

# AGENDA

## HOUSTON FIRST CORPORATION

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**HOTEL COMMITTEE MEETING**  
**June 23, 2022 10:00 A.M**  
**HILTON AMERICAS-HOUSTON**  
**Grand Ballroom "A", 4<sup>th</sup> Floor**  
**1600 Lamar St.**  
**Houston, Texas 77010**

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**HOTEL COMMITTEE MEMBERS:**

Nicki Keenan (Chair), Ryan Martin (Vice-Chair), George DeMontrond, David Mincberg, Paul Puente

*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, by phone at 713.853.8965 or by email at [Lisa.Hargrove@houstonfirst.com](mailto:Lisa.Hargrove@houstonfirst.com)*

- I. Call to Order**
- II. Public Comments**
- III. Minutes – November 5, 2021**
- IV. Presentations, Reports, and Updates**
  - A. Hilton Americas-Houston General Manager Report
- V. Committee Business**
  - A. Consideration and possible recommendation of a job order with Chamberlin Houston, LLC for the Hilton Americas-Houston Hotel Sixth-Floor Ballroom Roof Overlay Project.
- VI. Adjourn**

**III. Minutes – November 5, 2021**

# MINUTES

## HOUSTON FIRST CORPORATION

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**HOTEL COMMITTEE**  
**November 5, 2021 - 2:30 P.M.**  
**Partnership Tower, 701 Avenida de las Americas, Suite 200**  
**Houston, Texas 77010**  
**HFC Board Room**

*The Hotel 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 LOC. 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 Friday, November 5, 2021 commencing at 2:31 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 were present for the meeting: Nicki Keenan (Chair), Ryan Martin (Vice-Chair), Katy Caldwell, Paul Puente, George DeMontrond*

1. **Call to Order.**  
The Chair called the meeting to order at 2:31 p.m. and a quorum of Committee Members was established.
2. **Public Comments.**  
None
3. **Review and approval of minutes from prior meeting.** Following a motion duly seconded, the meeting minutes of June 8, 2021 were approved as presented. Katy Caldwell abstained due to not being present at that meeting. George DeMontrond was not yet present at the time of the vote.
4. **Committee Business.**
  - A. **Consideration and possible recommendation of the 2022 Hilton Americas-Houston Hotel Budget.**

HFC President & CEO Michael Heckman stated that HFC supports and endorses the 2022 Hilton Americas-Houston Hotel (the “Hotel”) budget and asked for the Committee’s support.

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Hilton General Manager, Jacques D'Rovencourt, presented the Hotel's 2021 forecast vs budget report. He stated that the Hotel continues to record higher room revenue. He added that there were some large groups lost after June, including Amazon, NRA, and Walmart due to the COVID variant. These groups represent approximately 17,000 room nights that were lost. Mr. D'Rovencourt said that the Hotel was able to offset some of these losses with a nursing staffing agency, which will result in about 34,000 room nights. The Hotel will host the World Table Tennis Championship competition which resulted in 5,000 room nights booked. Houston First presented the highly attended State of the City luncheon in October at the Hotel.

Mr. D'Rovencourt stated that his team collected a significant amount of cancellation fees during the year and some events were rebooked. Overall, expenses are reported as down significantly and food and beverage revenues have increased. The Hotel reports a 35% food and beverage profit, where 36.5% was budgeted.

The Smith Travel Research data vs. Comp Set data for September 2021 reflects RevPAR of \$111.1 with occupancy MPI (market penetration index) at 71.9% in a month where there were short-term cancellations. Year-to-date the Hotel is only RevPar of \$88.4 due to the rougher start at the beginning of 2021. The running three-month RevPAR is \$102.2 and occupancy MPI is 127.9%. The Hotel's Comp Set includes the Marriott Marquis – 1,000 rooms, the Hyatt Regency Downtown – 980 rooms, the Magnolia – 350 rooms, the C Baldwin Hotel – 354 rooms, and the Westin – 200 rooms. Finally, Mr. D'Rovencourt concluded that Thanksgiving week will be the busiest the Hotel has ever had over this same period with a Harry Stiles concert, Autorama, and the World Table Tennis Championship occurring simultaneously.

