

AGENDA

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING

August 26, 2021 – 3:00 P.M.

Partnership Tower, 701 Avenida de las Americas, Suite 200

Houston, Texas 77010

HOUSTON FIRST BOARD ROOM

BOARD MEMBERS:

David Mincberg (Chair), Desrye Morgan (Vice-Chair), Sofia Adrogué, Elizabeth Brock, Nicki Keenan, Reginald Martin, Ryan Martin, Alex Brennan-Martin, Paul Puente, Bobby Singh, Tom Segesta, Gerald Womack, Jay Zeidman, Mayor Pro-Tem Dave Martin, Ex-Officio, Council Member David Robinson, Ex-Officio

In accordance with the Texas Open Meetings Act, this Agenda is posted for public information, at all times, for at least 72 hours preceding the scheduled time of the meeting on the bulletin board located on the exterior wall of the Houston City Hall building, located at 901 Bagby. The Agenda is also available online at <https://www.houstonfirst.com>.

To reserve time to appear, come to the meeting at least ten minutes prior to the scheduled public session shown on the Agenda.

Any questions regarding this Agenda, or requests for special needs assistance, should be directed to Lisa K. Hargrove, General Counsel at either 713.853.8965 or Lisa.Hargrove@houstonfirst.com

Code of Business Conduct and Ethics – As a reminder, under Houston First Corporation's Code of Business Conduct and Ethics Policy, if you have a potential conflict of interest that you have not previously disclosed relating to a transaction or arrangement being discussed or voted on, you should notify the Chair and refrain from voting on the transaction or arrangement and recuse yourself from the discussion on the matter at hand. You should have received a copy of the Policy, but if not, let us know and we will provide one for you.

- I. Call to Order**
- II. Public Comments**
- III. Minutes – July 15, 2021**
- IV. Presentations, Reports, and Updates**
 - A. Houston First Chairman Report
 - B. HFC President & CEO Report
 - C. Financial Update

V. Board Business

- A. Consideration and possible approval of the Lighting Controls Upgrade Construction Services Agreement between Houston First Corporation and Prism Electric, Inc. for a project at the George R. Brown Convention Center.

VI. Adjourn

III. Minutes – July 15, 2021

MINUTES

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING

July 15, 2021 – 4:00 P.M.

Partnership Tower, 701 Avenida de las Americas, Suite 200

Houston, Texas 77010

HOUSTON FIRST BOARD ROOM

The Board of Directors (“Board”) 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 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 Thursday, July 15, 2021, commencing at 4:00 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 Board members participated in the meeting: David Mincberg (Chair), Elizabeth Brock, Nicki Keenan, Alex Brennan-Martin, Reginald Martin, Paul Puente, Tom Segesta, Gerald Womack, Jay Zeidman, Mayor Pro-Tem Dave Martin, Ex-Officio, and Council Member David Robinson, Ex-Officio.

The Chairman of the Board called the meeting to order at 4:03 p.m. and a quorum was established.

1. **Public Comments.** None.
2. **Review and approval of minutes from prior meeting.** Following a motion duly seconded, the meeting minutes of June 17, 2021 were unanimously approved as presented.

Gerald Womack requested additional information regarding employee retention based on discussion included in the minutes of June 17, 2021. HFC Acting President & CEO, Michael Heckman, stated that he would contact Mr. Womack directly to discuss the matter in further detail.

3. **Presentations and Reports.**
 - A. **Houston First Chairman Report.** The Chairman commented on the increase in activity in downtown Houston over the past weekend with Anime Matsuri and the Houston Astros hosting the New York Yankees. He also stated that he recently traveled to Dallas and all establishments were busy, so there is a return to business everywhere.

Nicki Keenan concurred and stated that there was an influx in short-term demand for hotels over the weekend, and the Westin Hotel located in downtown Houston was sold out Friday and Saturday night. Ms. Keenan further explained that Galveston hotels struggled to sell out through the 4th of July holiday due to weather, but she anticipates a strong pick up as conditions improve.

