METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Financial Plan

For Fiscal Years 2022, 2023 and 2024

Adopted by the Board of Directors

April 2021

Metropolitan Pier and Exposition Authority
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April 27, 2021

The Honorable J.B. Pritzker, Governor, State of Illinois
The Honorable Lori Lightfoot, Mayor, City of Chicago
The Honorable Members of the 102nd General Assembly, State of Illinois

Ladies and Gentlemen:

On behalf of the Metropolitan Pier and Exposition Authority (the "Authority" or "MPEA"), I respectfully submit the Authority's annual three-year Financial Plan for fiscal years 2022 through 2024 as adopted by our Board of Directors on April 27, 2021. This Financial Plan includes a description of the Authority's revenues and expenses, provisions for debt service, and a summary of cash resources and uses for fiscal years 2022, 2023, and 2024. As required by the MPEA Act, the revenue estimates for the three years covered by this Financial Plan have been reviewed by the accounting firm of Washington, Pittman & McKeever, independent Certified Public Accountants not currently performing any other work for the Authority.

This Financial Plan forecasts combined operating revenue of $143.2 million and a combined operating loss of $58.2 million for FY22, before depreciation. After adjusting for available expansion bond proceeds and required debt service on outstanding revenue bonds, the forecasted combined operating loss for FY22 is $49.2 million. For the three-year Financial Plan period, the forecasted combined operating loss is $95.7 million, before depreciation, and $91.7 million after adjusting for available expansion bond proceeds and required debt service on outstanding revenue bonds. These losses directly result from the impact of the COVID-19 pandemic on near-term convention center and hotel revenue projections. The Authority has made significant cost cutting efforts toward achieving a balanced budget. MPEA plans to bring the budget into balance over the next few years by aggressively pursuing event opportunities for the convention center, the campus hotels and the arena while continuing to rationalize our cost structure. Assuming campus events are allowed to begin in July 2021 the Authority will have sufficient unrestricted operating cash balances to fund the operating loss through March 2022 without utilizing required reserves.

MPEA has suffered an unprecedented impact as a result of the global COVID-19 pandemic. As of April 19, 2021, 230 events have been cancelled. These events represent $3.05 billion in lost economic impact for the city and state and $233.8 million in lost state and local tax revenue. MPEA has taken every effort to conserve costs. Within weeks of the start of the pandemic, MPEA implemented a campus-wide financial and operational contingency plan to reduce costs. Ultimately, this plan has resulted in a reduction of $79 million (50.7% of total) in operating expenses through March 31, 2021 when compared to the immediately preceding 12-month period ending March 31, 2020.

Unfortunately, this plan required layoffs or full furloughs for more than 80 percent of the workforce and mandatory partial furloughs for the remaining workforce. In addition to the workers employed by the MPEA business units, McCormick Place events hire (directly or through contractors) skilled labor that work approximately 3.9 million hours on campus per year. The 3.9 million hours is fulfilled by approximately 8,000-10,000 individuals that have not worked on the McCormick Place campus over the past year.

MPEA entered the pandemic in a strong financial position. The Authority was operationally self-sufficient from FY18 through FY20. Prior to the COVID-19 outbreak, MPEA anticipated a strong finish to budget for FY20, forecasting operating revenues to exceed budget by $29.8 million. Ultimately, in FY20, operating revenues were $88.5 million lower than the original budget. By the end of FY24, MPEA's Financial Plan forecasts operating revenues to return to nearly 97% of FY19 revenues and the Authority currently expects to exceed FY19 operating revenues by the end of FY25. The Authority takes great pride in being operationally self-sufficient and looks forward to returning to that position as soon as possible.

Relative to MPEA's outstanding bonds, in September 2020, MPEA refinanced $118.4 million of its FY21 debt service, the maximum amount legally allowed, in an effort to prevent a draw on state sales taxes. Despite its efforts, the decline in tax revenues primarily due to the closures and partial closures of hotels and restaurants will result in an unavoidable draw on state sales taxes. Through the end of March, year-over-year tax collections are down approximately $96.4 million, or 73%, as compared to FY20 collections. Had MPEA not taken the proactive step of refinancing its bonds, the state sales tax draw would have been nearly $130 million. The

Authority estimates that there will be a draw of approximately $15.2 million on state sales taxes for FY21. Assuming recovery in the Authority's taxes happens as forecasted, MPEA's current budget outlines a plan to completely replenish the $30 million reserve and repay the state fully by FY23. Even in a scenario where the recovery is delayed from currently forecasted levels, the Authority expects to repay the State by FY25 at the latest.

MPEA is acutely aware of the impact that its campus operations have on the state and the local economy. MPEA is committed to providing a safe and healthy campus for our employees, guests, and contractors. We are prepared to reopen as soon as public health conditions allow. Looking ahead, the Authority has a very strong calendar with events scheduled through 2033, including 48 events scheduled between July and December. We are confident in MPEA's ability to recover and resume our position as an important economic engine for the state, city, and local economy.

Sincerely,

Larita Clark

Larita Clark
Chief Executive Officer

McCORMICK SQUARE

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Overview

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The Metropolitan Pier and Exposition Authority

Overview

For Fiscal Years 2022, 2023 and 2024

McCORMICK SQUARE

OVERVIEW OF THE METROPOLITAN PIER AND EXPOSITION AUTHORITY

The Metropolitan Pier and Exposition Authority (the "Authority" or "MPEA") was originally established by the State of Illinois in 1955 as the Metropolitan Fair and Exposition Authority. The name was changed to MPEA in 1989 to reflect the ownership of Navy Pier. MPEA is a political subdivision, unit of local government, body politic and municipal corporation. Its mission is to attract trade shows, conventions, meetings, expositions, and public events to the City of Chicago, and in the process, strengthen the economy of the region and the State of Illinois. The MPEA owns McCormick Place®, the Hyatt Regency® McCormick Place Hotel, the Marriott Marquis Chicago Hotel, the Wintrust Arena, the Energy Center and Navy Pier®.

A Board of Directors governs the Authority. The Board is comprised of nine members, four appointed by the Governor of Illinois, subject to the advice and consent of the Senate, and four appointed by the Mayor of the City of Chicago. The Board members select a ninth member to serve as Chairman. The Board members hire the Authority's Chief Executive Officer.

MPEA serves as a vital component of the local economy. The Authority has the duty of promoting and hosting conventions, trade shows, meetings, and expositions in the Chicago area. To that end, its convention complex - McCormick Place - is recognized as the foremost exhibition facility in the United States. Located in Chicago, it is the largest contiguous convention and trade show complex in the Western Hemisphere and one of the top 10 largest in the world. McCormick Place is ideally suited to serve any customer's needs – whether it be a large-scale tradeshow or convention or small organizational meeting – because of its nearly 2.6 million square feet of exhibit hall space, 612,500 square feet of meeting space and 173 meeting rooms.

Through its world-class facilities, the Authority is one of the single greatest generators of economic activity in the State of Illinois. In May 2019, MPEA received an update to an Economic Impact Study conducted by the Natalie P. Voorhees Center for Neighborhood and Community Improvement at the College of Urban Planning and Public Affairs at the University of Illinois at Chicago. With the addition of the Marriott Marquis Chicago and Wintrust Arena, annual campus operations generated $1.897 billion in economic impact and $151 million in state and local tax revenue in 2018. Pre-COVID-19, the report indicated that the McCormick Square campus would generate more than $12.9 billion in cumulative economic impact in operations and construction between 2018 and 2023. Activities associated with trade shows, conferences, meetings, and events on the McCormick Square campus support more than 17,450 Illinois jobs. For every ten jobs directly attributable to the McCormick Square campus, five additional jobs are created elsewhere in Illinois. Hotels, restaurants, airlines, taxis, services, and a variety of other businesses benefit from the direct spending generated by the Authority and virtually all businesses in the entire State benefit from the

McCORMICK SQUARE

MPEA BOARD OF DIRECTORS

- Jeffrey Bethke, *Chairman*
- Don V. Villar, *Vice Chairman*
- Jorge Ramirez, *Secretary/Treasurer*
- Nina Grondin
- Dr. Sonat Birnecker Hart
- Roger J. Kiley, Jr.
- Terrance B. McGann
- Juan Morado, Jr.
- Sherman Wright

Larita D. Clark,
Chief Executive Officer

related secondary spending. With McCormick Place located in Chicago, local businesses enjoy an advantage over competitors by having a market for their products and services in their home state.

The McCormick Square Campus includes the following exhibit hall facilities:

	Exhibit Hall Sq. Ft	Meeting Rooms Sq. Ft
Lakeside Center	583,000	162,500
North Building	705,500	59,000
South Building	840,000	148,400
West Building	470,000	242,600
Total Campus	**2,598,500**	**612,500**

Each of our buildings provides a unique experience for our customers. The historic Lakeside Center is on the shores of Lake Michigan. Its lake views and limited Class A exhibit hall space make it a highly utilized facility and it remains an economical option for certain of our customers. The Arie Crown Theater, located in the Lakeside Center, is the largest theater in Chicago. Arie Crown has been host to show business legends and heads of state.

The North and South Buildings are side-by-side halls providing our customers with a combined 1,545,500 sq. ft. of exhibit space. The North and South Buildings are optimal for events such as the Chicago Auto Show, the largest show of its kind in North America.

Impact of COVID-19

COVID-19 had an unprecedented impact on the McCormick Square campus. After hosting a number of successful events from January through early March, including the activities surrounding the NBA All-Star game, AWS AKO 2020 (Amazon), C2E2, and the Chicago Dental Society Midwinter Meeting, events and meetings ground to a halt in March. The first announced cancellation was the International Home Show, followed within days by several others. The last event hosted at McCormick Place was Pittcon, held March 3 – March 6, 2020, which had 9,000 attendees.

In mid-March, Governor Pritzker issued a stay-at-home executive order but events at McCormick Place had already begun cancelling before the executive order was issued. The order went into effect on March 21, 2020. Since that time, the campus has been essentially closed as only a handful of group events with very small attendance have been held at McCormick Place. The Marriott Marquis Chicago hotel closed on April 8, 2020. Currently, the executive order is slated to expire on June 3, 2021. As of April 19, 2021, 230 events have been canceled. These events represent $3.05 billion in lost economic impact for the city and state and $233.8 million in lost state and local taxes.

To provide the city and state with sufficient capacity in the event hospital beds became fully utilized, on March 30, 2020 construction began on a 3,000-bed alternate care facility ("ACF") on the North and South building show floors. Funded entirely with federal funds provided by the U.S. Army Corps of Engineers, the construction happened in record time, with the first 500 beds available by April 3, 2020. The ACF discharged its last patient in early May and the facility was deconstructed over the summer.

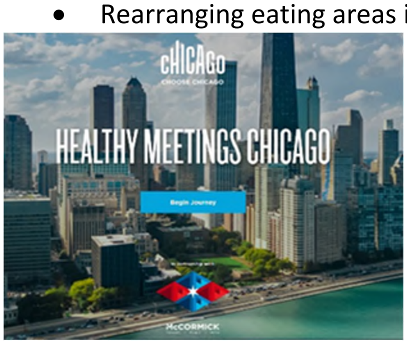
MPEA took every effort to conserve costs during the pandemic. Within weeks of the start of the pandemic, MPEA implemented a campus-wide financial and operational contingency plan to reduce costs. Unfortunately, this plan required layoffs or full furloughs for more than 80 percent of the workforce and mandatory partial furloughs or pay reductions for the remaining workforce. In addition to the workers employed by MPEA business units, McCormick Place events hire (directly or through contractors) skilled labor that work approximately 3.9 million hours on campus per year. The 3.9 million hours is fulfilled by approximately 8,000-10,000 individuals that have not worked on the McCormick Place campus over the past year.

Recovering from COVID

The number one priority of the Metropolitan Pier and Exposition (MPEA) has always been, and continues to be, the health and safety of our employees and clients. Throughout the COVID-19 crisis, MPEA executive staff have worked closely with public health officials and followed all guidance regarding meetings and events. We are actively implementing and updating our practices in accordance with federal, state, and local government recommendations.

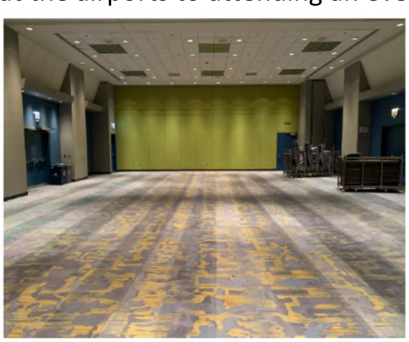
The McCormick Square campus recently achieved GBAC STAR accreditation, the gold standard for the industry, which was awarded after an extensive review of its campus safety plan. In preparation for reopening, McCormick Place staff examined all buildings on campus and began implementing changes to enhance public health. These changes include:

- Adding new technology, such as increasing the number of touch free, automatic doors and minimizing touch points of non-automatic doors
- Incorporating new signage and processes for elevators and escalators
- Rearranging eating areas in common spaces to allow for social distancing



- Enhancing indoor air quality by increasing the percentage of outside air flow. MPEA's team of building engineers will regularly verify compliance of McCormick Place and the Wintrust Arena with ASHRAE standards, including increased frequency of air filter replacement. This engineering team will also work with Hyatt and Marriott personnel to maintain consistent standards within the hotels.

To support the health and safety efforts, MPEA funded development of Healthy Meetings Chicago. Launched in January by Choose Chicago, Healthy Meetings Chicago is an interactive digital experience, providing a virtual snapshot to visitors of what to expect during their entire visit to Chicago, from arriving at the airports to attending an event at McCormick Place.


Before


After

The closure of McCormick Place provided MPEA with an opportunity to complete a number of capital improvement projects. These capital improvements will enhance the customer experience and should drive future attendance.

Additionally, these projects allowed the Authority to maintain its skilled labor staff, albeit working reduced, 32-hour weeks with healthcare benefits. Completed projects include:

- Completion of a campus-wide energy efficiency project ahead of schedule
- Exhibit hall floor repairs, painting, and cleaning
- Refurbishment of South Building restrooms
- Painting of South Building terrace

COVID-19 halted meetings, conventions, and events globally. Consequently, the sales and marketing environment has become increasingly competitive with world-wide scheduling changes and new concerns from planners and attendees. McCormick Place is well-positioned to compete in this environment and has developed an aggressive strategy to retain and attract business. This strategy includes:

- Offering enhanced services to support hybrid meetings
- Maximizing campus real estate through methodical targeting of business based on available dates
- Ensuring the highest level of safety and sanitation as detailed above
- Aggressively marketing McCormick Place to both large citywide events that drive economic impact to the city and state and smaller campus-contained events that will help fill available dates on the McCormick Place calendar while driving operating profit to the Authority

In March 2021, in a move toward creating a best-in-class hybrid offering, MPEA completed development of a fully equipped broadcast studio in the Arie Crowne Theater. Features include:

- High-definition video production
- Stage performance space of 90' W x 58' D
- Experienced on-site production team, offering full-service production capabilities

As the recovery continues, the Authority's sales and marketing teams are well-positioned to seize the opportunity and leverage the competitive strengths of the campus including its size and flexibility, enhanced services, and centralized location in a world-class city with one of the world's busiest airports.

History and Campus Milestones

The McCormick Place West Building opened in August 2007. The West Building added 470,000 square feet of exhibition space and 243,000 square feet of meeting space to the McCormick Place Campus. The West Building strategically positions McCormick Place so that it can expand its market share in trade shows and meetings, as well as meeting the changing needs and trends of the industry's event planners, exhibitors, and attendees. It can seamlessly accommodate multiple large-scale events. The flexibility provided by the West Building allows the MPEA to book more simultaneous or back-to-back events and to fully capitalize on future growth opportunities in the industry. The West Building has become a premier destination for the meetings of medical organizations from around the world, as well as the tradeshow and convention needs of numerous other groups and organizations.

