

AGENDA

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING

July 15, 2021 – 4:00 P.M.

Partnership Tower, 701 Avenida de las Americas, Suite 200

Houston, Texas 77010

HOUSTON FIRST BOARD ROOM

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 David Robinson, 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

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 – June 17, 2021**
- IV. Presentations, Reports, and Updates**
 - A. Houston First Chairman Report**

V. Executive Session

Executive (closed) session pursuant to Texas Government Code Section 551.087 for the purpose of deliberations regarding economic development business opportunities related to hosting the production of a prospective television series in Houston.

VI. Board Business

A. Consideration and possible approval of the negotiation and finalization of a Brand Integration Agreement with The Mission Productions, LP related to the hosting of a television series production in Houston.

VII. Adjourn

III. Minutes – June 17, 2021

MINUTES

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING

June 17, 2021 – 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, June 17, 2021, 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 Minberg (Chair), Desrye Morgan (Vice Chair), Sofia Adrogué, Nicki Keenan, Alex Brennan-Martin, Reginald Martin, Ryan Martin, Paul Puente, Tom Segesta, Bobby Singh, Jay Zeidman, and Council Member David Robinson, Ex-Officio.

The Chairman of the Board called the meeting to order at 3:06 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 May 20, 2021 were approved as presented.
3. **Presentations and Reports.**
 - A. **Legislative Update.** HFC Vice President of Public Affairs, Jonathan Newport, provided a brief update. Mr. Newport stated that, during the 87th session of the Texas legislature, only 15% of filed bills have passed both the house and senate. He explained that a number of bills were filed regarding hotel occupancy taxes (HOT) and all negative bills were defeated. Additionally, according to Mr. Newport, the Event Trust Funds remains intact and the number of eligible events has increased. Funding for tourism and film remains, he said, but the amount of money needed to make Texas a competitive film state has not materialized. Mr. Newport also discussed certain bills that may have an impact on visitor perception and reported that negative transgender legislation was defeated; however, political bills related to firearms and Texas history in public schools passed. He then discussed the positive impact of recent legislation that will create a Gulf Coast Protection

District. Mr. Newport concluded his report by informing the Board that a special session will be called by Governor Abbott in the coming months to discuss topics such as bail reform, voting, redistricting, and federal funding.

The Chairman thanked Mr. Newport for his report and advocacy on behalf of the Corporation.

- B. Houston First Chairman Report. The Chairman began his report with an update on ongoing discussions with downtown hoteliers and HFC management during this time of recovery. He stated that the second half of the year will be busy and 2022 could be an incredible rebound year.

Tom Segesta discussed the increase in occupancy at the Four Seasons Hotel and stated that the latter half of the year is looking very positive and employees are excited to get back to serving hotel guests.

Nicki Keenan stated that hotels in Galveston experienced record-breaking numbers over Memorial Day weekend due to pent up demand. She further explained that, while leisure travel continues to expand, business travel is the missing piece of the puzzle during this time of recovery. She also explained that staffing continues to be a challenge, especially in places like Lake Charles, where they have had to find staff from abroad and provide additional financial incentives.

The Vice Chair discussed a return to the office for many companies in September and in-person events for trade show organizations.

The Chairman recognized several guests in attendance at the meeting. Council Member David Robinson then introduced Katie Shelton, Chief of Staff for Council Member Greg Travis and Rachel Maxcy, the Director of External Affairs for Council Member Greg Travis. Ms. Shelton introduced herself to the HFC Board as well as summer interns McKeena Reed and Macon Boone.

The Chairman then continued with his report. He stated that Mayor Turner is very interested in Alpha Phi Alpha hosting its national convention in Houston. Additionally, he stated that HFC will host the State of the City in the coming months. He also informed the Board that the LBJ Memorial Dedication will be held on August 6, 2021 and the Consular Ball will take place on October 16, 2021. He informed the Board that no meeting is expected to occur in July, unless necessary. He then concluded his report by stating that he met with Mayor Turner to discuss HFC's upcoming projects and the Mayor was very appreciative of how management has handled this challenging time during the pandemic.

Bobby Singh stated that the construction at Bush Intercontinental Airport will lead to some logistical challenges, so staff should inform all visitors.

- C. Houston First Acting President & CEO Report. HFC Acting President & CEO, Michael Heckman, began his report by announcing that Jorge Franz was named

the President of the Greater Houston Convention Visitors Bureau (GHCVB). Mr. Heckman stated that Mr. Franz will continue to serve in his role as HFC's head of Tourism, but he is thrilled for the alignment between HFC and the GHCVB. He also stated that a search will be conducted for a dedicated Executive Director of the GHCVB to assist Mr. Franz.

Reginald Martin, GHCVB Chair, congratulated Mr. Franz and stated that the two have been working together since January on behalf of the GHCVB. Mr. Martin added that he remains committed to the GHCVB's employees and members. He also expressed his excitement with hiring new talent that is focused on sales and the day-to-day affairs of GHCVB members in order to provide first-class service.

