I. Call to Order

II. Public Comments

III. Minutes – September 14, 2022

IV. Presentations, Reports, and Updates
   A. Programming and Event Update

V. Committee Business
   A. Consideration and possible recommendation of the 2023 Convention and Cultural Facilities and Services Budget.
   
   B. Consideration and possible recommendation of a Janitorial Cleaning Services Agreement between Houston First Corporation and Caring Commercial Cleaning, Inc.
   
   C. Consideration and possible recommendation of a Funding Agreement between Houston First Corporation and The Foundation for Jones Hall.
D. Consideration and possible recommendation of increased funding for the Recovery Architectural Services Agreement with Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture, the issuance of a new task order(s) for additional design services related to updating and completing mitigation documents for Wortham Theater and Theater District Parking Garages due to Hurricane Harvey, and a First Amendment to such Agreement.

E. Consideration and possible recommendation of funding for an Engineering Services Agreement between Houston First Corporation and Page Southerland Page, Inc. for various services.

VI. Adjourn
III. Minutes – September 14, 2022
MINUTES
HOUSTON FIRST CORPORATION

Operations Committee Meeting
September 14, 2022 – 1:00 P.M.
Partnership Tower, 701 Avenida de las Americas, Suite 200
Houston, Texas 77010
HOUSTON FIRST BOARD ROOM

The Operations 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. TRANSPI. 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 Wednesday, September 14, 2022, commencing at 1:00 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 Committee Members participated in the meeting: Desrye Morgan (Chair), Reginald Martin (Vice-Chair), Dean Gladden, Steven Mitzner, and Council Member Robert Gallegos.

1. The Committee Chair called the meeting to order at 1:04 p.m., and a quorum was established.

2. **Public Comments.** None.

3. **Review and approval of minutes from prior meetings.** Following a motion duly seconded, the minutes of April 19, 2022, and June 21, 2022, were approved as presented.

4. **Presentations, Reports, and Updates**

   A. **Programming and Event Update**

   John Gonzalez, Senior Vice President & General Manager, reported 100 events at the George R. Brown Convention Center (GRB) to date, with attendance in the third quarter at 237,279 and year-to-date total attendance at 1,150,108.

   Mr. Gonzalez provided a status report on Hall A3 and B3. He reported that the columns between A3 and B3 were removed entirely. New airwalls will arrive at the GRB in December, and the work should be completed by mid-January. The hall is now 224,000 square feet of continuous space. Luther Villagomez, Chief Operating Officer, explained that a partition would replace the temporary fence removed to make room for flexibility for trade shows.
Mr. Gonzalez provided an overview of upcoming events, including the Turbomachinery & Pump Symposium the week before September 12th. The American Dental Society’s (ADA’s) SmileCon would be held at the GRB from Oct 13-16, and it was ADA’s first-ever event in Houston. He also mentioned other events in October and November and said that 2022 would close out with John Deere, another major corporate event, in mid-December.

Todd Holloman, Vice-President, Venues and Live Events, recounted a hectic summer of programming with events that included Lutheran Church Missouri Synod youth gathering, which brought in 22,000 thousand youths over a five to six-day period, Comicpalooza, Anime Matsuri, Roseaux, and Blues and More. These events included activations of the Avenida.

Mr. Holloman highlighted a list of upcoming programming, including a party celebrating National Hispanic Heritage Month. He urged Committee Members to attend the event at the Party on the Plaza. Committee Members were also invited to view an art installation featuring work by Guadalupe Hernandez titled “Recuerdos de Juventud.”

Some of the remaining events include partnerships with Discovery Green and Alley Theatre. Upcoming events include Scream on the Green, Dia de los Muertos, Frostival, and City Lights.

Mr. Holloman communicated that Lynn Wyatt Square would encompass 230 days of programming per year and feature performances by local and national performers, community events, concert series, cultural and Heritage Day celebrations, and programming in association with the local Arts community.

Mr. Gonzalez recapped events in the theaters noting first-time events such as Viva Mexico, Davenport/Sullivan wedding, and Black Lights Shining in the Darkness. The fourth quarter would include events such as the Jazz at Lincoln Center Orchestra with Wynton Marsalis and Gospel Experience III, which is a new booking. Theater attendance is on track and attendance for conventions is running at 80 percent.

Reginald Martin requested that future quarterly reports include information on the tracking of attendance and how Houston compares to other markets. Michael Heckman, President and CEO, noted that the information that Mr. Martin requested would be included at the next HFC Board meeting. Desrye Morgan also agreed that the information should be included in future reports, which should include comparative information to post-Harvey, pre-COVID, and post-COVID for Theater. Mr. Villagomez stated he would create such a report.
5. **Executive Session:**
   Executive (closed) session pursuant to Texas Government Code Section 551.071 for purposes of consultation with an attorney.

   Executive session began at 1:25 p.m. and ended at 1:57 p.m. No action was taken during Executive session.

6. **Committee Business**
   A. **Consideration and possible recommendation of an increased funding limit for the Construction Services Agreement with Manhattan Construction Company for the redevelopment of Lynn Wyatt Square for the Performing Arts.**

   Following a motion duly seconded, the recommendation of an increased funding limit for the Construction Services Agreement with Manhattan Construction Company for the redevelopment of Lynn Wyatt Square for the Performing Arts was approved unanimously.