The 2022 Budget Assumptions (Group) is being compared to 2019. SMERF (Social, Military, Educational, Religious, Fraternal) will have a record first half of the year, with social events showing signs of accelerated recovery in late 2021 and demand for social gatherings postponed during the crisis. Company meetings will accelerate in Q2 with a spike in demand for corporate incentive events to make up for the inability to recognize and reward employees in person for the first time in two years. Convention associations will recover faster with the typical association needing to meet to stay solvent and relevant. Group Tours will gradually recover as International borders open. In-the-year for-the-year (groups that book and consume in 2022) will be abnormally strong due to short-term decisions being made.

Business Travel is projected to be the slowest to recover and is driven by Consortia & Corporate Negotiated segments. Government will accelerate rapidly in Q4 of 2021 and Corporate Negotiated and Consortia growth is constrained to 75% of historical levels with major corporations restricting Travel budgets.

Leisure Transient is projected at +14.6% vs 2019, stemming from ADR. Retail rate will reach monthly recovery levels of 90–109% of 2019. ADR stability will be driven by both pricing and mix. The Hotel also expects to continue to see in-person

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events like concerts and other demand generators like UGC/WWE fights, NBA, MLB, and city-wide events.

The 2022 Budget vs 2019 projects Occupancy at 54.3%, down from 64.3% in 2019. The Average Rate is up at \$198.02, from \$191.65 in 2019, and RevPAR is down at \$107.52, from \$123.17 in 2019.

Following a motion duly seconded, the 2022 Hilton Americas-Houston Hotel Budget was approved as presented.

5. **Adjourn**

The meeting adjourned at 3:28 p.m.

**V. (A) Consideration and possible recommendation of a job order with Chamberlin Houston, LLC for the Hilton Americas-Houston Hotel Sixth-Floor Ballroom Roof Overlay Project.**

**Consideration and possible approval of a job order with Chamberlin Houston, LLC for the Hilton Americas-Houston Hotel Sixth-Floor Ballroom Roof Overlay Project.**

**DESCRIPTION:**

In 2021, AFM, property insurance carrier for the Hilton Americas-Houston Hotel (the "Hotel"), issued a report concluding that the roof covers for the Hotel must be replaced with an approved new product. Until this work is performed, AFM will only provide property coverage with a five percent (5%) deductible. Upon completion, the deductible will be reduced to three percent (3%).

Hilton Management engaged Gensler to create architectural drawings for the Sixth-Floor Ballroom Roof Overlay Project (the "Project") for which drawings were recently completed. Gensler architect Robert Tai informed HFC management that it was imperative that all roofs at the Hotel must be completed by one roofing contractor so as to have a consistent warranty. However, drawings are not yet available for the remainder of the Hotel roofs. Therefore, in order to initiate work for the Project and be able to utilize the same contractor for the remainder of the work, the only solution is to engage a contractor utilizing a Texas cooperative purchasing agreement.

Chamberlin Houston, LLC ("Chamberlain") is a qualified contractor who has performed work for the Hotel during the past several years and is available to HFC through Choice Partners. Under the job order for the Project, Chamberlin will be responsible to furnish all labor, materials, equipment, services, insurance and supervision for a complete roof overlay. The cost for this job order is \$742,455.00, plus a 10% contingency.

The Diversity Goal for this project is 25%.

**RESOLVED**, that the Board of Directors of Houston First Corporation approves the following resolutions:

**RESOLVED**, that the Board of Directors of Houston First Corporation hereby approves and authorizes the finalization and execution of a job order with Chamberlin Houston, LLC for the Hilton Americas-Houston Hotel Sixth-Floor Ballroom Roof Overlay Project (the "Agreement"), in accordance with the above parameters, together with such conditions or modifications that are approved by the President and CEO, as he may determine to be in the best interest of Houston First Corporation and to execute such Agreement; the President and CEO 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 both the President and CEO 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.

HOUSTON FIRST CORPORATION

# HOTEL COMMITTEE MEETING

Asia Society Texas Center  
MUSEUM DISTRICT

**Hilton Americas-Houston**  
**Grand Ballroom**

Thursday, June 23, 2022  
10:00 a.m.



