

# AGENDA

## HOUSTON FIRST CORPORATION

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**BOARD OF DIRECTORS MEETING**  
**November 16, 2023 – 3:00 P.M.**  
**Partnership Tower, 701 Avenida de las Americas, Suite 200**  
**Houston, Texas 77010**  
**HOUSTON FIRST BOARD ROOM**

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**BOARD MEMBERS:**

David Mincberg (Chair), Desrye Morgan (Vice-Chair), Sofia Adrogué, Elizabeth Brock, Nicki Keenan, Reginald Martin, Ryan Martin, Alex Brennan-Martin, Paul Puente, Bobby Singh, Tom Segesta, Gerald Womack, Jay Zeidman, Mayor Pro-Tem Dave Martin, Ex-officio, Council Member Robert Gallegos, Ex-officio

*In accordance with the Texas Open Meetings Act, this Agenda is posted for public information, at all times, for at least 72 hours preceding the scheduled time of the meeting on the bulletin board located on the exterior wall of the Houston City Hall building, located at 901 Bagby. The Agenda is also available online at <https://www.houstonfirst.com>.*

*To reserve time to appear, come to the meeting at least ten minutes prior to the scheduled public session shown on the Agenda.*

*Any questions regarding this Agenda, or requests for special needs assistance, should be directed to Lisa K. Hargrove, General Counsel at either 713.853.8965 or [Lisa.Hargrove@houstonfirst.com](mailto:Lisa.Hargrove@houstonfirst.com)*

*Code of Business Conduct and Ethics – As a reminder, under Houston First Corporation's Code of Business Conduct and Ethics Policy, if you have a potential conflict of interest that you have not previously disclosed relating to a transaction or arrangement being discussed or voted on, you should notify the Chair and refrain from voting on the transaction or arrangement and recuse yourself from the discussion on the matter at hand. You should have received a copy of the Policy, but if not, let us know and we will provide one for you.*

- I. Call to Order**
- II. Public Comments**
- III. Minutes – September 21, 2023**
- IV. Presentations, Reports, and Updates**
  - A. Houston First Chairman's Report
  - B. Houston First President & CEO's Report

**V. Board Business**

- A. Consideration and possible approval of the annual election of Officers pursuant to the Houston First Corporation Bylaws.
  - i. Michael Heckman, President & CEO
  - ii. Frank Wilson, Treasurer
  - iii. David Stepheson, Interim Corporate Secretary
  - iv. Frank Wilson, Investment Officer
- B. Consideration and possible approval of the Houston First Corporation 2024 Budget.
- C. Consideration and possible approval of funding for design and printing services rendered by Judson Design Associates, Inc. regarding the State of the City Luncheon.

**VI. Executive Session**

Executive (closed) session pursuant to Texas Government Code Section 551.074 for the purpose of reviewing and evaluating the performance of the President & CEO of the Corporation.

**VII. Adjourn**

**III. Minutes – September 21, 2023**

# MINUTES

## HOUSTON FIRST CORPORATION

### **BOARD OF DIRECTORS MEETING**

**September 21, 2023 – 3:00 P.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” 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., held a meeting at Partnership Tower, 701 Avenida de las Americas, Suite 200, Houston, Harris County, Texas 77010 on Thursday, September 21, 2023, 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 Board Members participated in the meeting: David Mincberg (Chair), Sofia Adrogué, Reginald Martin, Alex Brennan-Martin, Paul Puente, Tom Segesta, Jay Zeidman, Mayor Pro Tem Dave Martin, Ex-officio, and Council Member Robert Gallegos, Ex-officio.*

I. **Call to Order.** – The Chairman called the meeting to order at 3:08 p.m., and a quorum was established.

II. **Public Comments.**

Mark Grady, Business Agent Local 51, International Alliance of Theatrical Stage Employees (IATSE), updated Board Members on an agreement reached with Staging Solutions, Inc. He announced that IATSE is currently organizing several venues managed by Houston First Corporation (HFC) and is working through a contract with The Foundation for Jones Hall and is in similar negotiations with the Wortham Center Operating Company. He added that IATSE is conversing with HFC staff at Miller Outdoor Theatre.

Paul Puente, Board Member, thanked Mr. Grady for attending the meeting.

Next to address the Board was Joaquin Martinez, Board Member for the Mariachi Festival, a non-profit founded in 2019, which focuses on Hispanic culture with a mission to promote Hispanic culture through the arts and purposed with starting Mariachi and Folklorico groups in the City of Houston. He thanked HFC for partnering with his organization. He announced that this year’s Festival consisted of a three-day event, each day of which was sold out. Mr. Martinez asked the Board to continue supporting Hispanic events in the future and would like assistance with having the Mariachi Festival during Hispanic



Heritage month in 2024. He stated the next step is to bring visitors to Houston for this event and he would appreciate HFC's support in achieving this goal.

Mayor Pro Tem Martin, Board Member, thanked Mr. Martinez for his leadership with the Mariachi Festival. Council Member Robert Gallegos, Board Member, agreed that HFC should continue to support the Mariachi Festival as well as other Latino events and also thanked Mr. Martinez for his leadership.

Paul Puente, Board Member, attended the events on Friday and Sunday and stated that there was a high level of attendance, inclusive of students from local high schools who are learning Mariachi music.

Chairman David Minberg encouraged Mr. Martinez to return for further discussions with specifics as to how HFC can provide support with future events and congratulated him on a very successful event.

**III. Review and approval of minutes from prior meeting.** – Following a duly seconded motion, the August 3, 2023, minutes were approved as presented.

**IV. Presentations, Reports, and Updates.**

**A. Houston First Chairman's Report**

Chairman Minberg thanked all those who attended the Lynn Wyatt Square Grand Opening this morning. He stated the event was an enormous success.

Mr. Minberg informed Board Members that the Montrose Bridge lighting project will be discussed at a future Board meeting to determine HFC's commitment to the project.

Finally, he announced that HFC is contacting all Mayoral candidates to introduce them to HFC and provide a briefing on the organization.

**B. Houston First President & CEO's Report**

President and CEO, Michael Heckman, expressed gratitude for the hard work and dedication of management and staff involved in the Lynn Wyatt Square project and grand opening.

