

## MINUTES

### HOUSTON FIRST CORPORATION

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#### **BOARD OF DIRECTORS MEETING**

**April 18, 2019 – 3:00 P.M.**

**Partnership Tower, 701 Avenida de las Americas, Ste. 200**

**Houston, Texas 77010**

**HFC BOARD ROOM**

*The Board of Directors ("Board") 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, April 18, 2019, 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 Mincberg (Chair), Sofia Adrogué, Elizabeth Brock, Nicki Keenan, Paul Puente, Alex Brennan-Martin, Gerald Womack, Ryan Martin, Bobby Singh, Jay Zeidman, and Council Member David Robinson, Ex-officio.*

The Chairman of the Board called the meeting to order at 3:07 p.m. and a quorum was established.

1. **Public Comments.** Linda Assaf, owner of DayStar Specialty Group, addressed the Board and stated that she has been a minority vendor with the City of Houston since 1993. According to Ms. Assaf, she has grown her small grab-and-go foodservice company into a business with up to fifty employees serving fifteen convention centers nationwide.

Board members thanked Ms. Assaf for coming forward to discuss the growth of her business and for being an example of the type of economic development that HFC strives to foster for all minority and women-owned business.

2. **Review and approval of minutes from prior meeting.** Following a motion duly seconded, the meeting minutes of March 21, 2019 were approved as presented.

3. **Presentations and Reports.**

- A. **CFO Financial Report.** Frank Wilson, Chief Financial Officer, discussed bond refinance and gave a financial report along with an update on HOT and revenues at the Hilton America-Houston Hotel. He further explained that food-and-beverage revenues are over budget at the convention center due to higher than expected attendance at conventions. Additionally, Mr. Wilson provided a brief report of the budget to actual for 2019.

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Mr. Wilson also reported that the City of Houston has received a partial reimbursement from FEMA, a portion of which is expected to be relayed to HFC in the near future.

- B. CFO Report-Budget to Actual 2019. [Items 3A & 3B were combined].
- C. 2019 Purchase Orders between \$50,000-\$250,000. Frank Wilson introduced the new purchase order report and noted that three new entries had been added to the list.

Gerald Womack questioned the selected process and emphasized the importance of greater transparency to ensure greater opportunities for minority and women-owned businesses.

Bobby Singh questioned the form and content of the purchase order report, noting that certain columns lacked sufficient detail.

Elizabeth Brock echoed the sentiments of Mr. Womack and suggested that HFC staff should be more responsive to concerns voiced during the meeting.

- D. Legislative Report. Jonathan Newport, Vice President of Public Policy, provided the legislative update and noted that only six of the thousands of bills filed had been approved by both the House and the Senate.

Mr. Newport discussed a number of bills being tracked by HFC, including the Senate's version of a bill that would provide financial support for film incentives. He further discussed bills regarding HOT collections, the Texas Public Information Act, and local non-discrimination and religious freedom legislation.

In closing, Mr. Newport announced that Mayor Sylvester Turner and members of City Council issued a proclamation on behalf of the First Robotics Competition and thanked HFC staff for helping organize the event.

- E. Community Sponsorship Report. Arcy Muñoz, Community Relations Manager, provided a brief update of the community sponsorship report. Ms. Muñoz also announced an upcoming event for the African American Mayor's Association.

Jay Zeidman recognized Ms. Muñoz for being included in the 40 under 40 article in the Houston Business Journal.

There was additional discussion regarding a recent sponsorship request made by the Indo-American Chamber of Commerce for the 20<sup>th</sup> Anniversary Gala, prompted by Bobby Singh.

Ryan Martin explained the recommendation of the Governance, Audit and Finance Committee regarding this sponsorship request; Bobby Singh suggested that the award be re-evaluated by the Board.

Chairman David Mincberg explained that the item could not be added to the meeting agenda. He suggested, however, that the matter be discussed further by

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an informal, ad hoc committee including Bobby Singh, Ryan Martin and HFC staff member John Solis.

