

MINUTES

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING
March 20, 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 Thursday, March 20, 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 8:04 a.m. A quorum was established with the following Board Members in attendance: Jay Zeidman (Chair), Alex Brennan-Martin, Elizabeth Brock, Nicki Keenan, Wea H. Lee, Roxann Neumann, Paul Puente, Bobby Singh, Council Member Twila Carter (ex-officio), and Council Member Joaquin Martinez (ex-officio).
- II. **Public Comments.** Several Community members addressed the Board to express their concerns about the proposed abandonment of the Polk Street, stressing its importance for connectivity and emergency response. Speakers included Kimberly Nickle, Matthew Donovan, Sarah Hirsch, Ed Pettit, Amy Erickson, Ruben Garza, and Lisa Hunt.

Nora Luna, accompanied by a representative with Service Employees International who provided translation, addressed the Board on behalf of herself and her colleagues. She conveyed concerns regarding wages and highlighted the challenges faced by workers, requesting acknowledgement of their ongoing struggles.
- III. **Minutes.** Following a duly seconded motion, the minutes for February 20, 2025, were approved as presented.

IV. Presentations, Reports, and Updates.

E. Chairman's Remarks

Mr. Zeidman opened the meeting by thanking everyone for their attendance. He expressed appreciation for their engagement and reaffirmed the ongoing commitment of the Corporation to work collaboratively with City of Houston leadership, METRO, and other key stakeholders to address the challenges associated with the Convention District Project. He also emphasized the importance of maintaining open and transparent communication throughout the process.

Mr. Zeidman stated the ongoing transformation is viewed as a substantial investment in downtown that will lead to job creation, economic growth, and expanded opportunities for the City of Houston.

F. President & CEO Report

Michael Heckman, President & CEO, shared that he enjoyed engaging with several East End residents following the town hall. He stated he met with neighborhood leadership and community members to hear firsthand about their concerns and that the interaction provided valuable insights, enabling them to work more efficiently with the City of Houston, TxDOT, METRO, and other stakeholders to identify potential solutions. He emphasized that both the Chair's and his own commitment remains strong in continuing to work towards preserving community needs and addressing concerns.

Mr. Heckman then presented key performance metrics in comparison to 2023, emphasizing several all-time records achieved by the community. He reported a record-breaking number of visitors, and an all-time high for hotel room nights. Additionally, he said that Houston airports recorded their highest ever passenger count and noted that the leisure and hospitality sector also saw positive growth.

Mr. Heckman also presented the 2024 hotel performance for Houston's business districts, clarifying that the data reflects specific areas rather than the overall market. He noted strong year-over-year growth, with particular emphasis on key performance indicators occupancy rates, ADR (Average Daily Rate), and REVPAR (Revenue Per Available Room) – all critical metrics used to evaluate hotel revenue performance empirically.

Mr. Heckman then discussed how Houston benchmarked against the top U.S. hotel markets. He noted that Houston ranked as the number one performer in year-over-year growth influenced by a temporary surge in hotel demand during the summer, driven by hurricane-related displacement. However, he clarified that this spike does not fully align with the growth

reflected in hotel occupancy tax collections, due in part to a tax exemption for individuals staying in hotels for more than 30 days.

Nathan Tollett, Senior Vice President of Convention Sales, noted progress in pursuing a prominent electric cooperative convention. Mr. Tollett noted that a proposal was submitted to host their 2029 convention and commented on the long-term value of strategic engagement with clients.

Mr. Tollett also reported an increase in room nights over 2023 and a rise in individual bookings from 2019. According to Mr. Tollett, growth was driven by targeting large events and maintaining bookings during off-peak periods, with key contributions from business finance, engineering, scientific research, and medical/life sciences.

Holly Clapham, Chief Marketing Officer, began her presentation by reflecting on the successes of 2024 and giving an early look into Q1 2025. She emphasized that the team has already ramped up efforts this quarter, especially in familiarization (FAM) trips, and is continuing the strong momentum from last year. She noted that 2024 was an exceptional year, with over 50 key performance metrics tracked and nearly all setting new records, something that has never happened before.

Ms. Clapham shared media engagement numbers from 2024, highlighting the numbers of journalists who were hosted, resulting in articles and generating nearly four billion audience impressions. She noted that media coverage had an international footprint, reaching key markets like the United States, Mexico, the UK, and Australia, helping to reinforce the Houston brand globally.

She concluded by sharing early results from the FAM and influencer programs. She noted that in just the first two months, the team hosted 44 media representatives from outlets such as The New York Times, Essence, Wanderlust USA, Southern Living, and AFAR. On the influencer side, she said 68 individuals were hosted, with a combined audience reach of 21 million.

Jorge Franz, Senior, Vice President, Tourism and Industry Relations, highlighted continued efforts in bringing clients to Houston, taking advantage of the favorable spring weather. He mentioned the upcoming Brand USA Latin America BAM event, which brings top travel professionals from Colombia, Brazil, and Argentina to Houston for two days.