Management held a Destination Strategies and Insights meeting recently with over one hundred hoteliers in attendance. HFC provided an overview of 2023 and a look at what is anticipated in 2024, as well as marketing, sales, and tourism reports. Mr. Heckman emphasized the great feedback and announced another meeting will be held in January 2024.

Senior Vice President Sales & Client Services, John Solis, reported that through August 2023, definite bookings have improved compared to this same period in 2019. Meetings are at 384 compared to 268 in 2019 which is a 40% increase. Room nights are 284,000 compared to 394,000 in 2019 which is due to smaller meetings. He added that 82% of these definite bookings are made up of corporate and national association business, with the majority of the events booked within a twenty-four-month window.

Mr. Solis illustrated the tentative production which includes businesses that have shown an interest in Houston. There are 1,629 potential meetings with 2,870,255 room nights in 2023 compared to 1,250 meetings and 2,278,448 room nights in 2019. This equates to a 30% increase in meetings and a 26% increase in room nights.

Mr. Solis reported that site and planning meetings in 2023 are on par or have exceeded those in 2019. He indicated that through August 2023, hosted meetings will surpass all of 2022 and will exceed 85% of 2019, which is a very positive gain. The expectation is to be back at 2019 numbers in 2024.

Mr. Solis identified the key numbers of definite meetings for 2023 and 2024. In 2023, there will be 29 meetings, 368,241 total room nights and 28 meetings with 327,156 total room nights in 2024.

Mr. Heckman recognized the HFC team for a successful 2028 Republican National Convention (RNC) bid. He stated that the process touched almost every department. Mr. Heckman acknowledged Nathan Tollett, Vice President Citywide Convention Sales, as the point person and congratulated him on his hard work and for taking the lead on the bid process. He boasted that the RNC stated it was the best site visit it has ever seen.

Frank Wilson, Chief Financial Officer, reported on financials through August 31, 2023. He stated, with the exception of the underperformance of Avenida Parking, all major revenues continue to outperform budget through August. The highest overperforming major revenues are Hotel Occupancy Tax Collections by 11.6%, GRB Food and Beverage by 27.2%, and Parking Revenue – Theater District by 25.6%. He added that Hilton Americas Net Cash is \$3 million or 10.3% better than budget.

Mr. Wilson also reported that three of the major expenses were performing over budget, each of which is related to an increased activity at the George R. Brown Convention Center and a very busy summer. He added that the three largest favorable variances in major expenses are Personnel, Security Contract, and Building Maintenance Contract.

He stated that Total Revenues exceed Total Expenses by \$29.4 million through August 31<sup>st</sup>, which is primarily driven by the \$21.6 million favorable revenue variance to budget.

Todd Holloman, Vice President Venues and Live Events, reported on previous events on the Avenida which included Optik, a temporary art installation which was displayed from July 4th to September 4th, and the National Urban League Community Day held on July 29th. He also presented upcoming events at Lynn Wyatt Square, including Sip and Share at the Square beginning September 29th, FARE in the Square beginning October 3rd, and Mimosas and Music beginning October 1st. Events happening later in the year include City Lights – Avenida Houston from November 18th through December 17th and City Lights – Theater District beginning November 17th, as well as the Annual Christmas Tree Lighting Ceremony on November 22nd at the Wortham.

Paul Puente, Board Member, inquired about the status of the search for a restaurant at Lynn Wyatt Square. Mr. Heckman responded that no bids have been received, but there will be food trucks and vendors until a restaurant is selected.

Council Member Robert Gallegos asked about the areas included in City Lights. Mr. Holloman responded that City Lights is being done in partnership with the Downtown Management District and Central Houston and the areas will include Hermann Square and Bagby Street. Council Member Gallegos suggested the possibility that City Lights coincide with the Dia de Los Muertos Parade downtown. Mr. Heckman recommended he reach out to the Downtown Management District to discuss that possibility.

Mr. Heckman informed Board Members that HFC is currently in the CY24 Strategy and Budget Planning process, with reports to be presented in the November Committee and Board meetings. He also stated that the Tourism Summit, which has been reimagined and will now be known as Collaborate Houston, will launch in November 2023. Board Member Reggie Martin asked that HFC partner with Houston Hospitality Alliance (HHA) for Collaborate Houston. Michael said he would have Jorge Franz, Senior Vice President Tourism and Industry Relations, reach out to him.

Mr. Heckman reminded the Board that State of the City will be held October 27, 2023. Mayor Sylvester Turner will discuss the Convention District transformation, as well as other developments.

## **V. Board Business**

- A. Consideration and possible approval of matters relating to Jones Hall for the Performing Arts: (i) pre-approval of certain 2024 capital projects as well as authorizing the expenditure of such funds and procurement of such projects and (ii) authorizing the issuance of task orders to Page Southerland Page, Inc. for design services related to such projects.

Items V.A., V.B., and V.C. were taken out of order and were presented immediately following Item III.

Luther Villagomez, Chief Operating Officer, informed the Board that the Operations Committee unanimously approved the pre-approval of the procurement and design services for certain capital projects for Jones Hall in the amount of \$3.8 million. These new projects are in conjunction with work that The Foundation for Jones Hall is doing; therefore, it's a proactive approach to get the work done in the early design phase to allow for completion in early 2024.

John Gonzalez, Sr. Vice President and General Manager – GRB, stated that a comprehensive facility condition assessment was conducted which resulted in the recommendation that the project include design, lighting, electrical, and plumbing work. The potential projected cost is \$3.8 million. Design services will begin in Fall 2023 with projects to be bid in early 2024 and the work to be scheduled and completed Spring – Fall 2024.

John Mangum, Executive Director/CEO and Margaret Alkek Williams, Chair of the Houston Symphony, thanked HFC for the investment in Jones Hall with the

replacement of the glass elevator and the roof, as well as several other smaller upgrades and improvements. He stated that he is appreciative of the investment already made and for the proposed additional investments.

Alex Brennan-Martin, Board Member and Committee Member of the Operations Committee, informed the Board Members that the Operations Committee fully supported this item.

Following a duly seconded motion, matters relating to Jones Hall for the Performing Arts: (i) pre-approval of certain 2024 capital projects as well as authorizing the expenditure of such funds and procurement of such projects and (ii) authorizing the issuance of task orders to Page Southerland Page, Inc. for design services related to such projects was approved unanimously.