The Chairman extended his congratulations to Mr. Franz and stated that Mayor Turner was also enthusiastic about his appointment as GHCVB President. Council Member Robinson then presented Mr. Franz with a certificate on behalf of the City of Houston.

Mr. Heckman then announced that Karen Williams was promoted to Senior Vice President of Finance. Mr. Heckman stated that the promotion is well deserved and asked HFC Chief Financial Officer, Frank Wilson, to share some remarks.

Frank Wilson stated that he has worked with Ms. Williams nearly five years and she is committed to fairness, equity, and is an overall team player. He then discussed a number of projects Ms. Williams has been a part of, including the recent launch of the summer internship program sponsored by the GHCVB.

Mr. Heckman then recognized members of HFC for their work in the community. He announced that Tracey Prince was named to the Board of Directors of St. Pius X High School; Arcy Muñoz was asked by the Houston Police Chief to serve as an HPD Latino Leader; and Roger Harris, who continues to provide opportunities for diverse businesses in Houston, will speak at the Annual Meeting of the Texas Association of Convention and Visitors Bureaus. Mr. Heckman also recognized Cindy Decker, who served as a lead panelist at a recent industry event. He also informed the Board that the HFC Marketing team received two Telly Awards for their 2020 marketing efforts. He then asked Jacques D'Rovencourt, General Manager for the Hilton Americas-Houston Hotel (Hotel), to provide a brief update.

Mr. D'Rovencourt informed the Board that the outlook for the Hotel is much better than expected due to an increase in transient room nights, group room nights, parking revenues, and local catering, which will lead to an increase in net income of \$10.7 million to HFC.

Mr. Heckman then continued with his report. He announced that Comicpalooza will be held at the George R. Brown Convention Center (GRB) on July 17-18, 2021 and will feature the cast of the Mandalorian. He then asked Senior Vice President of Sales and Client Services, John Solis, to provide a sales update.

Mr. Solis stated that eight city-wide events will take place in the third quarter of 2021. He then shared the attendance and room nights for a number of groups hosting events at GRB, such as Shriner's International, AAU Junior Olympics, Vision Source, Offshore Technology Conference, NAPE, Amazon, NRA, and Walmart.

- D. Financial Update. Frank Wilson confirmed the increase in net income from the Hotel. He also stated that HFC has applied for a Shuttered Venues Operating Grant in the amount of \$635,000 and is waiting for approval. Additionally, he said that HFC has submitted all documentation for Paycheck Protection Program loan forgiveness. Mr. Wilson then discussed HFC's revenues and expenses through May and its outstanding debt.

The Vice Chair asked about completing a stress test; Mr. Wilson responded that it will be completed in September. There was further discussion regarding HOT collections and the impact of business travel.

Sofia Adrogué inquired about the copy of National Geographic provided to all Board Members. Jorge Franz stated that the UK edition of the magazine includes a seven-page story on Houston from a freelance writer based in Dallas who has fallen in love with the city. Mr. Franz also thanked Nicki Keenan and Landry's Inc. for hosting top journalists from Mexico. He noted that travel to Houston in the Mexican market currently reflects a 125% increase in air travel year-over-year.

Michael Heckman then announced upcoming programming to commemorate Juneteenth. He also announced the kickoff of the internship program, in partnership with the GHCVB, and informed Board Members that a reception for the interns will be held in August and all Board Members will be invited to attend. He also reported that he met with the Houston Police Chief to discuss the impact that safety has on tourism and high-profile events, like the NRA and World Petroleum Conference. Mr. Heckman said management also met with City officials to discuss contingency planning for hurricane season. Additionally, he said, HFC is taking steps to create DEI initiatives that will be presented to the Board at a later date. Lastly, Mr. Heckman discussed certain challenges with succession planning and talent retention.

Bobby Singh explained that he had raised concerns regarding talent retention in an earlier Board meeting and recommended that management be very aggressive in assessing financials and any solutions regarding the matter. He asked that management present its findings to the Board in August.

Jay Zeidman expressed concerns with solutions presented too quickly and stated that management should determine the appropriate steps.

Nicki Keenan echoed the sentiments of her fellow Board Members and stated that HFC is a unique organization, because it is much larger than other DMO

organizations, and should remain competitive with its compensation packages. She also added that she is thrilled with the talent that the organization has retained.

Alex Brennan-Martin commented that HFC is still faced with significant financial challenges that cannot be overcome without help from the City of Houston.

Council Member Robinson stated that the City of Houston is faced with budget shortfalls across the board and is well aware of the challenges faced by HFC.

The Vice Chair asked about employees still on furlough and the possibility of bringing back employees that were laid off depending on their job function. Mr. Heckman responded to the Vice Chair that no employees remain furloughed and informed the Board that management will assess the situation further.

The Chairman stated that this is an internal matter, but requested that management develop a set of recommendations as quickly as possible to be presented to the Board.

Before moving to Board business, the Vice Chair stated that the marketing for Pride month and Juneteenth has been wonderful, but suggested a refresh of the Visit Houston website.