- F. Diversity Update- 2018 Year End. Roger Harris, Development Specialist Manager, reported that HFC has exceeded the 30% diversity goal set by the corporation. Mr. Harris also outlined HFC's progress in meeting the diversity goals set under various service contracts.

Mr. Harris also announced that HFC's in-house foodservice provider, Levy, received an award for the 2019 Prime Contractor of the Year. Representatives of Levy addressed the Board and explained how community participation and engagement has allowed them to better serve their clients and patrons.

Roger Harris also recognized HFC staff member Cheryl Ross-Josey, who received a 2019 Diversity Advocate of the Year award.

- G. World Petroleum Congress Update. Michael Heckman, Senior Vice President of Partnerships and Event Development, provided an update on the World Petroleum Congress ("WPC") that will be held December 6-10, 2020 at the George R. Brown Convention Center ("GRB").

Mr. Heckman outlined the key milestones leading up to the main event in December and provided a re-cap of the sponsor kick-off event and the State of the Congress.

According to Mr. Heckman, WPC will likely surpass its sponsorship goal. He stated he is confident that HFC will not bear any financial obligation as a guarantor under the agreement with WPC.

Mr. Heckman concluded the presentation with a discussion of the Diversity Vendor Program for WPC that he plans to implement with the help of Roger Harris.

- H. Sales Update. John Solis, Senior Vice President of Sales and Client Services, provided the sales update. Mr. Solis highlighted the large number of corporate bookings at George R. Brown Convention Center. He also announced that meetings that will be held in Washington D.C. and Austin with the Client Advisory Board.

David Mincberg asked what the sales team planned to do regarding the event calendar for July 2020 and Mr. Solis explained that he and the sales team were actively pursuing leads for short-term convention business.

- I. Tourism Update. Jorge Franz, Senior Vice President of Tourism, began his presentation with an announcement regarding the upcoming Houston Tourism Summit on April 25, 2019.

Mr. Franz continued his presentation with a sales recap of the 2018 Marketplace and announced a test project to bring the service to Spanish-speaking audiences.

Mr. Franz noted the continued growth of the Houston Insider Program that now includes 900 certified Houston Insiders.

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According to Mr. Franz, there were 19 million visitors to Houston in 2018 with an increase in domestic visitors mixed with a drop in international visitors.

- J. Film Commission Update. Rick Ferguson, Senior Vice President of the Houston Film Commission, gave an update on the film *24th*. Mr. Ferguson announced that the production team is considering filming in Houston and North Carolina, as the state would provide a 25% cash rebate based on the economic spend.

Mr. Ferguson explained that he has been working with the City of Houston to provide additional funding. He further explained the various efforts he has made to appeal to the production team, including providing a list of possible shooting locations in Houston based on old photos and images of the city during the early 1900s. In his closing comments, Mr. Ferguson stated that he will continue to notify the Board on the status of film production.

4. Executive Session. [Item taken out of turn].  
Executive (closed) session pursuant to Texas Government Code Section 551.072 for the purpose of consultation with Houston First Counsel regarding real estate.

The Board entered Executive Session at 3:16 p.m. and returned at 3:46 p.m.

5. Announcements.
  - A. Report by Houston First Chairman. Chairman Mincberg discussed the recent meeting with the Executive Board of the Greater Houston Convention & Visitors Bureau and Hotel Lodging Association attended by Lisa Hargrove, Brenda Bazan, and Katrina Grider. As a result, Chairman Mincberg has asked senior management to develop a more robust crisis communication plan.  
  
Chairman Mincberg also briefly discussed the James H. Beard event hosted at Caracol Restaurant.
  - B. Report by Houston First President. Mr. Mincberg announced that Brenda Bazan had taken a leave of absence and that Peter McStravick had assumed her responsibilities as acting President and CEO.
6. Adjournment. The meeting was adjourned at 5:19 p.m.