   B. **Consideration and possible approval of adjusting the requirement for a quorum from a simple majority of the total Committee membership to three members.**

   Reggie asked which other committees had adopted this change. Lisa Hargrove, General Counsel stated that the Benefits, Compensation, and Finance Committee had already approved this change. Mr. Heckman added that this change would be across all committees.

   Following a motion duly seconded, adjusting the requirement for a quorum from a simple majority of the total Committee membership to three members was approved unanimously.

7. **Adjourn**
   The meeting was adjourned at 2:01 p.m.
V. (A) Consideration and possible recommendation of the 2023 Convention and Cultural Facilities and Services Budget.
Consideration and possible recommendation of the 2023 Convention and Cultural Facilities and Services Budget.

RESOLVED, that the Operations Committee of Houston First Corporation hereby recommends the 2023 Convention and Cultural Facilities Services Budget.
V. (B) Consideration and possible recommendation of a Janitorial Cleaning Services Agreement between Houston First Corporation and Caring Commercial Cleaning, Inc.
Consideration and possible approval of a Janitorial Cleaning Services Agreement between Houston First Corporation and Caring Commercial Cleaning, Inc.

DESCRIPTION: On July 29, 2022, Houston First issued a Best Value Invitation to Bid for Janitorial Cleaning Services for all managed facilities. On September 15, 2022, 12 proposals were received. All proposers were interviewed by the selection committee and all bids were then evaluated. The proposer with the highest score is Caring Commercial Cleaning, Inc. The proposed Janitorial Cleaning Services Agreement engages Caring Commercial Cleaning, Inc. to perform janitorial cleaning services, subject to the parameters set forth below:

- The term of the Agreement begins on January 1, 2023, and is for five years.
- The Diversity Participation Goal remains at 33%.
- The minimum hourly wage paid under the Agreement may not be less than $15.00 per hour.

Caring Commercial Cleaning, Inc. is certified by the City of Houston as an Asian-owned Minority Business Enterprise.

RESOLVED, that the Board of Directors of Houston First Corporation approves the following resolutions based upon the above parameters:

RESOLVED, that the Board of Directors of Houston First Corporation hereby approves and authorizes the execution of a Janitorial Cleaning Services Agreement (the “Agreement”) between Houston First Corporation and Caring Commercial Cleaning, Inc., together with such conditions or modifications that are approved by the President and Chief Executive Officer, as he may determine to be in the best interest of Houston First Corporation, and to execute such Agreement; the President and Chief Executive Officer hereby is, without the necessity for joinder of any other person, authorized, empowered and directed for and on behalf of Houston First Corporation to execute and deliver the Agreement in a form as approved by the President, or any Authorized Person (defined below), such approval to be conclusively established by the execution and delivery of the Agreement by any Authorized Person; and

FURTHER RESOLVED, that each of the President and Chief Executive Officer and General Counsel of Houston First Corporation are each hereby designated by Houston First Corporation as an “Authorized Person” for purposes of this resolution and with respect to the Agreement to be executed hereunder; and

FURTHER RESOLVED, that the Agreement executed by any Authorized Person, for and on behalf of and in the name of Houston First Corporation before or following the adoption of the foregoing resolution, in connection with the described transaction, be and is hereby ratified, confirmed, and approved in all respects for all purposes.
V. (C) Consideration and possible recommendation of a Funding Agreement between Houston First Corporation and The Foundation for Jones Hall.
Consideration and possible approval of a Funding Agreement between Houston First Corporation and The Foundation for Jones Hall.

Description: The City of Houston (City) and Houston First have entered into an Interlocal Agreement in which the City will pay $2.5 million dollars to Houston First for the continued upgrades to the acoustics, infrastructure, safety, audience accessibility, and amenities of Jones Hall for the Performing Arts.

HFC has further agreed, pursuant to the Interlocal Agreement, to transfer the $2.5 million to The Foundation for Jones Hall to improve the quality of the experience at Jones Hall.

RESOLVED, that the Board of Directors of Houston First Corporation approves the following resolutions based upon the above parameters:

RESOLVED, that the Board of Directors of Houston First Corporation hereby approves and authorizes the finalization and execution of a Funding Agreement (the “Agreement”) between Houston First Corporation and The Foundation for Jones Hall (Foundation), together with such conditions or modifications that are approved by the President and Chief Executive Officer, as he may determine to be in the best interest of Houston First Corporation, and to execute such Agreement; the President and Chief Executive Officer hereby is, without the necessity for joinder of any other person, authorized, empowered and directed for and on behalf of Houston First Corporation to execute and deliver the Agreement in a form as approved by the President, or any Authorized Person (defined below), such approval to be conclusively established by the execution and delivery of the Agreement by any Authorized Person; and

FURTHER RESOLVED, that each of the President and Chief Executive Officer and General Counsel of Houston First Corporation are each hereby designated by Houston First Corporation as an “Authorized Person” for purposes of this resolution and with respect to the Agreement to be executed hereunder; and

FURTHER RESOLVED, that the Agreement executed by any Authorized Person, for and on behalf of and in the name of Houston First Corporation before or following the adoption of the foregoing resolution, in connection with the described transaction, be and is hereby ratified, confirmed, and approved in all respects for all purposes.
V. (D) Consideration and possible recommendation of increased funding for the Recovery Architectural Services Agreement with Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture, the issuance of a new task order(s) for additional design services related to updating and completing mitigation documents for Wortham Theater and Theater District Parking Garages due to Hurricane Harvey, and a First Amendment to such Agreement.
Consideration and possible approval of increased funding for the Recovery Architectural Services Agreement with Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture, the issuance of a new task order(s) for additional design services related to updating and completing mitigation documents for Wortham Theater and Theater District Parking Garages due to Hurricane Harvey, and a First Amendment to such Agreement.

