

MINUTES

HOUSTON FIRST CORPORATION

FINANCE AND ASSET MANAGEMENT COMMITTEE MEETING
March 18, 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 on Tuesday, March 18, 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 8:02 a.m. A quorum was established with the following Committee Members in attendance: Elizabeth Gonzalez Brock, Shareen Lamond, and Roxann Neumann. Jay Zeidman, Chair of the Board of Directors, was also in attendance.
- II. **Public Comments.** None
- III. **Minutes.** Following a duly seconded motion, the minutes for February 18, 2025 were approved as presented.
- IV. **Presentations, Reports, and Updates**
 - A. **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.

Committee Members, along with Jay Zeidman, Michael Heckman, Paula Whitten-Doolin, and outside counsel Stephen Jacobs remained in the room for the Executive Session. All other attendees were asked to step out of the room.

The Executive Session began at 8:31 a.m. and ended at 8:50 a.m. The open meeting resumed at 8:51 a.m.

VI. Committee Business

[Item VI was considered out of order and presented before Items IV and V.]

- A. Consideration and possible recommendation 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.

Paula Whitten-Doolin, General Counsel, briefly summarized the purpose and content of the Change Order. She explained that the Board had previously authorized an agreement with Gilbane-Flintco, including a preliminary fee structure for the total scope of work, encompassing pre-construction and construction services. At that time, she added, general conditions and other onsite costs were also approved. As the project progresses rapidly, according to Ms. Whitten-Doolin, this Change Order, which is expected to total approximately \$145 million, is anticipated and necessary to address several critical items required for the continued development of the overall project.

John Mooz, Senior Managing Director at Hines, explained the change order process and function to achieve critical work. He stated that the present change order allows for the inclusion of items such as demolition,

earthwork, utility installation, steel and concrete procurement, general conditions and fees, as well as contingency allowances.

Mr. Mooz noted that trade work and insurance are included in the authorization and will be competitively procured through a public outreach process.

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

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

Mr. Mooz explained the type and purpose of permits required to continue the project. He noted that the major permit cost will occur later in the year when the full set of drawings is submitted. He emphasized the need for approval to spend these amounts as part of the progress with the guaranteed maximum price and permitted work.

Ms. Whitten-Doolin added that the Item was being considered separately because the payment obligation belongs to the Corporation directly, rather than Gilbane-Flintco or Hines.

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

C. Consideration and possible recommendation 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.

Mr. Mooz recommended that a materials testing and inspection firm be engaged in a timely manner to support the project schedule, emphasizing that this step is both critical and necessary to ensure the quality of materials used on the project, such as concrete and steel. He informed the Committee that a Request for Qualifications will be issued to identify the top-ranked respondent and secure the best value.

Mr. Heckman added that the materials testing is extremely important for ensuring the integrity of the work that is being performed for a project of this size.

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

D. Consideration and possible recommendation 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.

Mr. Heckman reflected on the extensive recovery work required following Hurricane Harvey, noting that most work focused on the parking garages and the Wortham Center. He briefly discussed recovery of funds through Federal Emergency Management Agency ("FEMA") and via insurance. He went on to explain that FEMA has since recommended further mitigation measures, prompting continued discussions between the Corporation and the City of Houston.

Mr. Heckman stated that the culmination of those conversations with the City of Houston is a negotiated Memorandum of Understanding outlining the processes by which the City of Houston will lead procurement efforts in accordance with FEMA guidelines, thereby reducing risk to the Corporation.

A key priority, according to Mr. Heckman, is capping out-of-pocket responsibility to a limited percentage of eligible costs and controlling risk of having to contribute significantly more without guaranteed reimbursement.

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

VII. **Adjourn.** The meeting was adjourned at 8:51 a.m.