HOUSTON FIRST CORPORATION

MINUTES OF THE GOVERNANCE, AUDIT & FINANCE COMMITTEE NOVEMBER 7, 2017

The Governance, Audit & Finance Committee of Houston First Corporation (the "Corporation"), a Texas non-profit 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 in the 2nd floor board room at Partnership Tower, 701 Avenida de las Americas, Houston, Harris County, Texas 77010, on Tuesday, November 7, 2017, commencing at 2:30 p.m. Written notice of the meeting, including the date, hour, place and agenda was posted in accordance with the Texas Open Meetings Act. The following members participated in the meeting: Katy Caldwell, Sofia Adrogué, John Johnson, Alex Brennan Martin, and Dawn Ullrich. Council Member Dave Martin and Linda Toyota were absent.

A quorum was established and a motion was made and duly seconded to call the meeting to order at approximately 2:35 p.m.

1. Public Comments. None.

2. Committee Business.

- A. Consideration and recommendation of the 2018 Administration Business Plans and Budgets. Brenda Bazan stated that all budget-related information was conveyed at the Governance, Audit & Finance Committee meeting on October 27, 2017. There being no discussion, a motion was made and duly seconded to recommend the 2018 Administration Business Plans and Budgets to the Houston First Board of Directors for review and approval.
- B. Consideration and recommendation of the Houston First Corporation's 2018 Business Plan and Budget, inclusive of Capital Plans. Ms. Bazan stated that she met with Committee members and answered any questions that they had. A motion was made and duly seconded to recommend Houston First Corporation's 2018 Business Plan and Budget to the Houston First Board of Directors for review and approval.
- C. Consideration and endorsement of the issuance of Subordinate Lien Hotel Occupancy Tax and Parking Revenue Flexible Rate Notes, Series A, by the City of Houston, in an aggregate principal amount not to exceed \$75,000,000, and providing for the payment thereof by Houston First Corporation. Ms. Bazan provided a brief update for this item as it had been discussed in detail at the prior Committee meeting. The proceeds will be used to further fund response, assessment and reconstruction services at the Theater District Garage and Wortham Theater Center resulting from Hurricane Harvey. She stated that even though the debt is issued by the City of Houston, Houston First Corporation is responsible for repayment. Following thorough discussion on this item, a motion was made and duly seconded to recommend this item to the Houston First Board of Directors for review and approval.

Prior to discussion on the following item, Jim Springer, with Gilbane Reconstruction Services, provided updates on the status of the Theater District facilities.

- D. Consideration and possible recommendation of a First Amendment to a Single Project Program Management Agreement between Houston First Corporation and Gilbane Reconstruction Services LLC for continued disaster emergency and assessment services related to Hurricane Harvey for certain Theater District facilities. Peter McStravick explained that Houston First has planned to defer permanent work until a Construction Manager-at-Risk is selected through a procurement process that meets FEMA guidelines. Houston First staff recommends negotiating and executing a First Amendment with Gilbane to incorporate certain FEMA-related provisions as well as to approve funds necessary for Gilbane to continue the disaster response and assessment work through December 15, 2017 or until such time that funds run out. Following discussion on this item, a motion was made and duly seconded to recommend this item to the Board of Directors for review and approval.
- E. Consideration and possible recommendation of the Construction Manager-at-Risk delivery method to select a general contractor to perform disaster recovery construction work related to Hurricane Harvey for certain Theater District facilities. Peter McStravick stated that the goal is to transition Gilbane from an emergency response phase to a general contractor that will perform the permanent, or recovery, work. The selection of a general contractor to perform the work using the Construction Manager-at-Risk delivery method is the most efficient method to transition into Phase II recovery work and to complete the work in the shortest amount of time. Following discussion on this item, a motion was made and duly seconded to recommend this item to the Board of Directors for review and approval.
- F. Consideration and possible recommendation of an increase to the Houston First 2017

 Budget to fund disaster response and recovery efforts related to Hurricane Harvey for certain Theater District facilities. Brenda Bazan stated that Houston First staff recommends an increase in the Houston First 2017 Budget to further fund disaster response efforts. Following discussion on this item, a motion was made and duly seconded to recommend this item to the Board of Directors for review and approval.

/s/	
Pamela Walko, Secretary	

The meeting adjourned at approximately 3:20 p.m.