

## HOUSTON FIRST CORPORATION

### MINUTES OF HOUSTON FIRST CORPORATION BOARD OF DIRECTORS

MARCH 10, 2016 – 12:00 NOON

The Board of Directors 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.TRANS.CODE ANN. §431.101 et seq. and TEX.LOC.GOV'T.CODE ANN §394.001 et seq., held a meeting at the George R. Brown Convention Center, 1001 Avenida de las Americas, Houston, Texas, on Thursday, March 10, 2016; commencing at 12:00 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: Ric Campo, Phyllis Bailey, Alex Brennan Martin, Katy Caldwell, C. C. Conner, Jr., Harry Greenblatt, Winslow Jeffries, Desrye Morgan, David Solomon, Gerald Womack, Council Member Martin and Council Member Robinson. Council Member Kubosh was in attendance and Fernando Cuellar was absent.

Ric Campo called the meeting to order at approximately 12:04 P.M. and a quorum was established.

1. **Approval of Minutes.** After a motion was made and duly seconded, the minutes of the December 16, 2015 meeting were approved as presented. Irma Diaz-Gonzalez abstained as she was not present at the December 16, 2015 meeting.
2. **Presentations.** Ira Mitzner, RIDA Development, provided an update on the status of the construction of the Marriott Marquis Hotel. While he mentioned that the weather had provided a bit of a challenge, the hotel is currently scheduled to open in November 2016. Mr. Mitzner continued with an update on the diversity participation on the project, which is at 29% and reflects that of the Houston community (38% Hispanic, 29% African-America, 18% Asian and 15% Anglo).
3. **Consideration and possible approval of a corporate Procurement Policy.** Gene Locke provided an update of the proposed Procurement Policy. This policy details overall corporate goals for the procurement of goods and services in an efficient and effective manner, exercising integrity and transparency, obtaining best value based on a competitive process and creating opportunities for participation. He stated that, as a Local Government Corporation (LGC), Houston First is unique in that State laws are not clearly defined. The intent is to foster a full and open process and adherence to the Corporation's non-discrimination policy and methods to enhance small business participation, diversity participation and city-preference considerations. This item was fully vetted and recommended for Board approval at the Governance, Audit & Finance Committee meeting on March 7, 2016. Following discussion on this item, a motion was made and duly seconded to approve a corporate Procurement Policy.

4. **Consideration and possible approval of a corporate Local Preference Contracting Program.** Gene Locke provided an overview of the Local Preference Contracting Program, which establishes the requirements under which the Corporation is authorized to consider a vendor's principal place of business in awarding certain contracts. The Program delineates when the local preference may be considered for both contracts that require competitive bidding and for contracts not requiring competitive bidding. This item was fully vetted and recommended for Board approval at the Governance, Audit & Finance Committee meeting on March 7, 2016. Following discussion on this item, a motion was made and duly seconded to approve a corporate Local Preference Contracting Program.
5. **Consideration and possible approval of Houston First Corporation's Investment Policy and designation of an Investment Officer.** Stephany Bland advised the Board that the Corporate Investment Policy had not changed since last year. In addition, the staff recommends that Karen Williams continue as the Corporation's designated Investment Officer. After a motion was made and duly seconded, the Board voted to approve the 2016 Investment Policy and designation of Karen Williams as the Corporation's Investment Officer.
6. **Consideration and possible approval of an agreement with Rob Pelletier Construction, Inc. for an Air Wall Replacement Project at the George R. Brown Convention Center.** Luther Villagomez advised the Board that the air walls in the George R. Brown Convention Center (GRB) are 29 years old and have become increasingly difficult to maintain. To remedy existing issues, the staff recommends an agreement in the amount of \$2,520,400 (plus 10% limitation for change orders) to furnish and install eight air walls at the GRB. This item was fully vetted and recommended for Board approval at the Theater and Convention District Operations Committee meeting on March 8, 2016. Following discussion on this item, a motion was made and duly seconded to approve an agreement with Rob Pelletier Construction, Inc. for the Air Wall Replacement Project.
7. **Consideration and possible approval for the expenditure of funds and an equivalent increase in the 2016 budget for art-related projects and concepts for installation in the George R. Brown Convention Center and Partnership Tower emphasizing and highlighting the Houston region.** Peter McStravick and Marie Hoke briefed the Board on the Houston Infusion plan beginning with the benchmarks used to develop the plan. Convention centers are moving away from providing blank canvases toward highlighting regional points of interest and showcasing local culture. This agenda recommends approval for the addition of art on the wall pockets, newly created charging stations, and strategic walls in Partnership Tower, HFC offices, and garage entrances. In addition, this agenda item will provide for Houston branding opportunities through video displays, display cases, welcome desks, trash receptacles, benches and seasonal planting as well as reinforcing the Americas theme. It should also be noted that this item was presented and discussed thoroughly in both the Joint Sales Committee and Governance, Audit & Finance Committee meetings on March 7, 2016. Council Member Martin asked the Corporation to look into establishing a process to direct visitors into the community and Council districts beyond the convention district. Holly Clapham-Rosenow and Jonathan Newport will visit with all Council Members to get ideas and ensure that all districts are represented. Following discussion on this item, a motion was made and duly seconded to approve the expenditure of funds and increase the 2016 budget for the above referenced art-related projects and improvements.

