

**HOUSTON FIRST CORPORATION | GREATER HOUSTON CONVENTION
AND VISITORS BUREAU
MINUTES OF THE JOINT TOURISM COMMITTEE**

OCTOBER 12, 2016

The Joint Tourism Committee of the Greater Houston Convention and Visitors Bureau, a Texas non-profit corporation, and 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 meeting at the George R. Brown Convention Center, 1001 Avenida de las Americas, Houston, Harris County, Texas 77002, on Wednesday, October 12, 2016, commencing at 2:00 P.M. Written notice of the meeting, including the date, hour, place and agenda, was posted in accordance with the Texas Open Meetings Act. The following members participated in the meeting: Fernando Cuellar, Jonathon Glus, Paul Puente, Alex Brennan-Martin, Council Member Robinson and Patricia Voss. Andrew Huang arrived following the vote on the minutes and Katy Caldwell, Carlos Gutierrez and Latha Thomas were absent.

A quorum was established and Co-chairperson Glus called the meeting to order at 2:03 p.m.

1. Public Comments. None.
2. Minutes. Following a motion duly seconded, the minutes of the July 6, 2016 meeting were approved as presented.
3. Team Activity. Pilar Florez led a Houston tourism trivia team activity.
4. Presentations.
 - A. Visitor Information Centers – Jorge Franz presented a strategic plan for Houston Visitor Information and Service centers to provide visitors to Houston with information to experience our city. He stated that Houston First is not planning to pursue a free-standing visitor center in downtown at this time. Recommendations include two mobile visitors' centers, at least two satellite visitor centers, visitor kiosks, and attractive visitor information centers in baggage claim areas in both airports. Mike Waterman also discussed a potential Phunware application that tracks preferences in order to better respond to individual users. Following discussion on Visitor Information Centers, members of the Joint Tourism Committee endorsed the plan as proposed by Jorge Franz.
5. Consideration and recommendation of the Tourism Department 2017 Business Plan and Budget. Prior to the Tourism Department presentation, Dawn Ullrich and Brenda Bazan provided an overview of the 2017 budget, including long-term investments, the anticipated impact of a reduced distribution from Hilton Americas-Houston and a lower hotel occupancy tax revenue forecast; however, they explained that the lower revenues were neither unexpected nor unanticipated. Houston First has prepared for the volatility of the industry via its Stabilization Reserve, which was established to respond to circumstances such as these.

Further, they explained that consultants, sponsorships and non-essential capital would be closely scrutinized for the 2017 budget.

The members of the Joint Tourism Committee were provided the full business plan prior to the meeting; therefore, Jorge Franz presented an overview of the Business Plan and strategies for the Tourism Department. Topics for discussion included the expansion of partnerships with online travel agencies, wholesalers and receptive operators to drive visitation to Houston; creation of more retail driven initiatives; building on the momentum of HolaHouston.com and Spanish social media presence; rebranding of 'Receptive Operator' to 'Leisure Experience Operator'; increasing the quality of local tour operators; refreshing the Certified Tourism Ambassador program; and, expanding regional collaboration to promote the greater Houston region.

Brenda Bazan explained the operating revenues and expenses, particularly variances in personnel, consulting, and advertising and promotion, as well as variances in non-operating expenses.

Following thorough discussion on this item, a motion was made and duly seconded to recommend the Tourism Department 2017 Business Plan and Budget to the HFC Board of Directors for consideration and approval.

6. Consideration and recommendation of the Retail Operations 2017 Business Plan and Budget.

Peter McStravick introduced Ursula Briones, the interim manager of the gift shop before continuing with the highlights of the Retail Operations business plan, which included providing first-class customer service that will exceed guest and conventioner expectations; maximizing gross profit; operating two retail stores that cater to visitors; and facilitating a smooth transition of Visitor Information Services to the Tourism Department and the Amenities Plan function to Retail Operations.

Ms. Bazan explained the variances in the operating revenues between the 2016 budget projection and the 2017 proposed budget and variances in the non-operating and operating revenues as well as similar variances in operating and non-operating expenses.

Following a thorough discussion on this item, a motion was made and duly seconded to recommend the Retail Operations 2017 Business Plan and Budget to the HFC Board of Directors for consideration and approval.

7. Consideration and recommendation of the Regional Product Development 2017 Business Plan and Budget.

Roksan Okan-Vick provided detail on the initiatives outlined in the Regional Product Development business plan. She provided information related to proposals to improve existing and/or participating in new tourist attractions to enhance the quality of place for the region; assistance to Tourism and Sales departments to identify high-potential tourist attractions (projects or programs) in the region that can benefit from cost-effective and strategic

assistance to amplify their impact; delivery of projects and programs; and, potential funding for projects and programs.

Ms. Bazan then explained that the Regional Product Development department was a new department; therefore, budget projections for 2016 were not included for this department. However, she explained the 2017 proposed operating expenses and non-operating capital spending.

Following a thorough discussion on this item, a motion was made and duly seconded to recommend the Regional Product Development 2017 Business Plan and Budget to the HFC Board of Directors for consideration and approval.

8. Updates.

- A. DestinationNEXT – Mike Waterman explained DestinationNEXT, an initiative of Destination Marketing International Association International (DMAI), that is focused on identifying transformational opportunities to build on the future of Destination Marketing Organizations. A study will be conducted with members of the Houston hospitality industry that will identify gaps, key issues and opportunities for potential products, amenities, education, etc. that would benefit the Houston tourism industry.
- B. Forbes – Mr. Franz updated the committee on the Forbes Hospitality Service Training, being offered in a partnership with the Houstonian Hotel, Hotel & Lodging Association of Greater Houston, Greater Houston Restaurant Association and CNN. The training is a four hour session for front line staff. Key areas of focus include appropriate greetings, professional language, tone and nonverbal behaviors, personalizing the experience, and being thoughtful, intuitive and anticipatory, among other things.
- C. Matching Grants Program – Mr. Franz provided details regarding the Marketing Matching Grants Program that consisted of two grant writing workshops last summer and a new online platform, Versaic, to streamline the process. A total of 33 applications were received (a 24% increase over last year) and will be reviewed by committee on October 26th.
- D. Tourism Summit – Mr. Franz shared the results of the second annual Tourism Summit, which included 26 speakers from across the country and a 17% increase in attendees over last year. Of the attendees who rated the event, 97% ranked it as being ‘Valuable’.
- E. Texas Travel Industry Association (TTIA) Travel Summit – Mr. Franz concluded his updates with an overview of the TTIA Travel Summit, which pulled approximately 450 travel professionals from around the state.

After a motion duly seconded, the meeting adjourned at approximately 3:39 P.M.

 /s/
Pamela Walko, Secretary