# PUBLIC COMMENTS

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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 HOTEL COMMITTEE MEETING**

June 23, 2022

# MINUTES

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November 5, 2021

**HFC HOTEL COMMITTEE MEETING**

June 23, 2022

# HOUSTON FIRST COMMITTEE UPDATE

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A. Hilton Americas-Houston  
General Manager Report

**PRESENTER**

**Jacques D'Rovencourt**

**HFC HOTEL COMMITTEE MEETING**

June 23, 2022

**Houston**first

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# HOTEL UPDATES

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				<b>2022 Actual</b>
		<b>May YTD</b>	<b>May YTD</b>	<b>vs. 2022 Budget</b>
		<b><u>2022 Actual</u></b>	<b><u>2022 Budget</u></b>	<b><u>Variance</u></b>
<b>Revenues</b>				
	Rooms	\$ 22,121,748	\$ 20,324,964	\$ 1,796,784
	Food & Beverage	\$ 16,495,249	\$ 12,850,755	\$ 3,644,493
	Other	\$ 6,055,273	\$ 3,021,647	\$ 3,033,626
	<b>Total Revenues</b>	<b>\$ 44,672,270</b>	<b>\$ 36,197,366</b>	<b>\$ 8,474,904</b>
<b>Expenses</b>				
	Rooms	\$ 3,915,943	\$ 4,450,533	\$ (534,590)
	Food and Beverage	\$ 7,767,907	\$ 6,582,338	\$ 1,185,569
	Undistributed Operating Expenses	\$ 8,067,634	\$ 8,270,087	\$ (202,453)
	Other	\$ 1,084,321	\$ 1,171,657	\$ (87,336)
	<b>Total Expenses</b>	<b>\$ 20,835,805</b>	<b>\$ 20,474,615</b>	<b>\$ 361,190</b>
	<b>EBITDA</b>	<b>\$ 23,836,465</b>	<b>\$ 15,722,751</b>	<b>\$ 8,113,713</b>
<b>Management Fees</b>				
	Base	\$ 158,931	\$ 142,157	\$ 16,774
	Subordinated	\$ 343,494	\$ 307,240	\$ 36,254
	Rent, Prop Tax and Insurance	\$ 1,001,634	\$ 974,821	\$ 26,813
	Other Non-EBITDA Expense	\$ 45,783	\$ 30,283	\$ 15,500
	Net Interest (Income)/Expense	\$ (3,827)	\$ (250)	\$ (3,577)
		\$ 1,546,015	\$ 1,454,250	\$ 91,764
	<b>Net Income</b>	<b>\$ 22,286,912</b>	<b>\$ 14,268,501</b>	<b>\$ 8,018,411</b>
	Occupancy	54.5%	55.7%	-1.1%
	Average Rate	\$222.55	\$200.32	\$22.23
	RevPAR	\$121.38	\$111.52	\$9.86

				<b>2022 Actual</b>
		<b>May YTD</b>	<b>May YTD</b>	<b>vs. 2019 Actual</b>
		<b><u>2022 Actual</u></b>	<b><u>2019 Actual</u></b>	<b><u>Variance</u></b>
<b>Revenues</b>				
	Rooms	\$ 22,121,748	\$ 26,460,760	\$ (4,339,012)
	Food & Beverage	\$ 16,495,249	\$ 19,164,494	\$ (2,669,245)
	Other	\$ 6,055,273	\$ 3,597,513	\$ 2,457,760
	<b>Total Revenues</b>	<b>\$ 44,672,270</b>	<b>\$ 49,222,767</b>	<b>\$ (4,550,497)</b>
<b>Expenses</b>				
	Rooms	\$ 3,915,943	\$ 5,836,266	\$ (1,920,322)
	Food and Beverage	\$ 7,767,907	\$ 9,976,834	\$ (2,208,927)
	Undistributed Operating Expenses	\$ 8,067,634	\$ 9,410,463	\$ (1,342,829)
	Other	\$ 1,084,321	\$ 1,113,135	\$ (28,814)
	<b>Total Expenses</b>	<b>\$ 20,835,805</b>	<b>\$ 26,336,698</b>	<b>\$ (5,500,892)</b>
	<b>EBITDA</b>	<b>\$ 23,836,465</b>	<b>\$ 22,886,069</b>	<b>\$ 950,395</b>
<b>Management Fees</b>				
	Base	\$ 158,931	\$ 302,986	\$ (144,055)
	Subordinated	\$ 343,494	\$ 654,838	\$ (311,343)
	Rent, Prop Tax and Insurance	\$ 1,001,634	\$ 835,448	\$ 166,186
	Other Non-EBITDA Expense	\$ 45,783	\$ 75,378	\$ (29,595)
	Net Interest (Income)/Expense	\$ (3,827)	\$ (59,501)	\$ 55,674
		\$ 1,546,015	\$ 1,809,148	\$ (263,133)
	<b>Net Income</b>	<b>\$ 22,286,912</b>	<b>\$ 21,076,921</b>	<b>\$ 1,209,991</b>
	Occupancy	54.5%	70.6%	-16.1%
	Average Rate	\$222.55	\$205.53	\$17.02
	RevPAR	\$121.38	\$145.18	-\$23.81