In 2010, the MPEA Act was amended to include various measures that restructured the operations of McCormick Place. These measures included the creation of an incentive program to attract new business and retain current customers and lower the cost of doing business for exhibitors and attendees at McCormick Place. As a result, the Authority was positioned to secure business that will provide significant economic impact to the State of Illinois and the City of Chicago for years to come. During fiscal years 2011 through 2014, surplus revenues from Authority taxes provided temporary operating assistance to offset the financial impact of these changes. Beginning in fiscal 2015, as anticipated, additional revenue from the expansion of the Authority's Hyatt Regency McCormick Place hotel brought the Authority's budget back into balance without support from surplus Authority taxes. The incentive program remained in effect through fiscal year 2017 until it was eliminated by the fiscal year 2018 Budget Implementation Act.

MPEA owns the Hyatt Regency McCormick Place Hotel and the attached Hyatt Conference Center. Managed for the Authority by Hyatt Corporation, the Hotel provides its guests with a high level of exceptional service, desirable amenities such as high-speed internet access, and one of the most convenient locations in the city. The facility has achieved the prestigious Four Diamond rating for excellence given annually by AAA. In fiscal 2013, the Authority opened the newly constructed north tower of the hotel and completed the renovation of the existing tower and the modification of the adjacent Conference Center. These improvements provide the capacity necessary to handle the increased number of guests and provide state-of-the-art guest and meeting rooms. As anticipated, beginning in fiscal 2015, the additional revenue from the new tower has provided an internal cross-subsidy for operating losses at McCormick Place replacing the temporary operating assistance from surplus MPEA taxes that ended after fiscal 2014. In fiscal 2017, the Authority invested approximately $12 million to upgrade and reposition all lobby food and beverage operations. This upgrade positioned the Hyatt to complement the offerings at the new Marriott Marquis Chicago Hotel and to provide highly competitive options to off-site alternative locations.

In September 2017, MPEA completed construction of a new hotel, which is branded a Marriott Marquis Chicago Hotel. This state-of-the-art hotel spans 40 stories, features 1,205 guest rooms and suites, and has over 93,000 square feet of event space, including two 25,000 square-foot ballrooms. In fiscal 2018 and 2019, the additional revenue from this new hotel solidified MPEA's ability to fully support its operations without assistance from the State. MPEA is confident that as its event schedule recovers from COVID-19, the Marriott Marquis Chicago will be instrumental in once again bringing the Authority back to operational self-sufficiency.

In October 2017, MPEA, in partnership with DePaul University, also completed construction of a 10,387-seat event center. Wintrust Financial secured the naming rights of the facility and it has been aptly named the Wintrust Arena. The Wintrust Arena serves as home court for DePaul's men's and women's basketball games, Chicago's WNBA franchise, the Chicago Sky, and is owned and operated by MPEA. The Wintrust Arena also fills previously unmet needs of the convention business and allows MPEA to compete for new types of events, including concerts, convocations, and amateur and exhibition sporting events with audiences of 5,000 to 10,000 attendees. During fiscal 2020, the Arena hosted a variety of public and private events including NBA All-Star Weekend, AWS AKO 2020 (Amazon), AEW Revolution, Fantasia, Patti LaBelle, and TWICE.

During fiscal 2016, the Authority announced the launch of McCormick Square. Chicago's newest destination, McCormick Square offers the complete event experience including the Marriott Marquis Chicago Hotel and the new Wintrust Arena, both of which opened during the fall of fiscal 2018, in addition to, exhibition, meetings and hotel space, along with other entertainment and tourism options under development in adjacent neighborhoods.

The Authority also is charged to develop, promote, and maintain Chicago's historic Navy Pier. On July 1, 2011, MPEA entered into a long-term lease with Navy Pier, Inc. "NPI", a not-for-profit corporation, to operate Navy Pier. While MPEA continues to own Navy Pier, NPI is responsible for developing and operating it. MPEA receives a nominal lease payment from NPI each year.

A strong and vibrant convention and tourism industry will help drive a robust economic recovery for the state and city while creating demand-driven employment growth in the highly impacted hospitality industry. MPEA is committed to providing a safe and healthy campus for our employees, guests, and contractors. The Authority is prepared to reopen as soon as public health conditions allow and the Authority remains confident in its ability to recover and resume its position as an important economic engine for the state, city, and local economy.

MPEA
Operating Budget

METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

MPEA Operating Budget

For Fiscal Years 2022, 2023 and 2024

Metropolitan Pier and Exposition Authority
Fiscal Years 2022 - 2024 Operating Budget

							PROJECTED	FY2022-2024 Budget		
	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
McCormick Place										
Revenue	65,759,526	59,186,505	66,751,651	54,746,268	100,081,425	80,214,127	2,524,656	42,230,772	73,463,306	92,983,242
Expense	(92,389,652)	(85,764,896)	(94,262,520)	(97,968,470)	(151,526,458)	(129,358,232)	(61,940,859)	(99,760,107)	(129,659,960)	(145,232,472)
Operating Loss	(26,630,126)	(26,578,391)	(27,510,869)	(43,222,202)	(51,445,033)	(49,144,106)	(59,416,203)	(57,529,335)	(56,196,654)	(52,249,230)
Hyatt Hotel										
Revenue	90,421,534	88,245,363	95,949,683	94,448,276	93,748,770	59,926,835	3,750,491	34,077,388	66,994,971	82,771,503
Expense	(60,669,349)	(61,152,650)	(64,366,112)	(65,360,767)	(67,043,452)	(48,435,287)	(15,461,274)	(33,951,599)	(53,214,974)	(59,886,871)
Operating Income (Loss)	29,752,185	27,092,713	31,583,572	29,087,509	26,705,318	11,491,548	(11,710,783)	125,789	13,779,997	22,884,632
Marriott Hotel										
Revenue	-	-	-	62,165,051	98,765,121	64,909,451	3,262,129	51,429,301	72,479,554	105,554,912
Expense	-	-	-	(45,676,390)	(71,851,665)	(55,439,428)	(14,707,449)	(45,300,601)	(57,964,156)	(74,609,257)
Operating Income (Loss)	-	-	-	16,488,661	26,913,456	9,470,023	(11,445,320)	6,128,700	14,515,398	30,945,655
Wintrust Arena/Arie Crown										
Revenue	-	-	-	9,822,075	11,924,084	11,917,766	613,467	7,090,448	10,432,978	14,050,966
Expense	-	-	-	(10,048,913)	(12,488,599)	(12,315,498)	(2,975,872)	(8,659,653)	(11,254,447)	(13,470,302)
Operating Income/(Loss)	-	-	-	(226,838)	(564,515)	(397,732)	(2,362,405)	(1,569,205)	(821,469)	580,664
Energy Center										
Revenue	7,842,471	7,613,402	8,560,205	8,253,043	9,108,145	8,182,886	8,346,199	8,123,332	8,205,777	8,288,984
Expense	(1,833,879)	(1,582,659)	(2,377,829)	(1,529,074)	(1,017,567)	(519,271)	(3,285,406)	(1,689,714)	(1,465,150)	(1,376,442)
Operating Income	6,008,592	6,030,743	6,182,376	6,723,969	8,090,578	7,663,615	5,060,793	6,433,618	6,740,627	6,912,542
Corporate Center										
Revenue	387,890	367,145	467,285	845,517	2,172,457	1,781,160	167,549	291,554	329,931	465,646
Expense	(3,541,510)	(6,639,582)	(8,401,819)	(8,690,593)	(11,016,177)	(10,693,393)	(9,624,556)	(12,102,957)	(12,571,538)	(12,751,207)
Operating Loss	(3,153,620)	(6,272,437)	(7,934,533)	(7,845,075)	(8,843,720)	(8,912,233)	(9,457,007)	(11,811,403)	(12,241,607)	(12,285,561)
Total Combined										
Revenue	164,411,421	155,412,415	171,728,824	230,280,231	315,800,002	226,932,224	18,664,490	143,242,795	231,906,517	304,115,253
Expense	(158,434,390)	(155,139,787)	(169,408,279)	(229,274,208)	(314,943,918)	(256,761,109)	(107,995,415)	(201,464,631)	(266,130,225)	(307,326,551)
Operating Income (Loss)	5,977,031	272,628	2,320,545	1,006,023	856,085	(29,828,885)	(89,330,925)	(58,221,836)	(34,223,708)	(3,211,298)
Memo: Tax Surplus	20,000,000	-	-	-	-	-	-	-	-	-
Memo: State of Illinois Appropriations	-	-	-	-	-	-	56,464,696	-	-	-
Memo: Expansion Project Bond Proceeds	-	-	-	-	-	-	32,941,884	11,500,000	-	-
Memo: Debt Service	-	-	-	-	-	-	-	(2,446,750)	(2,520,250)	(2,593,750)
Income (Loss) After Surplus	25,977,031	272,628	2,320,545	1,006,023	856,085	(29,828,885)	75,655	(49,168,586)	(36,743,958)	(5,805,048)
									(91,717,592)	

Note: Corporate Center revenues includes a lease payment of $1 per year from Navy Pier, Inc.

FINANCIAL PLAN HIGHLIGHTS

The Economy – The United States economy continues to be driven by the COVID-19 pandemic. The policy response to the economic impacts of the COVID-19 pandemic demonstrate the true gravity of the impact. Most recently, the $1.9 trillion American Rescue Plan Act ("ARPA") became the third piece of federal legislation in excess of $1 trillion enacted in the last 14 months to address the COVID-19 pandemic. The ARPA includes $362 billion in total appropriations for the Coronavirus State and Local Fiscal Recovery Funds to address among other things, any "negative economic impacts" caused by the COVID-19 pandemic.

The hospitality and on-site entertainment industries have been severely impacted during this crisis. This impact extends to the state of Illinois, the city of Chicago, and MPEA. Most predictions regarding the recovery of the hospitality sector estimates that a recovery to pre-COVID-19 levels will not occur for three to four years. While it is impossible to estimate the full impact of the pandemic, for the purposes of this Financial Plan, the Authority assumes cancellations or postponements of events and shows will continue throughout fiscal 2022 and fiscal 2023. This plan also assumes event business will mostly return to pre-COVID-19 levels during fiscal 2024.

The state of Illinois and city of Chicago have also implemented aggressive measures to curb the health-related impacts of COVID-19. As part of these measures, Governor Pritzker has implemented the Restore Illinois Plan, a five-phase plan for re-opening the state. The Restore Illinois Plan has been further refined to better determine the metrics by which organizations such as McCormick Place will be allowed to host events again. The Bridge to Phase 5 will allow the Authority to begin hosting larger events at McCormick Place. The return to Phase 5 is truly the point at which the Authority will be able to drive economic impact once again to the city and state.

MPEA Combined – The combined MPEA operating budget includes projections for the Marriott Marquis Chicago Hotel and the Wintrust Arena, the newest additions to the McCormick Square campus. When fully operational, these facilities further enhance the Authority's ability to achieve a balanced budget and sustain its operations going forward.

MPEA's Financial Plan forecasts combined operating revenue of $143.2 million and a combined operating loss of $58.2 million for FY22, before depreciation. After adjusting for available expansion bond proceeds and required debt service on outstanding revenue bonds, the forecasted combined operating loss for FY22 is $49.2 million. For the three-year Financial Plan period, the forecasted combined operating loss is $95.7 million, before depreciation, and $91.7 million after adjusting for available expansion bond proceeds and required debt service on outstanding revenue bonds.

These operating losses result from the impact of the COVID-19 pandemic on near-term convention center and hotel revenues. The Authority has made significant cost cutting efforts toward achieving a balanced budget. MPEA plans to bring the budget into balance over the next few years by aggressively pursuing event opportunities for the convention center, the campus hotels and the arena while continuing to rationalize our cost structure. Assuming MPEA can begin hosting events in July 2021, the Authority will have sufficient unrestricted operating cash balances to fund the operating loss through March 2022 without utilizing required reserves or without undertaking any new borrowing. **In the event the Authority is not allowed to host events until January 2022, MPEA estimates it will have an operating loss of $85.9 million for FY22 before million before adjusting for available expansion bond proceeds and required debt service on outstanding project revenue bonds. Under this worst-case scenario, MPEA estimates it will exhaust unrestricted operating funds by January 2022.**

McCormick Place– The McCormick Place convention center attracts nearly 3 million visitors annually. The three-year budget is expected to generate an operating loss before depreciation of $166 million.

McCormick Place financial results reflect:

- The expectations of cancelled events: MPEA estimates that for the first quarter of fiscal 2022, McCormick Place will host 25% of its pre-COVID-19 event schedule. For the second and third quarters of fiscal 2022, it estimates McCormick Place will host 50% of its pre-COVID-19 event schedule. For the fourth quarter of fiscal 2022, MPEA estimates that McCormick Place will hold 75% of its pre-COVID-19 event schedule. MPEA estimates that events will return to 100% of its pre-COVID-19 schedule during fiscal year 2024. Budgeted operating revenues for fiscal 2024 are estimated to be approximately 97% of fiscal 2019 operating revenues.

- All food and beverage revenue and expenditures beginning in fiscal 2019. As mandated in the 2010 Legislation, pricing for the primary food service operations is established at a break-even level. As a result, previous budgets only reflected MPEA's portion of commissions earned by sub-contracted food vendors at McCormick Place.

- MPEA's FY22-24 financial plan does not include any incentive reimbursements of up to $15 million annually. While the Authority has not included any assumption about incentive reimbursements in its FY22-24 financial plan, legislation has been introduced in the Illinois General Assembly that will re-institute the incentive grant program from fiscal 2022 through fiscal 2026. The incentive grant program was originally introduced as part of the 2010 restructuring of McCormick Place and was originally eliminated by the fiscal 2018 Budget Implementation Act. When utilized, the Incentive Fund provides reimbursements to MPEA for incentives granted to organizations that agreed to use MPEA facilities for trade shows and meetings with attendance greater than 5,000 or 10,000 people. For the event to receive incentive grants, it must certify that if not for the incentive, the event would not have occurred in Chicago.

- The cyclical nature of the events held at McCormick Place. These events drive the level of revenue that is budgeted each year. Some events are held annually while others are held bi-annually or tri-annually. The Authority's two largest bi-annual conventions are expected to occur during fiscal 2023. The fiscal 2022 through 2024 budget does not include a provision to fund repair and maintenance expenses. MPEA hopes to reinstate these provisions in future budget cycles**.**

Hyatt Regency McCormick Place Hotel – The Hyatt Regency McCormick Place Hotel is expected to generate operating revenue of $183.8 million and operating income, before depreciation, of $36.8 million over the three-year period. The Hyatt Regency McCormick Place Hotel is a 33-story, 4-star hotel with 1,258 guest rooms located within two towers. The original tower consists of 800 guest rooms. The second tower, which opened in fiscal 2013, includes 458 guest rooms. Other amenities include a ballroom, banquet and meeting space and a Conference Center accessible by a pedestrian link. The Hyatt Conference Center offers a junior ballroom and additional meeting space**. In fiscal 2017, the Authority invested nearly $12 million to upgrade and reposition all lobby food and beverage operations.** This upgrade positioned the Hyatt to complement the offerings at the new Marriott Marquis Chicago Hotel and to provide highly competitive options to off-site alternative locations.

Marriott Marquis Chicago Hotel – The Marriott Marquis Chicago Hotel opened September 10, 2017. The 40-story, 4-star hotel includes 1,205 guest rooms and suites, banquet and meeting space, ballrooms, and other amenities. Operating revenue of $229.5 million and operating income of $51.6 million is projected over the three-year financial plan period. The Marriott Marquis Chicago along with the Wintrust Arena positions MPEA to compete for new market segments and attract new visitors to our region.

Wintrust Arena/Arie Crown Theater – In early fiscal 2018, MPEA, in partnership with DePaul University, completed construction of a 10,387-seat event center. Wintrust Financial secured the naming rights of the facility and it has been aptly named the Wintrust Arena. The Wintrust Arena officially opened October 14, 2017 and is owned and operated by MPEA. The Wintrust Arena serves as the home court for DePaul's men's and women's basketball games and fills previously unmet needs of the convention business. The Wintrust Arena also allows MPEA to compete for new types of events, including concerts, convocations, and amateur and exhibition sporting events with audiences of 5,000 to 10,000 attendees.

Positioned within the McCormick Place Lakeside Center, the Arie Crown Theater is a 4,250-seat theater. Revenue is derived from the rental of the theater to event sponsors, primarily on a fixed rate basis. Events include industrial shows, trade show meetings, theatrical performances, and concerts.