There was further discussion regarding the increase in activity in downtown Houston and HFC Acting President & CEO, Michael Heckman, added that last week downtown hotels were at 80% occupancy over the weekend and 60% occupancy during the weekdays. He also stated that HFC generated \$300,000 in convention district parking. He then informed the Board that Comicpalooza is taking place over two days this coming weekend and he anticipates a great event that will generate even more activity in downtown Houston. He also noted that HFC recently hosted its first large convention with Shriner's International and looks forward to the next six months and the lineup of events leading into 2022.

HFC Chief Financial officer, Frank Wilson, announced that HFC was awarded a Shuttered Venue Operators Grant in the amount of \$660,000 from the Small Business Administration that will cover expenses related to capital projects, such as elevator repair at Jones Hall, personnel, and marketing. He also stated that the bond refunding with the City of Houston was a success and will result in a net present-value savings for HFC in the amount of \$6.5 million.

Paul Puente asked if a solicitation will be issued for the elevator repairs at Jones Hall and HFC General Counsel, Lisa Hargrove, confirmed that a solicitation will be prepared and issued.

The Chairman then concluded his report and moved to Executive Session.

4. **Executive Session**

Executive (closed) session pursuant to Texas Government Code Section 551.087 for the purpose of deliberations regarding economic development business opportunities related to hosting the production of a prospective television series in Houston.

The Board and HFC management entered executive session at 4:15 p.m. and returned at 4:50 p.m.

5. **Board Business.**

- A. *Consideration and possible approval of the negotiation and finalization of a Brand Integration Agreement with The Mission Productions, LP related to the hosting of a television series production in Houston.*

Following a motion duly seconded, the item was approved unanimously.

4. **Adjournment.** The meeting was adjourned at 4:51 p.m.

V. (A) Consideration and possible approval of the Lighting Controls Upgrade Construction Services Agreement between Houston First Corporation and Prism Electric, Inc. for a project at the George R. Brown Convention Center.

Consideration and possible approval of the Lighting Controls Upgrade Construction Services Agreement between Houston First Corporation and Prism Electric, Inc. for a project at the George R. Brown Convention Center.

DESCRIPTION: On April 23, 2021, Houston First Corporation (“HFC”) issued a Lighting Controls Upgrade Invitation to Bid (“ITB”) for qualified electrical contractors to replace the original lighting controls system at the George R. Brown Convention Center. The contractor selected is responsible for the supervision, labor, materials and all equipment to remove and replace all existing relay panels and will work collaboratively with Jacobs Engineering Group, Inc.

HFC received a total of three bids and the lowest qualified bid was submitted by Prism Electric, Inc. HFC will enter into Lighting Controls Upgrade Construction Services Agreement (“Agreement”) with Prism Electric, Inc. in the amount of \$617,839.55. Prism Electric, Inc. has also agreed to meet a 15% diversity goal under the Agreement.

RESOLVED, that the Board of Directors of Houston First Corporation approves the following resolutions with respect to an agreement for Lighting Controls Upgrade Construction Services:

RESOLVED, that the Board of Directors of Houston First Corporation hereby approves and authorizes the finalization and negotiation of a Lighting Controls Upgrade Construction Services Agreement (the “Agreement”) with Prism Electric, Inc. together with such conditions or modifications that are approved by the Chairperson or Acting President, as they may determine to be in the best interest of the Corporation and to execute such Agreement; each acting alone hereby is, severally and 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 Agreement in a form as approved by either the Chairperson or the Acting 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 Chairperson, Acting President and Chief Executive Officer, Chief Operating Officer, General Counsel, and Chief Financial Officer of this Corporation are each hereby designated by this 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 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.

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING

HFC Board Room
Partnership Tower
Thursday, August 26, 2021
3:00 p.m.

