Houstonfirst

MINUTES

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING
June 10, 2025, beginning at 8:00 A.M.
Partnership Tower, 701 Avenida de las Americas, Suite 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 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 Partnership Tower, 701 Avenida de las Americas, Suite 200, Houston, Harris County, Texas 77010 on Tuesday, June 10, 2025, 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 8:00 a.m. A quorum was established with the following Board Members in attendance: Jay Zeidman (Chair), Alex Brennan-Martin, Wea H. Lee, Ryan Martin, Roxann Neumann, Paul Puente, Tom Segesta, Bobby Singh, and Council Member Twila Carter (ex-officio). Council Member Joaquin Martinez (ex-officio) arrived at 8:02 a.m.

II. **Public Comments**. Stephanie Anderson, President and founder of the Gradient Group, a Houston-based civil engineering firm, along with her business partner T. Wayne Holcomb, addressed the Board to share recent accolades the firm has received for the Lynn Wyatt Square Project.

Community members Amy Erickson and Ruben Garza addressed the Board to raise concerns about transparency and potential impacts of Convention District changes. Mr. Garza also recommended reviewing parking requirements and considering mixed use of development options.

Adan Reyes, with translation assistance from a Service Employees International representative, addressed the Board regarding wages, noting health and financial challenges faced by workers and requesting salary increase.

III. **Minutes**. Following a duly seconded motion, the minutes for March 20, 2025, were approved as presented.

IV. Presentations, Reports, and Updates.

A. Chairman's Remarks

Jay Zeidman, Board Chair, provided remarks on the Convention District development, describing the timeline as ambitious yet achievable. He emphasized the importance of transparency, highlighted the Corporation's strong financial performance, and noted the positive economic impact of conventions and hospitality on Houston's workforce.

Mr. Zeidman expressed support for the measures required to meet the proposed timelines and observed that current performance reflects the Corporation's strengths. He commended the staff for driving economic impact benefiting the city and its hospitality industry.

B. President & CEO Report

Michael Heckman, President & CEO, acknowledged the contributions of his staff and colleagues, noted the Corporation's healthy financial position, and reported that expenses are being managed to ensure the budget is met or exceeded despite economic conditions.

Mr. Heckman noted that Hines will provide an update on recent progress and upcoming work in the Convention District. He emphasized the importance of staying on schedule, noting delays elsewhere resulting in an opportunity for Houston to attract displaced conventions.

Mr. Heckman reported that while international travel to the U.S. has slowed slightly, local performance remains strong. He stated that occupancy is down marginally year-over-year, partly due to record performance last year and unusual weather-related demand, and that rates remain strong and overall performance is steady. He noted continued strong travel demand since the pandemic, while emphasizing that national travel infrastructure challenges remain a concern.

Mr. Heckman reported on the recent session of the Texas Legislature and said it was successful for the Corporation. He highlighted the passage of a television and film incentive program, which provides long term certainty for productions.

Mr. Heckman noted ongoing work to finalize a feasibility study on the economic impact of an expanded convention center, including projected room nights, conventions, and job creation, with results expected soon.

Nathan Tollett, Senior Vice President, Convention Sales, provided an update on business development and booking performance. He noted a slight decline in short-term leads and smaller bookings, consistent with national trends, but highlighted an increase in total night room production for larger, long-term meetings. He emphasized the strategic focus on high-yield market segments, including energy, medical/life sciences, and engineering, which drive room rates and broader economic impact for the city.

Mr. Tollett emphasized that strategic collaboration, creative marketing, and strong community partnerships were key to attracting large events, highlighting the ongoing role of staff in supporting client engagement and showcasing the city's hospitality.

Holly Clapham, Chief Marketing Officer, provided an update on media strategy, highlighting the launch of a media network to deliver authentic stories that promote leisure and business opportunities. She introduced key contributors, including local journalists, chefs, artists, and influencers, as well as national media partners, noting that the network will support all divisions and enhance social media and content marketing efforts to attract visitors and businesses to Houston.

John Gonzalez, Senior Vice President & General Manager, provided an updated-on facilities and live events, noting a busy first half of the year. He reported increased attendance contributing to food and beverage revenue exceeding the budget. Mr. Gonzalez highlighted ongoing two-year revenue generation efforts, recent and upcoming cultural events along the Avenida Plaza, and capital improvements at venues including Miller Theatre and Jones Hall, noting upgrades to infrastructure and systems to support future events.