In March 2021, in a move toward creating a best-in-class hybrid offering, MPEA completed development of a fully equipped broadcast studio in the Arie Crown Theater. Features include:

- High-definition video production
- Stage performance space of 90' W x 58' D
- Experienced on-site production team, offering full-service production capabilities

The combined Wintrust Arena and Arie Crown Theater budgets are projected to produce operating loss of $1.8 million over the three-year budget period. In addition to generating direct operating income, events held at Wintrust Arena and Arie Crown Theater positively impact the operating results of the Authority's other business units through hotel bookings and increased convention center facility usage.

Energy Center – The Energy Center supplies chilled water and steam for cooling and heating to outside customers, McCormick Place, the Hyatt Regency McCormick Place Hotel, the Marriott Marquis Chicago Hotel, the Wintrust Arena and MPEA Corporate Center. The Energy Center will continue to serve its outside customers and expects to generate net operating income on sales to outside customers, before depreciation, of approximately $20.1 million over the three-year budget period.

Corporate Center – Corporate executive and administrative expenses total $37.4 million over the three-year budget period. Effective November 1, 2017, MPEA and SMG amended and restated the management agreement to allow SMG to focus its priorities on the management of events at McCormick Place and Wintrust Arena. During this transition, MPEA transferred seven positions from the McCormick Place budget to the Corporate Center budget with no impact to the combined budget. Corporate expenses also include $600,000 annually in fiscal year 2022 through 2024 for hotel and McCormick Collection sales and marketing initiatives and $500,000 in fiscal 2022 and $815,000 in fiscal 2023 and 2024 to fund the Authority's pension plan. The pension contribution estimates stem from an actuarially determined projection and is based upon an assumption that capital market asset values will continue to expand at a moderate pace throughout the budget period. The retirement plan has been closed to new entrants since fiscal 2010 and benefit amounts have been frozen since fiscal 2012.

METROPOLITAN PIER AND EXPOSITION AUTHORITY
SUMMARY OF SIGNIFICANT FINANCIAL PLAN ASSUMPTIONS
For Fiscal Years 2022, 2023 and 2024

BASIS OF FINANCIAL PLAN PRESENTATION

The Metropolitan Pier and Exposition Authority's operating budget excludes revenues and expenses related to capital maintenance funds, expansion project funds, debt service and tax collections. Under Enterprise Fund accounting rules, the accrual basis of accounting is used to record revenue and expenses. Revenue is recorded when earned and expenses are recorded when incurred.

GENERAL FINANCIAL PLAN ASSUMPTIONS

- Budget revenues were prepared on an event-by-event basis utilizing trends developed from the Authority's operating history for each year during the three-year budget period.

- Budget revenues for returning events are based on experience, current economic conditions, and contractual agreements.

- Budget revenues for new or anticipated events were computed using historical data or data from similar or like events.

- Composite market surveys of trade show activity and the best available supporting data from internal and external sources was used as the basis to forecast revenues for new or anticipated events where a like or similar event did not exist, or the event was not a repeat event.

- MPEA estimates that for the first quarter of fiscal 2022, McCormick Place will host 25% of its original fiscal 2022 event schedule. For the second and third quarters of fiscal 2022, MPEA estimates McCormick Place will host 50% of its original fiscal 2022 event schedule. For the fourth quarter of fiscal 2022, MPEA estimates that McCormick Place will hold 75% of its original fiscal 2022 event schedule. MPEA estimates that McCormick Place events will return to 100% of its original schedule during fiscal 2024. Budgeted operating revenues for fiscal 2024 are estimated to be approximately 97% of fiscal 2019 operating revenues.

The revenue estimates for the three years covered by the Financial Plan have been reviewed by the accounting firm of Washington, Pittman & McKeever, who, in accordance with the MPEA Act, are independent Certified Public Accountants not currently performing any other work for the Authority.

McCormick Place

The Metropolitan Pier and Exposition Authority

McCormick Place

Operating Budget

For Fiscal Years 2022, 2023 and 2024

Metropolitan Pier and Exposition Authority
Fiscal Years 2022 - 2024 Operating Budget
McCormick Place

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	PROJECTED Fiscal Year 2021	FY2022-2024 Budget Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Revenue										
Rent	33,143,700	30,585,729	34,209,748	17,920,927	20,472,395	11,457,617	643,940	9,256,976	15,230,651	19,113,127
Services	16,250,628	12,679,616	15,507,076	19,632,299	21,778,666	14,003,680	26,536	10,599,521	17,655,462	21,825,962
Parking/Marshalling	9,453,577	8,723,440	9,740,032	9,137,752	10,805,873	6,425,553	92,000	4,533,474	7,473,493	8,430,050
Food & Beverage	853,077	715,606	698,108	957,322	40,235,105	42,086,116	3,463	14,647,125	28,698,113	38,636,910
Other Event Revenue	6,058,544	6,482,114	6,596,687	7,097,970	6,789,386	6,241,161	1,758,717	3,193,676	4,405,587	4,977,193
Total Revenue	**65,759,526**	**59,186,505**	**66,751,651**	**54,746,268**	**100,081,425**	**80,214,127**	**2,524,656**	**42,230,772**	**73,463,306**	**92,983,242**
Expense										
Rent	(10,274,631)	(9,706,030)	(10,469,995)	(12,955,662)	(12,527,481)	(8,511,110)	(55,708)	(5,396,670)	(8,499,370)	(11,488,384)
Services	(5,231,372)	(4,972,150)	(5,321,432)	(8,165,140)	(9,606,614)	(8,593,513)	(7,468)	(4,848,514)	(7,997,127)	(10,538,421)
Parking/Marshalling	(4,942,605)	(4,820,739)	(5,336,578)	(5,363,739)	(5,846,317)	(4,596,470)	(2,211,876)	(3,158,675)	(4,593,847)	(5,169,416)
Food & Beverage	-	-	-	-	(37,694,203)	(27,659,120)	(579,996)	(10,484,391)	(19,778,149)	(26,570,851)
Executive Department	(527,966)	(862,869)	(874,904)	(907,362)	(845,622)	(926,607)	(761,637)	(811,686)	(946,638)	(949,847)
Finance & Administration	(1,999,362)	(2,145,458)	(2,293,151)	(2,089,323)	(2,025,253)	(1,674,294)	(1,439,965)	(1,636,026)	(1,942,696)	(1,956,055)
Sales & Services	(248,987)	-	-	-	-	-	-	-	-	-
Sales	(2,364,495)	(2,689,033)	(2,920,998)	(2,848,972)	(3,027,433)	(3,110,682)	(2,999,988)	(3,174,443)	(3,348,486)	(3,362,269)
Event Management	(2,061,678)	(1,815,058)	(1,966,947)	(1,730,944)	(1,570,760)	(1,542,244)	(1,307,651)	(1,383,434)	(1,805,585)	(1,823,104)
Arie Crown Theater	-	-	-	(312,097)	(604,646)	-	-	-	-	-
Operations	(397,392)	-	-	-	-	-	-	-	-	-
Event Operations	(2,987,163)	(3,374,967)	(4,379,386)	(4,171,078)	(3,637,321)	(4,130,441)	(2,719,316)	(3,029,261)	(4,988,877)	(5,093,417)
Facility Operations - SMG	(29,600,349)	(30,610,967)	(30,635,025)	(16,654,485)	(10,729,085)	(10,083,858)	(9,351,818)	(10,286,410)	(10,509,958)	(10,210,788)
Facility Operations - MPEA	-	-	-	(11,865,560)	(17,940,010)	(15,287,302)	(14,300,623)	(19,556,106)	(21,962,011)	(22,148,427)
Information Technology	(3,240,597)	(2,666,316)	(2,730,649)	(2,853,026)	(3,156,541)	(3,172,380)	(2,468,559)	(2,677,021)	(3,174,323)	(3,099,728)
Security	(6,086,193)	(6,227,262)	(6,902,346)	(7,547,219)	(8,363,120)	(7,959,163)	(5,887,612)	(9,102,102)	(10,491,138)	(10,865,675)
Insurance	(2,423,053)	(2,232,576)	(2,373,684)	(2,246,151)	(2,483,317)	(2,404,863)	(2,802,219)	(3,730,313)	(3,961,180)	(4,146,118)
Utilities	(12,813,422)	(12,315,493)	(13,040,456)	(14,551,847)	(16,669,346)	(14,657,742)	(10,304,859)	(12,497,752)	(14,460,146)	(14,721,263)
Food & Beverage	-	-	-	-	-	(13,848,903)	(4,003,722)	(7,357,175)	(10,719,099)	(12,691,792)
Repair & Maintenance	(6,000,000)	(90,758)	(4,000,000)	(3,000,000)	(13,000,000)	-	-	-	-	-
Miscellaneous	(1,190,387)	(1,235,220)	(1,016,969)	(705,867)	(1,799,388)	(1,199,541)	(737,841)	(630,128)	(481,330)	(396,917)
Total Expense	**(92,389,652)**	**(85,764,896)**	**(94,262,520)**	**(97,968,470)**	**(151,526,458)**	**(129,358,232)**	**(61,940,859)**	**(99,760,107)**	**(129,659,960)**	**(145,232,472)**
Operating Loss	**(26,630,126)**	**(26,578,391)**	**(27,510,869)**	**(43,222,202)**	**(51,445,033)**	**(49,144,106)**	**(59,416,203)**	**(57,529,335)**	**(56,196,654)**	**(52,249,230)**

McCORMICK PLACE FINANCIAL PLAN ASSUMPTIONS

McCORMICK PLACE REVENUES

The McCormick Place Convention Center derives its revenue from space rental, various services provided to its customers, parking, and food services.

RENT REVENUES

Rent includes forecasted revenue from the rental of exhibit halls and meeting rooms:

a) **Exhibit Hall** space rental revenue is based on contracted and other anticipated bookings of the exhibit hall space for conventions, expositions, trade shows and other events. The revenue forecast is calculated based on the net square footage expected to be utilized by scheduled or anticipated events at the greater of a specified rate per square foot or a specified minimum dollar amount. For repeat events, the forecast square footage for an event is generally based on prior utilization. For new events, the budget is based on contracted or expected square feet estimated based on usage by similar events or on other available supporting data.

   McCormick Place is used primarily for conventions and expositions, but it is also used for consumer or public events. Rental rates for conventions and exhibitions are on a per net square foot basis for a term of up to 14 days, with a minimum rental charge per building. Rental rates for conventions and exhibitions are not projected to increase during fiscal years 2022, 2023 and 2024.

b) **Meeting Rooms** revenue consists of rental revenues for the use of meeting rooms for trade show meetings and exhibits. Additional revenue is generated from charges for room set-ups and other miscellaneous services. Meeting rooms are rented to trade show sponsors and exhibitors, as well as to the general public according to the prevailing rental rates for the various rooms.

c) **Incentive Fund Revenue -** The State of Illinois established the Metropolitan Pier and Exposition Authority Incentive Fund to provide reimbursement to MPEA for incentives granted to organizations and entities that agree to use MPEA facilities for conventions, trade shows and meetings. McCormick Place rent revenues from fiscal 2013 through fiscal 2017 reflect incentive reimbursements of up to $15 million annually. The fiscal 2018 Budget Implementation Act eliminated the MPEA Incentive Fund beginning July 1, 2017. Legislation has been introduced that will reinstate the $15 million incentive grant program from fiscal

2022 through fiscal 2026. While the Authority hopes the reinstatement of the incentive grant fund will be enacted because it believes it will dramatically increase McCormick Place's economic impact, these reimbursements are not included in revenue projections.

SERVICES REVENUES

Services include revenue from internet, telephone, utility commissions and electrical meeting room services provided to event organizers and exhibitors of events held at McCormick Place:

a) **Internet service** revenue is comprised of revenue from internet services provided to event exhibitors. McCormick Place offers high speed and high-density wireless services as well as, lower priced wired services and, plug and play shared services.

b) **Telephone** revenue is comprised of revenue from services provided to event exhibitors and tradeshow sponsors for the rental, installation and use of single-line telephone service for exhibitors, charges for local and long-distance telephone usage, multi-line telephone services for tradeshow sponsors and miscellaneous rental revenues.

c) **Electrical and plumbing** revenue primarily represents commissions charged to outside contractors that utilize McCormick Place facilities. This category also includes electrical services provided by in-house event operations staff for events held in meeting rooms at McCormick Place.

PARKING/MARSHALLING REVENUES

SP Plus Corporation manages all Authority parking lots and the truck marshaling yard.

a) **Parking** revenues are derived from charges for the use of the Authority's parking facilities. McCormick Place, excluding the hotels, has three parking facilities with approximately 5,650 parking spaces. Due to the implementation of the new State tax on parking, effective January 1, 2020, the general parking rate increased from $23 to $25 per parked vehicle and is projected to remain constant throughout the Financial Plan period.

b) **Truck Marshalling** is a service provided by the Authority for the processing and controlled movement of exhibitor trucks during unloading, loading and storage. Revenue is generated primarily from fees assessed per truck (fees vary according to the number of axles per truck) and from annual fixed-fee contracts with high-volume customers. Additional revenue is expected from the operation of a certified truck weight scale station and from the leasing of office space. Offices are leased to volume users of the marshalling yard.

FOOD & BEVERAGE REVENUES

Food and Beverage revenue represents all revenues generated at McCormick Place, including MPEA's portion of commissions earned by sub-contracted food vendors. These projections are based on estimated gross sales per event, as provided by the food vendors, as well as historical data. As mandated in the 2010 Legislation, pricing for the primary food service operations is established at a break-even level. Effective October 1, 2011, SMG Food & Beverage, LLC d/b/a Savor assumed responsibility of the McCormick Place food services operation.

OTHER EVENT REVENUE

Other event revenue is comprised of non-rental/service revenue projected for McCormick Place. This includes, but is not limited to, labor (Stagehands, EMT's, City Police and K-9), event advertising and meeting room equipment. Non-rental revenue for meeting rooms includes charges for equipment, equipment handling and other related services.

This category also includes projected revenue from retail operations such as Chicago Sports and Novelty, an Illinois partnership, and FedEx Office operating at the McCormick Place business center. Other revenues are derived from antenna license agreements, storage rental and ATM banking.

PRIVATE OPERATOR CONTRACT AWARD TO SMG

In 2011, MPEA awarded a five-year contract to SMG to manage the McCormick Place complex. SMG assumed effective operating control of the convention complex on July 1, 2011 with all phases fully transitioned by August 1, 2011. Effective July 1, 2016, MPEA and SMG agreed to extend the management contract for five years through June 30, 2021. Also, effective July 1, 2016, the contract with SMG was amended to include management of the new Wintrust Arena. Effective November 1, 2017, MPEA and SMG amended and restated the management agreement to allow SMG to focus its priorities on the management of events at McCormick Place and the new Wintrust Arena, including but not limited to sales, customer service, security, and "day-of" operations for events. Due to challenges associated with COVID-19, in February 2021 the Authority's Board approved a 1-year sole source agreement with SMG to manage events at McCormick Place and Wintrust Arena from July 1, 2021 through June 30, 2022.

On Oct 1, 2019, SMG and AEG Facilities announced completion of their business combination to create ASM Global, a new, standalone global facility management and venue services company. The company's elite venue network spans five continents, with a portfolio of more than 300 of the world's most prestigious arenas, stadiums, convention, and exhibition centers, and performing arts venues.

The three-year Financial Plan for McCormick Place and Wintrust Arena has been jointly agreed to by MPEA and SMG. As provided in a private letter ruling from the IRS, the operating agreement provides incentives to SMG to improve on the operating results in the Financial Plan by growing revenues and reducing the deficit while maintaining overall customer satisfaction.

