

AGENDA

HOUSTON FIRST CORPORATION

**JOINT MEETING OF
HOTEL COMMITTEE AND BENEFITS, COMPENSATION & FINANCE COMMITTEE
February 14, 2023 – 8:00 A.M.
Partnership Tower, 701 Avenida de las Americas, Suite 200
Houston, Texas 77010
HOUSTON FIRST BOARD ROOM**

HOTEL COMMITTEE MEMBERS:

Nicki Keenan (Chair), Ryan Martin (Vice-Chair), George DeMontrond, David Mincborg, Paul Puente

Benefits, Compensation, and Finance Committee:

Alex Brennan-Martin (Chair), Jay Zeidman (Vice-Chair), Sofia Adrogué, John Johnson, Mayor Pro-Tem Dave Martin, Ryan Martin, David Mincborg

In accordance with the Texas Open Meetings Act, this Agenda is posted for public information, at all times, for at least 72 hours preceding the scheduled time of the meeting on the bulletin board located on the exterior wall of the Houston City Hall building, located at 901 Bagby. The Agenda is also available online at <https://www.houstonfirst.com>.

To reserve time to appear, come to the meeting at least ten minutes prior to the scheduled public session shown on the Agenda.

Any questions regarding this Agenda, or requests for special needs assistance, should be directed to Lisa K. Hargrove, General Counsel, by phone at 713.853.8965 or by email at Lisa.Hargrove@houstonfirst.com

- I. **Call to Order**
- II. **Public Comments**
- III. **Minutes** – Hotel Committee Meeting – November 1, 2022
Benefits, Compensation, and Finance Committee – November 9, 2022
- IV. **Committee Business**
 - A. Consideration and possible recommendation of a loan from Equitable Financial Life Insurance Company for the Hilton Americas-Houston Hotel to be secured by a deed of trust lien against the Hilton-Americas Houston Hotel and Avenida South Garage.

- B. Consideration and possible recommendation of additional Design Services with Gensler and the issuance of a new job order with Chamberlin Houston, LLC for the Hilton Americas-Houston Hotel Roof Overlay Project and for a waterproofing project for the Hotel's loading dock.

V. Presentations, Reports, and Updates

- A. Financial Report

VI. Adjourn

III. Minutes – November 1, 2022

MINUTES

HOUSTON FIRST CORPORATION

HOTEL COMMITTEE
November 1, 2022 – 8:30 A.M.
Partnership Tower, 701 Avenida de las Americas, Suite 200
Houston, Texas 77010
HFC Board Room

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. GOV’T. CODE ANN. §394.001 et seq., posted a meeting at Partnership Tower, 701 Avenida de las Americas, Houston, Harris County, Texas, 77010, on Tuesday, November 1, 2022, commencing at 8:30 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 Committee Members were present for the meeting: Nicki Keenan (Chair), Ryan Martin (Vice-Chair), George DeMontrond, and Paul Puente.

1. **Call to Order.** The Chair called the meeting to order at 8:37 a.m., and a quorum of Committee Members was established.
2. **Public Comments.** None
3. **Review and approval of minutes from prior meeting.** Following a motion duly seconded, June 23, 2022, meeting minutes were approved as presented.
4. **Committee Business.**
 - A. **Consideration and possible recommendation of the 2023 Hilton Americas-Houston Hotel Budget.**

Jacques D’Rovencourt, General Manager of the Hilton Americas-Houston Hotel (Hotel), mentioned a new mural on the south side of the Hotel named Fight or Flight. The mural is one of nine art-scale works displayed around downtown Houston, which address climate change, green energy, innovation, human rights, education for all, and social equity.

Mr. D’Rovencourt reported on the 2022 Forecast vs. the 2022 Budget. Mr. D’Rovencourt forecasted total revenues at approximately \$12.8 million over budget and total expenses at roughly \$2.2 million over budget resulting in a net income of about \$10.2 million over



budget. He also forecasted an average room rate of \$13.95 over budget and RevPAR of \$7.32 over budget.

Mr. D'Rovencourt compared the 2022 Forecast to the 2019 Actual, which is the benchmark. Total actual revenues for 2019 are approximately \$4.4 million over the 2022 forecast, and actual expenses for 2019 are roughly \$8.7 million over the 2022 forecast, with substantial net income for 2019 at approximately \$4.2 million under the 2022 forecast. He added that the actual average room rate for 2019 was \$20.32 under the 2022 forecast. RevPAR is forecasted at -\$8.33 for 2022.

Cynthia Mondragon, Director of Revenue Management, reported that ADR Year-to-Date Comp Set is 209.39 with an Index of 101.5 and RevPAR Year-to-Date Comp Set is 112.92 with an Index of 100.5.