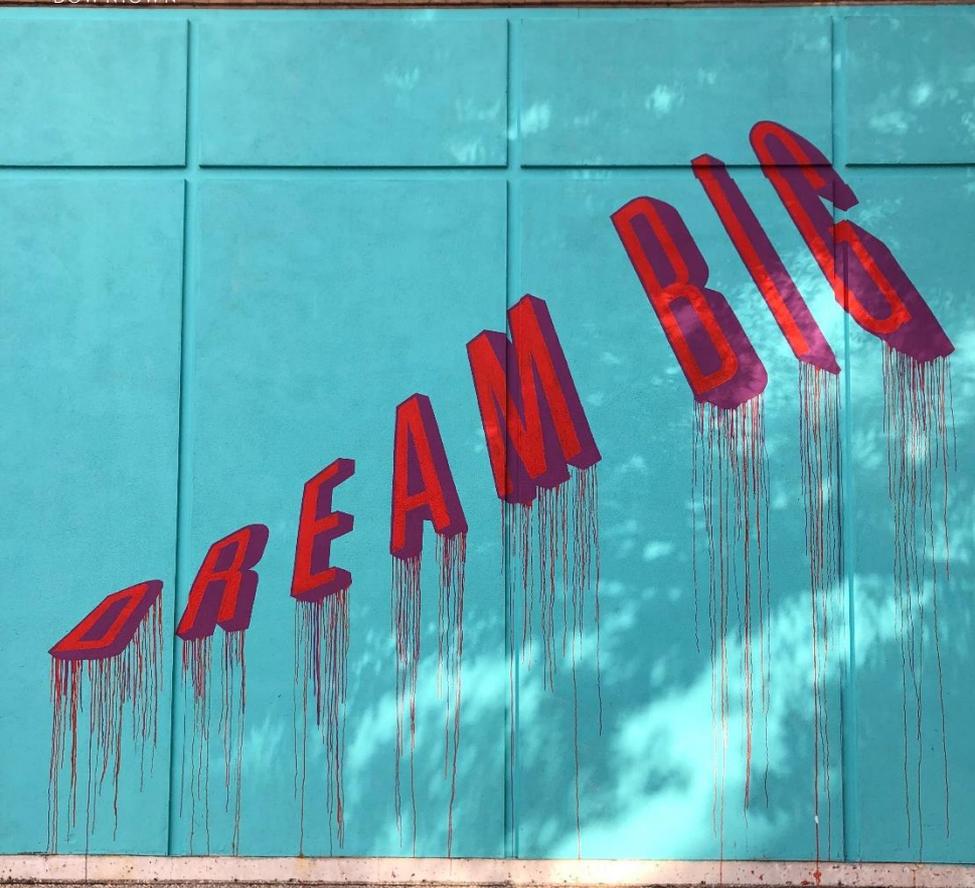


PUBLIC COMMENTS

Anyone who wishes to address the Committee during the Public Comment session may do so by signing up on the Public Comment sign-in sheet at the front of the room.

HFC BOARD OF DIRECTORS MEETING

August 26, 2021



MINUTES

July 15, 2021

HFC BOARD OF DIRECTORS MEETING
August 26, 2021



HOUSTON FIRST CHAIRMAN'S REPORT

DAVID M. MINCBERG

HFC BOARD OF DIRECTORS MEETING

August 26, 2021

STATE OF THE CITY



WHEN

Wednesday, October 13, 2021

11:30 a.m. – 1:30 p.m.



WHERE

Hilton Americas-Houston

Grand Ballroom

1600 Lamar St

Houston, TX 77010

State of the City 2021

We Always Rise

Please join Houston First Corporation for the 2021 State of the City as Mayor Sylvester Turner will highlight the city's accomplishments and his vision for Houston's future. This year's theme, "We Always Rise" will spotlight the strength and resiliency of the nation's fourth largest city.