Hyatt Regency McCormick Place

METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

Hyatt Regency McCormick Place Hotel

Operating Budget

For Fiscal Years 2022, 2023 and 2024

McCORMICK SQUARE

Metropolitan Pier and Exposition Authority
Fiscal Years 2022 - 2024 Operating Budget
Hyatt Regency McCormick Place Hotel

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	PROJECTED Fiscal Year 2021	FY2022-2024 Budget Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Revenue										
Rooms	61,411,518	59,972,214	65,744,495	65,866,045	63,647,459	42,124,098	2,585,166	24,332,000	46,284,000	55,981,000
Food and Beverage	24,967,162	23,754,541	24,770,518	23,798,683	25,360,658	14,316,288	6,965	7,812,000	17,288,000	22,158,000
Telephone	189,495	128,670	169,986	116,968	124,691	18,144	836	8,000	16,000	18,000
Rentals/Other Income	1,355,520	1,763,059	2,544,896	2,236,102	2,243,378	1,928,723	993,245	636,000	1,529,000	2,040,000
Parking	2,497,839	2,626,879	2,719,788	2,430,478	2,372,584	1,539,582	164,279	1,289,388	1,877,971	2,574,503
Total Revenue	**90,421,534**	**88,245,363**	**95,949,683**	**94,448,276**	**93,748,770**	**59,926,835**	**3,750,491**	**34,077,388**	**66,994,971**	**82,771,503**
Direct Expense										
Rooms	(19,217,779)	(19,049,243)	(20,328,828)	(21,105,183)	(20,534,409)	(14,196,317)	(2,681,969)	(8,543,000)	(17,125,000)	(18,082,000)
Food and Beverage	(19,773,855)	(19,618,650)	(20,797,523)	(20,618,385)	(20,371,956)	(13,970,668)	(1,501,379)	(8,221,000)	(15,356,000)	(17,793,000)
Telephone	(984,285)	-	-	-	-	-	-	-	-	-
Parking	(1,397,660)	(1,583,033)	(1,652,952)	(1,694,506)	(1,615,559)	(1,485,900)	(700,537)	(1,120,599)	(1,360,974)	(1,820,871)
Total Direct Expense	(41,373,579)	(40,250,926)	(42,779,303)	(43,418,074)	(42,521,924)	(29,652,885)	(4,883,885)	(17,884,599)	(33,841,974)	(37,695,871)
Contribution Margin	49,047,955	47,994,437	53,170,381	51,030,202	51,226,847	30,273,950	(1,133,394)	16,192,789	33,152,997	45,075,632
Contribution Margin %	54.2%	54.4%	55.4%	54.0%	54.6%	50.5%	-30.2%	47.5%	49.5%	54.5%
General & Admin Expense:										
Hotel Sales, Gen & Admin	(10,638,876)	(10,855,218)	(11,156,571)	(11,269,054)	(11,462,599)	(9,431,982)	(3,535,870)	(7,299,000)	(9,125,000)	(10,838,000)
Information Technology	-	(1,607,941)	(1,862,243)	(1,904,567)	(1,876,658)	(1,575,483)	(900,791)	(1,145,000)	(1,498,000)	(1,640,000)
Utilities	(2,081,007)	(2,066,491)	(1,841,878)	(1,900,612)	(1,905,435)	(1,648,585)	(1,464,065)	(1,492,000)	(1,910,000)	(2,108,000)
Maintenance & Operations	(4,100,407)	(3,820,114)	(3,449,723)	(3,593,088)	(3,683,037)	(3,412,056)	(1,878,979)	(2,968,000)	(3,546,000)	(4,199,000)
Capital Maintenance Reserve	-	-	-	-	(2,255,047)	-	-	-	-	-
Operating Insurance	(523,032)	(537,960)	(502,572)	(459,603)	(489,837)	(527,246)	(566,934)	(850,000)	(916,000)	(962,000)
Management Fees	(1,758,474)	(1,804,000)	(2,563,822)	(1,919,133)	(1,969,321)	(2,030,000)	(2,085,000)	(2,148,000)	(2,213,000)	(2,279,000)
Incentive Management Fees	-	-	-	(680,000)	(682,000)	-	-	-	-	-
Professional Fees	(193,974)	(210,000)	(210,000)	(216,637)	(197,595)	(157,050)	(145,750)	(165,000)	(165,000)	(165,000)
Total General & Admin	(19,295,770)	(20,901,724)	(21,586,809)	(21,942,693)	(24,521,529)	(18,782,402)	(10,577,389)	(16,067,000)	(19,373,000)	(22,191,000)
G & A as % of Sales	21.3%	23.7%	22.5%	23.2%	26.2%	31.3%	282.0%	47.1%	28.9%	26.8%
Total Expense	**(60,669,349)**	**(61,152,650)**	**(64,366,112)**	**(65,360,767)**	**(67,043,452)**	**(48,435,287)**	**(15,461,274)**	**(33,951,599)**	**(53,214,974)**	**(59,886,871)**
Operating Income (Loss)	**29,752,185**	**27,092,713**	**31,583,572**	**29,087,509**	**26,705,318**	**11,491,548**	**(11,710,783)**	**125,789**	**13,779,997**	**22,884,632**

HYATT REGENCY McCORMICK PLACE HOTEL
FINANCIAL PLAN ASSUMPTIONS

The Hyatt Regency McCormick Place Hotel and the Hyatt Conference Center are directly connected to the McCormick Place convention complex. In fiscal 2018, MPEA completed construction of a direct, interior connection from Hyatt to the McCormick Place Convention Center's West Ballroom, the Marriott Marquis Chicago Hotel, and the Wintrust Arena. The Hyatt Regency McCormick Place Hotel is operated by the Hyatt Corporation under a Qualified Management Agreement that expires on June 30, 2024. Effective June 4, 2013, the Authority revised the Management Agreement to incorporate the additional tower and to provide incentives to Hyatt for meeting established new business objectives. Hotel revenues are generated from room rentals, food and beverage, parking, and miscellaneous other services.

The hotel has three main categories of customers: The McCormick Place group business, the in-house group meeting business and business/leisure customers. The McCormick Place group business includes hotel guests attending events in McCormick Place. The McCormick Place group business is approximately 70% of hotel group revenue. The in-house group meeting and event business is booked by Hyatt sales staff for groups attending meetings and events held in the hotel and conference center. The in-house group meeting business allows the hotel to maintain occupancy rates particularly when the convention center is vacant.

In June 2013, the Authority completed construction of a second hotel tower increasing the total guest room count to 1,258 available rooms. Additionally, the Authority completed the renovation of the existing tower in April 2013. The renovation included the upgrade of the existing 800 rooms to improve the quality to the level of furnishings provided in the new tower. As anticipated, the increased operating income from the expanded hotel provides an internal cross-subsidy for operating deficits at the convention center, replacing the temporary operating assistance from surplus MPEA taxes that ended after fiscal 2014. In fiscal 2017, the Authority invested approximately $12 million to upgrade and reposition all lobby food and beverage operations. This upgrade positioned the Hyatt to complement the offerings at the new Marriott Marquis Chicago Hotel and to provide highly competitive options to off-site alternative locations.

HYATT REGENCY
McCORMICK PLACE

- 33-story luxury hotel with 1,258 rooms, including 51 suites
- 57,007 total square feet of meeting space
- 28,314 square-foot Hyatt Conference Center, including 29 meeting rooms and a 5,471 square-foot junior ballroom was added with the hotel expansion.
- 11,644 square-foot hotel Ballroom and additional meeting rooms in the hotel
- 6,085 square-foot meeting and venue space added in 2020 with state-of-the-art technology
- 2 restaurants and 1 bar with outdoor seating capacity for up to 400 guests
- Specialty coffee and retail shop
- Indoor pool and health club
- 568 enclosed parking spaces
- High-speed internet access and state-of-the-art audiovisual equipment
- FedEx Business Center

The following key assumptions were used in projecting Hyatt hotel revenues in 2022, 2023 and 2024:

- Overall, Hyatt hotel revenue is expected to increase in fiscal 2022 as compared to fiscal 2021. This increase is due to the lessening of COVID-19 mitigations due to the rollout of vaccines and the implementation of social distancing practices as Illinois moves toward Phase 5 of the Restore Illinois Plan. The estimated revenue increase is due to increases in the occupancy rate as compared to fiscal 2021 as well as an increase in the average daily rate as compared to fiscal 2021. The average daily rate is estimated to increase 59.5% in fiscal 2022 as compared to fiscal 2021 based on the recovery. Occupancy rates for fiscal 2023 are projected to increase as compared to fiscal 2022 as we continue to return to pre-COVID-19 levels. Occupancy rates for fiscal 2024 are expected to continue increasing but will likely not be fully back to fiscal 2019 results. The average daily rate for fiscal 2023 is expected to dip slightly from fiscal 2022 as the Hyatt continues to recover but is expected to increase from fiscal 2023 to fiscal 2024.

- The projected occupancy is based upon a customer mix comprised primarily of convention-related demand, with the balance comprised of in-house groups and business/leisure travelers. The Hyatt hotel's business mix has been severely impacted by COVID-19 with the cancellation of all groups from March 2020 through July 2021. The occupancy rate is now forecasted to be 4.5% in fiscal 2021 and 26.6% in fiscal 2022. The occupancy rate is projected to rise to 53.4% in fiscal 2023 and 59.0% in fiscal 2024. The Hyatt expects a slower recovery because Chicago is a group heavy market and recovery of the group convention business is expected to be one of the final segments of the industry to recover following re-opening.

- The projected average room rate is based upon anticipated market conditions for comparable hotels in Downtown Chicago and the McCormick Place event schedule. Rates are primarily determined by the base of group business contracted in prior years. **Fiscal 2022 average rate will increase 59.5% from fiscal 2021, based on the number of cancellations from the closure of McCormick Place for that year. The average rate will decline by 5.3% in fiscal 2023 as the hotel will need to fill need periods based on lost business, however we expect an increase of 9.2% in fiscal 2024 as the city recovers from the pandemic.**

- Conference Center meeting space of approximately 28,314 square feet allows for a variety of layouts and is divisible into 29 versatile meeting rooms. It also includes a 5,471 square-foot junior ballroom (Prairie Room) and is connected to the hotel via an enclosed pedestrian link. Adjacent to the Prairie Room is The Tap with approximately 6,085 square feet which was added in 2020 and will host both events as well as serve as an additional venue.

Recently renovated and updated food & beverage offerings help increase revenues.

- **Food and Beverage revenues are projected to grow from fiscals 2022 through 2024 based upon the anticipated recovery from COVID-19.** Past history and improved food and beverage offerings, as well as the industry standard levels per occupied room, along with a significant volume of walk-in traffic in conjunction with McCormick Place events, were also utilized to estimate food and beverage revenues.

- Direct and support expenses are based on the historical performance of the property benchmarked against the market and industry averages for operating a major international hotel brand.

- Parking revenues are based on historical performance and projected future business mix at the hotel and include a combination of self-parks and valet-parks in the 568-space garage. Charges per car are based on a tiered rate structure according to length of stay. The 24-hour hotel self-park rate in fiscal 2020 is $38 per parked vehicle. Parking rates in fiscal 2022, fiscal 2023, and fiscal 2024 are currently projected to remain constant.

Marriott Marquis
Chicago

METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Marriott Marquis Chicago Hotel

Operating Budget

For Fiscal Years 2022, 2023 and 2024

Metropolitan Pier and Exposition Authority
Fiscal Years 2022 - 2024 Operating Budget
Marriott Marquis Chicago Hotel

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	PROJECTED Fiscal Year 2021	FY2022-2024 Budget Fiscal Year 2022	FY2022-2024 Budget Fiscal Year 2023	FY2022-2024 Budget Fiscal Year 2024
Revenue										
Rooms	-	-	-	37,923,649	58,666,580	37,458,607	1,720,212	31,352,000	43,016,000	60,817,000
Food and Beverage	-	-	-	22,969,344	36,448,803	24,476,639	899,712	17,913,000	26,970,000	41,828,000
Telephone	-	-	-	209,727	382,733	148,174	13,534	151,000	203,000	283,000
Rentals/Other Income	-	-	-	433,705	2,257,432	2,250,048	640,161	1,452,000	1,496,000	1,541,000
Parking	-	-	-	628,626	1,009,573	575,983	(11,491)	561,301	794,554	1,085,912
Total Revenue	-	-	-	**62,165,051**	**98,765,121**	**64,909,451**	**3,262,129**	**51,429,301**	**72,479,554**	**105,554,912**
Direct Expense										
Rooms	-	-	-	(10,375,115)	(15,814,441)	(11,535,757)	(1,654,370)	(10,107,000)	(13,421,000)	(16,725,000)
Food and Beverage	-	-	-	(15,373,749)	(23,558,037)	(18,894,069)	(1,969,002)	(14,098,000)	(18,925,000)	(26,672,000)
Telephone	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	(537,206)	(1,051,532)	(1,076,128)	(65,331)	(660,601)	(887,156)	(1,196,257)
Total Direct Expense	-	-	-	(26,286,070)	(40,424,010)	(31,505,954)	(3,688,703)	(24,865,601)	(33,233,156)	(44,593,257)
Contribution Margin	-	-	-	35,878,981	58,341,111	33,403,497	(426,575)	26,563,700	39,246,398	60,961,655
Contribution Margin %	-	-	-	57.7%	59.1%	51.5%	-13.1%	51.7%	54.1%	57.8%
General & Admin Expense:										
Hotel Sales, Gen & Admin	-	-	-	(10,386,508)	(14,953,396)	(13,806,532)	(5,613,877)	(10,768,000)	(13,157,000)	(16,059,000)
Information Technology	-	-	-	(2,254,059)	(2,579,983)	(1,956,440)	(809,417)	(1,522,000)	(2,008,000)	(2,716,000)
Utilities	-	-	-	(1,460,363)	(2,022,787)	(1,590,471)	(915,696)	(1,256,000)	(1,581,000)	(2,162,000)
Maintenance & Operations	-	-	-	(2,797,399)	(5,653,160)	(3,835,560)	(2,741,280)	(4,107,000)	(4,614,000)	(4,701,000)
Capital Maintenance Reserve	-	-	-	-	(2,541,644)	-	-	-	-	-
Replacement Reserve	-	-	-	(67,431)	-	(151,127)	(300,000)	(600,000)	(600,000)	(600,000)
Operating Insurance	-	-	-	(501,882)	(620,260)	(508,974)	(394,517)	(491,000)	(455,000)	(479,000)
Management Fees	-	-	-	(1,846,093)	(2,932,666)	(1,927,320)	(98,209)	(1,526,000)	(2,151,000)	(3,134,000)
Professional Fees	-	-	-	(76,585)	(123,760)	(157,050)	(145,750)	(165,000)	(165,000)	(165,000)
Total General & Admin	-	-	-	(19,390,320)	(31,427,655)	(23,933,474)	(11,018,745)	(20,435,000)	(24,731,000)	(30,016,000)
G & A as % of Sales	-	-	-	31.2%	31.8%	36.9%	337.8%	39.7%	34.1%	28.4%
Total Expense	-	-	-	**(45,676,390)**	**(71,851,665)**	**(55,439,428)**	**(14,707,449)**	**(45,300,601)**	**(57,964,156)**	**(74,609,257)**
Operating Income (Loss)	-	-	-	**16,488,661**	**26,913,456**	**9,470,023**	**(11,445,320)**	**6,128,700**	**14,515,398**	**30,945,655**

MARRIOTT MARQUIS CHICAGO HOTEL FINANCIAL PLAN ASSUMPTIONS

The Marriott Marquis Chicago Hotel opened September 10, 2017 and is currently operated by Marriott International under a Qualified Management Agreement. The Marriott Marquis Chicago is the only Marriott Marquis branded hotel in the Metropolitan Chicago area.

In fiscal 2015, MPEA arranged $403 million of interim construction financing with Citibank to finance the hotel project. In September 2015, MPEA issued the remaining $153 million of authorized Expansion Project bonds and reduced the Citibank funding to $250 million. In fiscal 2018, MPEA issued Expansion Project bonds totaling $472.5 million. The Series 2017A portion of this bond issue included funds to retire the $250 million Note to Citibank among other permitted purposes.

Hotel revenues are generated from room rentals, food and beverage, parking, and other miscellaneous services. Similar to the Hyatt Regency McCormick Place Hotel, the Marriott Marquis Chicago Hotel has three main categories of customers: the McCormick Place group business, the in-house group meeting business and business/leisure customers.