The Chairman concluded by discussing the African American Mayor's Association event hosted by HFC that recognized Mayor Sylvester Turner as incoming President.

4. **Board Business.**

A. Consideration and possible approval of the issuance of City of Houston, Texas, Convention & Entertainment Facilities Department Hotel Occupancy Tax and Special Revenue Refunding Bonds, Series 2021, and providing for the payment thereof.

A motion was made and duly seconded to begin discussion. Vice Chair, Desrye Morgan, recused herself from any participation in discussing or voting on the item and item and left the room.

Frank Wilson proceeded with discussion and stated that the refunding is to achieve savings and improve near term cashflow for HFC. He also recognized and introduced lead underwriter of Huntington Capital Markets, Larry Richardson.

Mr. Richardson addressed the HFC Board and stated that his job is to ensure HFC looks good in the market and achieve the most savings possible. He thanked HFC for the opportunity and stated that it has been a pleasure working with management.

Following a motion duly seconded, the motion for approval of the issuance of City of Houston, Texas, Convention & Entertainment Facilities Department Hotel Occupancy Tax and Special Revenue Refunding Bonds, Series 2021, and providing for the payment thereof was approved unanimously.

Ryan Martin and Jay Zeidman left the meeting prior to the vote. The Vice Chair was also not present for the vote. Thereafter, the Vice Chair returned to the room and concluded the meeting.

4. **Adjournment.** The meeting was adjourned at 4:30 p.m.

VI. (A) Consideration and possible approval of the negotiation and finalization of a Brand Integration Agreement with The Mission Productions, LP related to the hosting of a television series production in Houston

Consideration and possible approval of the negotiation and finalization of a Brand Integration Agreement with The Mission Productions, LP related to the hosting of a television series production in Houston.

DESCRIPTION: Management has been in discussion with representatives of The Mission Productions, LP to host the production of a television series in Houston.

Management recommends that it be authorized to negotiate and finalize an agreement inclusive of some or all of the following parameters:

PARAMETERS:

- Financial Obligation: Not to Exceed \$1 million dollars, inclusive of the following:
- Incentives;
- Production Support;
- Marketing and Promotional Support; and
- Scouting.

RESOLVED, that the Board of Directors for Houston First Corporation hereby approves the following resolutions with respect to the negotiation and finalization of an agreement to host the production of a television series in Houston:

RESOLVED, that the Board of Directors authorizes the negotiation and finalization of a Brand Integration Agreement with The Mission Productions, LP to host the production of a television series in Houston based upon the above Parameters; together with such conditions or provisions as may be deemed necessary or desirable as approved by either the Chairman or Acting President & CEO of Houston First Corporation and containing such other terms as may be approved by the Authorized Persons (defined below);

FURTHER RESOLVED, that Houston First Corporation execute such agreement to effect such transaction all on such terms and conditions as any Authorized Person deems necessary or advisable (the "Agreement"); and that any Authorized Person be, and each acting alone hereby is, severally and without the necessity for joinder of any other person, authorized, empowered and directed for and on behalf of Houston First Corporation to execute and deliver the Agreement in the form and upon the terms as said Authorized Person may approve, such approval to be conclusively established by his or her execution and delivery of the Agreement;

FURTHER RESOLVED, that each of the Chairperson, Acting President & CEO, and General Counsel of Houston First Corporation is each hereby designated by the Board of Directors as an "Authorized Person" for purposes of this resolution and with respect to the Agreement; and

FURTHER RESOLVED, that the Agreement executed by any Authorized Person, for and on behalf of and in the name of Houston First Corporation before or following the adoption of the foregoing resolutions, in connection with the described transaction or any of the foregoing matters, including without limitation negotiation of the terms of the transaction or execution and delivery of the Agreement be, and they are hereby ratified, confirmed and approved in all respects for all purposes.

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING

**HFC Board Room
Partnership Tower**
Thursday, July 15, 2021
4:00 p.m.



PUBLIC COMMENTS

Anyone who wishes to address the Board 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

July 15, 2021



MINUTES

June 17, 2021

HFC BOARD OF DIRECTORS MEETING

July 15, 2021



HOUSTON FIRST
**CHAIRMAN'S
REPORT**

DAVID M. MINCBERG

HFC BOARD OF DIRECTORS MEETING

July 15, 2021



HOUSTON FIRST EXECUTIVE SESSION

- A. Executive (closed) session pursuant to Texas Government Code Section 551.087 for the purpose of deliberations regarding economic development business opportunities related to hosting the production of a prospective television series in Houston

HFC BOARD OF DIRECTORS MEETING

July 15, 2021



HOUSTON FIRST BOARD BUSINESS

- A. Consideration and possible approval of the negotiation and finalization of a Brand Integration Agreement with The Mission Productions, LP related to the hosting of a television series production in Houston

PRESENTER

Michael Heckman

Acting President & CEO

HFC BOARD OF DIRECTORS MEETING

July 15, 2021

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