

MINUTES

HOUSTON FIRST CORPORATION

**Governance, Audit & Finance Committee
May 1, 2019 – 3:00 P.M.
Partnership Tower, 701 Avenida de las Americas, Ste. 200
Houston, Texas 77010
HFC BOARD ROOM**

The Governance, Audit & Finance Committee ("Committee") of Houston First Corporation (the "Corporation" or "HFC"), 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., posted a meeting at Partnership Tower, 701 Avenida de las Americas, Houston, Harris County, Texas, 77010, on Wednesday, May 1, 2019, commencing at 3:00 p.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.

The following Committee members were present for the meeting: Katy Caldwell (Chair), Alex Brennan-Martin, Linda Toyota, Ryan Martin, Jay Zeidman, and Council Member Dave Martin

The meeting was called to order at 3:00 p.m. and a quorum was established.

1. **Public Comments.** None
2. **Review and approval of minutes from prior meeting.** Following a motion duly seconded, the meeting minutes of April 17, 2019 were approved as presented.
3. **Presentations and Reports.**
 - A. **CFO Financing Update.** Frank Wilson provided a brief overview of HFC's capital structure and discussed a number of expenses approved by the HFC Board. Mr. Wilson stated that HFC is working hard to balance the budget by the end of the year. Additionally, Mr. Wilson discussed HFC's bond rating.

Council Member Dave Martin asked what percentage of the funds collected for FEMA reimbursement would be retained by the City of Houston (the "City"). Frank Wilson discussed HFC's arrangement with the City and Council Member Martin expressed his concern in protecting the interest of HFC.

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4. Committee Business.

A. Consideration and possible endorsement of sponsorship agreements with RCM Entertainment, L.P. d/b/a Lone Star Sports and Entertainment for the Advocare Texas Kickoff and Academy Sports & Outdoors Texas Bowl.

Michael Heckman discussed the Advocare Texas Kickoff and Academy Sports & Outdoors bowl games. According to Mr. Heckman, both nationally televised football games have a strong track record of \$90-\$100 million in economic impact for the City during periods that are generally slow for hotel business. Mr. Heckman stated that both games will generate between 50,000-65,000 room nights. Additional sponsorship benefits to HFC include hospitality assets, national radio and television advertising, and millions in marketing impressions.

Mr. Heckman informed the Committee that Houston has also been awarded a 2024 college football playoff game, which will further establish Houston as an experienced host city for future bowl games.

In conclusion, Mr. Heckman stated that HFC has negotiated the terms of a sponsorship with RCM Entertainment, L.P. d/b/a Lonestar Sports & Entertainment ("LSSE") and request approval of a proposed investment for one-year in the amount of \$300,000.

Katy Caldwell asked about the Houston Sports Authority's involvement with the bowl games. Mr. Heckman explained that traditionally the Sports Authority has not provided monetary support, however, they have provided volunteers and assistance with the trust fund process.

A motion was made to endorse sponsorship agreements with RCM Entertainment, L.P. d/b/a Lone Star Sports and Entertainment for the Advocare Texas Kickoff and Academy Sports & Outdoors Texas Bowl. The motion passed unanimously.

5. Adjournment. The meeting was adjourned at 3:34 p.m.