DESCRIPTION: With regard to the Recovery Architectural Services Agreement (Agreement) with Harrison Kornberg Architects, LLC and ARUP, Texas Inc. (HKA-ARUP), Houston First management requests that the Board of Directors approve the following matters related to continued mitigation for Wortham Theater and Theater District Parking Garages:

(i) Additional funding in an amount not to exceed $960,000, inclusive of a contingency;
(ii) Issuance of a new task order(s) for additional design services through the mitigation construction bidding process; and
(iii) Execution of a First Amendment with HKA-ARUP to extend the Agreement term and containing other terms and conditions.

To date, expenditures under the HKA-ARUP Agreement total approximately $10.2 million dollars. The joint venture has achieved 46% diversity participation toward a goal of 30%. HFC has had approximately 77% of its expenses reimbursed by FEMA.

The final design, permitting and the construction bid process, is estimated to be completed in late 2024.

RESOLVED, that the Board of Directors of Houston First Corporation approves the following resolutions with respect to the Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture, Agreement:

RESOLVED, that the Board of Directors of Houston First Corporation hereby approves and authorizes the following

(i) Additional funding in an amount not to exceed $960,000, inclusive of a contingency;
(ii) Issuance of a new task order(s) for additional design services through the mitigation construction bidding process; and
(iii) Execution of a First Amendment to extend the Agreement term and containing other terms and conditions;

together with such conditions or modifications that are approved by the President & Chief Executive Officer, as he may determine to be in the best interest of the Corporation and to execute such Contract Amendments, Task Orders, Directives or other documents (collectively the “Transaction Documents”) as may be required to effectively document the above three matters; the President and Chief Executive Officer is, without the necessity for joinder of any other person, authorized, empowered and directed for and on behalf of the Corporation to execute and deliver the Transaction Documents in a form as approved by President & Chief Executive Officer, or any Authorized Person (defined below), such approval to be conclusively established by the execution and delivery of the Transaction Documents by any Authorized Person; and

FURTHER RESOLVED, that each of the President and Chief Executive Officer and General Counsel of this Corporation is each hereby designated by this Corporation as an “Authorized Person” for purposes of this resolution and with respect to the Transaction Documents to be executed hereunder; and
FURTHER RESOLVED, that the Transaction Documents executed by any Authorized Person, for and on behalf of and in the name of this Corporation before or following the adoption of the foregoing resolution, in connection with the described transaction, be and is hereby ratified, confirmed and approved in all respects for all purposes.
V. (E) Consideration and possible recommendation of funding for an Engineering Services Agreement between Houston First Corporation and Page Southerland Page, Inc. for various services.
Consideration and possible approval of funding for an Engineering Services Agreement between Houston First Corporation and Page Southerland Page, Inc. for various services.

DESCRIPTION: On September 24, 2021, Houston First issued a Request for Qualifications to provide Engineering Services on an as-needed basis. On October 27, 2021, 19 sets of qualifications were received. Proposers were ranked and Page Southerland Page, Inc. was ranked with the highest score. An Engineering Services Agreement with Page Southerland Page, Inc. was subsequently executed and a few small task orders have been performed under the Agreement.

Management requests that the Board of Directors approve an amount not to exceed $700,000, going forward, for use on an as-needed basis, in response to project-specific task orders. At this time, it is anticipated that services would be utilized for construction drawings for structural repairs to the Theater District Parking Garages, drainage and structural reviews related to Hilton roof replacements, a facility assessment, inclusive of mechanical, electrical and plumbing systems, for Jones Hall and Wortham Theater, a review of operational services to replace the glass elevator at Jones Hall, a review of design and structural plans for the W Hotel to be located on top of Partnership Tower, and services related to the installation of a new building automation system for the George R. Brown Convention Center.

The diversity goal for the Engineering Services Agreement with Page Southerland Page, Inc. is 24%. An appropriate goal for each individual task order will be determined based upon the services to be performed and the divisiveness of the work.

