

MINUTES

HOUSTON FIRST CORPORATION

FINANCE AND ASSET MANAGEMENT COMMITTEE MEETING
September 15, 2025, 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 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 Monday, September 15, 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 8:03 a.m. A quorum was established with the following Committee Members in attendance: Elizabeth Gonzalez Brock, Shareen Larmond, Roxann Neumann, and Jay Zeidman.
- II. **Public Comments.** Lisa Hunt addressed the Committee, emphasizing the importance of transportation decisions for Houston's growth and connectivity. She urged the Committee to support efforts benefiting both the East End and the broader Houston community. Several hotel employees represented by Unite Here addressed the Committee regarding wage concerns. Speakers requested the Committee's consideration of fair and livable wages to better support the workers and their families.
- III. **Minutes.** Following a duly seconded motion, the minutes for June 9, 2025 were approved as presented.
- IV. **Presentations, Reports, and Updates.**
 - A. **Convention District Update**

Michael Heckman, President and CEO emphasized the strategic importance of staying competitive with other cities making investments, citing Atlanta's privately developed entertainment district as an example. He

stated that the Convention District project would create jobs, ensure downtown vitality, and foster economic development beyond just hotel room nights.

He highlighted Discovery Green as a successful model of a public asset that has driven significant private investment and community improvement. He concluded that this project is about more than infrastructure, it is about sustaining economic growth and securing Houston's position as a world-class city.

John Mooz, Senior Managing Director at Hines, provided a construction update, noting that the architect has completed procurement of its core team, consisting of 35 subconsultants and meeting MWDBE goals.

Mr. Mooz stated that construction is progressing on schedule and that excavation and foundation work for the parking garage has commenced. According to Mr. Mooz, the first foundation placement was completed as planned, marking a key project milestone.

He went on to outline upcoming milestones, including continued foundation and utility work through November, followed by vertical construction of the garage into 2025.

Mr. Mooz also provided a safety update, highlighting the number of days without a recordable incident, covering over 42,000 labor hours and an average of 60 workers on site daily. All workers, he noted, have completed required safety orientation and all foremen hold OSHA 30-hour certifications.

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

B. Financial Report

Frank Wilson, Chief Financial Officer, stated that the overall financial position remains strong, with revenues exceeding budget expectations and expenses well-managed despite inflationary pressures.

Tino Robledo, with RSM, LLC, presented the external audit results, noting no changes in the auditor's required communications, apart from the implementation of new standards.

Mr. Robledo stated that no significant deficiencies were reported, and the audit strategy was adjusted to incorporate these new standards and ensure proper access.

C. Structural Financing for Major Capital Projects

Drew Masterson, with Masterson Advisors, stated that the primary financing objective is to address the timing mismatch between upfront project costs and the incremental revenues projected to be realized over approximately 30 years. He explained that the financing structure is designed to ensure strong coverage even under conservative scenarios, protecting future revenue streams while supporting the continuation of enterprise operations.

Mr. Masterson noted that the financing approach utilizes municipal bonds, incorporating capitalized interest and zero-coupon features. The structure, he explained, leverages the project finance corporation to optimize debt service alignment and involves peeling off senior pledge revenues to support the transaction.

V. Committee Business

A. Consideration and possible recommendation of a resolution accepting the annual Financial Audit for the Corporation for the fiscal year ending December 31, 2024.

A resolution recommending the financing integration for the fiscal year end was introduced, followed by the Audit results presentation.

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

B. Consideration and possible recommendation of a resolution approving Phase I and Phase II Project Fees under the Development Management Agreement with Hines Southwest, LLC.

A resolution recommending Phase 1 construction and Phase 2 design project fees under the Development Management Agreement with Hines Southwest, LLC, was considered.

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

C. Consideration and possible recommendation of a resolution approving the Terms of a Lease Agreement with Free Range HCC, LLC.

A resolution recommending the terms of the lease agreement for Free Range HCC, LLC was considered. The lease includes a 10-year base term.

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

D. Consideration and possible recommendation of a resolution approving a Construction Contract for a restaurant and live entertainment venue in the Convention District.

A resolution recommending a Construction Contract for a restaurant and live entertainment venue in the Convention District was considered.

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

VI. Executive Session

Executive (closed) session pursuant to Texas Government Code Section 551.071 for the purpose of consultation with Houston First Counsel regarding contemplated litigation.

Committee Members, along with Michael Heckman, Paula Whitten-Doolin, and Frank Wilson remained in the room for the Executive Session. All other attendees were directed to step out of the room.

The Executive Session began at 9:17 a.m. and ended at 9:24 a.m. The open meeting resumed at 9:25 a.m.

VII. **Adjourn.** The meeting was adjourned at 9:25 a.m.