				<b>2022 Forecast</b>
				<b>vs. 2022 Budget</b>
		<b>2022 Forecast</b>	<b>2022 Budget</b>	<b>Variance</b>
<b>Revenues</b>				
	Rooms	\$ 50,933,942	\$ 47,368,837	\$ 3,565,105
	Food & Beverage	\$ 32,709,335	\$ 26,832,568	\$ 5,876,767
	Other	\$ 11,207,648	\$ 7,454,226	\$ 3,753,422
	<b>Total Revenues</b>	<b>\$ 94,850,925</b>	<b>\$ 81,655,631</b>	<b>\$ 13,195,294</b>
<b>Expenses</b>				
	Rooms	\$ 9,854,253	\$ 10,542,935	\$ (688,682)
	Food and Beverage	\$ 16,922,730	\$ 14,444,414	\$ 2,478,316
	Undistributed Operating Expenses	\$ 19,926,500	\$ 19,672,816	\$ 253,683
	Other	\$ 2,696,225	\$ 2,751,197	\$ (54,972)
	<b>Total Expenses</b>	<b>\$ 49,399,707</b>	<b>\$ 47,411,363</b>	<b>\$ 1,988,345</b>
	<b>EBITDA</b>	<b>\$ 45,451,218</b>	<b>\$ 34,244,269</b>	<b>\$ 11,206,950</b>
<b>Management Fees</b>				
	Base	\$ 381,434	\$ 341,176	\$ 40,259
	Subordinated	\$ 824,386	\$ 737,376	\$ 87,010
	Rent, Prop Tax and Insurance	\$ 2,731,385	\$ 2,537,743	\$ 193,642
	Other Non-EBITDA Expense	\$ 88,181	\$ 72,681	\$ 15,500
	Net Interest (Income)/Expense	\$ (4,177)	\$ (600)	\$ (3,577)
		\$ 4,021,210	\$ 3,688,376	\$ 332,834
	<b>Net Income</b>	<b>\$ 41,426,471</b>	<b>\$ 30,555,892</b>	<b>\$ 10,870,578</b>
	Occupancy	55.3%	54.3%	1.0%
	Average Rate	\$208.97	\$198.02	\$10.95
	RevPAR	\$115.61	\$107.52	\$8.09
Projections are as of June 6th, 2022 and are subject to economic climate and changes.				

				<b>2022 Forecast</b>
		<b>Total Year</b>	<b>Total Year</b>	<b>vs. 2019 Actual</b>
		<b><u>2022 Forecast</u></b>	<b><u>2019 Actual</u></b>	<b><u>Variance</u></b>
<b>Revenues</b>				
	Rooms	\$ 50,933,942	\$ 54,264,610	\$ (3,330,668)
	Food & Beverage	\$ 32,709,335	\$ 36,846,758	\$ (4,137,423)
	Other	\$ 11,207,648	\$ 7,794,762	\$ 3,412,886
	<b>Total Revenues</b>	<b>\$ 94,850,925</b>	<b>\$ 98,906,130</b>	<b>\$ (4,055,205)</b>
<b>Expenses</b>				
	Rooms	\$ 9,854,253	\$ 13,141,057	\$ (3,286,804)
	Food and Beverage	\$ 16,922,730	\$ 20,654,035	\$ (3,731,305)
	Undistributed Operating Expenses	\$ 19,926,500	\$ 21,789,993	\$ (1,863,494)
	Other	\$ 2,696,225	\$ 2,747,420	\$ (51,195)
	<b>Total Expenses</b>	<b>\$ 49,399,707</b>	<b>\$ 58,332,505</b>	<b>\$ (8,932,798)</b>
	<b>EBITDA</b>	<b>\$ 45,451,218</b>	<b>\$ 40,573,625</b>	<b>\$ 4,877,593</b>
<b>Management Fees</b>				
	Base	\$ 381,434	\$ 727,167	\$ (345,732)
	Subordinated	\$ 824,386	\$ 1,571,610	\$ (747,224)
	Rent, Prop Tax and Insurance	\$ 2,731,385	\$ 2,044,621	\$ 686,765
	Other Non-EBITDA Expense	\$ 88,181	\$ 264,728	\$ (176,547)
	Net Interest (Income)/Expense	\$ (4,177)	\$ (90,032)	\$ 85,855
		\$ 4,021,210	\$ 4,518,094	\$ (496,884)
	<b>Net Income</b>	<b>\$ 41,426,471</b>	<b>\$ 36,054,736</b>	<b>\$ 5,371,735</b>
	Occupancy	55.3%	64.3%	-8.9%
	Average Rate	\$208.97	\$191.65	\$17.32
	RevPAR	\$115.61	\$123.17	-\$7.56
Projections are as of June 6th, 2022 and are subject to economic climate and changes.				