RESOLVED, that the Board of Directors of Houston First Corporation approves the following resolutions with regard to the Engineering Services Agreement with Page Southerland Page, Inc.:

RESOLVED, that the Board of Directors of Houston First Corporation hereby approves and authorizes an amount not to exceed $700,000, going forward, for use on an as-needed basis, in response for the issuance of project specific task orders; together with such conditions or modifications that are approved by the President and Chief Executive Officer, as he may determine to be in the best interest of Houston First Corporation, and to execute such task orders; the President and Chief Executive Officer hereby is, without the necessity for joinder of any other person, authorized, empowered and directed for and on behalf of Houston First Corporation to execute and deliver each such task order in a form as approved by the President, or any Authorized Person (defined below), such approval to be conclusively established by the execution and delivery of a task order by any Authorized Person; and

FURTHER RESOLVED, that each of the President and Chief Executive Officer and General Counsel of Houston First Corporation are each hereby designated by Houston First Corporation as an “Authorized Person” for purposes of this resolution and with respect to the issuance of task orders to be executed hereunder; and

FURTHER RESOLVED, that any task orders executed by any Authorized Person, for and on behalf of and in the name of Houston First Corporation before or following the adoption of the foregoing resolution, in connection with the described transaction, be and is hereby ratified, confirmed, and approved in all respects for all purposes.
HOUSTON FIRST CORPORATION
OPERATIONS COMMITTEE MEETING

HFC BOARD ROOM
Partnership Tower
Tuesday, November 1, 2022
1:00 p.m.
Anyone who wishes to address the committee during the Public Comment session may do so by signing up on the Public Comment page at the front of the room.
MINUTES

September 14, 2022
COMMITTEE BUSINESS

A. Consideration and possible recommendation of the 2023 Convention and Cultural Facilities and Services Budget.

MICHAEL HECKMAN
President & Chief Executive Officer

FRANK WILSON
Chief Financial Officer

LUTHER VILLAGOMEZ
Chief Operating Officer

HFC OPERATIONS COMMITTEE MEETING
November 1, 2022
HFC’S ROLE

• HFC drives economic impact and demand generation as the Destination Marketing Organization for Houston.

• The value created by HFC for numerous stakeholders and businesses ripples throughout the community to positively impact the entire City.
Enhance and employ organizational relevance by inspiring, influencing, and leading key stakeholder groups in furtherance of HFC’s mission and value for Houston.

Serve as a catalyst for initiatives that strengthen Houston’s global reputation, increase travel to the city, and improve HFC’s economic impact to the community.

Advance new opportunities for additional revenue streams, asset growth, and financial mechanisms that strengthen HFC’s financial outlook and viability.
REVENUE RECOVERY

* Does not include $81.9 M of FEMA reimbursements from Harvey flood damages in 2019
** Does not include $41.3 M of FEMA reimbursements from Harvey flood damages in 2020
*** Does not include $415 K of FEMA reimbursements from Harvey flood damages in 2022

$ in millions

2019* $184.7
2020** $95.5
2021*** $119.2
2022 F $193.8
2023 B $207.6

$12.9 M Insurance Proceeds $ 8.5 M City Loan
RECOVERY PERFORMANCE

**HOT**

- 2019: $87.6
- 2020: $56.7
- 2021: $58.7
- 2022 F: $86.7
- 2023 B: $99.0

**HILTON NET CASH**

- 2019: $13.0
- 2020: $7.0
- 2021: $11.1
- 2022 F: $25.0
- 2023 B: $43.4

**PARKING**

- 2019: $19.2
- 2020: $9.9
- 2021: $14.2
- 2022 F: $19.2
- 2023 B: $21.2

**VENUE REVENUE**

- 2019: $42.1
- 2020: $18.8
- 2021: $28.4
- 2022 F: $39.0
- 2023 B: $41.9
## CY 2022 BUDGET VERSUS FORECAST

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<tr>
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<th>2022 Budget</th>
<th>2022 Forecast</th>
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<tbody>
<tr>
<td>Operating Revenue</td>
<td>$88.1</td>
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<td>$192.7</td>
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<td><strong>REVENUE IN EXCESS OF EXPENSE</strong></td>
<td>($13.2)</td>
<td>$1.5</td>
<td>$14.7</td>
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2023 PRIORITIES

• **Proliferate Houston’s Unified Brand** among businesses and organizations across our community

• **Leverage and capitalize on high-profile events** like the Final Four to drive brand messaging

• **Build upon success of Houston Week in Mexico** and continue engagement and investment to make Houston the top US destination for the Mexican traveler

• **Develop a 10-year Destination Development Plan** that charts a vision for making the Houston Region even more globally competitive as a visitor and business destination

• **Understand and enhance the 360º visitor experience**

• **Continue and improve digital ‘smart targeting’** of consumers to maximize travel opportunities
• **Increase use of social media influencers** that create authentic and engaging promotion of Houston

• **Accelerate long-term city-wide convention sales**, while maximizing short-term opportunities for 2023

• **Attract national impact events** like the DNC, RNC

• **Develop annual events that drive economic impact** and enhance Houston’s brand like a Juneteenth Celebration and Wine & Food Festival

• **Use opening of Lynn Wyatt Square as a catalyst** for vibrancy in the Theater District

• **Amplify Heritage Month** activities across all channels

• **Develop infrastructure and economic models for TV & film projects**
PROPOSED CY 2023 BUDGET

POSITIONED FOR GROWTH & RESILIENCY

- Total Revenues for CY 2023: $207.6 M
- Total Expenses for CY 2023: $205.9 M
- Revenues in Excess of Expenses: $1.6 M
- Capital Expenditure: $29 M

- Assumptions:
  - No recession in 2023, BUT monitoring indicators and business metrics carefully
  - Leisure travel continues
  - Business travel continues improvement
  - Hotel occupancy and rate improve
  - Corporate meeting demand continues
  - Return to offices slowly improves
  - Concerts, sporting and other events drive parking
  - Continued inflation pressure
  - Rising interest rate environment
INCREMENTAL EXPENSE INCREASES