Mr. D'Rovencourt informed the Committee Members that the roof project over the Grand Ballroom area, which began in early October 2022, is nearing completion.

Mr. D'Rovencourt reported on the 2023 Budget vs. the 2022 Forecast. He stated that total revenues for 2023 are \$10,573,463 over the 2022 forecast, total expenses for 2023 are \$6,929,104 over the 2022 forecast, and net income for 2023 is \$2,554,626 over the 2022 forecast.

Mr. D'Rovencourt also reported on the 2023 Budget vs. 2019 Actuals, as a baseline, for comparison. He stated that total revenues for 2023 are \$6,123,217 over 2019 actuals: total expenses for 2023 are \$-1,791,602 under 2019 actuals, and net income for 2023 is \$7,315,373 over the 2022 forecast.

Ms. Mondragon then reported the 2023 industry forecasts and stated that in 2023 the industry would be at 106.5% recovery of 2019, driven by the average rate of 112% in 2019. In addition, she said that year-over-year, RevPAR is up at 13.7% versus the average of 11.6% forecasted.

Jason Monroe, Director of Sales, identified budget assumptions for Group business: SMERF (Social, Military, Educational, Religious, Fraternal) will be down in room nights to 2019 and 2022 but up in rate by 16% to 2022, but company meetings will continue to drive recovery, and convention association will reach 2019 percentages.

Mr. Monroe continued with the budget assumptions for transient business. He stated that quick RevPAR recovery is budgeted at 109.3% compared to 2019 and is driven by an average rate of 119.1%.

Deanne Kelly, Hotel Manager, stated that the 2023 Capital Budget includes a Roof replacement, a Hotel/meeting room internet refresh, a Hotel public spaces sound system upgrade, a Waterproof/seal loading dock, Mechanical upgrades, and Department operational equipment.

The 2023 Hilton Americas-Houston Hotel Budget was approved as presented following a motion duly seconded.

Adjourn. The meeting adjourned at 9:20 a.m.

III. Minutes – November 9, 2022

MINUTES

HOUSTON FIRST CORPORATION

BENEFITS, COMPENSATION, AND FINANCE COMMITTEE
November 9, 2022 – 11:30 A.M.
George R. Brown Convention Center, 3rd Floor Executive Board Room
1001 Avenida de las Americas
Houston, Texas 77010

The Benefits, Compensation, and Finance 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. GOV’T. CODE ANN. §394.001 et seq., held a meeting at George R. Brown Convention Center, 3rd Floor Executive Board Room, 1001 Avenida de las Americas, Houston, Harris County, Texas 77010 on Wednesday, November 9, 2022, at 11:30 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 Committee Members were present for the meeting: Alex Brennan-Martin (Chair), Jay Zeidman (Vice-Chair), Sofia Adrogué, Mayor Pro-Tem Dave Martin, and Ryan Martin.

1. **Call to order**. The Chairman called the meeting to order at 11:39 a.m. and a quorum was established.
2. **Public Comments**. None.
3. **Review and approval of minutes from prior meeting**. Following a motion duly seconded, the minutes of October 20, 2022, were approved as presented.
4. **Presentations, Reports, and Updates**
 - A. **Consideration and possible recommendation of the annual election of Officers pursuant to the Houston First Corporation Bylaws.**
 - i. Michael Heckman, President & CEO
 - ii. Frank Wilson, Treasurer
 - iii. Lisa Hargrove, Secretary
 - iv. Frank Wilson, Investment Officer

Lisa Hargrove, General Counsel, informed the Committee Members that they are presented with a slate of officers during the November annual corporate meeting for confirmation.

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

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

Michael Heckman, President, and CEO, stated it had been a good budget process through each committee and that Houston First Corporation's ("HFC") operating philosophy is that it has recovered from the pandemic. HFC has overperformed on the budget for 2022 and will deliver a balanced budget for this year. He explained the process, as in previous years, for approving the budget: each committee reviews the strategies and budgets for each portion of the corporation's budget. The entire corporation's budget is then presented to the Benefits, Compensation, and Finance Committee for approval before submission to the Board of Directors for ultimate consideration and approval.

Mr. Heckman reviewed the role of HFC, which is to drive economic impact and demand generation as the Destination Marketing Organization for Houston and create value for numerous stakeholders and businesses that will ripple throughout the community to to impact the entire City positively.

Mr. Heckman highlighted the three strategic pillars: transformational leadership, destination development, revenue diversification, and asset growth. He stated that for departments to spend money on an initiative, it needs to touch one or more of the following value drivers: destination brand/image enhancement, operational efficiency, organizational innovation, exceptional visitor/customer experience, or revenue generation.