# HOTEL FTE'S

	May YTD		
	2022	2022	2019
	Actual	Budget	Actual
<b>MGR FTEs</b>	51	53	72
<b>Hourly FTEs</b>	337	318	531

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SMITH TRAVEL RESEARCH

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# STAR APRIL YTD VS COMP SET

April 2022

	Occupancy (%)			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (RGI)
Current Month	52.1	61.9	84.2	116.70	129.59	90.1
Year To Date	53.6	52.3	102.5	120.29	109.85	109.5
Running 3 Month	59.0	59.7	98.9	137.23	128.26	107.0
Running 12 Month	52.4	46.2	113.4	96.22	90.45	106.4

- 2019 YTD: 110.0 / 4 of 7
- 2020 YTD: 107.0 / 3 of 7
- 2021 YTD: 85.4 / 4 of 7
- 2022 YTD: 109.5 / **3 of 7**

Hotel	Rooms
Hyatt Regency Houston	955
C. Baldwin, Curio Collection by Hilton	354
Tribute Portfolio Magnolia Hotel Houston	314
Westin Houston Downtown	200
Embassy Suites by Hilton Houston Downtown	262
Marriott Marquis Houston	1000

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# GROUP SALES POSITION

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# **GROUP SALES POSITION**

## **2023**

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**Booking position at the end of May 2022 for 2023**

- **2023 Group rooms on the books: 106,590**
- **Three year position variance:**
  - **2021 for 2022: 110,064**
  - **2020 for 2021: \*135,237**
  - **2019 for 2020: 114,073**

# GROUP SALES POSITION

## 2024

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**Booking position at the end of May 2022 for 2024**

- **2024 Group rooms on the books: 77,649**
- **Three year position variance:**
  - **2021 for 2023: 83,481**
  - **2020 for 2022: 102,659**
  - **2019 for 2021: 105,320**

# **GROUP SALES POSITION**

## **2025**

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**Booking position at the end of May 2022 for 2025**

- **2025 Group rooms on the books: 35,542**
- **Three year position variance:**
  - **2021 for 2024: 65,920**
  - **2020 for 2023: 69,970**
  - **2019 for 2022: 68,890**

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# CULTURE

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# 2021 AWARD OF EXCELLENCE

Hilton Brand – 500+ Rooms

## Congratulations!

2021 ANNUAL BRAND AWARDS



## 2021 AWARD OF EXCELLENCE



10<sup>th</sup> consecutive year!

# 100 Best Companies to Work For

*Fortune* and our partner Great Place to Work have been publishing the Best Companies list for 25 years—none more fraught than the past two. While COVID-19 has forever changed the way we work, the best businesses are stepping up to support their employees as they navigate uncharted waters. Read on to see what helps a company stand out. (Hint: Flexibility, diversity, and a few extra paid days off go a long way.)

[EXPLORE THE LIST](#)[METHODOLOGY](#)[←](#) [2022](#) [2021](#) [2020](#) [2019](#)

## Top 10

- 1 **Cisco Systems**
- 2 **Hilton Worldwide Holdings**
- 3 **Wegmans Food Markets**
- 4 **Salesforce**
- 5 **Nvidia**
- 6 **Accenture**



# COMMITTEE BUSINESS

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- A. Consideration and possible recommendation of a job order with Chamberlin Houston, LLC for the Hilton Americas-Houston Hotel Sixth-Floor Ballroom Roof Overlay Project.