$16M TOTAL EXPENSE INCREASE

+$3.4M Pension Legacy Liability Payment

+$3.5M Personnel Hourly Wage Increase to $15/hr

+$6.8M Debt Costs (Borrowing Costs)

+$2.24M 19.3% HOT Payment to HAA
# Proposed CY 2023 Budget Summary

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<tr>
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<th>2022 Forecast Budget</th>
<th>2023 Proposed Budget</th>
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<tbody>
<tr>
<td>Operating Revenue</td>
<td>$95.4</td>
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<td>Non-Operating Revenue</td>
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<td><strong>Total Revenue</strong></td>
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<td>Operating Expense</td>
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<td>Non-Operating Expense</td>
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<td><strong>Revenue in Excess of Expense</strong></td>
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<td><strong>$1.6</strong></td>
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($ in millions)
2023 OPERATIONS PRIORITIES

GEORGE R. BROWN CONVENTION CENTER

• Draw visitation to the area, supporting restaurants and parking revenue, through public events on Avenida de las Americas as well as produce private events as new revenue opportunity:
  • Amplify cultural awareness with events that highlight Black History, Asian American Pacific Islanders, LGBTQ, Hispanic Heritage.
  • Demonstrate local team spirit by continuing to host March Madness Watch Parties, in collaboration with the University of Houston. Also supports the Final Four in Houston 2023.
  • Host Party on the Plaza series, totaling 6-8 events, in the first half of 2023.
  • Add ambiance to the area with the launch of Blues and More at the Brown, coinciding with Astros Home Games.
  • Showcase local talent through a new, original music series called Avenida Live, featuring 24 bands over 3 weekends.
2023 OPERATIONS PRIORITIES

GEORGE R. BROWN CONVENTION CENTER CONTINUED

• Improve aesthetics by replacing 20-year-old tables, chairs, and public area furniture, with contemporary options that are more appealing to prospects, customers, and visitors.

• Upgrade security, improving the safety of staff, clients, and visitors:
  • Provide best in class training program for first responders and convention/event managers, currently planning to host four emergency responder courses annually from TEEX.
  • Upgrade cameras in strategic areas that increase visibility as well as measure foot traffic.
THEATER DISTRICT

• **Improve Theater District parking experience** through more pronounced wayfinding that alleviates confusion within garage. All Level 1 signage/painting to be complete by end of 2023.

• **Improve small-device user experience** by replacing Wi-Fi access points and elevating Theater District system to current Wi-Fi standards.

• **Create a vibrant, comfortable, and peaceful space at Lynn Wyatt Square** for Downtown Houstonians living and working nearby including:
  • Daily (M-F) Activities
  • Interactive Art Installations and Spectacles
  • A “Small Stage” Concert Series
  • Heritage Month Programming
2023 OPERATIONS PRIORITIES

JONES HALL

- **Improve the speed of patron flow in and out of the facility** by replacing the original, 50+ year-old, glass elevator, with a new safer, faster, and more reliable model.
- **Modernize facility aesthetics** by replacing public area furniture with contemporary options.
- **Make the facility more accessible to blind/low-vision guests, enhancing ADA compliance**, by expanding Aira (audio navigation services for the blind and visually impaired).

WORTHAM CENTER

- **Increase number of sales bookings for the theater** by expanding services and increasing distribution of promotional materials.
- **Make the facility more accessible to blind/low-vision guests, enhancing ADA compliance**, by expanding Aira (audio navigation services for the blind and visually impaired).
2023 OPERATIONS PRIORITIES

PARKING FACILITIES

- **Reduce customer frustrations and increase utilization** by allowing guests to reserve parking before they arrive.
- **Ensure optimal guest safety** by hiring a 3rd party consultant to evaluate parking facility conditions and recommend improvements.
- **Meet the increased demand for electric vehicle powering options** by adding 15 EV stations by end of 2023.

HFC

- **Provide a safer and more secure environment for staff and partners/tenants** by hosting annual security trainings for HFC staff and partners that include annual Active Shooter training.
- **Defend against cyber-attacks**, by upgrading systems with Microsoft Azure Intune; ongoing monitoring; as well as providing staff required training, technical security briefings, and monthly tips and tricks.
# 2023 CAPITAL PROJECTS

## GEORGE R BROWN CONVENTION CENTER
- Roof Repairs
- Balcony Modification to Prevent Leaks
- Tables/Chairs (3,000 ballroom chairs, approx. cost $150-$200/chair)
- Public Area Furniture
- Risers/Pallet Jacks
- Boom Lift (Qty: 1)
- Forklift (Qty: 1)
- Electronic Wheelchair Ramp
- Replace Crosswalk Pavers with Concrete @ ADLA Intersections (Qty: 4)
- New Signage Cutter
- Automated North GRB Ramp Gate System
- Replacement of Automatic Transfer Switch 1 & 3 (Per TDI, these are not working properly & are needed during storms)