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

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

Mr. Heckman identified the priorities for 2023, which include: proliferate Houston's Unified Brand, leverage and capitalize on high-profile events, build upon the success of Houston Week in Mexico, develop a 10-year Destination Development Plan, understand and enhance the 360° visitor experience, continue and improve digital 'smart targeting', increase the use of social media influencers, accelerate long-term city-wide convention sales, attract national impact events, develop annual events that drive economic impact, use the opening of Lynn Wyatt Square as a catalyst, amplify Heritage Month, and develop infrastructure and economic models for TV & film projects.

Mr. Wilson presented the Proposed CY 2023 Budget with Total Revenues budgeted at \$207.6 million, Total Expenses at \$205.9 million, and Revenues in

Excess of Expenses at \$1.6 million. Additionally, Capital Expenditures are at \$29 million based on assumptions.

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

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

Mr. Heckman explained that the Greater Houston Convention & Visitors Bureau ("GHCVB") is forging ahead as a different organization under a new name and mission. He stated that strategic sessions took place with the GHCVB Executive Committee with the outcome resulting in a new mission focusing on three pillars: advocacy, member services, and workforce development. They will serve their members as a hospitality trade association and also wanted to manage its own affairs. The Services Termination Agreement between GHCVB and HFC cleanly and amicably separates the two organizations and allows the GHCVB to hire their own staff and president, at which time HFC will cease staff support.

Following a motion duly seconded, a Services Termination Agreement between Houston First Corporation and Greater Houston Convention & Visitors Bureau was approved unanimously. Mayor Pro-Tem Martin was not present at the time of the vote.

5. **Adjourn** – The meeting adjourned at 1:30 p.m.

V. (A) Consideration and possible recommendation of a loan from Equitable Financial Life Insurance Company for the Hilton Americas-Houston Hotel to be secured by a deed of trust lien against the Hilton-Americas Houston Hotel and Avenida South Garage.

Consideration and possible approval of a loan from Equitable Financial Life Insurance Company for the Hilton Americas-Houston Hotel to be secured by a deed of trust lien against the Hilton-Americas Houston Hotel and Avenida South Garage.

DESCRIPTION: Since May 1, 2013, Houston First Holdings LLC (“HFH”) has had a loan from AIG Asset Management secured by a deed of trust against the Hilton Americas-Houston Hotel and Avenida South Garage. The original loan has been refinanced and extended several times. Presently, the loan is within a period that allows for prepayment of the loan without penalty, and has a maturity of May 1, 2024 (HFH has two one year extension options).

Management has sought new proposals from AIG Asset Management and new lenders as well as considered market conditions, and believes that it is in the best interest of the corporation to prepay and refinance the AIG Asset Management loan with a new loan in an amount not to exceed \$126,500,000 from the Equitable Financial Life Insurance Company. The major commercial terms of the new loan are summarized in Exhibit A attached to this resolution.

RESOLUTIONS

RESOLVED, that Houston First Corporation, individually and in the various capacities reflected below, consummate and cause each other 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 new loan (the “Loan”) from Equitable Financial Life Insurance Company (together with any of its affiliates or other parties as it may designate, herein called “Lender”) substantially on the terms and conditions set forth in Exhibit A attached hereto, with such changes thereto as may be deemed necessary or desirable and approved by the President & CEO of Houston First 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 (and all other property related thereto), and also generally to take all such further and other actions, and execute and deliver such documents, instruments and agreements as may be necessary or desirable in connection therewith; and

FURTHER RESOLVED, that Houston First 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 (the “Transactions”) or that may be required by the Lender or otherwise including, without limitation, loan applications, limited liability company agreements, or amendments thereto and certificates of formation thereof, 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, and certificates, all on such terms and conditions as any Authorized Person (defined below) 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 Houston First 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 President and CEO, Chief Financial Officer and General Counsel of Houston First Corporation is 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 Transactions 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 acts by any Authorized Person, for and on behalf of and in the name of Houston First Corporation (for itself and in the various capacities reflected above) before or following the adoption of the foregoing resolutions, in connection with the 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.

EXHIBIT A

SUMMARY OF TERMS

Borrower: Houston First Holdings LLC

Lender: Equitable Financial Life Insurance Company
(together with any of its affiliates or other parties
as it may designate)

Loan Amount: Not to exceed \$126,500,000

Purpose: Refinance of existing indebtedness

Maturity: 7 years

Interest Rate: Fixed rate equal to 260 basis points over the 7-
year US Treasuries Securities Yield, but in no
event less than _____%

Fees and Deposits: Good Faith deposit (refundable) of \$1,265,000
upon submission of application

\$125,000 commitment fee payable at closing

\$75,000 non-refundable processing fees upon
submission of application

Repayment: Monthly installments of interest only

Prepayment: First two years, no rights to prepay

*Commencing with the third loan year, Borrower
may prepay up to \$25,000,000 with a
prepayment charge of 50 basis points on the
amount of the principal prepaid*