PRESIDENT & CEO REPORT

Michael Heckman

HFC BOARD OF DIRECTORS MEETING

August 26, 2021

DESTINATION STRATEGIES & INSIGHTS RECAP



Nearly 100 people
attended representing
over 50 hotels



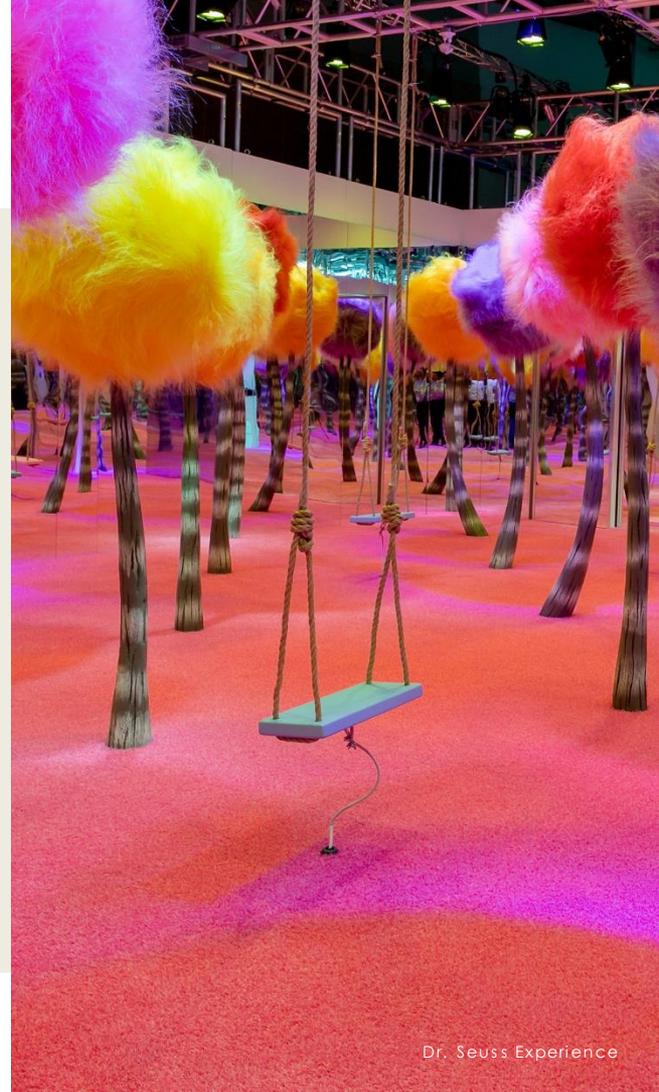
DR. SEUSS EXPERIENCE

- Kilburn Live – event production company in February 2021
- 50,000 sq. ft. of extensive set-up for semi-permanent interactive display
- Event will last 4 consecutive months – cannot be moved once installed