## JONES HALL
- Replace 10,000 lbs. Glass Elevator
- Replace Roof
- Roof Smoke Hatch Replacement (Qty: 6) (Life Safety - Includes roof work)
- Replace Encore Café Tables & Chairs
- Replace Rooftop Perimeter Incandescent Lights with LED Strips
- Install New Water Conditioning System
- Boiler Replacement (Qty:2)
- Jones Backstage Funding
- Replace 50-ton Roof Condensing Units & Evaporator Coils (Qty:2)

## MILLER OUTDOOR THEATRE
- Replace 50-ton Roof Condensing Units & Evaporator Coils (Qty:2)
- Stage, Pit Floor & A/C Replacement (Design 2023, Construction 2024)
- Two A/C mini splits for box office & janitorial office
- Replace Water Fountains
- Bicycle Racks

## WORTHAM THEATER CENTER
- Purchase Forklift (Qty: 1)
- Replace Tables & Chairs
- Repair Fish Plaza Pavers
- Green Room Refresh
- Replace Rooftop Perimeter Incandescent Lights with LED Strips
- Install New Water Conditioning System
- WCOC Backstage Funding
- Flood Mitigation in Theater District

## OTHER TD PROJECTS
- Flood Mitigation in Theater District
- Lynn Wyatt Square ("LWS") Completion
- TDPG - Structural Assessment '22, Phased Repairs '23-'26
- Technology Replacements/Refresh/Network & Server Upgrades
- Technology Replacements / Refresh/ Network & Server Upgrades
- Parking Garage Operations Projects
- Cameras
- Civic Art

## TOTAL PROJECTS: $29 MILLION
LYNN WYATT SQUARE

PRELIMINARY ANNUAL OPERATING COSTS

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<th>EXPENDITURE</th>
<th>AMOUNT</th>
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<tr>
<td>PROGRAMMING</td>
<td>$1,000,000</td>
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<tr>
<td>JANITORIAL</td>
<td>232,960</td>
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<tr>
<td>SECURITY</td>
<td>204,000</td>
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<td>INSURANCE</td>
<td>186,000</td>
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<tr>
<td>FACILITY MAINTENANCE</td>
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<tr>
<td>UTILITIES (electricity, gas, water, sewer)</td>
<td>42,000</td>
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<tr>
<td>LANDSCAPING</td>
<td>10,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,724,960</strong></td>
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</tbody>
</table>
# 2023 Operations Budget *

<table>
<thead>
<tr>
<th>Category</th>
<th>CY19 Actuals</th>
<th>CY20 Actuals</th>
<th>CY21 Actuals</th>
<th>CY22 Original Budget</th>
<th>CY22 Revised Budget</th>
<th>CY22 Forecast</th>
<th>CY23 Budget</th>
<th>Variance h/l than CY22 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venue Revenue</td>
<td>$42,055,432</td>
<td>$18,850,412</td>
<td>$20,410,722</td>
<td>$37,980,859</td>
<td>$37,980,859</td>
<td>$39,047,546</td>
<td>$40,615,300</td>
<td>$1,567,754</td>
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<td>Parking</td>
<td>$19,282,150</td>
<td>$9,926,614</td>
<td>$14,229,842</td>
<td>$17,013,729</td>
<td>$17,013,729</td>
<td>$19,173,288</td>
<td>$19,903,565</td>
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<td>Miscellaneous</td>
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<td>$90,000</td>
<td>$138,800</td>
<td>$227,400</td>
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<td>Operating Revenues</td>
<td>$61,742,650</td>
<td>$28,829,467</td>
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<td>$55,084,588</td>
<td>$55,084,588</td>
<td>$58,359,633</td>
<td>$60,746,265</td>
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<td>Personnel</td>
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<td>$4,424,971</td>
<td>$6,594,589</td>
<td>$6,549,589</td>
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<td>$6,984,625</td>
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<tr>
<td>Advertising &amp; Promotion</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
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<tr>
<td>Travel, Promotion, and Events</td>
<td>$174,412</td>
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<td>$49,707</td>
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<td>$282,406</td>
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<td>Facility Maintenance</td>
<td>$8,715,495</td>
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<td>$4,934,726</td>
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<td>Food and Beverage</td>
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<td>Utilities</td>
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<td>$2,180,959</td>
<td>$2,127,609</td>
<td>$2,107,951</td>
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<td>$316,378</td>
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<td>Janitorial</td>
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<td>$4,374,912</td>
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<td>Lease Expense</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
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<td>Consulting</td>
<td>$1,065,143</td>
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<td>$358,720</td>
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<td>$1,345,725</td>
<td>$1,493,906</td>
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<td>Supplies</td>
<td>$1,337,228</td>
<td>$399,096</td>
<td>$306,930</td>
<td>$1,103,880</td>
<td>$784,550</td>
<td>$715,992</td>
<td>$815,500</td>
<td>$99,508</td>
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<td>Fees &amp; Services</td>
<td>$507,006</td>
<td>$221,281</td>
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<td>$557,435</td>
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<td>$46,765</td>
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<td>Computer Services</td>
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<td>-</td>
<td>-</td>
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<td>$1,088,734</td>
<td>$1,091,456</td>
<td>$1,002,096</td>
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<td>Legal Expense</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
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<tr>
<td>Other</td>
<td>$267,846</td>
<td>$213,608</td>
<td>$205,026</td>
<td>$499,664</td>
<td>$515,220</td>
<td>$401,316</td>
<td>$471,544</td>
<td>$70,228</td>
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<td>Operating Expenses</td>
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<td>$33,182,335</td>
<td>$32,221,301</td>
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<td>$61,677,755</td>
<td>$7,140,824</td>
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</tbody>
</table>