*Prepayment in full during loan years 3, 4 and 5
with payment of prepayment fee of greater of 1%
or Yield Maintenance*

No prepayment fee during years 6 and 7

Guarantor: None

Security:	Hilton Americas Hotel, Avenida South Parking Garage, and related property
FF&E Reserve:	Greater of requirement under the property management agreement (which is presently 4% of gross revenues) or 4% of gross revenues
Financial Covenants:	None. However, if Debt Yield falls to 12% or below for any quarter, a "cash sweep" of excess cash (after payment of all operating expenses, debt service and management fees) is implemented and remains in effect until Debt Yield of 20% is achieved for two consecutive quarters

V. (B) Consideration and possible recommendation of additional Design Services with Gensler and the issuance of a new job order with Chamberlin Houston, LLC for the Hilton Americas-Houston Hotel Roof Overlay Project and for a waterproofing project for the Hotel's loading dock.

Consideration and possible approval of additional design services with Gensler and the issuance of a new job order with Chamberlin Houston, LLC for the Hilton Americas-Houston Hotel Roof Overlay Project and for a waterproofing project for the Hotel's loading dock.

BACKGROUND – SIXTH FLOOR BALLROOM PROJECT:

In 2021, AFM, property insurance carrier for the Hilton Americas-Houston Hotel (the "Hotel"), issued a report concluding that the roof covers for the Hotel must be replaced with an approved new product. Until this work was performed, AFM would only provide property coverage with a five percent deductible. Upon completion, the deductible would be reduced to three percent.

Hilton Management engaged Gensler to create architectural drawings for the Sixth Floor Ballroom Roof Overlay Project (the "Project"). Gensler architect Robert Tai informed HFC management that it was imperative that all roofs at the Hotel be completed by one roofing contractor so as to have a consistent warranty. In June 2022, in order to initiate work for the Project and be able to utilize the same contractor for the remainder of the work, Chamberlin Houston, LLC (Chamberlin) was engaged utilizing a Texas cooperative purchasing agreement.

Recently, AFM has approved the completion of the sixth floor ballroom roof overlay work. HFC has requested a reduction in the property insurance deductible for the Hotel since the sixth floor ballroom roof comprises the bulk of the Hilton roof systems.

NEW PROJECT – CONTINUED ROOF OVERLAY OVER REMAINING HILTON ROOFS:

For 2023, the Hotel budgeted for the completion of the roof overlay project to include both the completion of the design work by Gensler and the issuance of a new job order to Chamberlain for the actual work itself. Chamberlin will be responsible to furnish all labor, materials, equipment, services, insurance, and supervision for a complete roof overlay on the remaining roofs. Chamberlin is also being asked to complete a small waterproofing project for the Hotel's loading dock. The total not to exceed cost for the design services, roof overlay project and waterproofing job, inclusive of a contingency is \$2,020,000 (\$1,900,000 for the roof overlay project and \$120,000 for the waterproofing job).

The Diversity Goal for Chamberlin's work at the Hotel remains at 25%.

RESOLVED, that the Board of Directors of Houston First Corporation approves the following resolutions based upon the above parameters:

RESOLVED, that the Board of Directors of Houston First Corporation hereby approves and authorizes additional design services with Gensler and the issuance of a new job order with Chamberlin Houston, LLC for the Hilton Americas-Houston Hotel Roof Overlay Project, inclusive of a waterproofing project for the Hotel's load dock for a total not to exceed amount of \$2,020,000, inclusive of a contingency, in accordance with the above parameters, together with such conditions or modifications that are approved by the President and CEO, as he may determine to be in the best interest of Houston First Corporation and to execute such agreements, job orders or task orders as may be necessary to effectuate the totality of the work (the "Instruments"); the President and CEO hereby is, without the necessity for joinder of any other person, authorized, empowered and directed for and on behalf of Houston First Corporation to execute and deliver the Instruments in a form as approved by the President, or any Authorized Person (defined

below), such approval to be conclusively established by the execution and delivery of the Instruments by any Authorized Person; and

FURTHER RESOLVED, that both the President and CEO and General Counsel of Houston First Corporation are each hereby designated by Houston First Corporation as an "Authorized Person" for purposes of this resolution and with respect to the Instruments to be executed hereunder; and

FURTHER RESOLVED, that the Instruments executed by any Authorized Person, for and on behalf of and in the name of Houston First 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

JOINT HOTEL COMMITTEE & BENEFITS, COMPENSATION, AND FINANCE COMMITTEE MEETING



Buffalo Bayou Park
FOURTH WARD



2 JOINT HFC HOTEL & BENEFITS, COMPENSATION, AND FINANCE COMMITTEE

PUBLIC COMMENTS

Anyone who wishes to address the committees during the Public Comment session may do so by signing up on the Public Comment registration form at the front of the room.