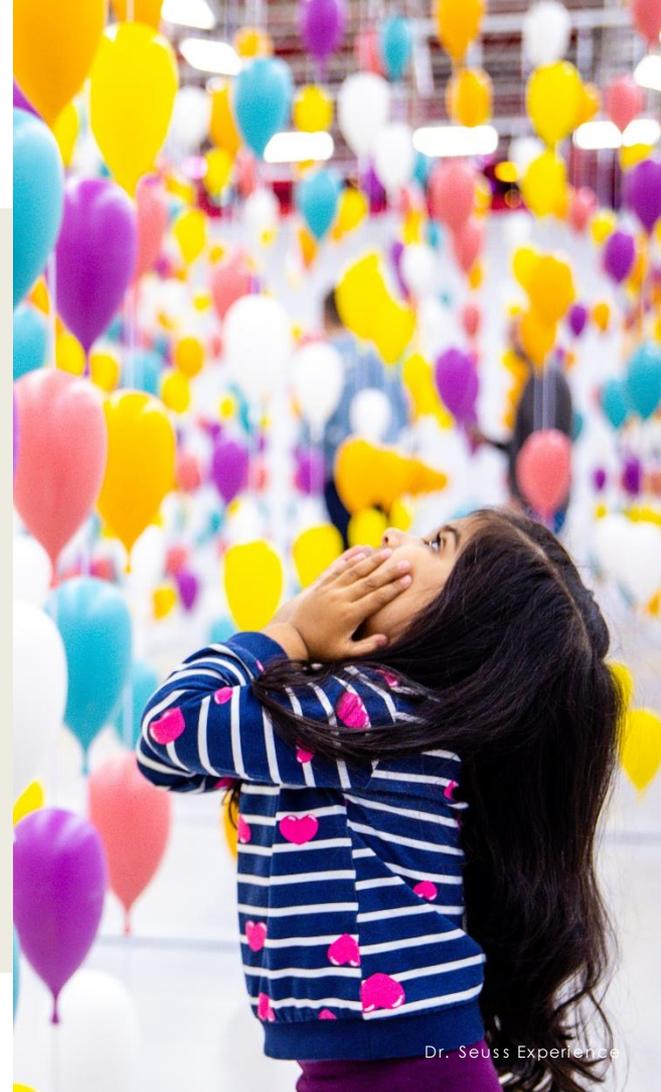
DR. SEUSS EXPERIENCE

- Opportunity to positively impact HFC mission
- Continue recovery efforts for GRBCC and overall convention campus
- Re-imagine our normal proposal and revenue strategy



DR. SEUSS EXPERIENCE

- 9 conventions were affected over 4 months – needed space adjustments
- 9 HFC departments were involved in negotiations and event fulfillment
 - Sales, Revenue, Operations, Enterprise Strategy, Marketing, Tourism, Convention Services, Legal, and Finance
- 95,000 attendees in 3 months
- Future Opportunities with Kilburn
 - Theater events - Power Rangers & Magic Squad



IMPACT OF DELTA VARIANT

- Meetings/conventions
- Leisure
- Business travel
- Response and proactive communication



IMPACT OF DELTA VARIANT

5 Groups
Cancelled
Due to the
Delta Variant

Estimated
67,405
Room
Nights

\$40.9M
in
Economic
Impact

FACILITY SAFETY & HEALTH PROTOCOLS

Continued safety & health protocols:

- Over 50 hand sanitizing stations located throughout the GRB, sanitizing stations also available in the theater venues
- Social distancing markers and signage in place where physical distancing is recommended
 - Ex. Queueing lines and elevators
- Sanitizing technology in use
 - Sanitizing sprayers, UV sanitizers on escalators, “Catch and Kill” Biodefense Air-Filtration system available for use in event spaces at GRB
- Masks encouraged for those who are not fully vaccinated in all facilities



YTD TOTAL EVENTS AND ATTENDANCE

GRB

- **Events to Date:** 50
- **Attendance Q2 (April–June):** 138,822
- **Year to Date Attendance at the GRB:** 443,085

THEATERS

- **Wortham Theater Center** and **Jones Hall** to reopen for the season in September

GENERAL UPDATES

- Staff retention
- Q1 & Q2 diversity report
- Destinations International Advocacy Summit





