The Sales, Tourism, and Marketing 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. GOV'T. CODE ANN. §394.001 et seq., posted a meeting at Partnership Tower, 701 Avenida de las Americas, Houston, Harris County, Texas, 77010, on Monday, December 16, 2019 commencing at 9:00 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.

The following Committee members were present for the meeting: Council Member David Robinson (Chair), Bobby Singh (Co-Chair), Ryan Martin, Patricia Voss, Stephanie Haynes, Gerald Womack, Scot Cotton, Reginald Martin, James Batt, Kim Davis, and Sofia Adrogue.

The meeting was called to order at 9:07 a.m. and a quorum was established.

1. **Public Comments.** Dale Lockett, Director of Local Programming and Community Marketing at KHOU, thanked the Committee for the opportunity to partner with HFC. Mr. Lockett stated that the brand tenet of KHOU is to celebrate service with the community and the location of Avenida Studio is amazing. Mr. Lockett also recognized Holly Clapham-Rosenow and Todd Holloman for their vision and discussed some of the events KHOU and HFC hosted in 2019. Mr. Lockett discussed the University of Houston NCAA Finals Watch Party, Comicpalooza After Party, Astros World Series Watch Party, and news coverage of various events at the George R. Brown Convention Center ("GRB"). Mr. Lockett also announced in 2020, KHOU will produce a live weekend broadcast at Avenida Studio. He also stated that KHOU looks forward to growing its partnership with HFC and presented a short video clip of events in 2019.

Bobby Springer, President and General Manager of KHOU, stated he is excited to see the impact of Avenida Studio and highlight different facets of the city. He also discussed the live Saturday newscast from Avenida Studio in order to bring the Houston experience to more viewers at home. Mr. Springer also stated after the former KHOU studio was destroyed during Hurricane Harvey, the news station made 600 coins to present to its partners, as a gesture of appreciation, and KHOU presented those coins to HFC.
Bobby Singh stated proximity matters and HFC is delighted to have KHOU located on Avenida Houston. He also stated that the partnership has been beneficial for both parties and thanked Mr. Springer for the token of appreciation.

Council Member David Robinson stated Avenida Studio has transformed the downtown area in a positive way. He also encouraged KHOU to contact the Committee if they could be of service in the future.

2. **Review and approval of minutes from prior meeting.** Following a motion duly seconded, the meeting minutes of September 6, 2019 were approved as presented.

3. **Presentations and Reports.**

   A. **Sales Report.** John Solis shared an image of the “Visit Houston” installation used at various trade shows throughout the year. The installation recently received “Best in Show” recognition and will be on display near the GRB Executive Boardroom.

   Mr. Solis informed the Committee, to date, there are 549,733 confirmed room nights booked. According to Mr. Solis, 33% of the year-end goal remains, but he is confident that the sale team will meet its goal.

   Mr. Singh asked if the numbers presented are based on a sales forecast or year-to-date information and Mr. Solis provided further clarification. He explained that tentative lead production is at $3.2 million, up 22% from last year due to a strong interest in Houston. There is also a great balance of business among city-wide events, in-house groups and international groups. Additionally, sight visits have increased 34%. This is very promising for the sales team because there is a 66% conversion rate when clients visit GRB.

   B. **Tourism Report.** Jorge Franz stated tourism has been working with Cindy Decker to establish a model that captures actual production and the economic impact of REO. They have also created a tourism impact dashboard that will be utilized to track data in 2020. According to Mr. Franz, the overall economic impact of visitors to Houston is $17 million. Majority of visitors have come from the following locations: Texas, California, New Jersey, Florida and the surrounding Houston area. International data is still being collected. However, tourism will continue to monitor the dashboard and a report will be presented to the Committee on a quarterly basis.

   Mr. Franz also briefly discussed HFC’s partnerships with Expedia and ADARA. Mr. Franz explained that both platforms are important resource tools being used by convention and visitors’ bureaus around the country to document the economic impact on travel.

   Patricia Voss asked if staff was aware that Expedia can provide other valuable information and Cindy Decker clarified that tourism requests very specific data.
Houston Experience Marketplace

Mr. Franz stated the total number of sales for the Houston Experience Marketplace is 4,526 experiences. He also stated that the majority of purchases have come from within fifty miles of Houston, but the goal is to attract more outside visitors.