**JOINT HFC HOTEL COMMITTEE & BENEFITS,
COMPENSATION, AND FINANCE COMMITTEE MEETING**
February 14, 2023

Houstonfirst



MINUTES

Hotel Committee Meeting
November 1, 2022

**Benefits, Compensation, and Finance
Committee Meeting**
November 9, 2022

**JOINT HFC HOTEL COMMITTEE & BENEFITS,
COMPENSATION, AND FINANCE COMMITTEE MEETING**
February 14, 2023

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COMMITTEE BUSINESS

- A. Consideration and possible recommendation of a loan from Equitable Financial Life Insurance Company for the Hilton Americas-Houston Hotel to be secured by a deed trust lien against the Hilton Americas-Houston Hotel and Avenida South Garage.

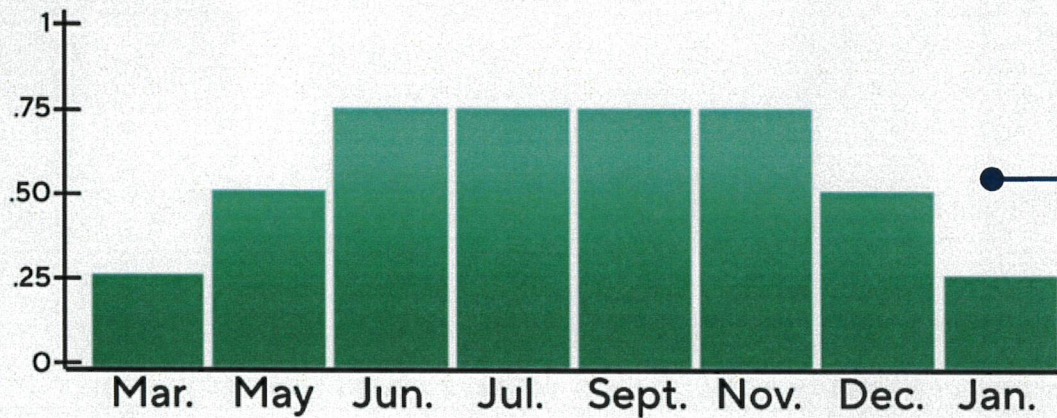
JOINT HFC HOTEL COMMITTEE & BENEFITS, COMPENSATION, AND FINANCE COMMITTEE MEETING
February 14, 2023

Houston**first**

LOAN REFINANCING

INTEREST RATE HIKES

Source: Federal Reserve



4.5% of Increases to
Federal Funds Rate
Target Range: 4.5% - 4.75%

CBS NEWS

BREAKING NEWS

FEDERAL RESERVE RAISES INTEREST RATES
QUARTER OF A PERCENTAGE POINT HIKE MARKS SMALLEST INCREASE SINCE MARCH

LOAN REFINANCING

REFINANCING ALTERNATIVE

	Current AIG	AXA 7-YR
Amount	\$125.0 M	\$126.5 M (up to)
Structure	Floating, 3-Yr.	Fixed, 7-Yr
Interest Only	YES	YES
Current Index Rate	1-Mo LIBOR: 4.57%	7YR T: 3.84%
Credit Spread	300 bps	260 bps
Floor Interest Rate	4.50%	N/A
Current Rate	7.57%	6.44%
Prepayment Flexibility	Prepay now at par	\$25 M end of yr 2 at > 1% or YM (calc to T + 50 bps), remainder at end of yr 5 at par.
Lender Fee	N/A	\$200,000

ASSUMPTIONS

1. Fed raises rates by .25% in Mar, May and June (.75%)
2. Fed begins cutting rates in Apr 2024, reduces 1.5%
3. Extension of current loan requires \$312,500 each yr.
4. New financing closes by end of March.
5. Fixed rate: 6.44%

SAVINGS*

2023 Savings (Net of Cost of Issuance):	\$706,458
NPV Savings Over 5-Yr Term:	\$2.1 M
Nominal Savings Over 5-Yr Term:	\$3.5 M

*Calculated based on assumptions about amount and timing of rate increases and decreases.

8th Wonder Brewery
EAST DOWNTOWN

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7 JOINT HFC HOTEL & BENEFITS, COMPENSATION, AND FINANCE COMMITTEE

COMMITTEE BUSINESS

- B. Consideration and possible recommendation of additional Design Services with Gensler and the issuance of a new job order with Chamberlin Houston, LLC for the Hilton Americas-Houston Hotel Roof Overlay Project and for a waterproofing project for the Hotel's loading dock.