* Includes budgets for Convention & Cultural Facilities, IT, and Urban Development
## 2023 OPERATIONS BUDGET*

* Includes budgets for Convention & Cultural Facilities, IT, and Urban Development

<table>
<thead>
<tr>
<th></th>
<th>CY19 Actuals</th>
<th>CY20 Actuals</th>
<th>CY21 Actuals</th>
<th>CY22 Original Budget</th>
<th>CY22 Revised Budget</th>
<th>CY22 Forecast</th>
<th>CY23 Budget</th>
<th>Variance h/l than CY22 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel Occupancy Tax (Current &amp; Delinquent)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Contributions</td>
<td>$ 1,260,000</td>
<td>$ 770,000</td>
<td>$ 8,000,000</td>
<td>$ 11,335,000</td>
<td>$ (11,335,000)</td>
<td>$ 11,335,000</td>
<td>$ -</td>
<td>(11,335,000)</td>
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<tr>
<td>Net Available Pledged Rev. Transfer</td>
<td>$ -</td>
<td>$ 557,163</td>
<td>$ 194,855</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<td>Interest Income</td>
<td>$ 20,831</td>
<td>$ 57,324</td>
<td>$ 37,940</td>
<td>$ 48,462</td>
<td>$ 48,462</td>
<td>$ 48,657</td>
<td>$ 93,969</td>
<td>$ 45,312</td>
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<td>Non-Operating Revenues</td>
<td>$ 1,280,831</td>
<td>$ 1,384,487</td>
<td>$ 8,232,796</td>
<td>$ 11,383,462</td>
<td>$ 11,383,462</td>
<td>$ 11,383,657</td>
<td>$ 93,969</td>
<td>(11,289,688)</td>
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<td>Sponsorship Expense</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Non-COH Contractual Obligations</td>
<td>$ -</td>
<td>$ 3,190,382</td>
<td>$ 2,901,237</td>
<td>$ 3,634,410</td>
<td>$ 3,690,335</td>
<td>$ 3,703,861</td>
<td>$ 3,703,861</td>
<td>(229,513)</td>
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<tr>
<td>Programming &amp; Events</td>
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<td>$ 535,224</td>
<td>$ 735,159</td>
<td>$ 1,750,000</td>
<td>$ 1,750,000</td>
<td>$ 1,751,675</td>
<td>$ 2,200,000</td>
<td>448,325</td>
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<td>Contingency</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Capital Spending</td>
<td>$ 2,108,309</td>
<td>$ -</td>
<td>$ 6,653,258</td>
<td>$ 11,471,000</td>
<td>$ 11,814,446</td>
<td>$ 13,138,132</td>
<td>$ 1,215,582</td>
<td>(11,922,550)</td>
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<tr>
<td>Debt Service</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>COH Contractual Obligations</td>
<td>$ 645,933</td>
<td>$ 645,933</td>
<td>$ 650,281</td>
<td>$ 649,402</td>
<td>$ 649,477</td>
<td>$ 600,591</td>
<td>$ 596,864</td>
<td>(3,727)</td>
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<tr>
<td>Hotel Tax Refunds</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Non Operating Expense</td>
<td>$ 6,743,523</td>
<td>$ 4,371,538</td>
<td>$ 10,939,935</td>
<td>$ 17,504,812</td>
<td>$ 17,904,258</td>
<td>$ 19,194,261</td>
<td>$ 7,486,794</td>
<td>(11,707,467)</td>
</tr>
<tr>
<td>Total Revenue less Expenses</td>
<td>$ (2,145,854)</td>
<td>$ (7,339,920)</td>
<td>$ (155,942)</td>
<td>$ (6,146,527)</td>
<td>$ (6,570,525)</td>
<td>$ (3,987,062)</td>
<td>$ (8,324,315)</td>
<td>$ (4,336,413)</td>
</tr>
<tr>
<td>Capital - Prior Year Carry Forward</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 574,251</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 9,542,777</td>
<td>9,542,777</td>
</tr>
<tr>
<td>Capital - Financed Projects</td>
<td>$ -</td>
<td>$ 868,132</td>
<td>$ 213,400</td>
<td>$ 11,636,795</td>
<td>$ 12,712,727</td>
<td>$ 4,207,418</td>
<td>$ 13,691,543</td>
<td>9,484,125</td>
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<tr>
<td>Disaster Expense</td>
<td>$ 25,631,154</td>
<td>$ 12,010,943</td>
<td>$ 1,358,434</td>
<td>$ 263,000</td>
<td>$ 281,250</td>
<td>$ 274,573</td>
<td>$ -</td>
<td>(274,573)</td>
</tr>
</tbody>
</table>

| Total Revenues      | $ 63,023,482 | $ 30,213,954 | $ 43,005,294 | $ 66,468,050         | $ 66,468,050        | $ 69,743,290  | $ 60,840,234 | $ (8,903,056)                   |
| Total Expenses      | $ 65,169,335 | $ 37,553,873 | $ 43,161,236 | $ 72,614,577         | $ 73,038,575        | $ 73,731,192  | $ 69,164,549 | (4,566,643)                    |
| Net Profit/(Loss)   | $ (2,145,854) | $ (7,339,920) | $ (155,942)  | $ (6,146,527)        | $ (6,570,525)       | $ (3,987,062) | $ (8,324,315) | $ (4,336,413)                   |
B. Consideration and possible recommendation of a Janitorial Cleaning Services Agreement between Houston First Corporation and Caring Commercial Cleaning, Inc.