**B. Consideration and possible approval of an Amended Funding Agreement between Houston First Corporation and The Foundation for Jones Hall.**

Mr. Heckman reminded Committee Members that the City of Houston had given \$2.5 million in funding to The Foundation for Jones Hall through an Interlocal Agreement with Houston First in October 2022. City Council approved a First Amendment to the Interlocal Agreement to give an additional \$2.7 million, which requires approval of an Amended Funding Agreement between HFC and The Foundation for Jones Hall.

Following a duly seconded motion, an Amended Funding Agreement between Houston First Corporation and The Foundation for Jones Hall was approved unanimously.

**C. Consideration and possible approval of additional funding for the Hilton Americas-Houston Hotel Roof Project with Chamberlin Houston, LLC.**

Roksan Okan-Vick, Urban Development Officer, reported that the sixth-floor roof was completed as an overlay project in 2022. Ms. Okan-Vick explained that testing for uplift was required for the remaining higher-level roofs on levels 8, 18, 20, 25, and 26 before overlay could begin. The roofs were tested, and eighty-eight percent of the roof membranes failed. Ms. Okan-Vick stated that FM Global confirmed that a full replacement of the roof would be required for these higher-level roofs due to the high percentage of failure. Ms. Okan-Vick informed Board Members that a significant change to the work was required which results in additional funding for the project in the amount of \$2,456,056 plus a ten percent contingency of \$245,606, totaling \$2,701,662. This additional funding would come from fiscal year 2023. She added that the project is expected to be completed March 1, 2024, which is just before the insurance renewal date of May 1, 2024, and will result in a significant decrease in premium.

Paul Puente, Board Member, shared that he addressed concerns during the Operations Committee meeting about this being a significant change order to the

roof project and that the item had been passed by the committee after further discussion.

Following a duly seconded motion, additional funding for the Hilton Americas-Houston Hotel Roof Project with Chamberlin Houston, LLC was approved unanimously.

**VI. Adjourn.** The meeting adjourned at 4:19 p.m.



**V. (A) Consideration and possible approval of the annual election of Officers pursuant to the Houston First Corporation Bylaws.**

- i. Michael Heckman, President & CEO**
- ii. Frank Wilson, Treasurer**
- iii. David Stephenson, Interim Corporate Secretary**
- iv. Frank Wilson, Investment Officer**

**Consideration and possible approval of the Annual Election of Officers pursuant to the Houston First Corporation Bylaws.**

**RESOLVED**, that the Board of Directors of Houston First Corporation hereby approves the following officers:

- i. Michael Heckman, President & CEO
- ii. Frank Wilson, Treasurer
- iii. David Stepheson, Interim Corporate Secretary
- iv. Frank Wilson, Investment Officer

**V. (B) Consideration and possible approval of the Houston First Corporation 2024 Budget.**

**Consideration and possible approval of the Houston First Corporation 2024 Budget.**

**RESOLVED**, that the Board of Directors of Houston First Corporation approves the Houston First Corporation 2024 Budget.

**V. (C) Consideration and possible approval of funding for design and printing services rendered by Judson Design Associates, Inc. regarding the State of the City Luncheon.**



Consideration and possible approval of funding for design and printing services rendered by Judson Design Associates, Inc. regarding the State of the City Luncheon.

**BACKGROUND - LEGACY BOOK PRINTING:**

The City of Houston requested that Houston First Corporation ("HFC") pay Judson Design Associates, Inc. ("Judson Design") for work performed for the 2023 State of the City Luncheon ("Luncheon"). Specifically, Judson Design produced approximately 600 books that the Luncheon provided to attendees.

**NEW FUNDING – FUNDING FOR LEGACY BOOK PRINTING:**

Judson Design Associates, Inc.'s work included the development and printing of the Legacy books provided to attendees of the Luncheon.

The funding will not exceed \$123,979.98.

**RESOLVED**, that the Board of Directors of Houston First Corporation approves the following resolutions based upon the above parameters:

**RESOLVED**, that the Board of Directors of HFC hereby approves and authorizes funding of \$123,979.98 for book printing expenses for Judson Design Associates, Inc. to be used in accordance with the above parameters, together with such conditions or modifications that are approved by the President and CEO, as he may determine to be in the best interest of HFC.

Houstonfirst.

HOUSTON FIRST CORPORATION

# BOARD OF DIRECTORS MEETING

McGovern Lake  
HERMANN PARK

HFC Board Room  
Partnership Tower  
Thursday, November 16, 2023  
3:00 p.m.



Lynn Wyatt Square  
DOWNTOWN

# PUBLIC COMMENTS

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Anyone who wishes to address the Committee during the Public Comment session may do so by signing up on the Public Comment sign-in sheet at the front of the room.

**HFC BOARD OF DIRECTORS MEETING**  
November 16, 2023

White Oak Bayou  
NORTHWEST OF DOWNTOWN



# MINUTES

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September 21, 2023

**HFC BOARD OF DIRECTORS MEETING**  
November 16, 2023

Houstonfirst



Hilton Garden Inn  
UPTOWN



4 HFC BOARD OF DIRECTORS MEETING

# HOUSTON FIRST CHAIRMAN'S REPORT

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DAVID M. MINCBERG

**HFC BOARD OF DIRECTORS MEETING**  
November 16, 2023

**Houston**first



Rothko Chapel  
MONTROSE



5 HFC BOARD OF DIRECTORS MEETING

HOUSTON FIRST  
**PRESIDENT & CEO  
REPORT**

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**MICHAEL HECKMAN**

**HFC BOARD OF DIRECTORS MEETING**  
November 16, 2023

**Houstonfirst**



# BOARD BUSINESS

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- A. Consideration and possible approval of the annual election of Officers pursuant to the Houston First Corporation Bylaws.
- i. Michael Heckman, President & CEO
  - ii. Frank Wilson, Treasurer
  - iii. David Stephenson, Interim Corporate Secretary
  - iv. Frank Wilson, Investment Officer

**LISA HARGROVE**

*General Counsel*

**HFC BOARD OF DIRECTORS MEETING**

November 16, 2023



Museum of Fine Arts Houston  
MUSEUM DISTRICT



7 HFC BOARD OF DIRECTORS MEETING

# BOARD BUSINESS

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- B. Consideration and possible approval of the Houston First Corporation 2024 Budget.

