

# HOUSTON FIRST CORPORATION

## MINUTES OF THE

### THEATER COMMITTEE

October 31, 2011

The Theater 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 at Miller Outdoor Theater, 6000 Hermann Park Drive, Houston, Harris County, Texas 77030, on October 31, 2011, 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 Meeting Act. The following committee members participated in the meeting: Desrye Morgan, David Arpin, Dick Rabinow, Joe Ting and Dawn Ullrich.

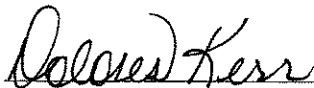
Chairperson Morgan called the meeting to order at approximately 12:10 p.m. and a quorum was established.

1. Chairperson Morgan called on Cissy Segall Davis and Rodney Nathan of the Miller Theater Advisory Board to speak to the group. Ms. Davis gave an overview of the Advisory Board's role at Miller Theater.
2. Review and Approval of Minutes from Prior Meeting. After a motion duly seconded, the minutes from the September 12, 2011, meeting were approved.
3. Discussion of and possible action with regard to, a recommendation to the Board of Directors regarding the CY12 Budget and Capital Projects for the Theater District. Brenda Bazan gave a line by line overview of the Theater District Budget for CY12. Mario Ariza presented the capital projects for the Theater District for CY12. Discussion followed with questions on ways to save funds on operations. After a motion duly seconded, the Committee agreed to recommend the Theater District CY12 Budget and Capital Projects to the Board of Directors for approval. A copy of the budget and capital projects are attached hereto as Exhibits A and B.
4. Management and Accountability Report. Mario Ariza advised the Committee that there had been no significant changes since the last meeting.
5. Jones Plaza. Dawn Ullrich advised the Committee that since the last meeting she had received an inquiry from an architect concerning Jones Plaza. Discussion followed concerning the current plaza, the funding needed to remodel and possible ways to market the current facility in a different manner.

Ms. Ullrich advised the Committee that she would invite the interested architect to come to the next meeting to present his views.

6. Sundance Cinema. Steve Lewis announced that the opening of Sundance Cinema would be November 23, 2011 and that the Board would receive invitations. He gave a brief overview of the agreement between Cordish Group, who has the lease on Bayou Place, the Downtown TIRZ, and Sundance Cinema, explaining that the theater had been totally remodeled.

After motion duly seconded, the meeting was adjourned at approximately 1:10 p.m.

A handwritten signature in cursive script that reads "Dolores Kerr". The signature is written in black ink and is positioned above a horizontal line.

Dolores Kerr, Secretary

CY 12 Theater District Budget Presentation

	CY10 ACTUAL	CY11 Estimate	CY12 PROPOSED BUDGET	Total	Jones Hall	TD Parks	Worham	Miller	TD Parking	Other
<b>OPERATING REVENUE</b>										
Venue Revenue	2,814,218	2,996,300	3,145,260	3,145,260	751,337	32,850	1,247,680	64,299	3,250	1,046,044
Parking Revenue	9,533,821	8,406,809	8,144,040	8,144,040	-	-	-	-	8,110,440	33,600
Miscellaneous Revenue	1,518,439	363,326	400,400	400,400	-	-	1,500	396,900	-	-
Total Revenues	12,866,478	11,766,435	11,689,700	11,689,700	751,337	32,850	1,249,180	463,199	8,113,690	1,079,644
<b>OPERATING EXPENSES</b>										
Personnel	3,227,356	2,991,767	3,007,026	3,007,026	372,748	368,617	1,042,588	857,795	302,563	62,695
Termination pay	-	48,833	-	-	-	-	-	-	-	-
Supplies	333,842	258,979	229,700	229,700	36,000	28,250	81,150	46,175	24,875	13,250
Utilities	2,546,943	2,865,200	2,432,202	2,432,202	429,578	277,521	828,104	252,500	465,627	178,878
Facility maintenance	2,985,986	2,849,498	2,882,004	2,882,004	596,467	546,136	969,883	169,301	442,261	167,956
Security	2,505,877	2,606,505	2,696,859	2,696,859	444,176	425,819	577,401	142,015	837,115	270,332
Janitorial	930,466	844,107	1,036,758	1,036,758	243,511	85,223	469,301	183,527	-	56,196
Parking	2,122,963	2,184,567	2,017,677	2,017,677	-	-	-	-	2,012,711	4,966
Insurance	468,062	525,465	460,630	460,630	90,430	9,208	225,022	-	126,468	9,531
Other	888,171	916,475	951,531	951,531	150,502	63,046	166,626	104,138	169,770	297,250
Total Operating Expenses	16,009,666	16,190,417	15,714,387	15,714,387	2,353,410	1,803,821	4,360,254	1,755,462	4,381,400	1,060,050
<b>Net Operating Income/(Loss)</b>										
	(3,043,188)	(4,423,982)	(4,024,686)	(4,024,686)	(1,602,073)	(1,771,171)	(3,111,074)	(1,292,253)	3,732,290	19,594
<b>NON-OPERATING INCOME (EXPENSE)</b>										
Transfers from Gen Fund	1,277,321	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	3,386,312	-	-	-	-	-	-	-	-
GHCVB contract expense	(2,203)	-	-	-	-	-	-	-	-	-
Sponsorship expense	(2,150,000)	(2,150,000)	(2,150,000)	(2,150,000)	-	-	-	-	(240,000)	(2,150,000)
Equipment	(189,840)	(185,568)	(185,568)	(185,568)	-	-	-	-	-	-
Capital Projects	(1,195,683)	(5,206,682)	-	(240,000)	-	-	-	-	-	-
Debt Service	2,796	-	-	-	-	-	-	-	-	-
COH contractual obligations	(386,294)	(657,734)	(714,476)	(714,476)	-	-	-	-	(405,591)	(308,885)
Total Non-Operating Income (Expense)	(2,854,904)	(4,816,672)	(3,104,476)	(3,104,476)	-	-	-	-	(645,591)	(2,458,985)
<b>Net Income/(Loss)</b>										
	(5,698,091)	(9,240,654)	(7,129,162)	(7,129,162)	(1,602,073)	(1,771,171)	(3,111,074)	(1,292,253)	3,086,699	(2,439,291)
<b>RECOMMENDATIONS:</b>										
Capital projects/non-recurring expenses	-	-	3,547,000	3,547,000	623,000	185,000	1,902,000	50,000	714,000	79,000