Mr. Franz also informed the Committee a vacancy in the Tourism Department has been filled and introduced Radu Barbuceanu, formerly of the City of Houston Cultural Affairs Office.

Houston Insiders

Mr. Franz stated that the Houston Insiders have grown to 2,443 members and 32 events were held in 2019. Tourism continues to target members of the hospitality industry to spread the word about events in Houston.

Houston and Beyond

Mr. Franz stated that the Tourism Department meets regularly with a consortium of fourteen neighboring cities as part of the Houston and Beyond Program. The tourism department was asked to create a new brand for the initiative, Around Houston, and ads have been launched.

Mr. Franz also stated that the City of Shenandoah applied for membership in the program, but the application was denied for failure to meet all program criteria. He further explained that the program has very specific criteria, including submission of a strategic plan, marketing dollars spent, attractions, etc. and tourism felt that the application lacked a complete strategic plan.

Council Member Robinson asked if assistance is provided to potential members if their application is denied and Mr. Franz stated they do work with applicants to strengthen future applications.

Gerald Womack stated he would like to see tourism reach out to Missouri City because they have a lot to offer. Mr. Franz stated his team did receive an inquiry from Missouri City and asked Emilie Harris to provide further information.

Emilie Harris stated she contacted a representative from Missouri City in 2017 and 2018, but they chose not to apply. Ms. Harris stated she will reach out to them again in 2020. She further explained that a number of cities did not apply due to other matters of high priority such as Hurricane Harvey. However, tourism does give applicants a roadmap for membership.

Reginald Martin asked what is the market radius for Houston and Beyond and how are cities targeted for membership. Mr. Franz explained that membership is limited to a 90-mile radius and provided further background on the program. At this time, there are approximately thirty cities that have actual convention and visitors bureaus but that
number grows every year. He stated there are at least five cities that meet the criteria for membership, but it’s up to that group to decide if they would like to join. Kim Davis asked if there is an application fee or costs associated with the program and Mr. Franz explained. He also informed the Committee that he would provide a small booklet with additional information.

Mr. Womack further clarified his earlier statement regarding Missouri City and explained that there will be a lot of growth in the area due to the expansion of Metro.

Mr. Franz also discussed his visit to London for the Houston Texans football game. The event had strong international media coverage and tourism worked closely with top travel trade media at Wembley Stadium. He stated overall it was a successful Houston promotion.

Mr. Franz also informed the Committee that Ethiopian Airlines has arrived in Houston today for a large celebration hosted by the Houston Airport Systems at GRB.

C. Market Update. Cindy Decker stated there is a slight increase in ADR in Houston in the downtown area. Ms. Decker discussed changes in RevPAR and ADR in other cities such as Dallas and Austin. She also presented submarket trends for the overall Houston market, excluding Galveston and Brazoria County. According to Ms. Decker, the number of room nights consumed in Houston in 2019 was a record number 750,000 room nights. She concluded her update by discussing the success of the Thanksgiving marketing campaign used to increase hotel business in the galleria and downtown areas.

D. Marketing Report. Holly Clapham-Rosenow stated that the marketing team has been balancing branding with lift due to reductions in the marketing budget. Ms. Clapham Rosenow discussed use of ADARA coupled with marketing campaigns to convert web visits into room nights booked. For example, the marketing team used the H-E-B Thanksgiving Day Parade and the Mayor’s Holiday Tree Lighting as an anchor for tracking hotel business located in downtown. Additionally, ADARA provides insights in daily activity and Ms. Clapham-Rosenow discussed the use of heat maps to determine the appropriate placement for ads on the Visit Houston website.

Ms. Clapham-Rosenow announced it was a banner year for PR with an audience of 3.2 billion during the Apollo 11 campaign. She also informed Committee members that the marketing dashboard is accessible on the Houston First website and includes research reports with links to all media coverage and news articles. According to Ms. Clapham-Rosenow, HFC has 21 social channels, unlike many other cities that solely have a destination focus. In 2020, marketing will focus on the Houston brand and marketing to target markets. In conclusion, Ms. Clapham-Rosenow announced that a media familiarization tour will take place in March along with the launch of the latest version of the Houston AR Scanner application.
Gerald Womack asked if the marketing team has contacted more diverse groups and how much marketing spend has gone to Essence magazine. Ms. Clapham-Rosenow discussed the marketing strategy.

