

MINUTES

HOUSTON FIRST CORPORATION

HOTEL COMMITTEE MEETING

November 6, 2025, beginning at 8:30 A.M.

Partnership Tower, 701 Avenida de las Americas, Suite 200

Houston, Texas 77010

HOUSTON FIRST 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., held a meeting at Partnership Tower, 701 Avenida de las Americas, Suite 200, Houston, Harris County, Texas 77010 on Thursday, November 6, 2025, at 8:30 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 Meetings Act.

- I. **Call to Order.** The meeting was called to order at 8:30 a.m., and a quorum was established with Ryan Martin (Chair), Wea H. Lee, Bobby Singh, and Dawn Fu-Kuei Lin in attendance. Paul Puente was not present.
- II. **Public Comments.** None
- III. **Minutes.** Following a duly seconded motion, the minutes for September 15, 2025, were approved as presented.
- IV. **Committee Business.**
 - A. **Consideration and possible recommendation of the CY 2026 Budget for the Hilton Americas-Houston Hotel.**

Michael Heckman, President & CEO provided an update on the Hilton Americas-Houston Hotel (“Hotel”) parking operations and future plans. He stated that there is now much more certainty about upcoming changes, including the demolition of the existing structure and the opening of a new garage.

Mr. Heckman noted that 2028 will be significant with the opening of the new building, which is already attracting interest and potential business. He

emphasized the importance of ongoing investment in the Hotel, which, along with Marriott Marquis, strengthens the appeal of the destination.

Despite recent challenges, such as government shutdowns and tariffs, Mr. Heckman noted that the Hotel and local market have performed well. He addressed on careful planning regarding capital expenditures and major renovations – especially for the Hotel lobby – to maintain brand standards as adjacent development in the Convention District moves forward.

Jacques D’Rovencourt, Hilton Americas-Houston General Manager, provided a revenue update for 2025. He noted that food and beverage revenue was strong, supported by pharmaceutical group events. He explained that expenses controls led to operating savings, with net income projected to be above budget, with occupancy down but average rates up.

Austin McGinty, Director of Revenue Performance, provided a brief update on market share. He emphasized the importance of continuously benchmarking against thousands of area competitors. Year to date through September, according to Mr. McGinty, they have maintained our market share.

Cynthia Mondragon, Commercial Director, stated this period typically coincides with periods of lower business for group travel, resulting in decreased occupancy. During these weeks, she explained they keep all booking channels open, such as friends-and-family rates, to maximize occupancy. She said increasing occupied rooms during these low-occupancy weeks also boosts revenue at the outlets, as more guests spend more throughout the Hotel.

Mr. D’Rovencourt reported that revenue growth for 2026 is expected to be strong, primarily driven by room sales and group food and beverage revenue, with significant contributions from groups hosted in 2025. He indicated that the volume of pharmaceutical group business is expected to decrease in 2026, resulting in a broader mix of revenue sources.

He noted that parking revenue and miscellaneous income have both increased, helping to balance the reduction in group catering revenue, and that financial revenue, including attrition, cancellation fees, and hotel leases remains sensitive to changes in overall revenue and group business. Net income and total revenue are projected to remain strong, he said.

Ms. Mondragon stated that industry forecasts indicate modest RevPar growth for Houston in 2026, with the budget aligned to these trends, and that group business remains the primary segment. She highlighted the upcoming National Cheers Association event and World Cup events. In conclusion, she said that achieving targets will require booking a similar

number of group room nights as in previous years, despite tighter availability.

Mr. McGinty stated that on the transient side, they are budgeting rate-driven growth, with higher average rates anticipated for 2026. Demand is expected to be strong due to several major sporting events, including NCA, the baseball classic, the Sweet 16, and FIFA World Cup matches in late June and early July. He said the strategy is to maximize rates and limit discounts during these high-demand periods, leveraging lessons from similar past events. High occupancies are expected around these key dates, and our budget assumptions reflect these opportunities.

Mr. D'Rovencourt stated that the capital budget aligns with the original percentage targets, and that projects include elevator upgrades and equipment replacements. He noted that capital upgrades are needed annually along with department operations.

Following a motion duly seconded, recommendation of the CY 2026 Budget for the Hilton Americas-Houston Hotel was approved unanimously.

V. **Adjourn.** The meeting adjourned at 9:29 a.m.