# CY 12 Theater District Budget Presentation

	CY10 ACTUAL	CY11 Estimate	CY12 PROPOSED BUDGET	Adjustments	Total	Houston First/Leased Premises	Convention & Cultural Services, Inc.	CEFD
<b>OPERATING REVENUE</b>								
Venue Revenue	2,914,220	2,996,302	3,145,261	-	3,145,261	2,836,376	-	308,885
Parking Revenue	8,533,821	8,406,808	8,144,040	-	8,144,040	33,600	-	8,110,440
Miscellaneous Revenue	1,518,439	363,326	400,400	-	400,400	400,400	-	-
<b>Total Revenues</b>	<b>12,966,480</b>	<b>11,766,435</b>	<b>11,689,701</b>	<b>-</b>	<b>11,689,701</b>	<b>3,270,376</b>	<b>-</b>	<b>8,419,325</b>
<b>OPERATING EXPENSES</b>								
Personnel	3,227,356	2,991,767	3,007,026	-	3,007,026	1,297,583	1,709,443	-
Termination pay	-	49,833	-	-	-	-	-	-
Supplies	333,842	256,979	228,700	-	228,700	228,700	-	-
Utilities	2,546,943	2,865,200	2,432,202	-	2,432,202	2,432,202	-	-
Facility maintenance	2,985,986	2,849,498	2,882,004	-	2,882,004	2,882,004	-	-
Security	2,505,877	2,606,505	2,696,869	-	2,696,869	2,696,869	-	-
Janitorial	950,466	944,107	1,036,758	-	1,036,758	1,036,758	-	-
Parking	2,122,893	2,184,567	2,017,677	-	2,017,677	2,017,677	-	-
Insurance	468,062	525,485	460,630	-	460,630	460,630	-	-
Other	866,171	916,475	951,531	-	951,531	893,006	58,525	-
<b>Total Operating Expenses</b>	<b>16,009,866</b>	<b>16,180,417</b>	<b>15,714,387</b>	<b>-</b>	<b>15,714,387</b>	<b>13,846,419</b>	<b>1,767,968</b>	<b>-</b>
	<b>(3,043,186)</b>	<b>(4,423,981)</b>	<b>(4,024,686)</b>	<b>-</b>	<b>(4,024,686)</b>	<b>(10,076,043)</b>	<b>(1,767,968)</b>	<b>8,419,325</b>
<b>Net Operating Income/(Loss)</b>								
<b>NON-OPERATING INCOME (EXPENSE)</b>								
Personnel Services Contract Income	-	-	-	1,767,968	1,767,968	-	-	-
Transfers from Gen Fund	1,277,321	-	-	-	-	-	-	-
Net available pledged revenues income	-	-	-	7,704,849	7,704,849	7,704,849	-	-
Sale of Capital Assets	-	3,386,312	-	-	-	-	-	-
GHCVB contract expense	(2,203)	-	-	-	-	-	-	-
Sponsorship expense	(2,150,000)	(2,150,000)	(2,150,000)	-	(2,150,000)	(2,150,000)	-	-
Equipment	(188,840)	(186,568)	(240,000)	-	(240,000)	(240,000)	-	-
Capital Projects	(1,196,683)	(5,208,682)	-	-	-	-	-	-
Debt Service	2,786	-	-	-	-	-	-	-
Net available pledged revenues expenses	-	-	-	(7,704,849)	(7,704,849)	-	-	(7,704,849)
COH contractual obligations	(396,294)	(657,734)	(714,476)	-	(714,476)	-	-	(714,476)
Personnel Services Contract expense	-	-	-	(1,767,968)	(1,767,968)	(1,767,968)	-	-
<b>Total Non-Operating Income (Expense)</b>	<b>(2,654,904)</b>	<b>(4,816,672)</b>	<b>(3,104,476)</b>	<b>-</b>	<b>(3,104,476)</b>	<b>3,046,881</b>	<b>-</b>	<b>(6,419,325)</b>
	<b>(5,698,090)</b>	<b>(9,240,653)</b>	<b>(7,129,162)</b>	<b>-</b>	<b>(7,129,162)</b>	<b>(7,129,162)</b>	<b>-</b>	<b>-</b>
<b>Net Income/(Loss)</b>								
	<b>-</b>	<b>-</b>	<b>3,547,000</b>	<b>-</b>	<b>3,547,000</b>	<b>3,547,000</b>	<b>-</b>	<b>-</b>
<b>RECOMMENDATIONS:</b>								
Capital projects/non-recurring expenses	-	-	3,547,000	-	3,547,000	3,547,000	-	-