**MICHAEL HECKMAN**

*President & Chief Executive Officer*

**FRANK WILSON**

*Chief Financial Officer*

**HFC BOARD OF DIRECTORS MEETING**

November 16, 2023

**Houston**first

# PROPOSED 2024 STRATEGY & BUDGET

## Approval Process

NOVEMBER 1, 2023

### OPERATIONS COMMITTEE

- Cultural Facilities & Services
- Convention Facilities & Services
- Information Technology
- Urban Development

NOVEMBER 9, 2023

### HOTEL COMMITTEE

- Hilton Americas – Houston Hotel

NOVEMBER 16, 2023

### HFC BOARD OF DIRECTORS

- HFC Corporate Budget

NOVEMBER 2, 2023

### SALES, TOURISM, AND MARKETING COMMITTEE

- Marketing
- Sales, Client & Event Services
- Tourism & Industry Relations

NOVEMBER 14, 2023

### BENEFITS, COMPENSATION, AND FINANCE COMMITTEE

- HFC Corporate Budget

# STRATEGIC PILLARS

## TRANSFORMATIONAL LEADERSHIP

Enhance and employ organizational relevance by inspiring, influencing, and leading key stakeholder groups in furtherance of HFC's mission and value for Houston.

## DESTINATION DEVELOPMENT

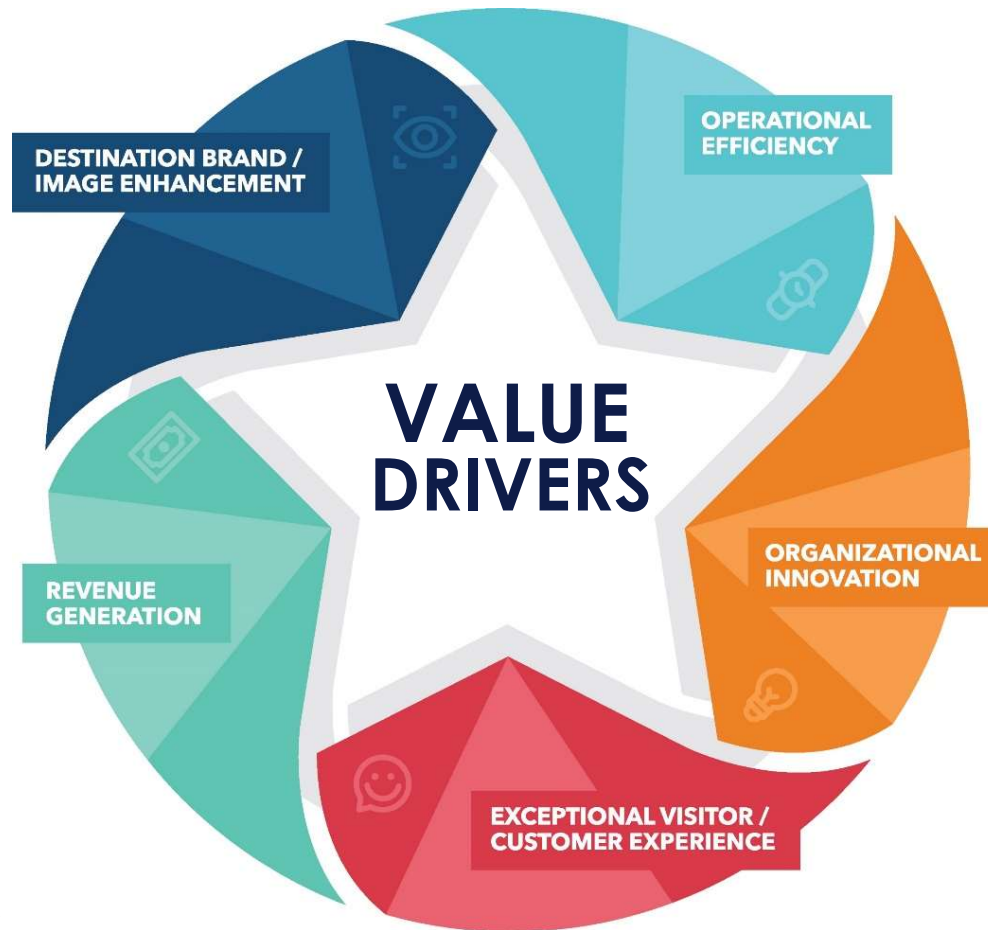
Serve as a catalyst for initiatives that strengthen Houston's global reputation, increase travel to the city, and improve HFC's economic impact to the community.

## REVENUE DIVERSIFICATION & ASSET GROWTH

Advance new opportunities for additional revenue streams, asset growth, and financial mechanisms that strengthen HFC's financial outlook and viability.