Mr. Womack asked if the marketing team has done anything to market Houston real estate and the richness of Houston neighborhoods. Ms. Clapham-Rosenow explained that her team does not advertise relocation, but they have worked with local real estate agents to produce neighborhoods videos.

E. Houston Film Commission Report. Rick Ferguson stated that 230 projects have taken place in Houston in 2019. Mr. Ferguson discussed several projects specifically, including Be Somebody (reality show), Life at the SPCA (pilot), and Judgement Day (pilot). He also stated that a talented producer, Kat Candler, has a development deal for project with the Own Network so he may come back to the Committee for additional support regarding the project. At this time, the production team is scouting film locations near electrical plants and refineries. Mr. Ferguson also discussed a number of arts events he attended along with HFC Board Members, such as the Texas Motion Picture Impact Awards Gala and Houston Cinema Arts Festival.

4. Committee Business.

A. Consideration and possible recommendation of an agreement with the Barbershop Harmony Society for their International Convention occurring July 2-6,2024.

John Solis stated that the International Convention will take place over need dates for HFC with approximately 6,000 attendees. He also stated this will be the first time the International Convention is held in Houston. Additionally, the economic impact will be $4.5 million. The request of the Committee is for funding in an amount not-to-exceed $380,000 for rental fees at the Toyota Center. Mr. Solis also confirmed funds are likely eligible for reimbursement through the State Event Trust Fund.

Stephanie Haynes asked how many hotels are in the room block. Mr. Solis confirmed that there are 2,000 rooms with no more than eight participating hotels.

Bobby Singh asked if the sales team had been successful in recovering expenses through the State Event Trust Fund. Cindy Decker stated of the ten applications submitted for reimbursement this year, all have been approved.

Following a motion duly seconded, the recommendation of an agreement with the Barbershop Harmony Society was approved unanimously.

B. Consideration and possible recommendation of an agreement with Delta Sigma Theta Sorority, Inc. for the 58th Biennial National Convention occurring July 28-August 1, 2027.

Mr. Solis stated the anticipated economic impact of the 58th Biennial National Convention is $12.9 million with approximately 15,000 attendees. He also stated that the event will be eligible for reimbursement through the State Event Trust Fund.
Ryan Martin asked how the agreement compares to the previous one signed with Delta Sigma Theta, Inc. in 2015. Mr. Solis explained that the agreement is similar, but historically Houston has been a great market for hosting the Deltas.

Stephanie Haynes stated this is a good piece of business on great dates.

Following a motion duly seconded, the recommendation of an agreement with Delta Sigma Theta Sorority, Inc. was approved unanimously.

C. **Consideration and possible recommendation of an agreement with Connect Meetings for their Connect Marketplace occurring August 28-September 1, 2022.**

John Solis explained that Connect Meetings is an industry event similar to IAEE. He explained although the event is smaller with 3,500 attendees, it will take place over need dates as well. Mr. Solis also explained that the event is a great opportunity to generate new business.

Scot Cotton stated HFC’s mission is to bring visitors and business to Houston so he supports the recommendation.

Following a motion duly seconded, the recommendation for an agreement with Connect Meetings was approved unanimously.

D. **Consideration and possible recommendation of a National Public Relations Services Agreement with Fahlgren Inc. d/b/a Turner PR.**

Mitch Miszkowski provided a summary of the solicitation process and stated that nine proposals were received. Turner PR, the incumbent firm, received the highest score with an overall budget of $163,000 or a monthly fee of $13,400 (based on hourly rates).

James Batt asked why a new RFP was issued and Mr. Miszkowski provided further explanation.

Reginald Martin stated what jumps out to him is the range of scores. Mr. Martin stated it is clear one firm fully understood the RFP requirements and the others did not. He further explained the importance of making sure all proposers fully understand solicitation requirements.

Ryan Martin asked additional questions regarding the solicitation process and Gerald Womack stated there is an obvious issue with scoring and he has some real concerns.

Bobby Singh stated if a firm is doing a great job you cannot punish them for submitting a strong proposal.

Patricia Voss and Kim Davis both stated that incumbent firms have an advantage in the solicitation process and noted the challenge of creating a level playing field.
Brenda Bazan explained that a pre-proposal conference was held and proposers had an opportunity to ask questions regarding the solicitation.

Following a motion duly seconded, a National Public Relations Services Agreement with Fahlgren Inc. d/b/a/ Turner PR was approved.

5. **Adjournment.** The meeting was adjourned at 10:52 a.m.