8. **Consideration and possible approval of a Sublease and Operating Agreement between The Buffalo Bayou Partnership and Houston First Corporation.** Dawn Ullrich provided history of the maintenance and operations of the green space property on Buffalo Bayou located between Shepherd and Smith Streets. Sheila Turkiewicz provided the details related to the proposed ten-year contract with The Buffalo Bayou Partnership to operate and maintain the green spaces adjacent to Buffalo Bayou, commonly known as Sabine Promenade, Sesquicentennial Park I and Sesquicentennial Park II. The terms of the agreement are as follows:

Term:	Ten years commencing on or about April 1, 2016.
Fee:	\$500,000 per 12-month period, subject to a CPI adjustment of no more than 3% commencing on the third term year.
Capital Fund:	\$50,000 per 12-month period to be used for capita projects, improvements or repairs other than routine maintenance and upkeep.
Events:	HFC may use the premises for up to 10 events each year on a complimentary basis.
Disasters:	For flooding in excess of 27 feet above normal water level, HFC shall perform remediation of weather-related damage. Damage caused by conditions declared a major disaster by the U.S. President to Texas Governor or floods exceeding 27 feet (as measured by the Harris County Flood Control District) are not the responsibility of Buffalo Bayou Partnership.

This item was fully vetted at the Theater and Convention District Operations Committee meeting on March 8, 2016. Following a thorough discussion on this item, a motion was made and duly seconded to approve a Sublease and Operating Agreement between The Buffalo Bayou Partnership and Houston First Corporation.

9. **Consideration and possible recommendation of an additional sponsorship agreement with Scenic Houston.** Katy Caldwell provided information regarding an additional \$200,000 request from Scenic Houston which would enable them to complete their initial project of 1.87 miles of the Hobby Airport corridor. In order to finalize Phase II, all funding must be in place by April 1, 2016; this timetable will also facilitate completion of the project by Super Bowl. Ms. Caldwell requested that Houston First approve the recommended pledge conditional upon Scenic Houston raising the remaining dollars necessary to complete the project. This item was fully vetted by the Governance, Audit & Finance Committee on March 7, 2016. Following discussion on this item, a motion was made and duly seconded to approve the additional sponsorship of \$200,000 with Chairperson Caldwell's condition.
10. **Executive (closed) Session.** The Houston First Board of Directors went into Executive (closed) Session at 1:08 P.M. pursuant to Texas Government Code Section 551.072 for the purpose of deliberations regarding real property. The Board came out of Executive Session at approximately 1:30 P.M.

11. **Consideration and possible approval of revised restaurant concepts to be located either in the George R. Brown Convention Center or Partnership Tower.** The details related to this item were thoroughly discussed in Executive Session. After a motion was made and duly seconded, the Board voted to approve the revised restaurant concepts to be located either in the George R. Brown Convention Center or Partnership Tower.

12. **Updates.**

- A. Peter McStravick advised the Board of Jacques d’Rovencourt’s promotion to General Manager of Hilton-Americas Houston following Joe Palmieri’s retirement on April 4, 2016.
- B. Luther Villagomez provided an update on the status of the convention district construction projects.
- C. Rob Jackson gave an update on possible revisions to the HOT ordinance.
- D. John Rolfe gave a summary of the draft Community Relations Plan and an update on the implementation of a board portal.
- E. Mike Waterman briefed the Board on the Customer Advisory and Innovation Board report, Top Taxi initiative, NCAA Final Four and an overview of the 2016 sales goals.

The meeting adjourned at approximately 2:00 P.M.

A handwritten signature in blue ink that reads "Pamela Walko". The signature is written in a cursive style and is positioned above a horizontal line.

Pamela Walko, Secretary