# CORE OF VALUE CREATION



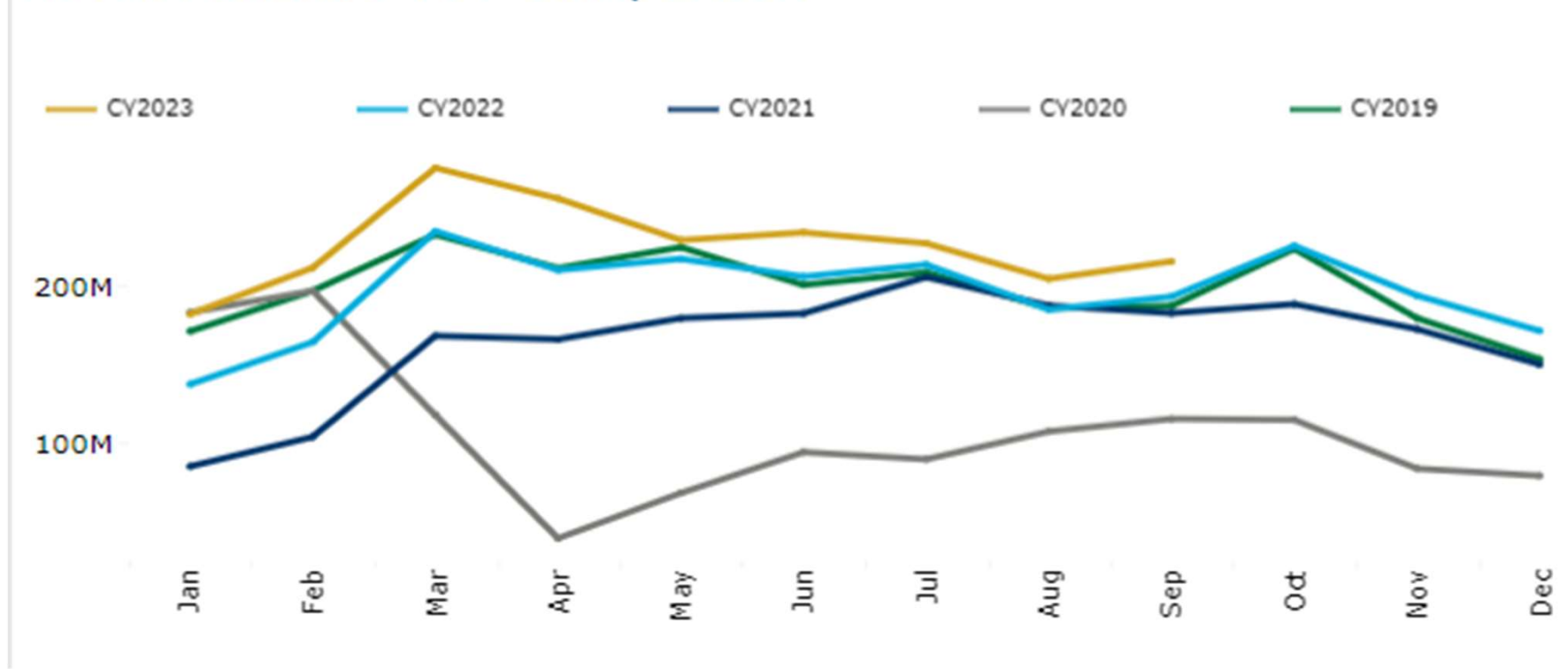
# CY 2023 BUDGET VS FORECAST

<i>(\$ in millions)</i>	<b>2023 Budget</b>	<b>2023 Forecast*</b>	<b>CHANGE</b>
<i>Operating Revenue</i>	\$108.1	\$116.9	\$8.8
<i>Non-Operating Revenue</i>	99.5	108.8	9.3
<b>TOTAL REVENUE</b>	<b>\$207.5</b>	<b>\$225.7</b>	<b>\$18.2</b>
<i>Operating Expense</i>	\$100.0	\$102.1	(\$2.1)
<i>Non-Operating Expense</i>	105.9	123.1	(17.2)
<b>TOTAL EXPENSE</b>	<b>\$205.9</b>	<b>\$225.2</b>	<b>(\$19.3)</b>
<b>REVENUE IN EXCESS OF EXPENSE</b>	<b>\$1.61</b>	<b>\$.58</b>	<b>(\$1.0)</b>

\*In 2023 , instead of financing capital expense, all capital was funded from cash flow from operations. In 2022, capital projects of \$5.2 M were funded from cash flow.

# TOTAL HOTEL REVENUE TO THE MARKET

## Room Revenue YOY Comparison



# CY24 STRATEGIC INVESTMENTS



**\$2.9M**  **\$3.5M**   
Advertising & Promotion      Sales and Marketing Strategies



**+\$20.3M**  
Capital Expenditures



**\$200k**  
Houston Film Incentive



# 2024 PRIORITIES



- **Strengthen Houston's Brand Equity**
- **Foster Greater Synergy as a Destination**
- **Boost Economic Impact of Leisure Travel to Houston**
- **Accelerate Booking Pace for 2025 – 2027 Convention Business**
- **Develop Aggressive Convention Sales Strategies for Transformed Convention District**
- **Deliver Superior Convention Client Experiences**
- **Manage New Conditions Affecting Convention Sales**
- **Increase Travel Market Share from Mexico**

# 2024 PRIORITIES



- **Seize Emerging International Markets**
- **Promote Exceptional 360° Visitor Experiences**
- **Implement Phase 1: Convention District Transformation**
- **Enhance Destination Appeal at HFC Facilities**
- **Increase the Number of Houston TV & Film Projects**
- **Explore P3 Opportunities to Address Structural HFC Budget Challenges**
- **Pursue Excellence in Corporate Culture**



