that the Tourism Summit, which has been reimagined and will now be known as Collaborate Houston, will launch in November 2023. Board Member Reggie Martin asked that HFC partner with Houston Hospitality Alliance (HHA) for Collaborate Houston. Michael said he would have Jorge Franz, Senior Vice President Tourism and Industry Relations, reach out to him.

Mr. Heckman reminded the Board that State of the City will be held October 27, 2023. Mayor Sylvester Turner will discuss the Convention District transformation, as well as other developments.

## **V. Board Business**

- A. Consideration and possible approval of matters relating to Jones Hall for the Performing Arts: (i) pre-approval of certain 2024 capital projects as well as authorizing the expenditure of such funds and procurement of such projects and (ii) authorizing the issuance of task orders to Page Southerland Page, Inc. for design services related to such projects.

Items V.A., V.B., and V.C. were taken out of order and were presented immediately following Item III.

Luther Villagomez, Chief Operating Officer, informed the Board that the Operations Committee unanimously approved the pre-approval of the procurement and design services for certain capital projects for Jones Hall in the amount of \$3.8 million. These new projects are in conjunction with work that The Foundation for Jones Hall is doing; therefore, it's a proactive approach to get the work done in the early design phase to allow for completion in early 2024.

John Gonzalez, Sr. Vice President and General Manager – GRB, stated that a comprehensive facility condition assessment was conducted which resulted in the recommendation that the project include design, lighting, electrical, and plumbing work. The potential projected cost is \$3.8 million. Design services will begin in Fall 2023 with projects to be bid in early 2024 and the work to be scheduled and completed Spring – Fall 2024.

John Mangum, Executive Director/CEO and Margaret Alkek Williams, Chair of the Houston Symphony, thanked HFC for the investment in Jones Hall with the

replacement of the glass elevator and the roof, as well as several other smaller upgrades and improvements. He stated that he is appreciative of the investment already made and for the proposed additional investments.

Alex Brennan-Martin, Board Member and Committee Member of the Operations Committee, informed the Board Members that the Operations Committee fully supported this item.

Following a duly seconded motion, matters relating to Jones Hall for the Performing Arts: (i) pre-approval of certain 2024 capital projects as well as authorizing the expenditure of such funds and procurement of such projects and (ii) authorizing the issuance of task orders to Page Southerland Page, Inc. for design services related to such projects was approved unanimously.

**B. Consideration and possible approval of an Amended Funding Agreement between Houston First Corporation and The Foundation for Jones Hall.**

Mr. Heckman reminded Committee Members that the City of Houston had given \$2.5 million in funding to The Foundation for Jones Hall through an Interlocal Agreement with Houston First in October 2022. City Council approved a First Amendment to the Interlocal Agreement to give an additional \$2.7 million, which requires approval of an Amended Funding Agreement between HFC and The Foundation for Jones Hall.

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

**C. Consideration and possible approval of additional funding for the Hilton Americas-Houston Hotel Roof Project with Chamberlin Houston, LLC.**

Roksan Okan-Vick, Urban Development Officer, reported that the sixth-floor roof was completed as an overlay project in 2022. Ms. Okan-Vick explained that testing for uplift was required for the remaining higher-level roofs on levels 8, 18, 20, 25, and 26 before overlay could begin. The roofs were tested, and eighty-eight percent of the roof membranes failed. Ms. Okan-Vick stated that FM Global confirmed that a full replacement of the roof would be required for these higher-level roofs due to the high percentage of failure. Ms. Okan-Vick informed Board Members that a significant change to the work was required which results in additional funding for the project in the amount of \$2,456,056 plus a ten percent contingency of \$245,606, totaling \$2,701,662. This additional funding would come from fiscal year 2023. She added that the project is expected to be completed March 1, 2024, which is just before the insurance renewal date of May 1, 2024, and will result in a significant decrease in premium.

Paul Puente, Board Member, shared that he addressed concerns during the Operations Committee meeting about this being a significant change order to the

roof project and that the item had been passed by the committee after further discussion.

Following a duly seconded motion, additional funding for the Hilton Americas-Houston Hotel Roof Project with Chamberlin Houston, LLC was approved unanimously.

**VI. Adjourn.** The meeting adjourned at 4:19 p.m.