HOUSTON FIRST FINANCIAL REPORT

FRANK WILSON

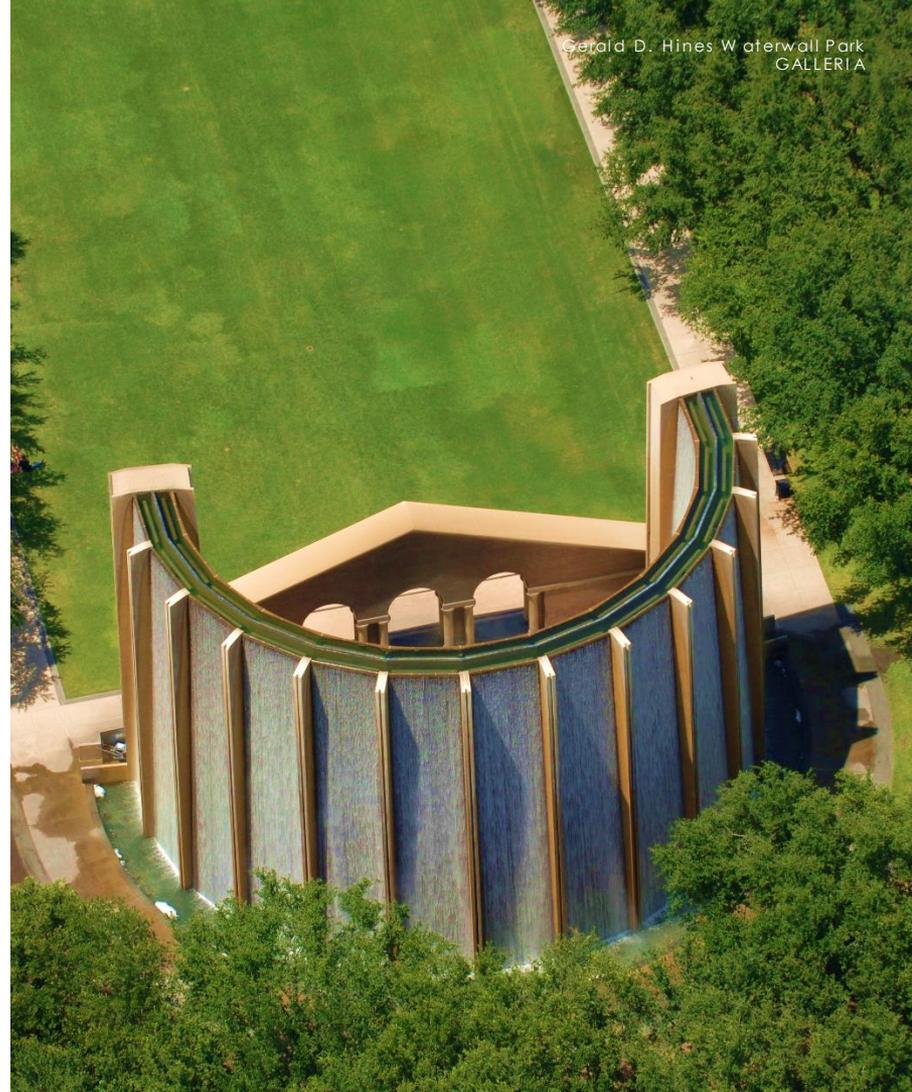
Chief Financial Officer

HFC BOARD OF DIRECTORS MEETING

August 26, 2021

RECENT UPDATES

- \$4.2 M PPP Loan to CCSI Forgiven
- \$660,503 SVOG Received
 - Personnel
 - Advertising
 - Supplies
 - Capital
 - Insurance
- \$31,165,000 C & E Facilities Department HOT & Special Revenue Refunding Bonds, Series 2021
 - Closed August 5th
 - NPV Savings: \$6.5 M
 - \$4.9 M Budget Savings in 2021
 - All-In True Interest Cost: 1.56%
- City received \$2.4 M of FEMA proceeds
- HOT Stakeholders' Meeting: Sept 9th
- Next month: 2020 audit will be presented to board

