Houstonfirst

MINUTES

HOUSTON FIRST CORPORATION

FINANCE AND ASSET MANAGEMENT COMMITTEE MEETING
May 18, 2026, beginning at 8:00 A.M
Partnership Tower, 701 Avenida de las Americas, Suite 200
Houston, Texas 77010
HOUSTON FIRST BOARD ROOM

The Finance and Asset Management Committee ("Committee") of Houston First Corporation (the "Corporation"), a Texas local government corporation created and organized by the City of Houston 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 Monday, May 18, 2026, commencing at 8:00 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.

I. **Call to Order.** The meeting was called to order at 8:02 a.m. A quorum was established with the following Committee Members in attendance: Elizabeth Brock (Chair), Jay Zeidman, Roxann Neumann, and Sofia Gonzalez. Shareen Larmond was not present.

II. **Public Comments.** None

III. **Minutes.** Following a duly seconded motion, the minutes for March 24, 2026, were approved as presented.

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

A. Financial Report
Michael Heckman, President & CEO, said 2025 was exceptional in terms of budget, performance, and management. Although last year brought uncertainty regarding tariffs and other challenges, he noted, most business lines performed well despite slightly lower operational results.

Mr. Heckman reported that the organization addressed challenges and managed expenses effectively, exceeded budget expectations, and maintained a strong cash position. He emphasized that resilience remains essential, particularly as we manage debt services over the next ten to fifteen years.

He expressed pride in the team and attributed these results to prioritization and discipline in pursuing the mission. While remaining mission-driven is challenging, especially when considering projects outside of core focus, he said that commitment has delivered strong results consistently. He added that as budget season approaches, the organization will continue to uphold these standards.

Frank Wilson, Chief Financial Officer, reported that revenues were below budget due to forecasts based on hotel data. He stated that Hilton outperformed budget as expected losses were delayed and demolition was postponed, resulting in extra parking revenue.

Mr. Wilson noted that the food and beverage performance set a record, driven by strong corporate group activity. Parking revenue surpassed budget expectations, he said, aided by increased activity in the convention and theater districts, and efficient turnover of convention district garages.

Mr. Heckman commented on the projected impact of the World Cup this summer and noted that messaging has remained supportive but measured. He explained that the Corporation has consistently taken a realistic view of the scope of the event and had not been influenced by overly optimistic forecasts and comparisons, though the World Cup is expected to leave a lasting positive legacy in the community.

B. Convention District Update

John Mooz, Senior Managing Director at Hines, gave a progress update on the Convention District project. Mr. Mooz noted a significant amount of progress since the last meeting. He stated that both skybridges connecting to the hotel and convention center have been demolished, tons of steel have been erected, and a major water line necessary for the project has been installed successfully.

Mr. Mooz reported that substantial completion of the new parking garage is an upcoming milestone. He said that the project remains on time and on budget, with zero lost-time safety incidents over more than 300,000 hours worked.

Mr. Mooz concluded by commending the team for maintaining progress, safety standards, and diversity goals while delivering this critical downtown redevelopment project on schedule.

V. Committee Business

A. Consideration and possible recommendation of a resolution approving an Airwall Replacement for work at the George R. Brown Convention Center.

John Gonzalez, Senior Vice President and General Manager, provided an overview of the airwall replacement project at the George R. Brown Convention Center. He noted that two bids were received, and that the low bid was from Rob Pelletier Construction, Inc. Mr. Gonzalez said that construction is to begin in late fall and conclude by year-end, timed to accommodate scheduled activities at the facility.

Following a duly seconded motion, recommendation of the resolution was approved unanimously.

B. Consideration and possible recommendation of a resolution approving additional GMP Change Orders with Gilbane Building Company and Flintco, LLC, a joint venture, for ongoing construction work in the Convention District.

Mr. Heckman stated that this item is the final financial authorization for ongoing construction work and will constitute the not-to-exceed budget for the project.

He provided a summary of the incremental authorizations approved by the Board as the scope was refined, and noted that organizing such a large, complex project and budgeting accordingly was always going to be challenging.

He stated the financing was carefully programmed in a responsible way, allowing the Corporation to proceed with necessary work while ensuring that the Board maintained oversight and financial controls over what was being spent and how the project continued to progress.

Mr. Wilson provided an overview and summary on the project financing. He said when we sold bonds, about 70% had already been purchased, ensuring most project costs would be covered by the debt issued. The financing, he explained, was structured in two parts: the first closing on March 25th restructured existing debt to accommodate the new financing, and the second closing on April 1st brought in new funds for the project. Mr. Wilson said that the sum of these transactions is the established budget for the project, which his team has been working on for at least six months.

Mr. Mooz addressed the Board to report that multiple budget categories are being used to track development expenses and maintain accountability. He stated that the total project cost is $1.143 billion, with approximately $880 million previously authorized. Mr. Mooz requested the Board approve the balance of approximately $260 million, aligning with the bond financing amount explained by Mr. Wilson.

Mr. Mooz further noted that, with the completion of construction documents, there is now a high level of cost certainty.

Following a duly seconded motion, recommendation of the resolution was approved unanimously.

VI. **Adjourn** The meeting was adjourned at 8:44 a.m.