

# HOUSTON FIRST CORPORATION

## MINUTES OF THE

### HOTEL COMMITTEE

September 4, 2012

The Hotel Committee of the 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 committee meeting in Room 331 at the Hilton Americas-Houston Hotel, 1600 Lamar, Houston, Harris County, Texas 77010, on September 4, 2012, commencing at 11:30 a.m. Written notice of the meeting including the date, hour, place and agenda for the meeting, was posted in accordance with the Texas Open Meeting Act. The following committee members participated in the meeting: David Solomon, Hasu Patel and Dawn Ullrich.

Chairperson Solomon called the meeting to order at approximately 11:35 a.m. and a quorum was established.

1. Review and Approval of Minutes from Prior Meeting of November 2, 2011. After a motion duly seconded, the minutes of the November 2, 2011 were approved.
2. Discussion of and possible action on, the recommendation to the Board of Directors on the acceptance of the list of obsolete property, presented by Hilton. Peter McStravick explained to the committee that periodically the hotel compiles a list of items that are no longer in use due to age or condition and these items are presented for approval to be liquidated per the Corporation's policy. After a motion duly seconded, the committee agreed to recommend to the Board that the list of items presented be accepted.
3. Discussion of and possible action on, a recommendation to the Board of Directors regarding a third party operator for restaurant space in Hilton Americas-Houston. Peter McStravick gave a brief overview of the determining factors that related to having the Hotel's specialty restaurant operated by a third party. Joe Palmieri explained the selection process Hilton followed that resulted in the two concepts for the space. Joe advised that after due diligence and discussions with the Hilton Corporation's executive team, there was unanimous support that Pappas Restaurants offered the best concept to draw more diners and patrons to the Hotel and to the convention district. Therefore, Hilton recommended the Pappas Restaurants' proposal to the Committee for approval.

Discussion followed by all. After a motion duly seconded, the Committee agreed to recommend the Pappas Restaurant's proposal to the Corporation's Board of Directors.

4. Hilton. Joe Palmieri advised the Committee that Hilton Americas had a very solid first 8 months. He explained that revenue had increased and that the remainder of the year looked bright. Jacques D'Rovencourt gave a brief review of the "Customer Satisfaction" scores explaining that year-to-date Hilton Americas is in the top 12% of all Hilton Hotels and ranked #3 in Hilton's big box hotels. Janice O'Neill-Cox stated that 2014's bookings remain about the same and she still is seeing about a 30,000 to 31,000 shortfall in group room nights. Mr. Palmieri addressed the Crawford Street Project indicating that completion should be toward the end of October. Discussion followed by all.

After motion duly seconded, the meeting was adjourned at approximately 12:48p.m.



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Dolores Kerr, Secretary