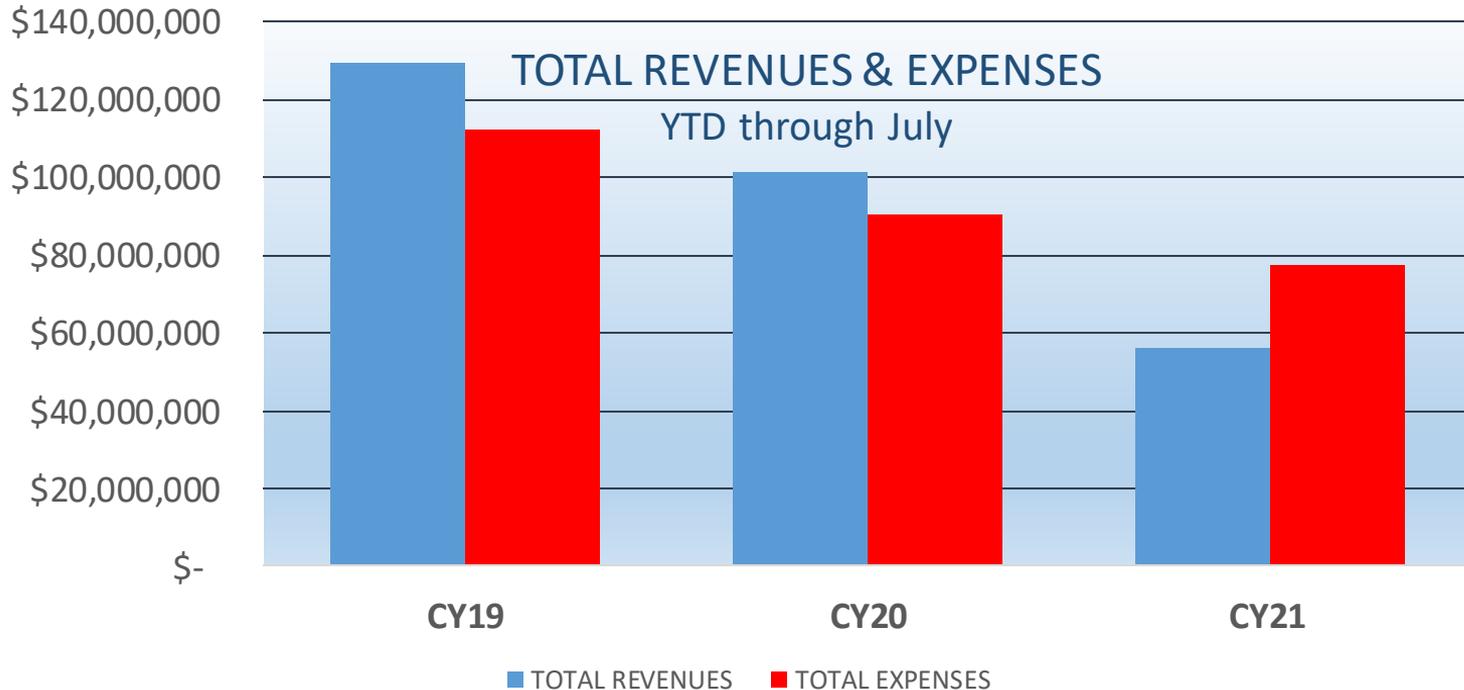


BUDGET VS ACTUAL

YTD Through July 31, 2021

	CY21 BUDGET	CY21 ACTUAL	VARIANCE
TOTAL REVENUES	\$ 59,155,643	\$56,139,176	\$ (3,016,467)
TOTAL EXPENSES	\$ 89,778,322	\$77,542,926	\$ (12,235,396)
TOTAL REVENUES LESS TOTAL EXPENSES	\$ (30,622,679)	\$ (21,403,750)	\$9,218,929

REVENUE AND EXPENSE TRENDS



MAJOR REVENUES & EXPENSES

YTD AS OF JULY 31, 2021

MAJOR REVENUES	2020 Actual	2021 Budget	2021 Actual	Over (Under) Budget (\$)	Over (Under) Budget (%)
Hotel Occupancy Tax Collections*	\$39,796,000	\$38,875,000	\$33,136,727	(\$5,738,273)	-14.7%
Hilton Americas Net Cash	\$7,000,000	-\$915,000	\$1,184,375	\$2,099,375	229.4%
GRB Facility Rental	\$1,513,802	\$2,443,277	\$1,831,055	(\$612,222)	-25.1%
GRB Food and Beverage Revenue	\$8,884,699	\$5,376,435	\$1,444,083	(\$3,932,352)	-73.1%
Parking Revenue-Avenida	\$2,206,276	\$1,614,035	\$3,528,563	\$1,914,528	118.6%
Parking Revenue-Theater District	\$2,241,538	\$2,840,529	\$2,193,289	(\$647,240)	-22.8%
MAJOR EXPENSES	2020 Actual	2021 Budget	2021 Actual	Over (Under) Budget (\$)	Over (Under) Budget (%)
Personnel	\$9,268,893	\$11,288,085	\$8,061,738	(\$3,226,347)	-28.6%
Security Contract	\$1,497,179	\$2,507,893	\$1,705,957	(\$801,936)	-32.0%
Bldg. Maintenance Contract	\$1,498,900	\$1,630,586	\$1,355,278	(\$275,308)	-16.9%
Parking Contract	\$1,037,720	\$1,191,344	\$821,161	(\$370,183)	-31.1%
Janitorial Contract	\$1,651,596	\$1,757,716	\$1,121,248	(\$636,468)	-36.2%
GRB Food and Beverage	\$5,300,492	\$4,039,991	\$1,737,317	(\$2,302,674)	-57.0%

