

MINUTES

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING

JULY 19, 2018 – 3:00 P.M.

**Partnership Tower, 701 Avenida de las Americas, Ste. 200
Houston, Texas 77010
HFC BOARD ROOM**

The Board of Directors 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, Houston, Harris County, Texas, 77010, on Thursday, July 19, 2018, 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), Elizabeth Brock, Katy Caldwell, Nicki Keenan, Ryan Martin, Alex Brennan Martin, Paul Puente, Gerald Womack and Council Member Dave Martin, Ex-officio.

The Chairman of the Board called the meeting to order at 3:02 p.m. and a quorum was established.

1. **Public Comments.**

- A. Lynn Birdwell of Bird House Productions stated that producers work hard to bring commercials, television shows, and films to Houston and that producers also sell Houston as a destination on the strength of A-list crews. Lynn provided a brief history of the Houston Film Commission and stated that the lack of film studios or a true sound stage in Houston causes big films to not select Houston as their filming destination. Lynn would like the opportunity to start the conversation of how to get more productions to come to Houston with the proper developments being made.
- B. Mark Thierry of Midwest Legacy Staffing thanked HFC for the job fair that took place prior to the Alpha Kappa Alpha ("AKA") Boule and announced that his company was able to hire many employees. There was a lot of great feedback but he announced that it has been difficult for his company to work at the George R. Brown ("GRB"). Mark expressed his concerns to staff and stated that there was a meeting scheduled for July 20, 2018 to remedy the issues.

2. **Review and approval of minutes from prior meeting.** Following a motion duly seconded, the minutes of June 21, 2018 were approved as presented.

3. Presentations, Reports, and Updates.

A. DNC Update. Holly Clapham gave an update on the DNC 2020 bid. The delegation went to Washington D.C. to represent Houston and it was announced that the Tag committee and DNC members will come August 14-16, 2018 for a site visit. Houston is going to do a condensed run through of the presentation and create inclusion for stakeholders. Holly stated that the bid is currently in the third and final stage. David Mincborg was a part of the delegation and thanked Holly for her efforts, stating that Houston put forward a great presentation. Brenda Bazan presented on behalf of HFC with Nathan Tollett.

B. Flood Recovery Status.

- i. Project Manager Report. Jim Brownrigg provided an update on reconstruction efforts. Jim showed images of the active work site and stated great progress has been made. There is no change to the project schedule with the GMAX. No HFC contingency has been expended as of this date.
- ii. Mitigation Report. Roksan Okan-Vick, Senior VP of Regional Product Development, gave a report on major breaches experienced during Hurricane Harvey. Roksan explained that the first perimeter of defense will be to secure the exterior and that effort is currently in design mode. Pictures of the "cave" at Bayou Place were reviewed. The cave at Bayou place is a crawl space under the building that has created a large opening and flooded during Hurricane Harvey. The hole has since been plugged with concrete however, HFC is looking to protect the opening with a rock riprap enclosure. The final design for erosion control is being considered within the next few days. Paul Puente asked whether any other weaknesses have been found. Roksan stated that none have been found but there are a few other openings that can be plugged as well.
- iii. Financial Report. Frank Wilson, HFC Chief Financial Officer, presented HFC's year to date financial report. HOT revenues are up \$2,500,000 better than last year. Major revenues have had a strong positive variance due to a higher occupancy at Hilton-Americas Hotel, including food and beverage and parking. Operating expenses are below budget and are expected to remain this way through the year. Revenues are tracking on budget and theater is just under budget.

David Mincborg asked why the budget was set for 20% less from last year and Frank explained the determination was made based on the anticipated need. For the flood recovery project, \$10,000,000 of insurance proceeds have been provided by the City of Houston and invoices are being submitted more quickly. At the request of the Chairman, Frank also submitted a document for all contracts between \$50,000-\$250,000. It was further asked how many on the list are multi-year contracts and it was suggested that a column showing that information and MWBE participation be added to the list. Brenda Bazan stated that Board members will be provided a list of contracts and sponsorships at every board meeting.

C. 2018 2nd Quarter Diversity Report. Roger Harris, Development Specialist Manager, provided a diversity report of general operations, service contracts, and the Hilton-Americas Hotel. Roger reported that things were going well with a total diversity

participation of 39%. He noted that the current diversity report for Manhattan Construction at 38% was based on a utilization and that he would provide a more accurate figure at a later date. Additionally, the Marriot Hotel has exceeded its diversity participation goal of 17.25% and currently has 27% diversity participation. Desrye Morgan suggested for a column to be added which would show the goal in comparison to the current participation level.