# PROPOSED CY 2024 BUDGET



**\$229.2M**  
TOTAL REVENUES

**\$227.8M**  
TOTAL EXPENSES

**\$20.3M**  
CAPITAL EXPENDITURES

## ASSUMPTIONS:

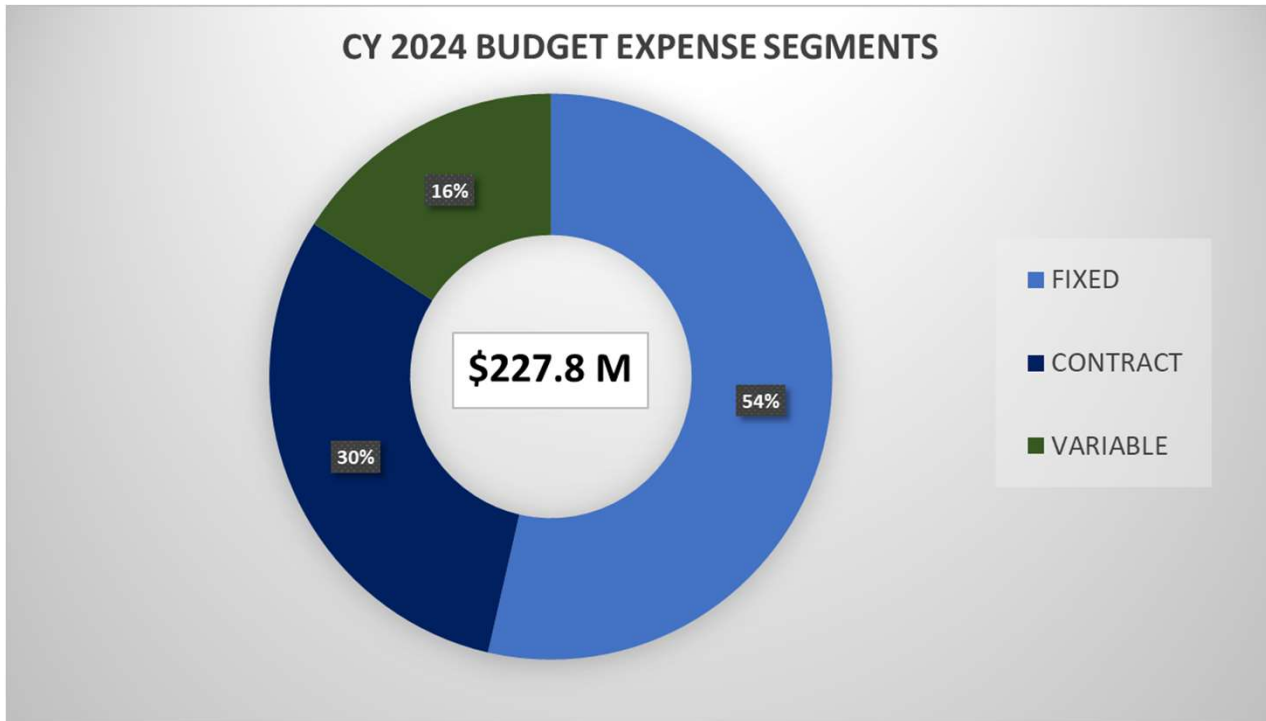
- No recession in 2024
- Leisure travel continues pace
- Business travel continues improvement
- Hotel occupancy and rates improve
- Corporate meeting demand continues
- Return to offices slowly improves
- Concerts, sporting and other events drive parking
- Continued inflation pressure
- Rising interest rate environment

# PROPOSED CY 2024 BUDGET SUMMARY

<i>(\$ in millions)</i>	<b>2023 Forecast Budget</b>	<b>2024 Proposed Budget</b>	<b>CHANGE</b>
<i>Operating Revenue</i>	\$116.9	\$ 115.4	(\$1.5)
<i>Non-Operating Revenue</i>	108.8	113.8	5.0
<b>TOTAL REVENUE</b>	<b>\$225.7</b>	<b>\$229.2</b>	<b>\$3.5</b>
<i>Operating Expense</i>	\$102.1	\$120.4	\$18.3
<i>Non-Operating Expense</i>	123.1	107.4	(15.7)
<b>TOTAL EXPENSE</b>	<b>\$225.2</b>	<b>\$227.8</b>	<b>\$2.6</b>
<b>REVENUE IN EXCESS OF EXPENSE</b>	<b>\$0.5</b>	<b>\$1.4</b>	<b>\$0.9</b>



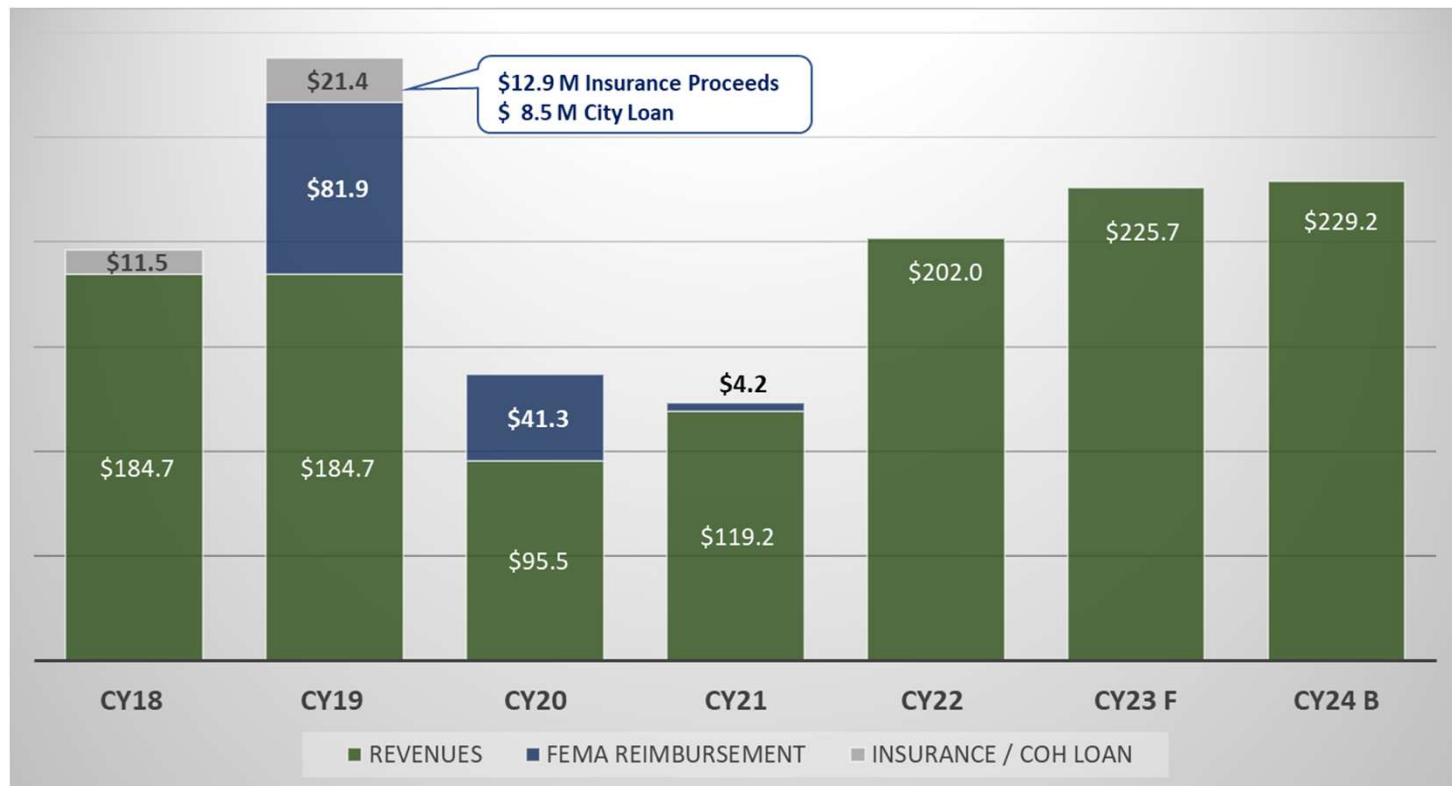
# PROPOSED CY 2024 BUDGET SUMMARY



	2024 BUDGET	%
<b>Fixed</b>	\$122,093,547	54%
<b>Contract</b>	69,443,882	30%
<b>Variable</b>	36,271,665	16%
<b>TOTAL</b>	\$227,809,094	100%

