

MINUTES

HOUSTON FIRST CORPORATION

HOTEL COMMITTEE
December 17, 2018 – 2:00 P.M.
Hilton Americas-Houston, Room 344
1600 Lamar Street, Houston, Texas 77010

The Hotel Committee ("Committee") of Houston First Corporation (the "Corporation" or "HFC"), a Texas local corporation created and organized by the City of Houston as a local government corporation pursuant to TEX. TRANSP. CODE ANN. §431.101 et seq. and TEX LOC. GOVT. CODE ANN. §394.001 et seq., posted a meeting at the Hilton Americas-Houston Hotel, Room 344, 1600 Lamar Street, Houston, Texas 77010, on Monday, December 17, 2018, commencing at 2:00 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 Hotel Committee members were present for the meeting: David Solomon (Chair), Katy Caldwell (Vice Chair), David Minberg, and George DeMontrond.

The meeting was called to order at 2:13 p.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 November 9, 2018 were approved as presented.
3. **Presentations and Reports.**
 - A. **Houston First Report.** The Committee Chair announced that no report would be presented.
 - B. **Hilton Americas-Houston General Manager Report.** Jacques D'Rovencourt, General Manager of the Hilton Americas-Houston Hotel ("Hotel"), gave the General Manager Report.

Mr. D'Rovencourt announced that transient room-night production as well as food and beverage sales are strong. The Hotel is expected to finish the year with the second best year in revenues thus far and the third best year in net operating income.

He further explained that the Hotel's success this year was due to in-house business, a large number of city-wide events, and an increase in transient business

due to events in downtown Houston, such as the Rockets, Astros, and concerts at the Toyota Center.

David Solomon congratulated Mr. D'Rovencourt and Hotel staff on an exceptional year and thanked them for a job well done.

Mr. Solomon asked if HFC planned to report the information presented to the public to show the success of the Hotel in the aftermath of Hurricane Harvey.

Frank Wilson, Chief Financial Officer, explained that he gave a report to City Council that included, among other items, the financial performance of the Hilton.

Brenda Bazan, President & CEO, explained that HFC continues to work with the media and an organizational goal for the upcoming year is a public relations initiative that will inform the public about the great work done by HFC.

Mr. D'Rovencourt introduced Cynthia Mondragon, Director of Revenue from the Hotel, who discussed market share year-to-date. She stated that the Hotel continues to perform well and remains competitive.

David Solomon asked if there are any areas of improvement for the Hotel; Mr. D'Rovencourt responded that promotion is always important. He also discussed the strong partnership between HFC and the Hilton.

David Mincberg asked Brenda Bazan to consider including information about the relationship between HFC and the hotel industry in an op-ed written by the Marketing Department. Ms. Bazan acknowledged and expressed her appreciation of the request.

Mr. D'Rovencourt introduced Janice O'Neill-Cox, Director of Sales and Marketing, who provided a group rate update. Ms. O'Neill-Cox stated that she anticipates more groups will continue to book rooms in the short-term.

David Solomon asked how the sales team was handling discussions regarding displacement during the room renovation. Ms. O'Neill-Cox stated that the sales team preferred to have one-on-one conversations with groups that may be impacted by construction. Groups were also able to tour the new model rooms.

Mr. D'Rovencourt concluded the General Manager Report by announcing that the Hotel was #1 on the Big Box report. He is also confident that the Hotel, for the 8th year in a row, will receive the 2018 Award of Excellence that will be announced in March 2019.

4. Committee Business.

A. Consideration and possible recommendation of a Hotel Asset Management Services Agreement with CHMWarnick, LLC.

Mitch Miskowski, Purchasing Agent, discussed the Hotel Asset Management Services solicitation.

HFC received five Statements of Qualifications and the top three firms participated in in-person interviews with the selection committee. The firm with the highest score was CHMWarnick, LLC.

The Committee discussed evaluation criteria, the selection committee, and scoring procedure. Lisa Hargrove, General Counsel, clarified that HFC does not conduct consensus scoring.

Frank Wilson stated that, as a member of the selection committee, he was most impressed with CHMWarnick's experience with civic center hotels and their understanding of private and public owners.

David Solomon suggested that the Committee should consider interviewing the top firms before making a decision. Discussion followed as to what the Committee's options were regarding interviews.

At the conclusion of the discussion, Katy Caldwell made a motion, duly seconded, to table consideration of Item 4A and request an interview with CHMWarnick at the next Committee meeting with a possible recommendation. The motion was approved unanimously.

B. Consideration and possible recommendation of Project Management Agreement for the Hilton Americas-Houston room refurbishment project.

Mitch Miskowski discussed the Project Management solicitation. The selection committee included HFC staff as well as representatives from the Hilton Americas-Houston Hotel.

HFC received eleven proposals and the top two firms, Jones Lang Lasalle (JLL) and Turner Townsend, participated in in-person interviews with the selection committee. The firm with the highest score was JLL.

George DeMontrond asked for detail regarding fees and if the pricing submitted was consistent among proposers. Mr. Miskowski stated generally that pricing was submitted as either a lump-sum or based on hourly rates.

Jacques D'Rovencourt stated that he had no prior experience with JLL as a Project Manager and, as the price proposed was higher than expected, had asked HFC to request a best-and-final offer.

Mr. DeMontrond stated that the Committee needed more information to make an informed decision and Katy Caldwell added that the Hotel Project Manager will play a critical role in the renovation project.

Committee members suggested that firms be on-hand to answer questions in the future.

Katy Caldwell made a motion, duly seconded, to table Item 4B and request an interview with JLL at the next Committee meeting with a possible recommendation. The motion was approved unanimously. David Solomon was not present for the vote.

C. Consideration and possible recommendation of use of the Construction Manager at-Risk (CMAR) method to select the construction for the Hilton Americas Houston Hotel room refurbishment project.

Lisa Hargrove explained that, upon review of various procurement methods available for the Hilton Americas-Houston Hotel room refurbishment project, it was determined that the Construction Manager-at-Risk method would be best suited for the project, rather than the low-bid method.

HFC must approve the Construction Manager-at-Risk method for the construction project before the solicitation is advertised.

Katy Caldwell made a motion to recommend use of the Construction Manager-at-Risk method to select a construction manager for the Hilton Americas-Houston Hotel room refurbishment project. The motion was duly seconded and approved unanimously.

5. Adjournment. The meeting was adjourned at 3:08 p.m.