

HOUSTON FIRST CORPORATION

MINUTES OF THE BOARD OF DIRECTORS MEETING

April 28, 2014

The Board of Directors (the "Board") 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. TRANSP.CODE ANN. §431.101 et seq. and TEX. LOC. GOV'T. CODE ANN §394.001 et seq., held a meeting in the 3rd Floor Executive Board Room, 1001 Avenida de las Americas, Houston, Harris County, Texas, 77010, on Monday, April 28, 2014, 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 directors participated in the meeting:

Board Members present:

Ric Campo	Desrye Morgan
David Arpin	Hasu Patel
Katy Caldwell (by phone)	Richard Rabinow
C.C. Conner, Jr.	David Solomon
Irma Diaz-Gonzalez	Deon Warner
Winslow Jeffries	Dawn Ullrich

Council Members present:

Robert Gallegos
David Robinson
Larry Green (by phone)

Chairperson Campo called the open meeting to order at 10:35 a.m. and a quorum was established.

1. **Public Comments.** None
2. **Review and approval of minutes from prior meeting.** After a motion duly seconded, the Minutes of the meeting of the Board of Directors on February 28, 2014 were approved (Abstentions: David Arpin, Katy Caldwell, Irma Diaz-Gonzalez).
3. **Presentation – Marriott Marquis.** Ira Mitzner provided an update on the status of the Marriott Marquis Hotel project. The anticipated 27-month construction period is scheduled to begin on May 5, 2014. He also stated that in addition to the Marriott Marquis, his bigger goal is to move Houston 'up the ranks'. In conclusion, Mr. Mitzner thanked the Houston First Board for their support. Chairman Campo congratulated the entire team for a job well done.
4. **Presentation – Design/Budget for Convention District Project.** Peter McStravick informed the Board that a permit is nearly in place for the George R. Brown Convention Center (GRB)

truck ramp and a permit will be submitted for the garage/office tower soon. Marie Hoke followed with a powerpoint presentation on the design of the convention district area, including Avenida de las Americas (ADLA), GRB front entrance and interior renovations, and the garage/office tower. Council Member Robinson questioned the scale of the office tower and whether particular groups were considered during the design. Stephen Jacobs discussed why the office tower would not be able to attract Class A space tenants. Council Member Robinson also asked about the financial structure for the projects. Chairperson Campo shared the results of the work done by the Master Plan Selection Task Force. In conclusion, the Corporation committed to provide City Council Members with quarterly updates and offered to meet with any Council Member who had questions or would like more detail. Council Member Gallegos requested a list of the Board, including their areas of expertise. In addition, he suggested considering an 'Americas' theme for ADLA.

5. **Consideration of, and possible action on, the Convention District Projects Financing Plan for the costs of constructing a new parking garage, inclusive of certain office and retail space, skybridges, Avenida de las Americas redevelopment and George R. Brown Convention Center improvements, the refunding of certain Hotel Occupancy Tax and Special Revenue Refunding Bonds, Series 2012, and the issuance of City of Houston, Texas, Convention and Entertainment Facilities Department Hotel Occupancy Tax and Special Refunding Bonds, Series 2014.** Chairperson Campo provided a detailed review of the proposed financing plan, including the history of the project, sources and uses of funds, potential return on investment, and stress test scenarios. Drew Masterson, of First Southwest and HFC's financial advisor, assured the Board that a thorough review of the financing plan was made by First Southwest and the plan had their approval. Desrye Morgan asked First Southwest to send a written summary of their review to the Board. David Arpin made a motion to call the question which was duly seconded and the vote supported calling the question. Thereafter, a motion was made to approve the main item and was duly seconded. A majority of the Board approved the proposed financing plan. David Arpin voted no on this item. Katy Caldwell abstained.
6. **Consideration of, and possible action on, Houston First Corporation's Investment Policy.** Peter McStravick explained to the Board that the Investment Policy must be reviewed and approved every year. The Audit & Finance Committee recommended that the Board of Directors approve the Investment Policy. After a motion duly seconded, the Board of Directors approved Houston First Corporation's Investment Policy. Katy Caldwell abstained.
7. **Consideration of, and possible action on, the Grant of Easements for Rail Transit Facilities to the Metropolitan Transit Authority of Harris County, Houston, Texas (METRO) for a portion of Hamilton Street for the rail line.** Stephen Jacobs briefed the Board on the need to recommend the Grant of Easements for Rail Transit Facilities to METRO for a portion of Hamilton Street in which the rail line will operate through HFC's parking garage. Following a short discussion, a motion was made and duly seconded. The Board of Directors approved the Grant of Easements. Following the vote, Chairperson Campo mentioned that there was a possible risk for future costs to be incurred by the Corporation as the construction of the

garage may impact light rail activities and that those costs, if any, are not included in present budgets. Katy Caldwell abstained.

8. **Executive Session.** The Board of Directors did not proceed into executive session, but remained in open meeting format.

9. **Consideration of, and possible action on, the approval of a Memorandum of Understanding with the Greater Houston Partnership for the lease of office space.** Stephen Jacobs briefed the Board on the specifics related to the lease of office space to the Greater Houston Partnership (GHP). He explained that relocating the GHP into this facility would consolidate all of the marketing arms of Houston into one general location. Council Member Gallegos asked if this item would need to go to City Council for approval. He was advised that this item will not go to City Council. David Arpin requested that the Corporation perform a market analysis to determine if the rental rate offered to the GHP is within the market rate established for the area. Stephen Jacobs further explained that the office space was burdened by no access to the downtown tunnel system, rail operating on both sides of the office/garage location, the parking operation use by the Marriott Marquis Hotel valet and the distance to the downtown core office towers. However, Mr. Jacobs further informed the Board that the GHP is a non-profit organization whose purpose is to market Houston similarly to that of the Corporation and that there was positive synergy by having the GHP, Corporation and Greater Houston Convention & Visitors Bureau working in close proximity with visitors, dignitaries and conventioners to promote the City and Houston region. Council Member Gallegos requested regular updates. After a motion duly seconded, a majority of the Board approved this item. David Arpin and Desrye Morgan voted no on this item. Katy Caldwell abstained.

9. **Updates.**
 - Strategic Realignment – Ric Campo provided an update on the strategic realignment progress. Dick Rabinow stated the importance of clarity in governance and a definition of responsibilities.
 - Quarterly Diversity Report – Brenda Bazan provided the quarterly diversity report, reminding Board Members that the 2013 actual participation was 35% and reporting that in the first quarter, the Corporation achieved 41% participation from those contracts awarded by the Corporation.
 - CEO Report – Dawn Ullrich informed the Board about the Miller Theatre Press Conference, Medical World Americas, and the next Board meeting on June 2, 2014. Following the June 2 Board meeting, the Board will be invited to view and have light bites at the newly-opened Pappasito's restaurant at Hilton-Americas.
 - Winslow Jeffries suggested that the Corporation 'toot their own horn' so that people will learn who we are and what we do. Sharon Adams mentioned the Channel 2 weather spot.

10. **Upcoming meeting.** The next Board of Directors meeting will be held at 10:30 a.m. on June 2, 2014.

After a motion duly seconded, the meeting was adjourned at approximately 1:10 p.m.

Pamela Walko

Pamela Walko, Secretary