In addition, the Marriott Marquis Chicago Hotel, with 93,000 square feet of banquet and meeting space, including two 25,000-square-foot ballrooms within the hotel, is well positioned for self-contained events and attracts mid-size groups, those with 1,500 to 2,000 attendees. McCormick Place group business, which includes hotel guests attending events in McCormick Place, represents approximately 45% of hotel group revenue. The in-house group meeting and event business is booked by Marriott sales staff, for groups attending meetings and events held in the hotel and conference center. The in-house group meeting business along with the mid-size and self-contained event business will allow the hotel to maintain occupancy rates particularly when the convention center is vacant. In excess of 215,000 hotel nights have already been booked for the Marriott Marquis Chicago Hotel for fiscal years 2022 through 2024.

MARRIOTT

- 40-floor tower with 1,205 rooms, including 47 suites of varying sizes
- 93,000 total square feet of meeting space
- 25,000 square-foot Grand Ballroom
- 25,000 square-foot Junior Ballroom
- 5,000 square-foot Marketplace
- 33rd floor - 3,000 square-feet of event space with views of the Chicago skyline
- Access to additional meeting and banquet space in McCormick Place
- Pedestrian connections to the adjacent Wintrust Arena and McCormick Place (West)
- Lobby bar with a 350-person seating capacity, including small outdoor terrace
- Concierge Lounge
- Fitness facility
- 110 underground valet parking spaces
- High-speed internet access and state-of-the-art audio-visual equipment
- Business center and FedEx Office
- Specialty coffee, gift, and retail shop

The following key assumptions were used in projecting hotel revenues in fiscal 2022 through 2024:

- The projected occupancy is based upon a customer mix comprised primarily of convention-related demand, with the balance comprised of in-house groups and business/leisure travelers. In fiscal 2021, **the occupancy rate is forecasted to be 0.0% due to COVID-19 pandemic which caused the closure of the hotel beginning April 8, 2020. Assuming lifted restrictions and convention recovery plan for the City of Chicago, occupancy is expected to be 30.9%, 41.5% and 57.8% in fiscal years 2022, 2023 and 2024, respectively.**

- The projected average room rate is based upon the positioning of contracted group business coupled with projected market conditions for comparable hotels in Downtown Chicago and the McCormick Place event schedule. Rates are primarily determined by market demand and the ability of the Marriott to maximize performance given the expected strong demand within the brand and appeal of a new hotel. **As compared to Fiscal 2019, the average daily rate is projected to decrease 4.3% in fiscal 2022 due to the COVID-19 pandemic impact in Fiscal 2020 and Fiscal 2021, increase 2.0% in fiscal 2023 and increase an additional 1.7% in fiscal 2024** based upon anticipated market conditions.

- **Food and Beverage revenues are projected at $17.9 million in fiscal 2022 and projected to rise to $27.0 million and $41.8 million in fiscal 2023 and 2024, respectively.** Restaurant revenues are expected to rise as the hotel improves with increased market awareness along with increasing local market penetration.

Wintrust Arena / Arie Crown Theater

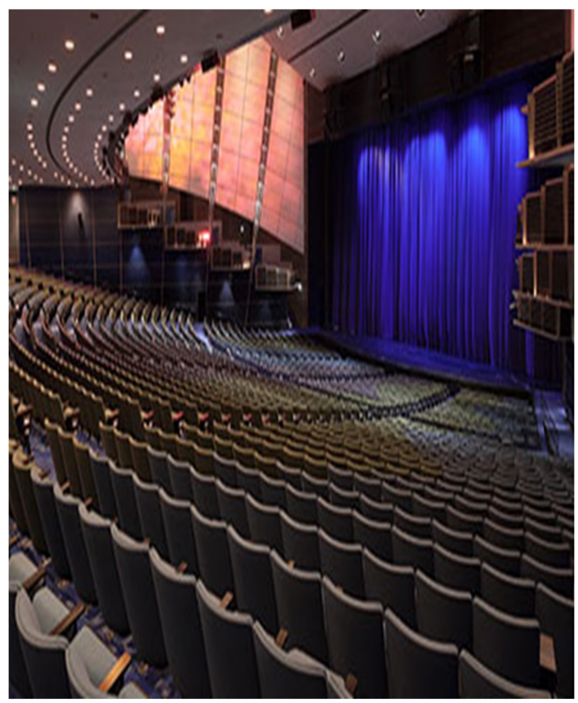
METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Wintrust Arena/Arie Crown Theater

Operating Budget

For Fiscal Years 2022, 2023 and 2024



Metropolitan Pier and Exposition Authority
Fiscal Years 2022 - 2024 Operating Budget
Wintrust Arena/Arie Crown Theater

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	PROJECTED Fiscal Year 2021	FY2022-2024 Budget Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Revenue										
Rent	-	-	-	1,525,816	1,609,861	1,830,149	267,001	1,230,459	1,983,661	2,525,914
Services	-	-	-	66,215	150,141	132,362	16,957	75,392	112,355	149,506
Parking/Marshalling	-	-	-	774,409	862,217	910,874	-	671,183	927,145	1,169,228
Food & Beverage	-	-	-	3,700,521	3,847,474	3,604,118	-	1,168,050	2,007,283	2,953,673
Other Event Revenue	-	-	-	3,755,114	5,454,391	5,440,263	329,509	3,945,364	5,402,534	7,252,645
Total Revenue	-	-	-	**9,822,075**	**11,924,084**	**11,917,766**	**613,467**	**7,090,448**	**10,432,978**	**14,050,966**
Expense										
Rent	-	-	-	(3,425,278)	(4,927,740)	(4,299,633)	(74,698)	(3,006,561)	(3,873,205)	(5,060,794)
Services	-	-	-	(483,978)	(900,025)	(573,226)	(21,785)	(212,386)	(334,668)	(435,460)
Parking/Marshalling	-	-	-	(273,390)	(300,835)	(362,407)	-	(333,828)	(395,698)	(507,218)
Food & Beverage	-	-	-	(3,246,002)	(3,567,351)	(3,045,229)	(154,008)	(1,198,133)	(1,938,734)	(2,644,278)
Other Event/Op Expenses	-	-	-	(165,261)	(153,587)	(464,589)	-	(212,960)	(260,991)	(334,486)
General & Admin / Operations	-	-	-	(2,375,172)	(2,524,130)	(3,488,653)	(2,612,527)	(3,612,485)	(4,347,401)	(4,382,771)
Miscellaneous	-	-	-	(79,832)	(114,930)	(81,761)	(112,854)	(83,300)	(103,750)	(105,295)
Total Expense	-	-	-	**(10,048,913)**	**(12,488,599)**	**(12,315,498)**	**(2,975,872)**	**(8,659,653)**	**(11,254,447)**	**(13,470,302)**
Operating Income (Loss)	-	-	-	**(226,838)**	**(564,515)**	**(397,732)**	**(2,362,405)**	**(1,569,205)**	**(821,469)**	**580,664**

WINTRUST ARENA/ARIE CROWN THEATER
FINANCIAL PLAN ASSUMPTIONS

WINTRUST ARENA/ARIE CROWN THEATER REVENUES

In early fiscal 2018 MPEA, in partnership with DePaul University, completed construction of a 10,387-seat event center. Wintrust Financial secured the naming rights of the facility and it has been aptly named the Wintrust Arena. The Wintrust Arena officially opened October 14, 2017 and is owned and operated by MPEA. The Wintrust Arena serves as the home court for DePaul's men's and women's basketball games and will meet previously unmet needs of the convention business. The Wintrust Arena allows MPEA to compete for new types of events, including concerts, convocations, and amateur and exhibition sporting events with audiences of 5,000 to 10,000 attendees. During fiscal 2020, the Arena hosted a variety of public and private events including NBA All-Star Weekend, AWS AKO 2020 (Amazon), AEW Revolution, Fantasia, Patti LaBelle, and TWICE. In addition to generating direct operating income for the Arena, events held at the Arena will positively impact the operating results of the Authority's other business units through increased hotel bookings and increased usage of the convention center facilities.

The 10,000-seat capacity venue saw sports, e-gaming, music, and other uses in 2018

The budget for the Arena includes projections for 44 events in fiscal year 2022, 62 events in fiscal year 2023 and 83 events in fiscal year 2024. The budget assumes that the anchor tenant, DePaul University, will hold 26 basketball games (19 men and 7 women games) and two graduation ceremonies spanning two days, annually. During fiscal 2017, MPEA entered into an agreement with the Chicago Sky, one of twelve teams in the Women's National Basketball Association (WNBA). The budget assumes the Chicago Sky will hold 18 home games, as well as promotional events, at the Wintrust Arena and that these games will continue throughout the budget period. The balance of the anticipated events includes concerts, assemblies, banquets, and sporting events. Wintrust Arena revenues include estimated rental, services, parking, food and beverage, and other related event revenues.

Arie Crown Theater revenues are derived from the rental of the Arie Crown Theater to event sponsors and concert promoters, primarily on a fixed-rate basis. Events include industrial shows, trade show meetings, and estimated revenue from public events including assemblies, theatrical performances, and concerts. Forecasted theater revenue is computed based on contracted and anticipated bookings, as well as management's general forecast assumptions. Revenues are also generated by providing labor event set-up (Stagehands, Projectionists, Ushers, and Security) and facility fees brought about by ticket sales.

In March 2021, in a move toward creating a best-in-class hybrid offering, MPEA completed development of a fully equipped broadcast studio in the Arie Crown Theater. Features include:

- High-definition video production
- Stage performance space of 90' W x 58' D
- Experienced on-site production team, offering full-service production capabilities

PRIVATE OPERATOR CONTRACT AWARD TO SMG

Effective July 1, 2016, the Authority's existing management contract with SMG was amended to include management of the new Wintrust Arena. Effective November 1, 2017, MPEA and SMG amended and restated the management agreement to allow SMG to focus its priorities on the management of events at McCormick Place and the new Wintrust Arena, including but not limited to sales, customer service, security, and "day-of" operations for events. Due to challenges associated with COVID-19, in February 2021 the Authority's Board approved a 1-year sole source agreement with SMG to manage events at Wintrust Arena from July 1, 2021 through June 30, 2022.

On Oct 1, 2019, SMG and AEG Facilities announced completion of their business combination to create ASM Global, a new, standalone global facility management and venue services company. The company's elite venue network spans five continents, with a portfolio of more than 300 of the world's most prestigious arenas, stadiums, convention, and exhibition centers, and performing arts venues.

The three-year Financial Plan for Wintrust Arena has been jointly agreed to by MPEA and SMG. As provided in a private letter ruling from the IRS, the operating agreement provides incentives to SMG to improve on the operating results in the Financial Plan by growing revenues and reducing the deficit while maintaining overall customer satisfaction.

Energy Center

METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Energy Center

Operating Budget

For Fiscal Years 2022, 2023 and 2024

Metropolitan Pier and Exposition Authority
Fiscal Years 2022 - 2024 Operating Budget
Energy Center

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	PROJECTED Fiscal Year 2021	FY2022-2024 Budget Fiscal Year 2022	FY2022-2024 Budget Fiscal Year 2023	FY2022-2024 Budget Fiscal Year 2024
Revenue	**7,842,471**	**7,613,402**	**8,560,205**	**8,253,043**	**9,108,145**	**8,182,886**	**8,346,199**	**8,123,332**	**8,205,777**	**8,288,984**
Expense										
Payroll & benefits	(1,659,129)	(1,985,528)	(1,904,374)	(1,852,540)	(1,849,899)	(1,838,534)	(1,471,128)	(1,655,476)	(2,043,891)	(2,100,832)
Energy Costs	(3,431,447)	(2,509,867)	(3,013,359)	(15,088,820)	(16,393,711)	(14,477,038)	(11,327,142)	(12,960,448)	(14,948,749)	(15,238,818)
General & Administrative	(1,145,135)	(986,832)	(1,329,118)	(833,003)	(908,760)	(505,306)	(1,095,619)	(1,412,509)	(1,673,519)	(1,525,911)
Total Expense	(6,235,711)	(5,482,227)	(6,246,852)	(17,774,363)	(19,152,370)	(16,820,877)	(13,893,889)	(16,028,433)	(18,666,159)	(18,865,561)
Internal Expense Alloc.	4,401,832	3,899,568	3,869,023	16,245,289	18,134,803	16,301,606	10,608,484	14,338,719	17,201,009	17,489,119
Net Expense	**(1,833,879)**	**(1,582,659)**	**(2,377,829)**	**(1,529,074)**	**(1,017,567)**	**(519,271)**	**(3,285,406)**	**(1,689,714)**	**(1,465,150)**	**(1,376,442)**
Operating Income	**6,008,592**	**6,030,743**	**6,182,376**	**6,723,969**	**8,090,578**	**7,663,615**	**5,060,793**	**6,433,618**	**6,740,627**	**6,912,542**

ENERGY CENTER FINANCIAL PLAN ASSUMPTIONS

The Energy Center supplies chilled water and steam for cooling and heating to McCormick Place, including the Arie Crown Theater, the Hyatt Regency McCormick Place Hotel, the Marriott Marquis Chicago Hotel, the Wintrust Arena, the MPEA Corporate Center, and outside customers.

REVENUES

While the primary use of the Energy Center is to supply heating and cooling for Authority operations, the Energy Center has excess heating and cooling capacity that is sold to outside customers. The Energy Center budgeted revenues are projected based on existing contracts with the customers and historical trends of usage. The budgeted revenues exclude intra-company charges to MPEA facilities for energy needs provided by the Energy Center.

EXPENSES

Energy Center expenses are comprised of utility costs, maintenance costs, and general and administrative expenses. The Energy Center expenses include those expenses incurred in providing utility service to outside customers. Expenses incurred related to utility service provided to internal customers are allocated to those MPEA operating units.

Corporate Center

METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Corporate Center

Operating Budget

For Fiscal Years 2022, 2023 and 2024

Metropolitan Pier and Exposition Authority
Fiscal Years 2022 - 2024 Operating Budget
Corporate Center