The majority of diverse firms are certified through the City of Houston and Houston Minority Supplier Development Council ("HMSDC"), however, many firms are certified through multiple agencies. HFC is in communication with other agencies as well and held a conference last month with the Women's Business Enterprise Alliance.

Asian, African-American, Caucasian, and Hispanic ethnic groups have proportionate representation among diversity participants. HFC continues to work with its community partners and various chambers to get the word out about business opportunities.

HFC has increased its diversity participation through outreach and held a Strategic Economic Opportunities Forum in June 2018. The event was well attended with over 150 attendees, including the Chair of the Procurement Committee. The event was a great networking opportunity for prime contractors and sub-contractors to develop future business relationships.

The success of HFC's outreach efforts can also be seen by the number of participants interested in the solicitation for Design and Engineering Consultant Services. A Pre-Submittal Conference was held at the George R. Brown Convention Center ("GRB") on May 2, 2018 and an additional room had to be opened up to accommodate all the firms in attendance.

There were a lot of business opportunities for vendors and staff during the AKA Boule held at the GRB July 6-12, 2018. Approximately \$225,000 in revenue went directly to diverse firms. Additionally, our diverse restaurant tenants performed well with McAlister's Deli and Kulture generating between \$40,000-\$45,000 respectively and Bud's BBQ at \$107,000.

Roger concluded his presentation by thanking his team and HFC staff for their hard work.

Numbers for Metro are lower because some organizations have a number of certifications. Paul Puente asked if Metro has a diversity program. Metro has a race gender neutral program, not a diversity program.

- D. George R. Brown Events Update. Luther Villagomez, Chief Operating Officer – Convention and Theater Districts/GRB Operations, provided an update, recapping the AKA Boule. There were over 19,000 attendees with 30,000 hotel room nights and chairs set during the event. Chris Bupp with Levy Restaurants stated that they were happy to be a part of the Boule and thanked everyone for their efforts. 228,000 hours went into the planning and production of the event and 50,000 meals, a total of 1 ton of food, was served by a wait staff of 600 people working the gala. An independent auditor certified that the event was the largest silver service dinner in the world,

allowing the event to break the Guinness Book of World Records. Luther presented a video of the room turnover overnight. Desrye Morgan thanked the team for their outstanding efforts, and mentioned that the last Boule held in Houston was 40 years ago. Council Member Martin asked how the event ranked with other events and it was answered that it was the 4th largest in 68 years. There was a \$31,000,000 economic impact and there were over 500 boxes shipped, which surpassed one of our largest events, Quilts. Sydney Dao and the retail outlets did phenomenal, selling \$65,000 of merchandise in four days.

4. **Board Business.**

- A. Consideration and possible approval of an Engineering Services Agreement with Jacobs Engineering Group Inc. for the George R. Brown Convention Center. Peter McStravick walked through the solicitation for the Engineering Consultant Services RFQ on behalf of Mitch Miskowski. Five proposals were received and Peter went through the selection evaluation criteria. There were two rounds of scoring. In oral interviews, Jacobs scored the highest. They agreed to meet or exceed the 35% diversity goal. The term is a five year contract with five, one-year options to renew and will be funded through December 31, 2019. Steve Clark with Jacobs Engineering spoke on behalf of the company, stating that Jacobs was pleased to be selected and appreciated the consideration. Jacobs was established in 1973 and maintains a strong Houston presence. The diversity goal of 35% will be met and 9 of 13 consultants are Houston based MWBEs.

Desrye Morgan thanked Steve for coming and made a motion to approve the Engineering Services Agreement with Jacobs Engineering Group Inc. for the George R. Brown Convention Center. The motion was seconded for discussion.

Ryan Martin asked Peter to clarify the economics. Finances are not built within the contract at this time. Gerald Womack asked if there was any coordination with the City of Houston. Peter further explained that HFC was in contact with Andy Aiken as the point of contact with TXDot and a meeting would take place next week to ensure there is no duplication of costs or conflicts.

Gerald asked if there were any MWBEs present and it was answered yes, the subs that perform the traffic studies. Further, it was asked whether there are any African American engineering firms included. There are four women, three Hispanic, and one African-American firm represented. Peter stated that the pool of talent is smaller than typical because people cannot work on both sides and noted that one of the MWBE engineering firms not included in the project is currently working on the Hilton renovation project.

Luther Villagomez stated that there is very little room for error with the TXDot project and reconfiguring the loading docks. Jacobs also stated that they has been a part of the City of Houston's apprenticeship program and won an award for their work with the program.

The motion passed unanimously.

5. **Adjournment.** The meeting was adjourned at 4:23 p.m.