Houston First Corporation Theater District CY2012 Capital Improvement Plan- PRIORITIZED			
Item	Facility	Name of Project	Budget
1	Parks	Replace ground light fixtures Fish Plaza Gazebos	15,000
2	Wortham	Prairie street lobby brass handrail additions	20,000
3	Jones	Exterior Travertine evaluation/repairs	60,000
4	Wortham	Outdated lighting - Dimming system replacement	650,000
5	Jones	Electrical improvements (Phase 2 of 3)	300,000
6	TD Parking	Replace Entry Signs	175,000
7	Wortham	Computers and copier (TDI)	10,000
8	Jones	Computers (TDI)	9,000
9	TD Parking	Computer (TDI)	5,000
10	Wortham	Install DDC Controls on 5 AHU for Humidity Control	60,000
11	Wortham	Replace 3 cooling tower sumps, add 1 new stainless steel sump screens & replace cooling tower base anchors (TDI)	60,000
12	Wortham	Sewer Injector Rebuilds (TDI)	65,000
13	Jones	Rebuild Front Doors to Boilers (TDI)	5,000
14	Jones	Condenser Water Pumps (TDI)	75,000
15	Jones	BAS System upgrade (TDI)	40,000
16	Miller	HVAC (TDI)	20,000
17	TD Parking	Fan Repair (TDI)	30,000
18	Parks	Costswald Fountain repairs and light fixtures replacement 2 on Preston @ Main (TDI)	77,000
19	TBH	Mitigate water penetration	50,000
20	Parks	Paver Repairs	15,000

<b>Houston First Corporation Theater District CY2012 Capital Improvement Plan- PRIORITIZED</b>			
<b>Item</b>	<b>Facility</b>	<b>Name of Project</b>	<b>Budget</b>
21	Wortham	Upgrade Fire Alarm system	150,000
22	Parks	RMSP gazebo roof replacement	16,000
23	Wortham	Box office expansion construction	200,000
24	Wortham	Fourth floor administration office expansion & air balancing design & construction	100,000
25	TD Parking	Orange concourse ceiling replacement and HVAC repairs	248,000
26	Wortham	Greenroom Kitchen Redesign	30,000
27	Jones	Backstage Equipment	50,000
28	Wortham	Backstage Equipement	350,000
29	TD Parking	2 New golf cart (To replace existing 13 year old golf carts)	16,000
30	TD Parking	Relamp to garages with new energy efficient bulbs and ballasts	130,000
31	TD Parking	Design of additional interior way finding signage	23,000
32	TBH	Irrigation system and 1 smart controller	23,000
33	Parks	Install (15) new smart irrigation controllers	45,000
34	Jones	New signage on Texas and courtyard entrance design	15,000
35	Jones	Brass coating of handrails, door handles, and other brass fixtures	40,000
36	Wortham	Refurbish brass finish in elevator cabs and FOH handrails	50,000
37	Parks	FP - paint spheres	12,000
38	Wortham	Additional monitors in the foyer, Texas lobby & tunnel entrance	70,000
39	Wortham	Purchase new Christmas tree	47,000
40	Jones	Professional Service Consultant to properly label theater doors numbering system	10,000
41	Wortham	Install 56 shower doors in the dressing rooms	30,000

<b>Houston First Corporation Theater District CY2012 Capital Improvement Plan- PRIORITIZED</b>			
<b>Item</b>	<b>Facility</b>	<b>Name of Project</b>	<b>Budget</b>
42	Jones	Replace exterior café table & chairs	10,000
43	Jones	25 brass trash cans for lobbies	9,000
44	Parks	Replace 6 benches at Fish Plaza	5,000
45	Miller	Engineering and Design Stage Left Platform Loft	30,000
46	Wortham	Professional Interior Design Services for banquet seating & Prairie lobby drapes	10,000
47	TD Parking	Security office modifications	11,000
48	TD Parking	Parking solution service for CY13 parking equipment	25,000
49	TD Parking	Refurbish 7 Parking Booths	21,000
50	TD Parking	Diamond polish Alley tunnel floor	30,000
<b>THEATER DISTRICT CY 2012 GRAND TOTAL</b>			<b>3,547,000</b>