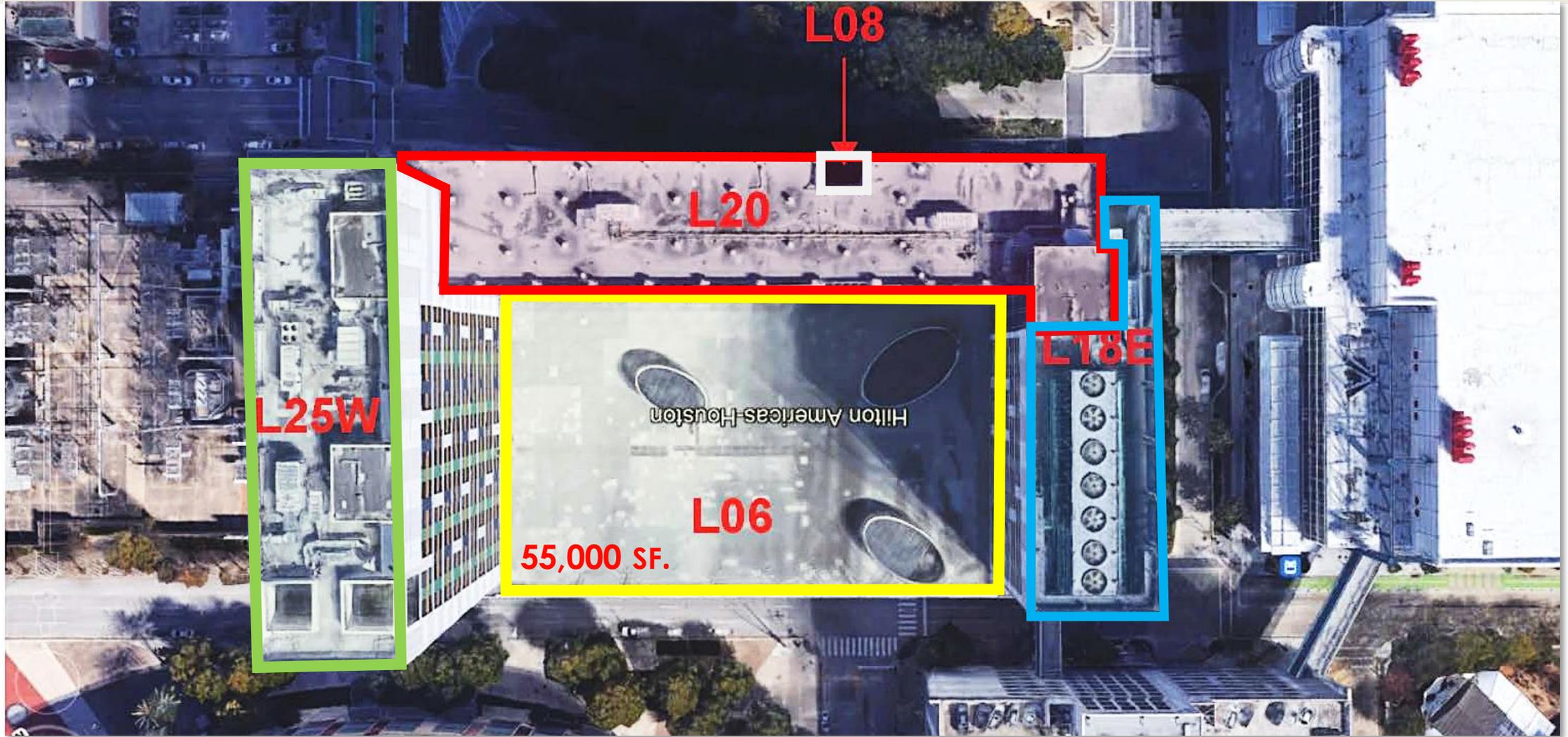
**HFC HOTEL COMMITTEE MEETING**  
June 23, 2022

# BACKGROUND

- Sixth-Floor ballroom roof is original to Hotel (19 years) and has reached end of useful life.
- Additionally, the roof was identified by Hotel insurer as in need of replacement.



# ROOFS



# PROPOSAL & MANAGEMENT RECOMMENDATION

- Management seeks approval of a Job Order with Chamberlin Houston, LLC via Choice Partners Co-Op for a roof overlay project for the Sixth-Floor ballroom.
- Chamberlin has performed building envelope services at Hotel previously.

**Supplier Diversity Goal 25% – Canalco, Inc**

**Management recommends approving Job Order with Chamberlin in amount of \$742,455, plus a 10% contingency.**



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