# MAJOR REVENUE TRENDS

\$s in millions



# CONTRIBUTIONS TO COH & STAKEHOLDERS

Transfers to City	(\$ in 000s)
HAA (19.3% HOT)	\$20,844
Promotion	425
Protocol	470
Traffic Administration	242
Hobby Center HVAC	279
Annex Garage	325
<b>Total</b>	<b>\$22,585</b>

Transfers to Stakeholders	(\$ in 000s)
Discovery Green	\$1,372
Hobby Center	1,100
MATCH	450
Buffalo Bayou Partnership	570
<b>Total</b>	<b>\$3,492</b>

# 2024 CAPITAL PROJECTS

## GEORGE R BROWN CONVENTION CENTER

- Replace Smoke Heads
- Replace Insulation and Bad Piping on Chill Water Pipes
- Replace Chill Water Flow Meters
- Refurbish AHUs in Halls B & D
- Replace Sound System in Meeting Rooms 322, 330 & 340
- Wings Over Water 20 Pump Replacement
- Equipment - Scrubbers and Carpet Extractors
- Replace Lift Stations
- CNC Router for Print Shop
- Tables/Chairs
- Replace Condenser Water Piping in Cooling Towers
- Re-pipe Dry Pipe System
- Airwall Refurbish (skins only)
- New BAS Lighting Controls in Exhibit Halls A & E
- Ceiling Tiles For All Meeting Rooms
- Replace Carpet in Meeting Rooms 322, 330 & 342
- Upgrade TD Radios for Security & HFC Staff
- 3rd Level Signage
- Executive Boardroom Refresh
- Lactation Pods
- GRB Display Walls
- Banners Café Demo

## JONES HALL

- Replace Lighting throughout with LED
- Replace Encore Café Tables & Chairs and Outdoor Furniture
- BAS Upgrades
- Security Camera in Select Interior Areas
- Install New Humidifier System
- VFD's on Cooling Towers 1 & 2
- Refurbish AHU-1, install electric control valves and replace insulation on ductwork and piping
- Replace Original Rubber Heat Water-Resistant With Thermoplastic Heat Water-Resistant Nylon Insulated Conductors
- Perform Testing and Corrective Action of the Building Grounding
- Replace Domestic Booster Pumps and Piping
- Replace Sanitary Sewage Pumps
- Replace Storm Pumps
- Replace Backflow Preventer With Serving Steam Boilers
- Replace Domestic Water Piping
- Replace Storm Piping and Roof Drains
- Replace Hot Water Piping
- Replace Roof Manifold and Insulate
- Replace Smoke Roof Hatches
- New IDF Build Out and Fiber Runs Upper Levels

## PARTNERSHIP TOWER

- Furniture, Fixtures and Equipment

## WORTHAM THEATER CENTER

- Replace Escalators
- Archway Lighting Work
- Rigging Replacement-Brown Theater
- Replace OAHU 7-16a (Rm 705)
- Replace Central Heating Boiler (Qty:1)
- Replace House Lighting Controls for Brown Theater

## MILLER OUTDOOR THEATRE

- Stage, Pit Floor and/or A/C Replacement
- Amplifiers, Sub Woofers & rearrange Delay Speaker Cabinets
- Remove 50-ton Unit and Install New Daikin 13,000 CFM unit

## OTHER TD PROJECTS

- Flood Mitigation in Theater District
- Lynn Wyatt Square ("LWS") Completion
- TDPG - Phased Repairs '23-'26, New NW Bollards
- Technology Replacements/Refresh/Network & Server Upgrades
- Montrose Bridges Lighting
- Security Cameras

**TOTAL PROJECTS: \$16.6 MILLION**

# LYNN WYATT SQUARE

## PRELIMINARY ANNUAL OPERATING COSTS

EXPENDITURE	AMOUNT
PROGRAMMING	\$500,000
JANITORIAL	267,355
SECURITY	241,820
INSURANCE	252,450
FACILITY MAINTENANCE	254,680
UTILITIES (electricity, gas, water, sewer)	197,127
LANDSCAPING	127,687
SUPPLIES & OTHER PERMITS	25,000
<b>TOTAL</b>	<b>\$1,866,119</b>