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	PROJECTED Fiscal Year 2021	FY2022-2024 Budget Fiscal Year 2022	FY2022-2024 Budget Fiscal Year 2023	FY2022-2024 Budget Fiscal Year 2024
Revenue										
Interest Income	109,547	121,936	253,978	575,227	1,886,382	1,532,330	52,681	66,777	92,220	222,214
Other Income	278,343	245,209	213,308	270,290	286,075	248,830	114,868	224,777	237,711	243,432
Total Revenues	**387,890**	**367,145**	**467,285**	**845,517**	**2,172,457**	**1,781,160**	**167,549**	**291,554**	**329,931**	**465,646**
Expense										
Chief Executive Office	(782,485)	(1,129,644)	(976,910)	(1,197,115)	(1,078,973)	(820,329)	(946,541)	(1,475,028)	(1,251,785)	(1,273,999)
Labor Relations	(304,296)	(313,198)	(323,400)	(337,974)	(381,015)	(376,447)	(361,079)	(381,387)	(383,899)	(386,531)
Internal Audit	(363,402)	(356,244)	(369,114)	(388,465)	(457,402)	(455,387)	(552,667)	(785,002)	(787,515)	(790,146)
IT	-	-	-	-	-	(184,999)	(309,550)	(311,800)	(351,800)	(351,800)
Corporate Marketing	(221,102)	(337,945)	(672,878)	(494,251)	(798,790)	(776,322)	(546,109)	(680,792)	(731,941)	(762,944)
	(1,671,286)	(2,137,031)	(2,342,301)	(2,417,804)	(2,716,179)	(2,613,484)	(2,715,947)	(3,634,009)	(3,506,940)	(3,565,420)
Finance	(1,371,914)	(1,498,425)	(1,374,309)	(1,562,586)	(1,742,121)	(1,584,963)	(1,593,028)	(1,729,812)	(1,731,432)	(1,743,612)
Risk Management	(724,228)	(724,339)	(665,402)	(624,873)	(630,490)	(632,897)	(1,042,500)	(1,438,398)	(1,576,046)	(1,652,314)
Human Resources	(157,338)	(157,425)	(273,829)	(306,551)	(325,765)	(358,814)	(355,818)	(369,119)	(371,417)	(373,723)
Corporate Campus Sales	-	-	-	-	(37,508)	(221,671)	(286,160)	(352,830)	(439,466)	(442,097)
	(2,253,480)	(2,380,189)	(2,313,540)	(2,494,010)	(2,735,884)	(2,798,344)	(3,277,506)	(3,890,159)	(4,118,361)	(4,211,746)
Legal	(1,110,424)	(1,235,789)	(1,495,870)	(1,138,096)	(1,300,730)	(1,022,389)	(1,021,674)	(1,473,858)	(1,479,376)	(1,484,450)
Procurement/Diversity	(426,957)	(387,792)	(347,708)	(419,638)	(438,962)	(457,752)	(433,325)	(496,263)	(500,025)	(503,809)
	(1,537,381)	(1,623,581)	(1,843,577)	(1,557,734)	(1,739,691)	(1,480,141)	(1,454,999)	(1,970,121)	(1,979,401)	(1,988,259)
Development	-	-	(199,469)	(199,735)	(1,131,113)	(994,303)	(953,497)	(510,421)	(513,533)	(516,164)
Safety & Security	(220,058)	(271,799)	(286,638)	(470,627)	(800,013)	(809,884)	(118,443)	(274,688)	(296,688)	(306,768)
Maintenance & Operations	(212,086)	(197,494)	(226,234)	(398,562)	(802,109)	(942,508)	(529,292)	(533,557)	(538,647)	(543,890)
Utilities	(205,151)	(205,756)	(222,933)	(226,074)	(238,688)	(211,171)	(37,796)	(63,681)	(74,046)	(72,372)
Housekeeping	(136,141)	(122,022)	(113,356)	(114,966)	(179,632)	(224,077)	(37,076)	(126,321)	(128,922)	(131,588)
Other Expenses	2,694,072	298,290	(853,770)	(811,082)	(672,866)	(619,482)	(500,000)	(1,100,000)	(1,415,000)	(1,415,000)
	1,920,637	(498,781)	(1,702,931)	(2,021,310)	(2,693,309)	(2,807,122)	(1,222,607)	(2,098,247)	(2,453,303)	(2,469,618)
Total Expense	**(3,541,510)**	**(6,639,582)**	**(8,401,819)**	**(8,690,593)**	**(11,016,177)**	**(10,693,393)**	**(9,624,556)**	**(12,102,957)**	**(12,571,538)**	**(12,751,207)**
Operating Loss	**(3,153,620)**	**(6,272,437)**	**(7,934,533)**	**(7,845,075)**	**(8,843,720)**	**(8,912,233)**	**(9,457,007)**	**(11,811,403)**	**(12,241,607)**	**(12,285,561)**

CORPORATE CENTER FINANCIAL PLAN ASSUMPTIONS

REVENUES

Corporate Center revenues consist of interest received on cash balances in the operating accounts of MPEA. Interest earnings are based on expected operating cash balances at interest rates of 0.08% to 0.77% during the 3-year financial plan period. Revenues also include projected tenant revenue of $224,777, $237,711, and $243,432, in fiscal years 2022, 2023, and 2024, respectively, reflecting an allocation of operating expenses to Corporate Center tenants.

ADMINISTRATIVE EXPENSES

Expenses are comprised of executive and administrative expenses of the Authority. The largest portion of that expense is staff payroll. Effective November 1, 2017, MPEA and ASM Global amended and restated the management agreement to allow ASM Global to focus its priorities on the management of events at McCormick Place and Wintrust Arena. MPEA assumed control of operations and maintenance of the buildings and all capital projects. As a result, MPEA transferred seven positions from the McCormick Place budget to the Corporate Center budget with no impact to the combined budget. Beginning in fiscal 2020, the Corporate Center budget included a Director of Campus Sales position to oversee and coordinate the sales efforts of all MPEA partners. The fiscal 2022 budget includes a sales manager position to support the Director of Campus Sales, which is planned to be filled once the State moves to Phase 5 of the Restore Illinois Plan. This position was transferred from the McCormick Place budget, as such it had no impact on the combined budget. During fiscal 2020, administration of the Authority's information technology "IT" services was transferred from ASM Global to MPEA. Beginning with the fiscal 2021 budget, $300,000 was transferred from McCormick Place to the Corporate Center budget to fund the Corporate Center IT expenses. This transfer had no impact on the combined budget.

During fiscal 2022, the budget includes a temporary Innovation Specialist position to identify strategies, business opportunities and new technologies for the Authority during this difficult time. Corporate expenses also include $600,000, annually, in fiscal year 2022 through 2024 for hotel and McCormick Collection sales and marketing incentives/initiatives and $500,000 in fiscal 2022 and $815,000 in fiscal 2023 and 2024 to fund the Authority's pension plan. These amounts stem from an actuarially determined projection and is based upon an assumption that capital market asset values will continue to expand at a moderate pace throughout the budget period. The retirement plan has been closed to new entrants since fiscal 2010 and benefit amounts have been frozen since fiscal 2012.

As a result of the COVID-19 pandemic, the Corporate Center is undertaking a contingency plan to reduce operating costs. Currently, the Authority assumes five open positions will initially remain unfilled throughout the Financial Plan period. As campus activities return during the year, the Authority anticipates filling these positions. The Authority also continues to assume there will be no salary increases for non-represented employees, which commenced in fiscal 2021.

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
CEO Depts.	6	6	6.5	8	7	7	8.75	10	9	9
CFO Depts.	12	12	12	13	13	13	12.75	13.5	14	14
Information Systems	0	0	0	0	0	1	0	0	0	0
Legal	8	8	8	8	9	8	6	7	7	7
Development	0	0	1	2	6	5	4	2	2	2
Maintenance	0	0	0	0	4	5	3	3	3	3
TOTALS	26	26	27.5	31	39	39	34.5	35.5	35	35

MPEA Cash Flow

METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

MPEA Cash Flow Forecast

For Fiscal Years 2022, 2023 and 2024

MPEA Cash Flow Projection

	2019 (Actual)	2020 (Actual)	2021 (Estimate)	2022 (Budget)	2023 (Budget)	2024 (Budget)
Operating Fund						
- McCormick Place	(51,445,033)	(49,144,106)	(59,416,203)	(57,529,335)	(56,196,654)	(52,249,230)
- Navy Pier	1	1	1	1	1	1
- Hyatt	26,705,318	11,491,548	(11,710,783)	125,789	13,779,997	22,884,632
- Marriott	26,913,456	9,470,023	(11,445,320)	6,128,700	14,515,398	30,945,655
- Wintrust Arena	(564,515)	(397,732)	(2,362,405)	(1,569,205)	(821,469)	580,664
- Energy Center	8,090,578	7,663,615	5,060,793	6,433,618	6,740,627	6,912,542
- Corporate Center	(8,843,720)	(8,912,233)	(9,457,007)	(11,811,403)	(12,241,607)	(12,285,561)
Subtotal Base Operating P&L	856,085	(29,828,884)	(89,330,924)	(58,221,835)	(34,223,707)	(3,211,297)
+ State of Illinois Appropriations	-	-	56,464,696	-	-	-
+ Expansion Project Bond Proceeds	-	-	32,941,884	11,500,000	-	-
+ Planned Maintenance Operating Support	-	-	-	17,000,000	16,800,000	-
+ Incremental Operating Support	-	-	-	15,000,000	20,000,000	6,000,000
- Project Revenue Bonds Debt Service	-	-	-	(2,446,750)	(2,520,250)	(2,593,750)
Operating Fund Balance	**57,115,362**	**27,286,478**	**27,362,134**	**10,193,549**	**10,249,592**	**10,444,545**
Repair & Maintenance Fund						
- Receipt of Surplus Tax payment	4,988,732	-	-	-	-	-
- Transfer to Project Funds	(4,988,732)	-	-	-	-	-
- Operating Fund Support	-	-	-	(17,000,000)	(16,800,000)	-
- Provision for Repair & Maintenance	13,000,000	-	-	-	-	-
- Repair & Maintenance Spending	(804,917)	(644,347)	-	-	-	-
Repair & Maintenance Fund Balance	**34,535,026**	**33,890,679**	**33,890,679**	**16,890,679**	**90,679**	**90,679**
Debt Service & Tax Collections						
- MPEA Tax Collections	158,451,448	154,404,643	47,725,126	88,992,085	129,224,017	152,675,730
- Change in Uncertified Tax Collections	(2,195,601)	(16,717,025)	-	5,903,520	5,903,520	2,951,760
- Reduction Amounts	31,700,000	31,700,000	31,700,000	31,700,000	31,700,000	31,700,000
- Debt Service (Expansion Project Bonds)	(196,596,324)	(189,920,234)	(95,468,088)	(113,058,410) [1]	(135,145,785) [1]	(187,322,938) [1]
- (Replenish) / Draw on Reserve Balance	8,640,476 [2]	20,532,616 [2]	16,042,962 [2]	(13,537,195) [3]	(16,462,805) [3]	-
- Repayment of State Sales Tax Draws		-	-	-	(15,216,054) [3]	-
- Surplus Tax Payment	-	-	-	-	(2,893)	(4,553)
Cumulative Draw on Sales Tax	-	-	(15,216,054)	(15,216,054)	-	-

[1] In anticipation that tax collections will be less than debt service in FY22, FY23, and FY24, MPEA intends to refinance portions of its Expansion Project Bonds. The Authority will also refinance bonds to repay unreimbursed draws on State Sales Taxes expected to occur during FY21 and to replenish the $30 million reserve balance in the Authority Tax Fund.

[2] The Authority used a portion of the $30 million on deposit in the Authority Tax Fund to pay debt service during FY19 and FY20. The Authority will likely exhaust the $30 million reserve balance in the Authority Tax Fund during FY21 causing an unreimbursed draw on State Sales Taxes at the end of FY21.

[3] The Authority intends to fully replenish the $30 million reserve balance during FY22 and FY23 and to repay the unreimbursed draw on State Sales Taxes during FY23.

MPEA CASH FLOW FORECAST ASSUMPTIONS

MPEA CASH FLOW FORECAST

The 2010 Legislation mandated changes to MPEA's operations including eliminating the Authority's mark-up on show floor trade labor and operating the food service unit at cost. It also required that the delivery of electrical utility services be opened to outside contractors and that work rules be changed to allow exhibitors to do more work themselves within their booth space.

The effect of those changes was to dramatically lower McCormick Place revenues and increase the Authority's operating deficits by approximately $20 million annually. To offset these anticipated deficits, the 2010 Legislation allowed MPEA to use surplus Authority tax collections to reimburse up to $80 million of operating expenses during the fiscal 2011-2014 transition period while a second hotel tower was added to the Authority's Hyatt hotel property. The 2010 Expansion bond transaction made provision for surplus Authority Tax revenue to be available to support operations. Collections during fiscal 2011-2014 were above forecasted amounts and provided the planned financial support for the operating budget.

The Authority completed construction of a second Hyatt hotel tower on June 1, 2013. The second tower added 458 guest rooms to the Hyatt Regency McCormick Place Hotel. The Authority also completed the renovation of the existing tower in April 2013. As anticipated, prior to the onset of the COVID-19 pandemic, the additional operating income from the second Hyatt tower provided the internal cross-subsidy necessary to balance the overall MPEA operating budget from fiscal 2015 to fiscal 2019 after the operating assistance from surplus taxes was phased out. Over the long-term, the Authority remains confident that the incremental operating income generated from these additional rooms will serve its originally intended purpose.

During fiscal 2018, the Authority opened the 1,205-room Marriott Marquis Chicago hotel. The Authority's long-term expectation is that with the addition of the Marriott hotel, the Authority's combined hotel operating income will provide funds to not only balance the Authority's operating budget, but also to fund its capital maintenance program. As a result of COVID-19, the remaining balance of the $51 million total provision previously accumulated by the Authority from fiscal 2013 through fiscal 2019 and originally earmarked to fund repair and maintenance expenses is currently providing much needed liquidity to help the Authority offset COVID-19-related operating losses. Additionally, the Authority received operating appropriations of $56.5 million from the State of Illinois during fiscal 2021 and raised $44.4 million of operating cash from the sale of its Series 2020D Bonds.

Based on the current three-year Financial Plan, MPEA estimates that it will need an additional $41 million over the next three years to maintain a sufficient unrestricted cash position. MPEA plans to bring the budget into balance and to reduce this cash need over the next few years by aggressively pursuing event opportunities for the convention center, the campus hotels and the arena while continuing to rationalize our cost structure. Additionally, to help address that anticipated need, the Authority is requesting $15 million from the State in fiscal 2022 to support operations in fiscal 2022 in the event MPEA is allowed to host events beginning in July 2021. Under a worst-case scenario where MPEA cannot host events until January 2022, MPEA estimates it will need $40 million to support fiscal 2022 operations.

The Authority is also requesting that the State of Illinois reinstate its incentive grant program on a short-term basis from fiscal 2022 through fiscal 2026. The Incentive Grant program will provide reimbursements to MPEA for incentives granted to organizations that agree to use MPEA facilities for conventions, tradeshows, and meetings and that meet certain requirements. The Authority expects incremental revenue and operating income benefits resulting from increased on campus service and rental revenues, hotel room nights, and banquets. The benefits of the Incentive Grant program will reach far beyond the halls of McCormick Place as the economic impact and jobs created in the State through increased visitation will far exceed the State's investment in incentive grant reimbursements.

As a result of COVID-19, the Authority expects Authority tax collections over the next three fiscal years to be considerably lower than its original forecast. The Authority estimates fiscal 2021 tax collections to be $47.7 million. Due to the dramatic nature of the decline in Authority taxes, MPEA estimates that it will have an unreimbursed draw on State sales taxes of $15.2 million at the end of fiscal 2021. The Authority is currently forecasting Authority tax collections of $89.0 million in fiscal 2022, $129.2 million in fiscal 2023, and $152.7 million in fiscal 2024. The Authority currently plans to execute a series of debt refinancings that will allow it to replenish the $30 million reserve and repay the State for its unreimbursed draw on state sales taxes over a three-year period. These refinancings can be completed because the State increased the Authority's annual maximum annual deposit limits during the Spring 2020 legislative session.

Debt Services
Fund

METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Debt Service Funds

Non-Operating Budget

For Fiscal Years 2022, 2023 and 2024

Metropolitan Pier and Exposition Authority
Debt Service Funds Budget
Expansion Project Bonds
Revenues and Expenditures
$ in 000's

	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Revenues			
Projected Authority Tax Collections			
Food & Beverage Tax	$32,808	$47,418	$54,951
Auto Rental Tax	24,146	33,159	35,132
Hotel Tax	29,441	44,430	58,375
Airport Departure Tax	2,497	4,118	4,118
Interest Earnings	150	150	150
Authority Tax Collections (incl. Interest)	**$89,042**	**$129,275**	**$152,726**
Capitalized Interest / Earned Interest	0	0	0
State Reduction Amount	31,700	31,700	31,700
Total Revenues	**$120,742**	**$160,975**	**$184,426**
Expenditures			
Principal and Sinking Fund Payments:			
Expansion Project Bonds, Series 1992A	$0	$0	$0
Expansion Project Bonds, Series 1994	6,020	1,585	1,585
Expansion Project Bonds, Series 1996A	69,605	69,605	69,605
Expansion Project Bonds, Series 1998	3,825	5,745	11,710
Expansion Project Bonds, Series 1999	0	0	0
Expansion Project Bonds, Series 2002	64,245	8,455	84,550
Expansion Project Bonds, Series 2004	0	0	0
Expansion Project Bonds, Series 2010	0	0	0
Expansion Project Bonds, Series 2012	95	53,790	0
Expansion Project Bonds, Series 2015	0	0	0
Expansion Project Bonds, Series 2017	0	0	0
Expansion Project Bonds, Series 2020A	0	0	0
Expansion Project Bonds, Series 2020BCD			
Total Principal and Sinking Fund Payments	**$143,790**	**$139,180**	**$167,450**
Interest Expense:			
Expansion Project Bonds, Series 1992A	$0	$0	$0
Expansion Project Bonds, Series 1994	0	0	0
Expansion Project Bonds, Series 1996A	0	0	0
Expansion Project Bonds, Series 1998	4,856	4,643	4,252
Expansion Project Bonds, Series 1999	0	0	0
Expansion Project Bonds, Series 2002	9,186	5,556	5,074
Expansion Project Bonds, Series 2004	0	0	0
Expansion Project Bonds, Series 2010	0	0	0
Expansion Project Bonds, Series 2012	33,317	32,390	30,625
Expansion Project Bonds, Series 2015	10,162	10,162	10,162
Expansion Project Bonds, Series 2017	12,421	12,421	12,421
Expansion Project Bonds, Series 2020A	39,725	39,725	39,725
Expansion Project Bonds, Series 2020BCD	7,183	7,183	7,183
Total Interest Expense Payments	**$116,850**	**$112,080**	**$109,442**
Total Debt Service before Refinancing	**$260,640**	**$251,260**	**$276,892**
less: Estimated Refinanced Debt Service	(147,581) [1]	(116,114) [1]	(89,569) [1]
Total Debt Service Payments	**$113,059**	**$135,146**	**$187,323**
Trustee Fees:			
Expansion Project Bonds Series 1994, Series 1996A, Series 1998, Series 2002, Series 2010, Series 2012, Series 2015, Series 2017, Series 2020A, and Series 2020BCD	50	50	50
Total Expenditures	**$113,109**	**$135,196**	**$187,373**
Net Revenues over (under) Expenditures	**$7,633**	**$25,779**	**($2,947)**

[1] Estimated Refinanced Debt Service represents debt service the Authority intends to refinance from FY22 to FY24 in anticipation of current debt service exceeding Authority Tax Collections.

