

# HOUSTON FIRST CORPORATION

## MINUTES OF HOUSTON FIRST CORPORATION BOARD OF DIRECTORS

September 21, 2015

The Board of Directors of 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.TRANS.P.CODE ANN. §431.101 et seq. and TEX.LOC.GOV'T.CODE ANN §394.001 et seq., held a meeting in the George R. Brown Convention Center, 3rd Floor Executive Board Room, 1001 Avenida de las Americas, Houston, Harris County, Texas 77010, on Monday, September 21, 2015, commencing at 10:30 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 members participated in the meeting: Ric Campo, Phyllis Bailey, Alex Brennan-Martin, Katy Caldwell, C.C. Conner, Jr., Fernando Cuellar, Irma Diaz-Gonzalez, Harry Greenblatt, Winslow Jeffries, Council Member Dave Martin, Council Member David Robinson, David Solomon, and Gerald Womack were in attendance. Desrye Morgan was absent.

Ric Campo called the meeting to order at approximately 10:30 A.M. and a quorum was established.

1. **Public Comments.** None.
2. **Approval of Minutes.** After a motion duly seconded, the minutes of the June 4, 2015 meeting were approved. Fernando Cuellar, Winslow Jeffries, Council Member Dave Martin, Council Member David Robinson and Gerald Womack arrived following the vote on this item.
3. **Presentations.**
  - A. Ira Mitzner of Rida Development Corporation advised the Board that the Marriott Marquis had topped out. Further, he told the Board that there had been no injuries during the construction. A 29% diversity rate had been achieved to date and a focused effort will be made going forward to meet and exceed diversity goals. Lastly, he mentioned that this construction generated approximately 600 full-time positions and approximately 3,500 jobs on the construction side.
  - B. Sallie Sargent, President and CEO of the Local Organizing Committee, was present to provide an update on the progress on plans for the Superbowl. Her presentation included the theme; timeline; fundraising efforts; roadshows; Superbowl Central; NFL Experience; business connects small and minority businesses database; economic impact; media impressions; and, the Greater Houston Community Foundation.

4. **Consideration and possible approval for retail development in the Hilton Americas-Houston.** David Solomon advised the Board that the details of this item were vetted in the Hotel Committee meeting on September 9, 2015. He provided an update on the proposed retail space currently in the Hilton that is proposed to be converted to a gift shop that will showcase Houston and add revenue. Houston First is requesting approval to start on the design elements of the space and include the dollars for the renovation in the 2016 budget. Following discussion on this item, a motion was made and duly seconded to approve the retail development design in the Hilton Americas-Houston.
5. **Consideration and possible approval of a lease between Hilton Worldwide and Federal Express for operation of a business center at the Hilton Americas-Houston.** David Solomon advised the Board that the current lease with UPS will expire in the first quarter of 2016. Responses to a request for proposal were received from UPS and Federal Express. After thorough review of the responses, Federal Express proposed the most lucrative terms. This item was fully vetted at the Hotel Committee meeting on September 9, 2015. Following discussion on this item, a motion was made and duly seconded to approve the lease between Hilton Worldwide and Federal Express for operation of a business center at the Hilton Americas-Houston and a satellite store in the George R. Brown Convention Center.
6. **Consideration and possible approval of amendments to the Hilton Americas-Houston 2015 Capital Budget.** David Solomon advised the Board that this item was fully discussed at the Hotel Committee meeting on September 9, 2015 and described in detail the proposed amendments to the 2015 capital budget, which included the design of moving the executive lounge to the 24<sup>th</sup> floor, renovating the current executive lounge into additional seven guestrooms and designing and constructing additional restrooms in the Hotel's east lobby. It is anticipated that the restroom project will be completed by the end of 2015 and the new executive lounge and additional guest rooms will occur in 2016. Following discussion on this item, a motion was made and duly seconded to approve the amendments to the Hilton Americas-Houston 2015 capital budget.
7. **Consideration and possible approval for additional sponsorship of the Cinema Arts Festival.** This item was fully vetted in the Governance, Audit & Finance Committee meeting held on September 16, 2015. Katy Caldwell and Michael Heckman briefed the Board on the benefits for Houston First if additional sponsorship was approved, such as year around marketing and promotional material recognition, a Cinema Arts Board seat, and the promotion of Houston First and Houston in two on-screen trailers. Following discussion on this item, a motion was made and duly seconded to approve \$50,000 of additional sponsorship of the Cinema Arts Festival.

8. **Consideration and possible approval of an Event Participation Agreement with the Super Bowl Host Committee for Super Bowl LI.** Katy Caldwell announced that any Board member who felt they had a conflict, either direct or perceived, had an opportunity to excuse themselves from the room prior to discussion on this item. As a primary member of the Host Committee, Ric Campo left the room. Following Mr. Campo's departure, Michael Heckman provided the Board with key points related to this item, including the anticipated impact, benefits, and risks involved. He also mentioned that a lengthy discussion transpired at the Governance, Audit & Finance Committee meeting held on September 16, 2015. After a full briefing on this item, a motion was made and duly seconded to approve an Event Participation Agreement with the Super Bowl Host Committee for Super Bowl LI. Following discussion and vote on this item, Ric Campo returned to the room.

9. **Updates.**

- A. **Budget Process.** Katy Caldwell provided an update on the upcoming budget process, goals and initiatives. Further, she mentioned that each departmental business plan and budget had been or would be fully vetted at the Committee level.
- B. **New Years Eve.** Mario Ariza provided an update on the plans for New Years Eve.
- C. **Diversity Report.** Brenda Bazan handed out the 2015 year-to-date diversity report through June 2015. Currently, Houston First has acquired a 41% diversity participation rate; however, going forward, Houston First will place more focus on mirroring the diversity of the Houston community through increased outreach. Following her report on diversity, Ms. Bazan provided a handout on the 2<sup>nd</sup> quarter financial results for the six month period ended June 30, 2015.
- D. **Hotel Committee Highlights.** David Solomon provided an update on Hilton Hotel union negotiations and Hilton operations. He lauded the Hilton staff for achieving a first place status in service scores among Hilton's other big box hotels in the country.
- E. **Joint Entrepreneurial Committee.** Phyllis Bailey briefed the Board on a few of the Joint Entrepreneurial Committee highlights, including SpaceCom and an increased stake in ComicPalooza.
- F. **Joint Tourism Committee.** Fernando Cuellar advised the Board about the success of the Tourism Summit, where the GRB was host to 9 panels, 27 speakers and over 500 attendees. He also mentioned the Matching Grants Program, Texas Travel Industry Association's Texas Travel Summit being held in San Antonio, and the Houston and Beyond initiative, among other things.
- G. **Construction Update.** Peter McStravick updated the Board on the progress of the convention district construction, noting that phase 5 of the north end garage would be completed by the end of October.
- H. **CEO Report.** Dawn Ullrich provided an update on joint sales and marketing opportunities and pointed out that each Board member received a copy of the Theater District Master Plan booklet. In addition, she handed out a memo regarding a possible joint venture.

10. **Announcements.** None.

11. **Next Meetings.**

- a. Budget Workshop – November 9, 2015
- b. Board Meeting – November 20, 2015

The meeting adjourned at approximately 12:16 P.M.

  
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Pamela Walko, Secretary