# PROPOSED CY 2024 BUDGET

## OPERATING REVENUES AND EXPENSES

	CY22 Actuals	CY23 Orig Budget	CY23 Forecast	CY24 Budget	Variance h/(l) than CY23 Forecast
Venue Revenue	\$ 82,640,103	\$ 85,315,300	\$ 94,166,452	\$ 91,187,640	\$ (2,978,812)
Parking.	\$ 21,455,576	\$ 19,903,565	\$ 20,657,009	\$ 21,781,864	\$ 1,124,855
Miscellaneous	\$ 3,050,991	\$ 2,852,400	\$ 2,088,528	\$ 2,422,145	\$ 333,617
<b>Operating Revenues</b>	<b>\$ 107,146,670</b>	<b>\$ 108,071,265</b>	<b>\$ 116,911,989</b>	<b>\$ 115,391,649</b>	<b>\$ (1,520,340)</b>
Personnel	\$ 20,073,181	\$ 27,341,273	\$ 25,935,845	\$ 29,798,976	\$ 3,863,131
Advertising & Promotion	\$ 7,017,208	\$ 8,212,233	\$ 8,096,322	\$ 11,034,880	\$ 2,938,558
Travel, Promotion, and Events	\$ 4,760,636	\$ 3,457,040	\$ 4,684,024	\$ 9,850,577	\$ 5,166,553
Facility Maintenance	\$ 7,733,209	\$ 10,191,295	\$ 8,903,251	\$ 10,770,240	\$ 1,866,989
Food and Beverage	\$ 14,732,998	\$ 14,943,235	\$ 17,772,643	\$ 14,585,017	\$ (3,187,626)
Security	\$ 3,719,777	\$ 5,454,933	\$ 4,929,401	\$ 6,498,200	\$ 1,568,799
Utilities	\$ 5,415,341	\$ 5,767,522	\$ 5,915,035	\$ 7,406,685	\$ 1,491,650
Parking	\$ 2,127,272	\$ 2,424,329	\$ 2,460,642	\$ 3,246,426	\$ 785,784
Janitorial	\$ 5,733,903	\$ 6,534,287	\$ 6,797,957	\$ 6,710,543	\$ (87,414)
Insurance	\$ 5,395,159	\$ 6,411,273	\$ 7,722,873	\$ 9,888,272	\$ 2,165,399
Lease Expense	\$ 1,524,252	\$ 1,525,410	\$ 1,524,305	\$ 1,524,450	\$ 145
Consulting	\$ 2,040,926	\$ 2,943,600	\$ 2,502,085	\$ 3,140,450	\$ 638,365
Fees & Services	\$ 933,502	\$ 928,650	\$ 873,152	\$ 1,384,850	\$ 511,698
Computer Services	\$ 910,605	\$ 1,002,096	\$ 1,115,302	\$ 1,205,186	\$ 89,884
Legal Expense	\$ 545,416	\$ 830,000	\$ 951,231	\$ 950,000	\$ (1,231)
Other	\$ 1,001,367	\$ 947,482	\$ 835,740	\$ 1,106,054	\$ 270,314
<b>Operating Expenses</b>	<b>\$ 84,339,609</b>	<b>\$ 100,007,442</b>	<b>\$ 102,060,811</b>	<b>\$ 120,419,586</b>	<b>\$ 18,358,775</b>
<b>Net Income From Operations</b>	<b>\$ 22,807,061</b>	<b>\$ 8,063,822</b>	<b>\$ 14,851,177</b>	<b>\$ (5,027,937)</b>	<b>\$ (19,879,115)</b>

# PROPOSED CY 2024 BUDGET

## NON-OPERATING REVENUES AND EXPENSES

	CY22 Actuals	CY23 Orig Budget	CY23 Forecast	CY24 Budget	Variance h/(l) than CY23 Forecast
Hotel Occupancy Tax (Current & Delinquent)	\$ 84,367,831	\$ 99,000,000	\$ 105,752,649	\$ 111,000,000	\$ 5,247,351
Contributions	\$ 10,930,250	\$ -	\$ 20,000		\$ (20,000)
Net Available Pledged Rev. Transfer	\$ 1,118,028	\$ -	\$ 1,501,210	\$ 678,000	\$ (823,210)
Interest Income	\$ 718,601	\$ 515,969	\$ 1,565,237	\$ 2,146,200	\$ 580,963
<b>Non-Operating Revenues</b>	<b>\$ 94,898,654</b>	<b>\$ 99,515,969</b>	<b>\$ 108,839,095</b>	<b>\$ 113,824,200</b>	<b>\$ 4,985,105</b>
Sponsorship Expense	\$ 601,356	\$ 1,032,550	\$ 753,502	\$ 1,152,850	\$ 399,348
Non-COH Contractual Obligations	\$ 3,897,586	\$ 3,679,656	\$ 3,665,449	\$ 3,681,744	\$ 16,295
Programming & Events	\$ 1,838,968	\$ 2,985,000	\$ 2,285,176	\$ 3,150,000	\$ 864,824
Contingency	\$ -	\$ 4,000,000	\$ 2,000,000	\$ 4,000,000	\$ 2,000,000
Capital Spending	\$ 10,126,096	\$ 1,215,582	\$ 20,976,875	\$ 568,073	\$ (20,408,802)
Debt Service	\$ 67,952,796	\$ 70,879,200	\$ 70,695,368	\$ 70,885,128	\$ 189,760
COH Contractual Obligations	\$ 17,337,394	\$ 20,455,416	\$ 21,444,265	\$ 22,620,797	\$ 1,176,532
Hotel Tax Refunds	\$ 1,051,063	\$ 1,716,446	\$ 1,292,294	\$ 1,330,916	\$ 38,622
<b>Non-Operating Expenses</b>	<b>\$ 102,805,259</b>	<b>\$ 105,963,850</b>	<b>\$ 123,112,928</b>	<b>\$ 107,389,508</b>	<b>\$ (15,723,421)</b>
Total Revenue less Expenses	\$ 14,900,456	\$ 1,615,941	\$ 577,344	\$ 1,406,755	\$ 829,411
Capital - Prior Year Carry Forward		\$ 11,415,367	\$ -	\$ 5,028,512	\$ 5,028,512
Capital - Financed Projects	\$ 5,273,471	\$ 18,122,312	\$ 5,626,750	\$ 19,946,250	\$ 14,319,500
Disaster Expense	\$ 40,095	\$ -	\$ 147,334	\$ 178,600	\$ 31,266
Total Revenues	\$ 202,045,324	\$ 207,587,234	\$ 225,751,084	\$ 229,215,849	\$ 3,464,765
Total Expense	\$ 187,144,869	\$ 205,971,292	\$ 225,173,740	\$ 227,809,094	\$ 2,635,354
Net Profit (Loss)	\$ 14,900,456	\$ 1,615,941	\$ 577,344	\$ 1,406,755	\$ 829,411



POST Skylawn  
DOWNTOWN



25 HFC BOARD OF DIRECTORS MEETING

# BOARD BUSINESS

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- C. Consideration and possible approval of funding for design and printing services rendered by Judson Design Associates, Inc. regarding the State of the City Luncheon.

**MICHAEL HECKMAN**

*President & Chief Executive Officer*

**HFC BOARD OF DIRECTORS MEETING**

November 16, 2023

**Houston**first





Rainbow Cross Walk  
MONTROSE

26 HFC BOARD OF DIRECTORS MEETING

# HOUSTON FIRST EXECUTIVE (CLOSED) SESSION

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Executive (closed) session pursuant to Texas Government Code 551.074 for the purpose of reviewing and evaluating the performance of the President & CEO of the Corporation.

**HFC BOARD OF DIRECTORS MEETING**  
November 16, 2023

**Houston**first

# Houstonfirst<sup>SM</sup>

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