Metropolitan Pier and Exposition Authority
Debt Service Funds Budget
Project Revenue Bonds
Annual Debt Service

	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Non-Operating Revenues			
Bond Proceeds - Capitalized Interest:			
Project Revenue Bonds, Series 2019A	$0	$0	$0
Funds Provided by Operations / Other Sources [1]	$2,451	$2,524	$2,598
Total Revenues	**$2,451**	**$2,524**	**$2,598**
Expenditures			
Principal and Sinking Fund Payments:			
Project Revenue Bonds, Series 2019A	$530	$630	$735
Total Principal and Sinking Fund Payments	**$530**	**$630**	**$735**
Interest Payments			
Project Revenue Bonds, Series 2019A	$1,917	$1,890	$1,859
Total Interest Payments	**$1,917**	**$1,890**	**$1,859**
Trustee Fees			
Project Revenue Bonds, Series 2019A	$4	$4	$4
Total Trustee Fees	**$4**	**$4**	**$4**
Total Expenditures	**$2,451**	**$2,524**	**$2,598**
Net Revenues over (under) Expenditures	-	-	-

[1] **Debt service on the Project Revenue Bonds will be included in the Authority's operating budget. Energy, maintenance, and operating savings recognized during fiscal 2022, 2023, and 2024 are expected to equal the debt service on the Project Revenue Bonds.**

DEBT SERVICE FUNDS FINANCIAL PLAN ASSUMPTIONS

NON-OPERATING REVENUES

Authority Taxes collected by the State of Illinois and City of Chicago – Metropolitan Pier and Exposition Authority – McCormick Place Expansion Project Bond Fund

Authority tax revenues collected by the State of Illinois and City of Chicago represents forecasted transfers to the McCormick Place Expansion Project Fund. Authority tax revenues are derived from taxes levied by MPEA and consist of the Restaurant Tax, the Hotel Tax, the Car Rental Tax, the Airport Departure Tax and, tax surplus, if any, from the Illinois Sports Facilities Authority. These MPEA taxes and funds are used for payment of debt service and maintenance of reserve funds on the bonds. The taxes are collected and administered by the Illinois Department of Revenue, except for the Airport Departure Tax which is collected by the City of Chicago. After collection, the taxes are paid to the State Treasurer, ex officio, as Trustee for the Authority for deposit into the Authority Tax Fund. Dedicated state sales taxes up to the maximum annual deposit amount are required to be deposited into the Expansion Project Fund each month in an amount equal to 1/8th of the annual debt service on the bonds to cover deficiencies, if any, in the collection of Authority Taxes.

The debt service and trustee fees for the MPEA Expansion Project Bonds are expected to be $113.1 million, $135.2 million, and $187.4 million in fiscal years 2022, 2023, and 2024, respectively, after the Authority completes its anticipated debt service refinancings from fiscal 2022 through fiscal 2024. As a result of COVID-19, the Authority estimates fiscal 2021 tax collections to be $47.7 million, which despite the significant refinancing discussed in the paragraph below, is expected to deplete the $30 million Reserve Balance in the Authority Tax Fund and cause an unreimbursed draw on State sales taxes in the estimated amount of $15.2 million. Over the next three fiscal years, the Authority intends to complete a series of refinancings using its increased maximum state sales tax deposit limits to fully replenish the Reserve Balance to $30 million and to repay the unreimbursed draw on State sales taxes. Following the replenishment of the $30 million Reserve Balance in the Authority Tax Fund, 100% of surplus revenues must be used to repay the State for outstanding draws on State sales taxes until all post-2010 deficiency amounts are repaid.

On September 17, 2020, the Authority issued its Series 2020BCD Expansion Project Bonds. Collectively, the Authority used the proceeds of the Series 2020BC Bonds to refinance an estimated $118.4 million of fiscal 2021 debt service to reduce the total unreimbursed draw on State sales taxes. The amount of debt that was refinanced was the maximum amount the Authority was legally allowed to refinance. The Series 2020D Bonds provided the Authority with approximately $44.4 million of cash to help the Authority pay operating expenses.

OTHER-NON- OPERATING REVENUES

Other non-operating revenue represents interest income on balances in the Authority's debt service funds that are forecasted to be available to service the debt payments on certain obligations of the Authority.

PROJECT REVENUE BONDS

On May 8, 2019, MPEA issued its Project Revenue Bonds, Series 2019A for a par amount of $36,865,000 as a direct placement. The Authority will use Project Revenue Bond proceeds to finance the replacement of nearly 67,000 light bulbs across the McCormick Place campus with LED lighting fixtures. The Project Revenue Bonds are secured by certain net operating revenues of the Authority including revenues equal to the estimated annual energy savings amount, net revenues of the Authority's Energy Center, and net revenues of the Authority's parking operations exclusive of hotel parking operations. No revenues pledged or used for debt service on the Expansion Project Bonds can be pledged or used to pay debt service on the Project Revenue Bonds. The Project Revenue Bonds will be repaid solely from operating revenues of the Authority.

The Authority is using bond proceeds to finance interest payments on the Project Revenue Bonds during fiscal 2021. During fiscal 2022, fiscal 2023, and fiscal 2024 debt service on the Project Revenue Bonds will be included in the Authority's operating budget. Annual energy, maintenance, and operating savings recognized during fiscal 2022, 2023, and 2024 are expected to equal annual debt service on the Project Revenue Bonds.

MPEA History

METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

History of the Metropolitan Pier and Exposition Authority

HISTORY OF THE AUTHORITY

1860 – Located in the center of the nation, bordered by Lake Michigan and the Mississippi and Ohio Rivers, Illinois has enjoyed a natural advantage as a convention and meeting site. Chicago stepped to the forefront as a convention location by building the historic Wigwam, then the largest indoor meeting place in America. In 1860, an estimated 30,000 visitors traveled to the city for the Republican National Convention that nominated Abraham Lincoln for President. In the following years, many conventions were held in Chicago at such facilities as the Interstate Industrial Exposition Building (also known as the Glass Palace), the Auditorium (now part of Roosevelt University), the Coliseum (where William Jennings Bryan delivered his *Cross of Gold speech*), the Chicago Stadium (former home of the Chicago Bulls and Blackhawks), the new United Center (which hosted the 1996 Democratic Convention), Chicago's Municipal Pier (now known as Navy Pier) and the Stockyards Amphitheater (host to more of the 19th century's political conventions than any other building in the country).

1900 – The relationship of Lake Michigan to the Chicago River long ago established Chicago as an important commercial center and as the gateway through the Illinois-Michigan canal corridor to the Mississippi River system. In the early 1900's, Mayor Fred Busse proposed enlarging Chicago's harbors and building municipal piers. This was followed in 1909 by Daniel Burnham's revered Master Plan of Chicago which envisioned five piers mixing recreation with freight and passenger ship docking facilities near the river's mouth.

1914 – Mayor Carter H. Harrison II oversaw construction of the 3,000-foot-long Outer Harbor Municipal Pier No. 2, now known as Navy Pier. When completed, it was the largest structure of its kind in the world and the only one designed to support both freight operations and public recreation.

1916 – Municipal Pier, as it was then known, opened. The Pier consisted of the Head House, twin double-decked freight and passenger buildings, a terminal and recreation facility that included a cafeteria, concession stands, an open pavilion, a 3,500-seat concert hall and two 165-foot-high observation towers. The Pier was connected to the rest of the City by the Grand Avenue streetcar. During World War I, the Pier was used by troops for war production, military training, and barracks.

1920 – The decades following the war constituted the Pier's "golden age" with heavy use by both freight and excursion boats, and as a location for concerts and fairs. In 1921 and 1922, Mayor William Thompson held Pageants of Progress (a small version of a World's Fair) which attracted more than a million visitors during 15 days of events and festivals. In 1926 alone, the Pier attracted 3.2 million visitors. It was also during this period that the Pier was renamed Navy Pier in honor of World War I Navy veterans.

1929 – The Stock Market Crash, the Great Depression and the increased use of the automobile resulted in the decline of freight and passenger ship activity. During the 1930's the Pier housed various New Deal agencies.

1933 – Chicago appeared to hit its peak in convention traffic when the colorful Century of Progress exposition was held, drawing 1,500 separate conventions and 1.5 million visitors. Not until McCormick Place opened almost 30 years later were those figures surpassed. Because of the success of the 1933-34 exposition, the City of Chicago tried to sell $20 million in bonds to finance a permanent exposition center.

Although unsuccessful, this attempt marked the beginning of an effort that would culminate in the building of McCormick Place.

1941 – During World War II, the Navy returned to Navy Pier, using it as a mechanics, pilots, and radio training school. 15,000 pilots are qualified, including a young airman named George H.W. Bush. After the war, the University of Illinois established a Chicago campus there (nicknamed "Harvard on the Rocks") to relieve the postwar overcrowding of the Urbana campus. The Pier adapted to the challenge and housed 21 laboratories, 52 classrooms, 4 large lecture halls and a cafeteria seating 1,100. The success of the venture would lead to the establishment in 1965 of the permanent University of Illinois Chicago campus on Halsted.

1948 – The Association of American Railroads sponsored an exposition and fair at Burnham Park and 23rd Street, the site of the current McCormick Place convention complex. Successful, they held another one the following year. Col. Robert R. McCormick, owner of the Chicago Tribune, recognized the positive impact of the two fairs and took the lead in organizing a third. Unlike the first two, this fair was not a success due to bad weather and the deteriorating condition of the buildings. In order to continue the fair as an annual event, the buildings needed to be replaced. Given the rise of airplane travel (that now lessened the importance of Illinois' geographic location), a building was needed that would set a new standard for the emerging exposition industry.

1950 – During the 1950's Navy Pier was used as an exhibition center until McCormick Place opened in 1960. Large trade shows, 12 to 16 each year, were accommodated.

1951 – With Col. McCormick's leadership, the State imposed a 1 percent horse racing tax to finance industrial, scientific, educational, and cultural fairs and expositions and created the Chicago Park Fair non-profit corporation. After deciding that a permanent exhibition hall was needed, the State endorsed the construction of a facility in Burnham Park. Also, that year, with Col. McCormick's support, the project concept changed from holding an annual summer fair to attracting conventions and trade shows.

1955 – The State approved construction of a hall containing 360,000 square feet of exhibition space financed through revenue bonds. The State also created a unit of government known as the Metropolitan Fair and Exposition Authority, forerunner to the current Authority, to operate the facility.

1958 – Bonds were issued in the amount of $41.8 million. Construction started the following year on McCormick Place, named in honor of Col. McCormick who died in 1955.

1959 – Shipping returned to Navy Pier with the completion of the St. Lawrence Seaway making Navy Pier a world port, and in the 1960's improvements to the Pier were completed including the expansion of the south dock. In 1964, the Pier served 259 foreign vessels. However, much of the trade was eventually lost to Calumet Harbor as it became accessible to deep-draft ocean-going vessels. The Pier’s use declined further when the University of Illinois moved from the Pier.

1960 – McCormick Place was completed and operated as the home of many of America's major trade shows. In its first years of operation, McCormick Place would equal, then exceed, the previous attendance set by the Century of Progress exposition and would pump millions of dollars into the Illinois economy. In the tradition of the Wigwam one hundred years earlier, McCormick Place became regarded as the finest exposition center in the world. With 33 million cubic feet, it was almost as large as the Empire State Building. The building contained a main exhibit area of 320,000 square feet, 23 meeting rooms, a 5,000-seat theater, an art gallery, and an excellent view of Lake Michigan.

1967 – Tragedy struck when McCormick Place was destroyed by fire. But, later that year, the State provided a direct appropriation of $15 million from the Agriculture Premium Fund and created a long-term bonding mechanism to finance reconstruction of the facility. The Metropolitan Fair and Exposition Reconstruction Fund was created to receive horse racing and cigarette tax revenue which would become available in 1971 when the State's Service Recognition Bonds were retired. The bonds were sold in 1967. Navy Pier once again became an exhibition center following the McCormick Place fire.

1971 – The new McCormick Place opened. It was larger than the first and included five theaters, 20 meeting rooms, and seven restaurants. A 10,500-ton roof spanning 18 acres covered its 522,000 square feet of exhibition space. The building was designed to overcome shortcomings of the original structure by increasing the ceiling height, adding more utility outlets, reducing roof support pillars for increased visibility, providing a floor capable of holding 400 pounds per square foot and adding meeting rooms. Customers flocked back with 51 expositions held in the first year of operation versus the previous high of 38.

1976 – For a brief time Navy Pier came alive again with festivals, Bicentennial celebrations, and the world's largest musical festival, ChicagoFest. In addition, during this time, the Pier was named a Chicago Landmark by the City Council. However, following the last ChicagoFest in 1982, the Pier was little used except for small events and festivals.

1977 – Bonds for McCormick Place were retired, and the horse racing tax proceeds were shifted to retire bonds issued to construct downstate civic centers. The cigarette tax proceeds were shifted back to the State's General Revenue Fund with the exception of $4.8 million that flowed into the Reconstruction Fund. This money was initially used by the Authority to finance the conversion of the nearby R.R. Donnelley Building into an exposition hall and later provided for the growing corporate expenses of the Authority. The Donnelley Building, then known as McCormick Place West, provided over 300,000 square feet of additional exhibit space and meeting rooms needed to accommodate growing demand.

1980 – The original McCormick Place (East Building) was modified by converting the open entrance Mall into additional exhibit space.

1984 – In an effort to keep pace with the demands of the market, the State approved construction of an expansion across Lake Shore Drive from the East Building. The North Building expansion was funded by $252 million in dedicated state tax revenue bonds supported by an increase in the hotel tax. In 1985, an additional $60 million of bonds were issued, backed by the State's sales tax, to complete the facility. In 1986, the building was fully operational adding over 510,000 square feet of exhibit space and much needed meeting room space.

1989 – In July 1989, the Metropolitan Fair and Exposition Authority was renamed the Metropolitan Pier and Exposition Authority, and Navy Pier was placed under its control. A thirteen-member board was appointed by the Governor and Mayor and the Governor appointed the Authority’s first Chief Executive Officer. The State appropriated $150 million from the Build Illinois Bond Fund to renovate and develop the Pier along with funding from the McCormick Place expansion project.

1990 – The Authority began work on Navy Pier to stabilize the landmark and reverse years of deterioration. The Authority completely gutted the interior of the Head House and restored the exterior of the building to its original glory. The freight sheds that extended nearly the entire length of the Pier were in dangerous disrepair and were demolished (as rehabilitating and adapting the sheds for reuse was found to cost more than the total amount of the state grant). The Pier was given new sewer, water, natural gas, electrical and telephone utility systems. A new 50-foot north dock wall was constructed allowing pedestrian and bicycle traffic around the entire perimeter of the Pier for the first time.

