

MINUTES

HOUSTON FIRST CORPORATION

SALES, TOURISM, AND MARKETING COMMITTEE

April 8, 2021 – 1:30 P.M.

Live Video and Audio Conference Meeting

The Sales, Tourism, and Marketing 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 via live video and audio conference on Thursday, April 8, 2021 commencing at 1:30 p.m.

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

The following Committee Members were present virtually: Bobby Singh (Vice-Chair), Sofia Adrogué, James Batt, Kim Davis, Jacques D’Rovencourt, Stephanie Haynes, Nicki Keenan, Ryan Martin, Desrye Morgan, Eric Schmauch, Sharmagne Taylor, and Gerald Womack.

1. The Committee Vice-Chair called the meeting to order at 1:36 p.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 Sales, Tourism, and Marketing Committee meeting minutes of November 9, 2020 were approved as presented.

Council Member David Robinson was not present for the vote, but did appear later in the meeting.

4. **Presentations, Reports and Updates.**
 - A. **Update on 2021 Strategic Plan and Covid-19 Response.** HFC Vice President of Market Strategy, Cindy Decker, gave an update on market trends. According to Smith Travel, in comparison to the top twenty-five markets for condensed numbers of hotels in the U.S market, Houston is now leading the top 25 markets in the U.S, whereas on average Houston is ranked 21. Ms. Decker further explained that Houston began to see a lift the week of February 14th during the winter storm and the re-opening of the State of Texas. In April 2020, Houston had an average occupancy of 28% and has continued to improve to 40% occupancy by the summer. Houston hotels have also exceeded the forecast for occupancy levels of 48% by year-end to 66%, and some of

the sub-markets, including the Galleria, have reached over 80% occupancy although hotel rates remain low.

Nicki Keenan discussed the record-breaking numbers for hotels in Galveston during Spring Break and asked if those figures were included in the data presented for the greater Houston market. Ms. Decker stated that Galveston and Brazoria County are not included in the data for Smith Travel.

Ms. Keenan also asked what major U.S. cities are included in the top 25 list. Ms. Decker stated that Houston is actually ranked top five in hotel occupancy. She further explained that the lowest demand in the Houston market is the downtown market that has gone from single digit occupancy levels to approximately 32% due to an increase in leisure demand. Ms. Decker then shared information on the top 25 U.S. markets by comparing the data from 2019 to 2021.

Lastly, Ms. Decker shared similar trends in RevPar in the Houston market similar to that of occupancy. Houston has a healthy supply of hotel inventory and continues to outgrow the U.S. and top twenty-five markets in the U.S.

Bobby Singh then asked for any predictions on hotel trends in the next quarter based on the data presented. Ms. Decker provided further information.

HFC Senior Vice President of Sales and Client Services, John Solis, provided an update on events. Mr. Solis stated that over 31 meetings will take place in the second half of the year, including a record number of city-wide events starting in July 2021 with Shriner's International. In August, both OTC and NAPE will meet and in the month of September Houston will host three city-wide events, including the NRA that will meet over the Labor Day holiday. Mr. Solis stated that the remainder of the year will be full, ending with three city-wide events in the month of December and the World Petroleum Congress. Mr. Solis also stated that a number of groups have expressed interest in hosting events in Houston due to COVID-19 restrictions that remain in place in other cities. Mr. Solis then discussed the road to recovery and priorities of the Client Services team and working collaboratively with meeting planners and stakeholders. He stated that the Sales team has to build for the future and is seeing a huge increase in lead volume and continues to bring members of the Sales team back to HFC. Mr. Solis stated that HFC is taking a very aggressive approach to prospecting over the next sixty days and has created a profile of key accounts that the Sales team will target.

Mr. Solis stated that there is a lot of demand for short-term business, so 40% of the Sales team is dedicated to short-term business, but starting in June the Sales team will re-focus its attention on larger programs and hopes to be fully staffed.

Council Member David Robinson stated as things ramp up it is important that HFC has the appropriate resources. He stated that he is sympathetic to all of the resources, both financial and human, that HFC has to support getting back through the balance of the year and into 2022. He then introduced HFC Senior Vice President of Tourism & Industry Relations, Jorge Franz, to provide a brief tourism update.