**JOINT HFC HOTEL COMMITTEE & BENEFITS,
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February 14, 2023

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HILTON ROOF OVERLAY PROJECT

Hilton 6th Floor Roof Before

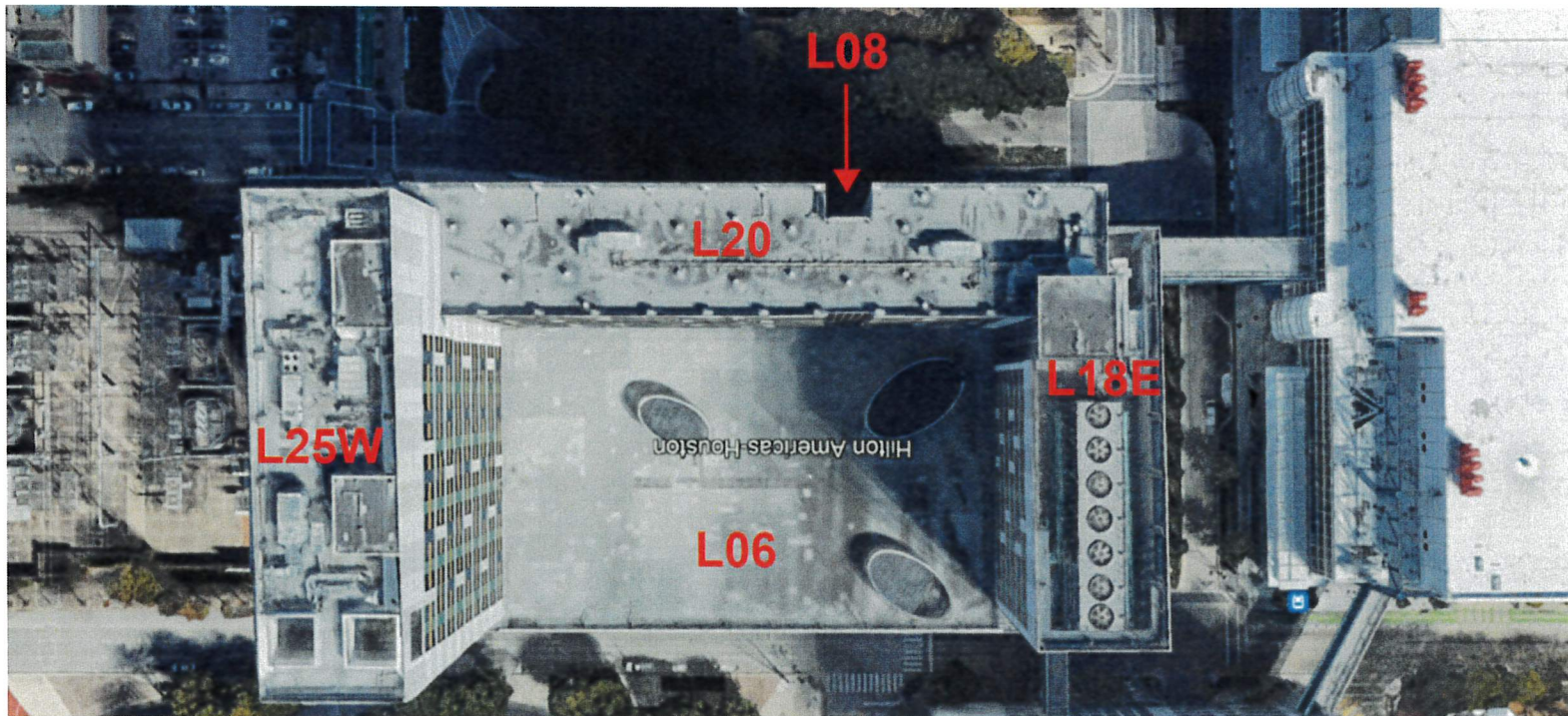


Hilton 6th Floor Roof After

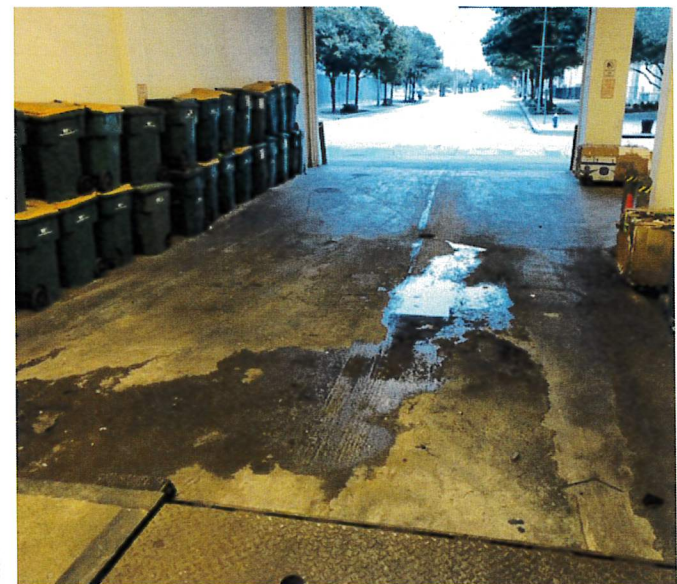


HILTON ROOF OVERLAY PROJECT

Roof exhibits combined displaying remaining roofs to be completed



HILTON LOADING DOCK



Lone Star Flight Museum
SOUTHEAST HOUSTON



11 JOINT HFC HOTEL & BENEFITS, COMPENSATION, AND FINANCE COMMITTEE

COMMITTEE UPDATE

A. Financial Report

PRESENTER

Frank Wilson

Chief Financial Officer

**JOINT HFC HOTEL COMMITTEE & BENEFITS,
COMPENSATION, AND FINANCE COMMITTEE MEETING**

February 14, 2023

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MAJOR REVENUES & EXPENSES

YTD AS OF JANUARY 31, 2023

MAJOR REVENUES	2023 Budget	2023 Actual	Over (Under) Budget (\$)	Over (Under) Budget (%)
