Houstonfirst

MINUTES

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING
May 21, 2026, beginning at 8:00 A.M.
Partnership Tower, 701 Avenida de las Americas, Ste. 200
Houston, Texas 77010
HOUSTON FIRST BOARD ROOM

The Board of Directors ("Board") of Houston First Corporation (the "Corporation"), a Texas local 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, Ste 200, Houston Harris County, Texas 77010 on Thursday, May 21, 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 8:01 a.m. A quorum was established with the following Board Members in attendance: Jay Zeidman (Chair), Elizabeth Brock, Sofia T. Gonzalez, Nicki Keenan, Shareen Larmond, Wea H. Lee, Ryan Martin, Roxann Neumann, Paul Puente, Bobby Singh, Council Member Twila Carter (ex-officio), and Council Member Joaquin Martinez (ex-officio). Dawn Fu-Kuei Lin was not present.

II. **Public Comments**.
Mr. Jacob Klementich addressed the Board. He expressed his appreciation of the organization and congratulated Nick Keenan, Council Member Twila Carter, and Dawn Lin for being named among the Houston Women's Magazine's Top 50 Women Leaders in Houston.

III. **Minutes**. Following a duly seconded motion, the minutes for March 26, 2026, were approved as presented.

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

A. Chairman's Remarks

Jay Zeidman, Chair, informed the Board that it had recently been announced that United Service Companies, had reached a new collective bargaining agreement. He noted that the agreement provided meaningful wage increases for these workers and was the result of both parties engaging in good-faith negotiations that concluded in a fair outcome.

Mr. Zeidman emphasized the significant impact of the first quarter on the hospitality community. He noted that Q1 represented the strongest first quarter performance the destination has ever achieved, attributing this success to the collective efforts of many contributors, with leadership from the team. He remarked that such outcomes are the result of intentional effort and do not occur by chance.

Mr. Zeidman stated that the Board would consider the final not-to-exceed budget for the Convention District Transformation project. He noted that over the past year, the Board has taken a phased approach to approving expenditures as project scope and costs became clearer, enabling continued progress toward an expected opening. He expressed appreciation for the Board's engagement and participation, including recent site visits with members and City Council.

B. <u>President & CEO Report</u>

Michael Heckman, President & CEO, reported strong organizational performance, noting that initiatives are exceeding expectations and first-quarter financial results were exceptionally strong. He attributed the success to disciplined execution, strategic resource allocation, and mission-focused priorities.

Mr. Heckman reported a successful weekend of events, noting the extensive planning involved and their strong community and hospitality impact. He added that the events calendar was intentionally structured, with cheerleading events leading into high value conventions.

Mr. Heckman reported that the Houston central business district posted a RevPAR increase, outperforming peer markets. He noted that Houston's no-downtime expansion strategy continues to deliver competitive advantages.

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.

John Gonzalez, Senior Vice President & General Manager, reported that the parking transition is proceeding smoothly, with demolition underway and all necessary operational shifts and traffic flow coordinated. After minor signage adjustments, according to Mr. Gonzalez, operations have stabilized, and increased valet activity has been noted as visitors move throughout the district, all being managed effectively.

Mr. Heckman concluded by noting the strong success of Tour of Houston, highlighting double attendance over three years, sponsorship, and effective collaboration across teams and volunteers, resulting in a well-executed community event.

Nathan Tollet, Senior Vice President of Convention Sales, reported that performance aligned with organizational expectations, driven by a renewed focus on core value drivers of relationships and experiences. He emphasized that all investments and activities must strengthen customer and partner relationships or create memorable experiences, noting that this lens continues to elevate performance across the sales portfolio.

Mr. Tollet stated that Corporation strategy is targeted and customized, not a one-size-fits-all model, because customer needs vary even when the destination remains constant. He noted that key differentiators, such as offsite venues and walkability, continue to influence booking decisions.

Mr. Tollet reported the need to balance high-value short-term corporate demand with long-term bookings, supported by strong association business that must meet annually. He reports that he has observed sustained momentum with rising opportunities, increased room nights, and industry leading speed that captures most available business, alongside new leads. He added that key wins across major sectors position the city to layer future demand effectively ahead of the expansion project.

C. <u>Financial Report</u>

Frank Wilson, Chief Financial Officer, reported that revenues were below budget due to optimistic forecasts based on STR hotel data. Hotel revenue figures, he clarified, exclude certain market revenue and exemptions for hotel stays over 30 days. He stated that Hilton outperformed budget, as expected, as demolition postponed, resulting in extra parking revenue.

Mr. Wilson noted a record number of bookings and additional space requests, many occurring after the budget was finalized. He added that food and beverage performance set a record, driven by strong corporate group activity. Also, according to Mr. Wilson, parking revenue surpassed budget expectations, aided by increased activity in the convention and theater districts, and efficient turnover of convention district garages.

Mr. Wilson concluded by stating that Q1 was a strong quarter, driven by major events, and hotel tax revenues were slightly under budget, reflecting actual Q4 hotel stays.

D. Convention District Update

John Mooz, Senior Managing Director at Hines, gave an 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. Board Business

A. Consideration and possible approval of a resolution approving an Airwall Replacement Agreement with Rob Pelletier Construction, Inc. for capital improvements at the George R. Brown Convention Center.

Elizabeth Brock, Chair of the Finance & Asset Management Committee, reported that the item had been discussed at the Committee meeting on May 18, 2026. She stated that many Corporation facilities require significant capital expenditures annually, as reflected in the Board-approved budget. She explained that this item provides for the replacement of certain partition panels or airwalls in several meeting rooms at the George R. Brown Convention Center. She further noted that the Committee had unanimously recommended the item for approval by the Board.

John Gonzalez, Senior Vice President and General Manager, provided an overview of the airwall replacement project. 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.

Shareen Larmond was not present at the time of the vote.

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

B. Consideration and possible approval of a resolution approving the remaining project budget for ongoing construction work in the Convention District, including final GMP authorization with Gilbane Building Company and Flintco, LLC, a joint venture, and related costs.

Elizabeth Brock, Chair of the Finance & Asset Management Committee, reported that the item had been discussed at the Committee meeting on May 18, 2026. She stated that, with the recent bond closing for the full amount of project funding, the Board was now being asked to approve the full not-to-exceed amount for the first phase of the Convention District project. She noted that the Board had previously approved segments of funding to allow the project to proceed. This action, Ms. Brock stated, represents the final approval needed and would provide the project team with the funding required to complete the work on schedule. She noted that the Committee unanimously recommended the item for approval by the Board.

Mr. Heckman 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, as explained by Mr. Wilson. In closing Mr. Mooz further noted that, with the completion of construction documents, there is now a high level of cost certainty.

Shareen Larmond was not present at the time of the vote.

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

VI. Adjourn. The meeting was adjourned at 9:31 a.m.