Jorge Franz, Senior Vice President, Tourism and Industry Relations, reported on leisure travel efforts, emphasizing a focus on the luxury market. He noted collaborative efforts with airline partners to attract international travelers, particularly from Latin America, India, and Canada. Mr. Franz emphasized the importance of showcasing Houston to travel professionals to drive direct bookings and maintain a competitive position.

C. Convention District Update

John Mooz, Senior Managing Director at Hines, gave a progress update on the Convention District expansion project. Mr. Mooz reported that the schematic design for the project was completed, providing guidance for budgeting and defining the remaining scope of work. He noted that the steel mill order package was issued. He emphasized that meeting the steel schedule is essential to maintaining the overall project timeline.

Mr. Mooz stated that garage electrical gear and other long-lead items have been ordered early. He also reported that demolition and utility relocation work, including a major waterline relocation, is progressing ahead of schedule. He noted that there had been strong participation from MWBE contractors and sub-consultants with both the design team and the construction manager. He concluded by saying that planning for the temporary garage and coordination with city agencies were also underway.

D. Financial Report

Frank Wilson, Chief Financial Officer, presented the financial report. Mr. Wilson noted that revenues had exceeded the budget, while expenses were slightly over budget. He said that the report showed positive net cash to owner and highlighted strong performance in areas like the average daily rate. Additionally, he mentioned a slight variance in debt service.

V. Board Business.

A. Consideration and possible approval of a resolution approving a Separate GMP Change Order with Gilbane Building Company and Flintco, LLC, a joint venture.

Paula Whitten-Doolin, General Counsel, outlined the importance of GMP change orders to ensure the continuation of construction activities. She noted that upcoming phases of work include foundations, MEP systems, elevators, interior finishes, and essential electrical equipment. She emphasized that the change order process necessitates collaborative contract modifications to reflect the evolving design and scope of the project.

Mr. Mooz mentioned that bids for trades have been sent out and awards are anticipated soon.

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

B. Consideration and possible approval of a resolution approving Task Orders for waterline design and utility reimbursement coordination with Jacobs Engineering Group, Inc.

Ms. Whitten-Doolin discussed the need for waterline design services and coordination of utility reimbursements. She noted the importance of initiating this work promptly to maintain the overall project schedule and stated that reimbursement for these services will be managed through an advanced funding agreement and interlocal agreements.

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

C. Consideration and possible approval of a resolution approving a Capital Improvement Contract with E Contractors USA, LLC for the Stage and HVAC Replacement Project at Miller Outdoor Theatre.

Mr. Gonzalez explained the project and reported that E Contractors USA was the lowest bid received. He noted that initial work will take place over the summer before the main phase starts in the fall, and that the schedule is being coordinated with Miller Theatre Advisory Board.

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

D. Consideration and possible approval of a resolution approving a Job Order with Division One Construction LLC for the continuation of electrical and plumbing improvements at Jones Hall.

Mr. Gonzalez reported on the continuation of work at Jones Hall by Division One Construction, including electrical and plumbing system improvements. He stated that these upgrades and enhancements are necessary measures and will improve energy efficiency as well as reduce long-term maintenance costs.

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

VI. Executive Session

Executive (closed) session pursuant to Texas Government Code Section 551.072 for the purpose of deliberation regarding certain real property related to the George R. Brown Convention Center and Convention District Transformation Projects.

The Executive Session was announced and began at 9:41 a.m. All Board Members remained in the room, along with Michael Heckman, Paula Whitten-Doolin, and Frank Wilson.

The Executive Session ended at 9:41 a.m.

The Board meeting resumed at 9:57 a.m.

VII. Board Business (Continued)

E. <u>Consideration and possible approval of a resolution authorizing expenditures affecting the acquisition of rights to Block 287 and dissolution of the Lease with Free Range HCC, LLC.</u>

Ms. Whitten-Doolin briefly addressed the expenditure request and related lease.

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

F. <u>Consideration and possible approval of a resolution authorizing the construction manager-at-risk method for the selection of a construction contractor for the future development of Block 362 and 363 in the Convention District.</u>

Ms. Whitten-Doolin explained that the Corporation is in the process of negotiating a potential development and that the construction manager-at-risk delivery method is the most suitable approach. She noted that the same method was used for the George R. Brown Convention Center expansion.

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

VIII. Adjourn. The meeting was adjourned at 9:04 a.m.