

MINUTES

HOUSTON FIRST CORPORATION

HOTEL COMMITTEE
March 19, 2019 – 12:00 P.M.
George R. Brown Convention Center
3rd Floor Executive Board Room

The Hotel Committee (“Committee”) 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., posted a meeting at George R. Brown Convention Center, 1001 Avenida de las Americas, Houston, Harris County, Texas, 77010, on Tuesday, March 19, 2019, commencing at 12:00 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 Hotel Committee members were present for the meeting: David Solomon (Chair), Katy Caldwell (Vice Chair), and George DeMontrond.

The meeting was called to order at 12:01 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 February 15, 2019 were approved as presented.
3. **Presentations and Reports.**
 - A. **Hilton Americas-Houston Hotel Update and Performance Forecast.** Elizabeth Allen stated that the Hilton Americas-Houston Hotel (“Hotel”) was performing well due in part to transient business.

Jason Monroe provided a sales update and explained that the Hotel’s booking position is slightly behind its position from last year, however, the number of city-wide dates is comparable so the Hotel forecast is favorable. Mr. Monroe then discussed the number of group room nights booked through 2023.

Jacques D’Rovencourt announced that the Hotel remains #1 among Big Box hotels and was named a top employer in Fortune Magazine. Additionally, according to Mr. D’Rovencourt, the Hotel was voted the Best Workplace for Diversity in 2019.
 - B. **CFO Financing Update.** Frank Wilson provided a report on HFC debt finance. Mr. Wilson also discussed the revenue bonds originally issued by the City of Houston

("City") to pay for the Hotel and expansion of the George R. Brown Convention Center ("GRB"). He further stated that the new bonds being issued would be used for Houston First capital projects, such as the Hotel room renovation and Hurricane Harvey related expenses.

Peter McStravick added that City Council will be voting on the matter of separate insurance policies for HFC managed assets, including a separate standalone policy for the GRB. Mr. McStravick noted that the property insurance policies will have significantly more coverage than the City's insurance and will cost HFC \$2.5 million, however, HFC will be the named insured under both policies.

Brenda Bazan reported that the City was able to prioritize its Hurricane Harvey related insurance claims and noted that the claim submitted by HFC had been accelerated.

4. **Committee Business.**

A. Consideration and possible approval of an interim guaranteed maximum amount for DPR Construction for the Guestroom Renovation Project for the Hilton Americas-Houston Hotel.

Peter McStravick introduced representatives from DPR Construction, Jones Lang LaSalle ("JLL"), and their subcontractor, 7th Echelon.

Dennis Pathcakos, with JLL, discussed the project timeline and compressed work schedule. According to Mr. Pathcakos, construction will begin in June 2019 with a completion date of December 31, 2019. He also stated that the project team will create a beta room to explore opportunities for costs savings. Additionally, Mr. Pathcakos noted that JLL expects to partner with a vendor to act as a liquidator in the sale of old hotel equipment and host a minority participation outreach event.

Mr. Pathcakos concluded his presentation with an overview of the project budget before returning control to Peter McStravick. Mr. McStravick discussed the need for an additional \$1,250,000 in funding for the interim guaranteed maximum amount ("GMAX"), for a total of \$1,500,000, to order long lead items and hire subcontractors for the project. Mr. McStravick stated that HFC staff will return to the Board to request a final GMAX in May.

A motion was made for an increase to the interim guaranteed maximum amount for DPR Construction for the Guestroom Renovation Project for the Hilton Americas-Houston Hotel. The motion was approved unanimously.

5. **Adjournment.** The meeting was adjourned at 12:54 p.m.