Hotel Occupancy Tax Collections*	\$21,000,000	\$21,535,454	\$535,454	2.5%
Hilton Americas Net Cash	\$3,725,000	\$5,500,000	\$1,775,000	47.6%
GRB Facility Rental	\$520,725	\$600,550	\$79,825	15.3%
GRB Food and Beverage	\$1,965,951	\$2,761,846	\$795,895	40.5%
Parking Revenue-Avenida	\$800,453	\$1,001,703	\$201,250	25.1%
Parking Revenue-Theater District	\$429,367	\$488,782	\$59,415	13.8%
MAJOR EXPENSES	2023 Budget	2023 Actual	Over (Under) Budget (\$)	Over (Under) Budget (%)
Personnel	\$2,167,145	\$1,697,293	(\$469,852)	-21.7%
Security Contract	\$468,313	\$370,798	(\$97,515)	-20.8%
Bldg. Maintenance Contract	\$541,873	\$379,306	(\$162,567)	-30.0%
Parking Contract	\$204,432	\$190,956	(\$13,476)	-6.6%
Janitorial Contract	\$550,932	\$509,821	(\$41,111)	-7.5%
GRB Food and Beverage	\$1,359,129	\$1,854,716	\$495,587	36.5%

*HOT Collection (only) reflects collection through Feb 10, 2023.