*2021 Budget includes Q3 amount, 2021 Actual reflects collection through July 31, 2021. Additional \$4.2 M collected in August.

HILTON FINANCIAL HIGHLIGHTS

- For the month, EBITDA improved by \$1.3 M vs. the July budget
- On \$16.9 M of Operating Revenue, hotel has earned EBITDA of \$2.8 M YTD.
- Room revenue increase of +\$215 K primarily driven by the increase in Group from two conferences
- Banquet - Group: F&B additional spend from Archdiocese of Galveston and Shriners International, Local: F&B all events performed well over expected attendance up +\$138 K
- Parking +114 K with increases in both garage and valet revenues

HILTON HIGHLIGHTS

- On July 20th, HAH was recognized by the *Houston Chronicle* as the “Best of the Best Hotel” in its second annual Best of the Best Readers' Choice Awards.



HOUSTON FIRST BOARD BUSINESS

- A. Consideration and possible recommendation of a Lighting Controls Upgrade Construction Services Agreement with Prism Electric, Inc. for a project at the George R. Brown Convention Center

PRESENTER

Mitch Miskowski
Purchasing Agent

HFC BOARD OF DIRECTORS MEETING

August 26, 2021

GOALS & OBJECTIVES

Houston First Corporation (“HFC”) requests bids from qualified electrical contractors for replacement of the original lighting controls system at the George R. Brown Convention Center in Houston, Texas.

CURRENT SYSTEM

- **The direct and programmable communication options of our existing system are failing at varied points in the building** leaving us unable to remotely command the functioning relays in a way that can accurately achieve the lighting environment desired.
- **These failed areas are now having to be manipulated manually**, which is labor intensive and severely detrimental to response times when requests for changes in lighting levels or configurations are received.
- **In addition, our current system can no longer be technically supported or materially repaired** due to the unavailability of parts and equipment originally designed for its operation.
- **In order to regain operational options for function, it is imperative that this system be upgraded so that we can successfully meet the lighting requirements of all future events scheduled for the GRB.**

PROCESS OF SOLICITATION

APRIL

- 4/23**
ITB Issue Date
-

MAY

- 5/11**
Pre-Bid Meeting
& Site Tour

 - 5/25**
Submission Deadline
& Public Bid Opening
-

AUGUST

- 8/25**
Operations
Committee Meeting

 - 8/26**
Board
Recommendation
-

SOLICITATION MEDIA ADVERTISEMENT

Notice of Solicitation:

- B2G Notifications
- City Council Members
- HFC Board Members
- Community Stakeholders

PUBLICATIONS ADVERTISED

HOUSTON
BUSINESS JOURNAL

¡QUE ONDA!
MAGAZINE™
A Hispanic News & Entertainment Publication

 **Defender**
Network.com

PROPOSERS & STAFF RECOMMENDATION



C W Henderson
Electric Inc.

PRICE	\$617,840	\$677,992	\$987,000
DIVERSITY	66%	20.5%	0

Sub: Elect-Net

STAFF RECOMMENDATION:

Approve lighting controls upgrade Construction Services Agreement with Prism Electric, Inc.

Houstonfirst™

www.HoustonFirst.com