Mr. Franz discussed the tremendous increase in air service to Mexico with over half of all international travel into Houston coming from Mexico. Mr. Franz stated that long-haul travel to Europe and Asia will take much longer to recover, but the recovery in the Mexico market is happening right now with all six major airlines offering flights into Mexico. Ticket sales for the Houston Experience Marketplace continue to increase and are now trending higher than the sales numbers for 2019 with almost \$11,000 in sales in April of 2020 due to changes on the website and working directly with third party travel companies to increase distribution. Management is also developing new experiences that can only be purchased on the marketplace website. Tourism has also redirected its marketing efforts toward the U.S. Hispanic market and the promotion of staycations. Mr. Franz then concluded his update by discussing the new structure of his department and the inclusion of the Houston Film Commission. He then introduced the Executive Director of the Film Commission, Alfred Cervantes, to provide a brief report.

Sofia Adroguè offered a suggestion for another slogan for the U.S. Hispanic marketing campaign.

Alfred Cervantes stated that he is the new Executive Director of the Houston Film Commission stepping in for Rick Ferguson who has retired and will truly be missed. He then explained that the Houston Film Commission is seeing similar trends from other departments with an increase in productions. He then discussed the services provided by the Houston Film Commission such as location scouting assistance. Mr. Cervantes then discussed some of the productions filmed in Houston and noted the increase in productions in the month of March. He also discussed the independent film, "In Between Girl" by Mei Makino that was shot in Galveston and is now getting a lot of positive reviews. In conclusion, Mr. Cervantes provided a brief biography of himself and his experience working with the Film Commission for members of the Committee.

Desrye Morgan then asked about the television show "Ready to Love" and if the data presented reflects when productions are filmed or aired. Mr. Cervantes then clarified how the data is reported.

Committee Members then congratulated Mr. Cervantes on his new role as Executive Director.

Bobby Singh stated that he was unable to properly recognize retired HFC staff due to social distancing and wanted to publicly thank Mr. Rick Ferguson for his service to the organization and to convey his sincere gratitude to all employees no longer with HFC.

Gerald Womack echoed the sentiments of Committee Members. He stated that he looks forward to working with Mr. Cervantes and he should take note of the activity in Atlanta because the removal of many film productions in Georgia could be a great opportunity for Houston. He also stated that it is important to continue to advocate for

film incentives in the Texas Legislature, so please inform Committee members of any further assistance as needed.

Council Member Robinson asked how to best contact Mr. Cervantes and direct potential leads for productions to the Houston Film Commission. Mr. Cervantes stated that his door is always open and he is willing to help anyone interested in assistance.

Mr. Womack also congratulated Mr. Franz on his new duties and stated that he looks forward to the collaboration between the departments.

Council Member Robinson also recognized Maureen Haley before introducing HFC Chief Marketing Officer, Holly Clapham, to provide a brief marketing report.

Ms. Clapham began her report by discussing the hotel relief strategy of the Marketing team and her work with Cindy Decker to promote leisure travel through the use of artificial intelligence. She then shared the first quarter leisure ROI report in more detail. She also clarified that the data presented does not include editorial or earned-media efforts. Ms. Clapham then stated that Marketing will launch the “Do Something New Campaign” in May #ExploreHOU to transition back to an editorial and brand focus and shared several of the advertisements. She then discussed the CRM Meetings market and strategy for client targeting. Houston continues to see an upward trend in meetings as does the meetings market as a whole. Ms. Clapham then discussed the importance of advertising as it relates to bid proposals and the direct relationship between Marketing and the Sales team. Ms. Clapham then informed the Committee of the launch of H-Town Bites in May to provide resilience for the culinary community and amplify one of the destinations strongest brand attributes. Lastly, Ms. Clapham discussed the relationship between HFC and its partners such as KHOU and the University of Houston to create a great event on Avenida Plaza with the UH Watch Parties. She also discussed a new campaign called “The Land of Milk and Honey” in partnership with Instagram that will highlight the untold stories of immigrant communities.

HFC Acting President & CEO, Michael Heckman, made final remarks.

5. **Adjournment.** The meeting was adjourned at 2:38 p.m.