ECONOMIC INDICATORS

U.S. UNEMPLOYMENT RATE



Source: U.S. Bureau of Labor Statistics

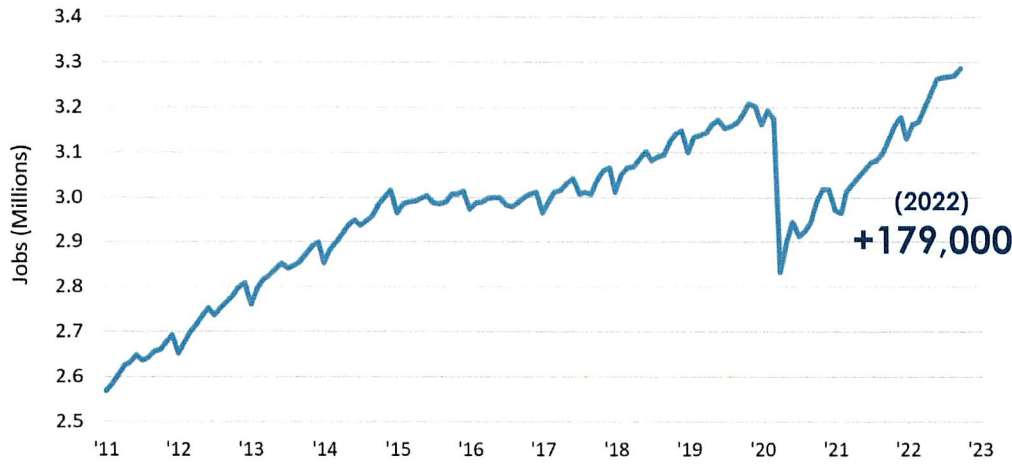
U.S. JOB OPENINGS



Source: U.S. Bureau of Labor Statistics

ECONOMIC INDICATORS

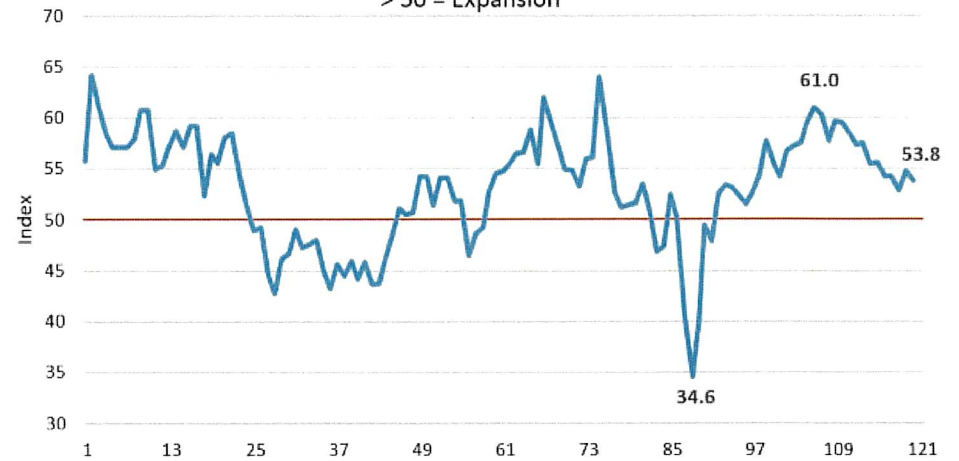
Nonfarm Payroll Employment, Metro Houston



Source: Greater Houston Partnership

Houston Purchasing Managers Index

> 50 = Expansion

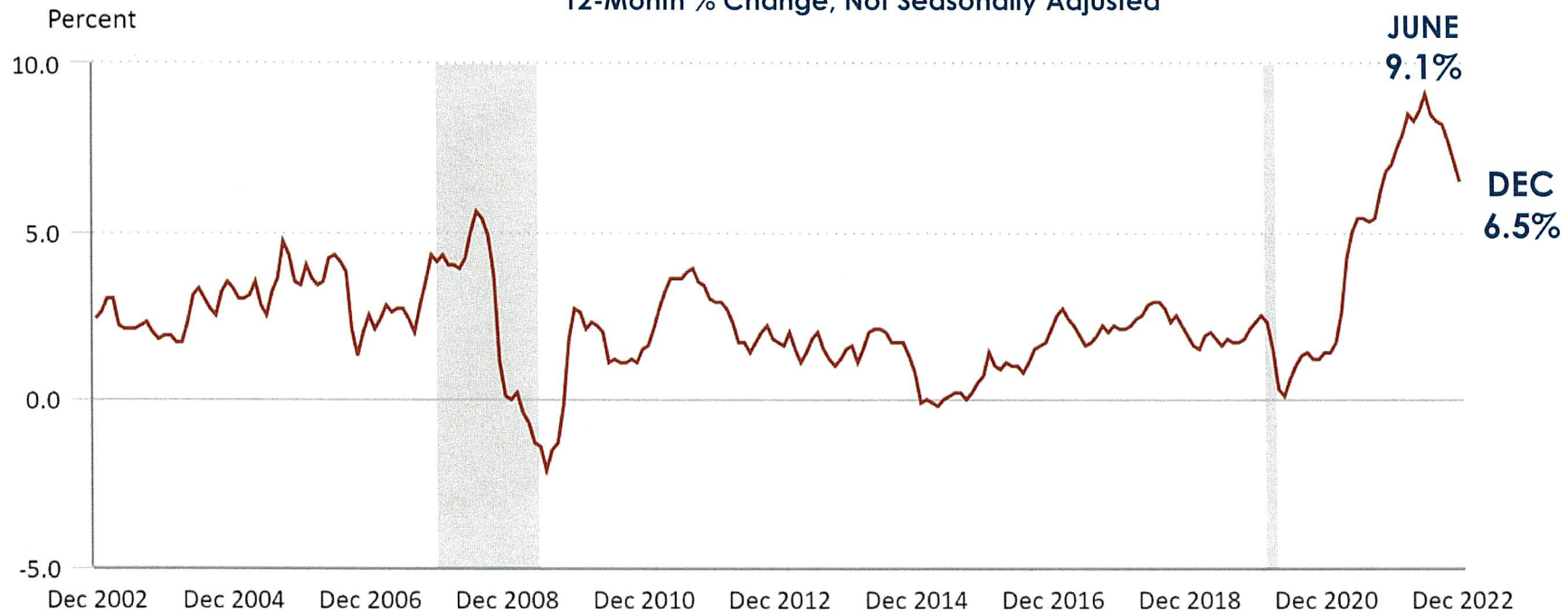


Source: Institute for Supply Management-Houston Chapter

ECONOMIC INDICATORS

CONSUMER PRICE INDEX

12-Month % Change, Not Seasonally Adjusted



Source: Bureau of Labor Statistics

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