MITCH MISZKOWSKI
Purchasing Agent

HFC OPERATIONS COMMITTEE MEETING
November 1, 2022
# PROCESS OF SOLICITATION

**July**
- 7.29: ITB Issue Date
- 7.29-8.5 Advertised
  - Houston Business Journal
  - Houston Defender
  - Southern Chinese Daily News

**September**
- 9.15: Submission Deadline

**October**
- 10.3&4 Interviews (6) per day
- 10.5 Public Bid Opening
- 10.14 Selection Committee Meeting

**November**
- 11.1 OPS Committee Meeting
- 11.10 HFC Board of Directors
SELECTION COMMITTEE

KAREN WILLIAMS
Senior VP of Finance

KERRY WARNER
Facilities Superintendent

JOHN GONZALEZ
Senior VP & General Manager

DAVID GERDY
Director of Operations — NRG Park

BEN WILLIAMS
Director of Security
PROPOSERS

CARING COMMERCIAL CLEANING, INC.

$2,678,252.00  Score: 464

$2,669,682.72  Score: 458

$2,572,365.72  Score: 432

$2,597,737.88  Score: 355

$2,769,938.00  Score: 297

$2,181,875.00  Score: 324

$2,531,924.76  Score: 319

$3,638,799.24  Score: 253
CARING COMMERCIAL CLEANING

- Asian-owned business, COH MBE certified
- Based in Sugar Land, TX, founded in 2007
- Fee at $2,678,252 below $2,888,688 avg of the 12 proposals
- Current clients include
  - Harris County, Metro, HCC, HISD
- Diversity Partner (33% Goal)
  - The Cleaning Source
  - Hispanic-owned business, COH MBE certified
C. Consideration and possible recommendation of Funding Agreement between Houston First Corporation and The Foundation for Jones Hall.

MICHAEL HECKMAN
President & Chief Executive Officer

HFC OPERATIONS COMMITTEE MEETING
November 1, 2022
D. Consideration and possible recommendation of increased funding for the Recovery Architectural Services Agreement with Harrison Komberg Architects, LLC and ARUP Texas, Inc., a joint venture, the issuance of a new task order(s) for additional design services related to updating and completing mitigation documents for Wortham Theater and Theater District Parking Garages due to Hurricane Harvey, and a First Amendment to such Agreement.

ROKSAN OKAN-VICK, FAIA
Urban Development Officer

HFC OPERATIONS COMMITTEE MEETING
November 1, 2022
1. WHO – Harrison Kornberg Architects, LLC and ARUP Texas, Inc., a joint venture

2. WHY – To update 2019 Theater District mitigation design documents

3. WHAT – Main scope elements:
   - Incorporate all HMP and other updates to 4 sets:
     - Wortham
     - Blue garage
     - Green garage
     - Yellow garage
   - Provide permit sets
   - Provide CDs for bidding
   - Provide estimated cost and schedule for construction

4. Diversity participation to date @ 46%

5. Includes reimbursables and 20% contingency

REQUEST: $960,000
### BUDGET STATUS

<table>
<thead>
<tr>
<th></th>
<th>2/18/21 APPROVED $</th>
<th>11/01/22 PROPOSED $</th>
<th>VARIANCE $</th>
</tr>
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<tbody>
<tr>
<td>Recovery, Restoration &amp; Mgmt.</td>
<td>142,540,727</td>
<td>142,540,727</td>
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</tr>
<tr>
<td>Initial Project Design, Doc, &amp; CA</td>
<td>10,299,083</td>
<td>10,299,083</td>
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<tr>
<td>Mitigation Completion Design</td>
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<td>960,000</td>
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<td><strong>Total Project Budget</strong></td>
<td><strong>152,839,810</strong></td>
<td><strong>153,799,810</strong></td>
<td><strong>960,000</strong></td>
</tr>
</tbody>
</table>

**Total FEMA Reimbursement to date:** $127,700,000 (84%)
E. Consideration and possible recommendation of funding for an Engineering Services Agreement between Houston First Corporation and Page Southerland Page, Inc. for various services.

LUTHER VILLAGOMEZ
Chief Operating Officer

ROKSAN OKAN-VICK, FAIA
Urban Development Officer

HFC OPERATIONS COMMITTEE MEETING
November 1, 2022
1. **WHO** – Page Southerland Page, Inc.
   • Selected November 2021 through RFQ Process

2. **WHY** – To provide *design services* for various smaller capital projects

3. **WHAT** – AE Services for items like:
   • TD garages structural repairs for safety
   • Hilton roof structural and drainage reviews for re-roofing projects
   • Jones Hall glass elevator replacement
   • GRB BAS system
   • Wortham and Jones Hall facility assessments

**REQUEST: $700,000**
Houstonfirst

www.HoustonFirst.com