The stabilization project cost approximately $60 million and set the stage for the second half of the project, returning the Pier to its position as a public recreation center. The Authority set objectives for the space to address a public calling for pedestrian promenades, open spaces, cultural areas, enclosed atriums and gardens, an exhibition hall, meeting facilities, shops, restaurants, cruise and charter boat docking and limited automobile parking on the Pier. The guidelines were designed to make the Pier an enjoyable place for Chicagoans and visitors, as well as to generate sufficient income to defray operational and maintenance costs.

1991 – A $987 million expansion project designed to keep McCormick Place a cut above competitive cities were approved by the Illinois General Assembly. The expansion added the new McCormick Place South exhibition building containing 840,000 square feet of first-class exhibit space and 170,000 square feet of new meeting facilities. A spectacular glass-enclosed Grand Concourse was added which serves as the unifying force of the complex, spanning the 23rd street overpass and connecting the Lakeside Center with the North and the new South building. In the North Building, 188,000 square feet of crate-storage space was converted to fully functioning exhibition space to serve the increasing needs of events. These improvements allow McCormick Place to continue as the dominant player in the trade show market.

1992 – The Authority broke ground at Navy Pier. The Headlands area between Lake Shore Drive and the Pier was developed into a fully landscaped park complementing the City's lakefront park system and providing visitors a dramatic entrance to the Pier. Anchored by the Chicago Children's Museum, the Family Pavilion includes an IMAX theater, a food court, restaurants and approximately 40,000 square feet of retail shops representing a wide variety of interests. Beyond the museum and shops is the Crystal Gardens – a 32,000 square-foot indoor park and botanical attraction. The largest indoor garden in Chicago, the Crystal Gardens provides a year-round center for activity. Situated east of the Pavilion Building, is a large open landscaped plaza with fountains, a carousel, a 150-foot Ferris Wheel, a flying swing ride, a miniature golf course and an outdoor theater – Skyline Stage. A glass walkway provides enclosed access to the entire length of the Pier and houses cart and kiosk vendors.

Festival Hall is an exposition facility incorporating approximately 170,000 square feet of divisible floor space, along with 60,000 square feet of meeting rooms. It is a premier location for exhibitions, receptions, public events, and meetings of various kinds. Along the south edge of the Festival Hall are restaurants that feature a panoramic view of the City skyline and the Pier's cruise ships. In addition to the new structures, the four historic East End Buildings (Terminal, Shelter, Recreation and Ballroom) were further renovated for use independently or in conjunction with other Pier facilities. They provide stunning views of Chicago and are popular for receptions and other functions. The jewel is the magnificent 25,000 square-foot Ballroom, a rotunda crowned by an 80-foot domed ceiling and rimmed by a balcony overlooking a brilliant terrazzo floor and performance stage.

1993 – In January, the Metropolitan Pier and Exposition Authority issued bonds with a face value of $868,849,764 for the McCormick Place Expansion Project. These bonds also funded a rehabilitation of the existing East and North Buildings and the re-routing of the northbound lanes of Lake Shore Drive to the west of Soldier Field.

1994 – In June, the Authority issued new bonds with a face value of $67,549,191 and refunding bonds totaling $129,458,793. This bond issuance was used to fund new retrofit projects for McCormick Place's East and North Buildings, capital projects in the surrounding community and additional buildings and improvements at Navy Pier.

1996 – The South Building expansion opens almost three months ahead of schedule and within budget. The new South Building along with the Grand Concourse now put McCormick Place back to where it once was, at the defining center of the industry. MPEA issued Hospitality Facilities Revenue Bonds with a face value of $127,420,000 for the purpose of constructing an 800-room hotel with 600 parking spaces. The Hotel, located immediately north of the new entrance to the South Building, opened in June 1998. These bonds were refunded in fiscal 2000.

1998 – McCormick Place East reopens as the Lakeside Center. Renovations include new lighting, carpeting, ceilings, and wall finishes which give the building's lobbies, hallways, and meeting rooms a bright, open appearance. In addition, additional meeting rooms were constructed, and existing meeting rooms became more flexible with new, movable walls. The Lakeside Center improvements include increased visitor services, improved restaurant facilities, a new ballroom, a renovated Arie Crown Theater, and a dividable exhibition floor. In June, the Authority unveils the $107 million 33-story Hyatt Regency® McCormick Place hotel. With 800-guest rooms and a 600-car parking garage, the Hotel provides needed hotel accommodations and amenities for convention center exhibitors and attendees. In August, the Authority issued new expansion bonds with a face value of $100,000,000 and refunding bonds totaling $100,140,000. The proceeds are to be used to build a six-level parking garage and Conference Center with additional meeting room space, a corporate office building across the street from the Hotel and to fund construction of a dedicated bus lane from McCormick Place to Randolph Street.

1999 – The Authority begins construction of a Conference Center that will add up to 25 additional meeting rooms to McCormick Place's inventory. The meeting rooms supplement the small amount of meeting space on the west side of the complex. In addition, the Conference Center works as a separate unit from McCormick Place as meeting rooms for the Hyatt Hotel. The Authority also begins construction of the enclosed parking garage and Corporate office building adjacent to the Conference Center facility. In September, the Authority issued new bonds with a face value of $267,665,000 and refunding bonds totaling $176,005,000. The proceeds repaid a bank loan, refunded the Hotel revenue bonds and funded capital improvements such as the Lakeside Garage reconstruction, upgrades to the Garage/Bus Lane Project.

2001 – In May, the General Assembly authorized an expansion of McCormick Place. The expansion bonds are financed by the taxes and fees enacted in 1992 on auto rentals, hotel/motel rooms, restaurant meals in a special district and a ground transportation fee from O'Hare and Midway. The $1.2 billion McCormick Place West expansion will provide 470,000 square feet of additional exhibition space and 250,000 square feet of meeting space.

2002 – In July 2002, bonds were issued to finance the McCormick Place West Expansion project. The Authority issued new bonds with a face value of $802,009,000 and refunding bonds totaling $285,719,000. The proceeds defeased bonds totaling $196,214,000. The remaining proceeds were used to fund the McCormick Place West expansion. The project also included various utility and infrastructure projects. Convention and trade show attendees benefit from a first-of-its-kind bus lane that allows charter buses to bypass traffic and cut the travel time from downtown hotels to McCormick Place in half. This new dedicated bus lane complements the METRA train station in the South Building and provides visitors with easier access to McCormick Place. In addition, the Lakeside Center parking garage is completely renovated.

2004 – Ground was broken for the McCormick Place West expansion in Spring 2004. The Authority continued to stay at the forefront of technology by investing in a state-of-the-art network to provide the highest quality Internet services to exhibit and trade show managers.

2005 – The McCormick Place West Expansion Project carried out the successful relocation of the architecturally significant Platt Building façade to the corner of Cermak Road and Martin Luther King, Jr. Drive. The historic Beaux-arts style building was designed by the famous architect Howard Van Doren Shaw and its relocation represents one of the first major milestones for the expansion project.

As part of the West Expansion project, in October 2005, the MPEA purchased the Trigen-Peoples Energy Plant. Renamed the MPEA Energy Center, the facility is located on the McCormick Place campus adjacent to the Hyatt Regency McCormick Place Hotel. The purchase allows integration of this facility into the Authority's heating and cooling infrastructure and enables the Authority to achieve operating efficiencies and cost savings for years to come.

2006 – McCormick Place enjoyed a record-setting year with 65 shows, many of which set their own attendance milestones, with an estimated direct economic impact of $3.4 billion for the local economy. In order to better meet the needs of customers, the Authority established the Labor Management Council to explore further improvements, changes to outdated work rules and cost savings for exhibitors. The MPEA also negotiated new five-year labor agreements with several union partners, including the Riggers and Decorators, which resulted in more savings and work rule flexibility for customers on our show floors.

The Hyatt Regency McCormick Place Hotel received the Four Diamond rating given annually by AAA, one of the most prestigious classifications in the lodging industry. AAA Tourism editors determine the rating based upon established industry standards. It represents a combination of overall quality, the range of services and amenities offered, and the level of hospitality and the attention to detail.

2007 - The new McCormick Place West Building opened in August – on budget and nearly eight months ahead of schedule. The construction of the West Building continued a pattern of expansion at McCormick Place that has enabled it to remain among the leaders in the industry.

2008 – A new landmark contract between major trade show contractors and the Chicago & Northeast Illinois District Council of Carpenters helped to further reduce costs for McCormick Place exhibitors.

2009 – In an effort to be more responsive to the concerns of our customers, MPEA revamped its resident workforce of electricians, eliminating 100 positions and keeping only those committed to providing the best and most economical service to our customers.

2010 – In the midst of a severe economic downturn and following the loss of two major trade shows to competitors, MPEA acted to aggressively streamline its operations and cut costs. MPEA instituted an early retirement program and made an overall 20% reduction in its full-time workforce, initiated 14 furlough and unpaid holidays for salaried staff at all pay levels, froze all staff salaries for the two years, and implemented a defined contribution plan for new employees starting after July 1, 2009.

2011 – Following passage of the 2010 legislation, the Authority dramatically lowered the cost of food and utility services for conventions, expanded exhibitor rights, opened the delivery of electrical services to outside contractors and hired a private manager for the convention complex. MPEA also restructured its debt, eliminating draws on the State sales tax backup and raising $200 million of new capital to expand its hotel.

2012 – SMG assumed effective management of the day to day operations of the McCormick Place convention center on July 1, 2011. Navy Pier, Inc. assumed responsibility for the operation of Navy Pier on July 1, 2011. Effective October 1, 2011, the Authority awarded a contract to SAVOR as the food service provider for the McCormick Place complex. In July 2011, the Authority awarded a design/build contract for the construction of the second hotel tower and for the renovation of the existing tower.

2013 – The Authority anticipates completion of the renovation of the existing hotel tower in April 2013 and construction of the second hotel tower by June 2013. The additional revenue generated by the new tower will provide the financial support necessary to allow the Authority to accomplish the final financial mandate of the 2010 Legislation, achieving a balanced budget by fiscal 2015 without support from surplus Authority Taxes. Additionally, in July 2012, MPEA completed an $855 million restructuring of its outstanding debt, that raised $125 million of new capital which will be used to improve and maintain the Authority's facilities.

2014 – The new tower of the McCormick Place Hyatt Hotel opened in June 2013, accomplishing the increased revenues and operating income that was anticipated in the prior year's budget. Additionally, the Authority revised the Hotel's management agreement to incorporate the additional tower and to provide incentives to Hyatt for meeting established new business objectives.

2015 – The Authority approved a design-build agreement for a 1,206-room hotel and 10,000-seat Event Center. The hotel has a project and financing budget of $453 million and will be connected by sky-bridge to MPEA's West building. MPEA arranged $403 million of interim construction financing with Citibank. The Event Center will be jointly developed by MPEA and DePaul University. MPEA and DePaul will each contribute half of the estimated $164 million of the cost of construction. The Event Center, which will be the home of DePaul's men's and women's basketball games, will be owned and operated by MPEA. In addition to DePaul Basketball, MPEA will book concerts and other events in the venue. Both projects are scheduled for completion in the fall of 2017.

2016 – The Authority hosted a groundbreaking ceremony for the new hotel in July 2015. The new hotel will be branded a Marriott Marquis Chicago Hotel and will be operated by Marriott Corporation. This will be the only Marriott Marquis branded hotel in the Metropolitan Chicago area. In September 2015, MPEA issued the remaining $153 million of authorized Expansion Project bonds and reduced the size of the Citibank interim construction loan from $403 million to $250 million. These funds will be used to finance the construction of the new Marriott Marquis Chicago Hotel.

In November 2015, the Authority held a groundbreaking ceremony for the McCormick Place Event Center. This venue will serve as home court for DePaul University's men's and women's basketball programs. The availability of a 10,000-seat facility will allow MPEA to fill unmet needs of current convention business, as well as allow MPEA to compete for new types of events that presently do not consider locating at McCormick Place, including concerts, convocations and, amateur and exhibition sporting events with audiences of 5,000 to 10,000 attendees.

2017 - In February 2017 MPEA released an economic study conducted by the University of Illinois at Chicago that examined the economic impact of the McCormick Place convention facilities (Lakeside Center, North, South, and West buildings) and associated McCormick Square campus operations.

The report indicated that the McCormick Square campus will generate more than $9.4 billion dollars in cumulative economic impact in operations and construction between 2014 and 2018. Annual campus operations currently generate $1.659 billion in economic impact and $123 million in state and local tax revenue. Operations in fiscal 2018 -- once the new Marriott Marquis Chicago Hotel and Wintrust Arena are open -- are projected to deliver $1.726 billion in economic impact and more than $131 million in state and local tax revenue.

Additionally, the UIC Study found that nearly 15,000 state and local jobs are due to convention campus activities and for every two jobs directly supported on the McCormick Square campus, another job is created in Illinois.

2018 - The 1,205-room Marriott Marquis Chicago Hotel opened September 10, 2017 and the 10,387-seat Wintrust Arena (event center) officially opened October 14, 2017. Both projects opened on time and on budget.

2019 – Events and attendance far exceeded expectations during calendar year 2018 for the McCormick Square campus. With exceptional performance across the board, McCormick Place held 25 meetings or conventions that broke records for attendance, exhibitors, or exhibition space as well as new sports in the Wintrust Arena, including the first ever boxing event “Worlds Collide” and Intel Extreme Masters, a 3-day eSports tournament.

In all, the campus hosted more than 272 events, a 31% increase since last year, attracting 2,941,087 visitors. As the shows hosted at McCormick Place continue to grow, MPEA is fortunate to have the capacity to provide the resources needed for successful shows and to welcome visitors from Chicago and beyond to the McCormick Square neighborhood. The Authority continues to pursue additional public-private partnerships and on-campus revenue generating opportunities.

2020 – MPEA continued to realize strong campus attendance through the end of calendar 2019. For calendar year 2019, 2,835,122 visitors attended 274 events on campus. This attendance number was only slightly below the record attendance of calendar 2018 even though two of McCormick Place’s largest bi-annual conventions did not occur during calendar 2019 due to their cyclical nature. While these two events were originally scheduled to return in calendar 2020, the 2020 events were both cancelled as a result of the COVID-19 pandemic.

COVID-19 had an unprecedented impact on the McCormick Square campus. After hosting a number of successful events from January through early March, including the activities surrounding the NBA All-Star game, AWS AKO 2020 (Amazon), C2E2, and the Chicago Dental Society Midwinter Meeting, events and meetings ground to a halt in March. The first announced cancellation was the International Home Show, followed within days by several others. The last event hosted at McCormick Place was Pittcon, held March 3, 2020 to March 6, 2020, which had 9,000 attendees.

McCormick Place continues to push the boundaries for sustainability with the installation of Grind2Energy which helps commercial facilities convert food waste intro renewable energy, allowing the campus to divert nearly 100% of the consumer food waste. Additionally, in September 2019, work began on a $36 million-dollar, three-year investment to retrofit the lights in McCormick Place and the parking lots with energy efficient LEDs. The switch to LED lights will save energy, reduce maintenance costs from new fixtures, and improve lighting.

2021 – As a result of the COVID-19 pandemic, MPEA does not expect to host any events on campus for during fiscal 2021. The Authority spent considerable time during fiscal 2021 creating policies and procedures that will allow events and attendees to return safely to the City of Chicago and to McCormick Place. The McCormick Square campus received GBAC Star accreditation, the gold standard for the industry, which was awarded to MPEA after an extensive review of its campus safety plan. Additionally, the Authority funded development of Healthy Meetings Chicago, an interactive digital experience providing visitors with a virtual snapshot of what to expect when they visit Chicago for future events. . The Authority also bolstered its internet and social media sales and marketing efforts by launching its own website for the McCormick Place Collection.

MPEA utilized its trade labor to perform much needed campus maintenance projects, including remodeling the food pods on the South Building show floor, remodeling bathrooms in the South Building, repaving Moe and Mines Drives, repairing and protecting expansion joints in the North and South Building, cleaning and re-painting walls and beams on the show floor, and cleaning and repainting loading docks and loading ramps. These projects have improved the look and feel of the campus for events upon their return. The Authority also resurfaced the outdoor area located off of the South Building show floor, which is frequently used by attendees during the warmer months of the year.