Mr. Franz mentioned the upcoming UK Sales & Media Mission, Houston's first such mission into this market. He noted that a new agency has been hired to represent Houston's interests in the UK to target professionals selling leisure travel, similar to efforts in Mexico and other key markets.

John Gonzalez, Senior, Vice President & General Manager Convention & Cultural Services, shared that, for the second consecutive year, the Corporation will be producing the Tour De Houston bike ride sponsored by Apache Corporation. He said the race is scheduled for April 3rd, and that the event features a newly redesigned westward route with distance options of 10, 20, and 45 miles, starting and ending at Avenida Plaza.

Mr. Gonzalez stated that HFC will host the official University of Houston watch party with live entertainment. This quarter, according to Mr. Gonzalez, the Corporation has hosted 127 events, including relocating an annual meeting of healthcare executives.

Mr. Heckman highlighted the collective effort from the facilities and sales teams, highlighting the tremendous achievement of securing the healthcare executive event, a milestone that reflects our growth and ambition.

G. Financial Report

Frank Wilson, Chief Financial Officer, gave an update on FY24 financial reports, noting a strong financial year. According to Mr. Wilson, total revenues exceeded expenses, exceeded the budget, and were higher than FY23.

Mr. Wilson stated the key revenue highlights showed strong performance, as Hotel Occupancy Tax is over budget and higher than FY23. He went on to say that Hilton Net Cash exceeded both budget expectations and previous actuals, while food and beverage revenue surpassed the budget reflecting increased venue activity.

Mr. Wilson stated personnel costs had the largest positive variance; however, some areas, such as building maintenance, janitorial services, and food & beverages experienced negative variance due to higher-than-expected usage at venues. Mr. Wilson stated that, in addition to meeting performance targets, debt was paid down over the year and other revenue sources are tracking in line with budget projections.

V. Executive Session.

Executive (closed) session pursuant to Texas Government Code Section 551.071 for the purpose of consultation with an attorney.

The Executive Session was announced and began at 9:15 a.m. All Board Members remained in the room, along with Michael Heckman, Paula Whitten-Doolin, Frank Wilson, Luther Villagomez, and Stephen Jacobs, outside counsel.

The Executive Session ended at 9:37 a.m.

The Board meeting resumed at 9:37 a.m.

VI. Board Business.

- A. Consideration and possible approval of a resolution approving a Separate GMP Change Order for site demolition, concrete and steel procurement, and enabling works with Gilbane Building Company and Flintco, LLC, a joint venture.

Elizabeth Brock, Chair of the Finance and Asset Management Committee, reported that the Committee met on March 18, 2025 to review the item, and after discussing, recommended the item for approval.

John Mooz and Frem Reggie with Hines detailed the scope and importance of the work to advance the project timeline. Mr. Mooz addressed questions regarding supplier diversity, community outreach, and safety.

Following a motion, duly seconded, the item was approved by all Board Members in attendance, save and except Paul Puente, who opposed the item.

- B. Consideration and possible approval of a resolution authorizing funding for permits and impact fees in connection with the Convention District Transformation Project.

Elizabeth Brock, Chair of Finance and Asset Management Committee, reported that the Committee met on March 18, 2025 to review the item. She added that the resolution enables funding for critical components of the construction project, specifically related to required fees, and that the Committee unanimously recommended the item for Board approval.

Mr. Mooz gave additional details and a timeline for this facet of the work.

Following a motion, duly seconded, the Board approved the item unanimously.

- C. Consideration and possible approval of a resolution granting the President & CEO authority to sign an agreement for materials testing and inspection services relating to the Convention District Transformation Project.

Elizabeth Brock, Chair of Finance and Asset Management Committee, reported that the Committee met on March 18, 2025 and discussed the item. She explained that this item enables Mr. Heckman, as President and CEO,

to authorize necessary materials testing when it becomes necessary for the project. She noted that the Committee unanimously recommended the item for Board approval.

Mr. Mooz informed the Board about the importance of testing and how this is a highly recommended best practice for an owner and how it provides significant risk mitigation.

Following a motion, duly seconded, the Board approved the item unanimously.

D. Consideration and possible approval of a resolution authorizing a Memorandum of Understanding with the City of Houston in connection with flood mitigation measures at Wortham Theater Center and the Theater District Garage.

Elizabeth Brock, Chair of Finance and Asset Management Committee, reported that the Committee met on March 18, 2025 to consider the item. She stated that everyone is aware of the destruction flooding has caused across the community, particularly in parts of downtown. She noted the Wortham Theater and the Theater District garages were severely flooded during Hurricane Harvey, which resulted in many months of remediation and restoration efforts. She stated that the Committee heard detailed information from Mr. Heckman regarding the proposed mitigation work recommended by FEMA and the City of Houston. She added that following the presentation, the Committee voted unanimously to recommend this item for Board approval.

Following a motion, duly seconded, the Board approved the item unanimously.

VII. Adjourn. The meeting was adjourned at 10:05 a.m.