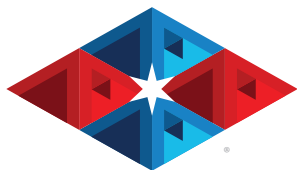




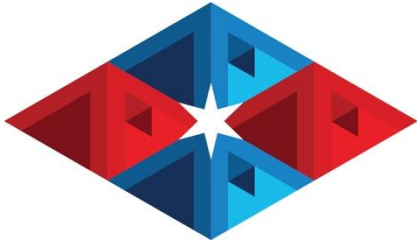
METROPOLITAN PIER AND EXPOSITION AUTHORITY

FINANCIAL PLAN

FISCAL 2023 | 2024 | 2025



McCORMICK
SQUARE • PLACE • MPEA



METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Financial Plan

For Fiscal Years 2023, 2024 and 2025

Adopted by the Board of Directors

April 2022

Metropolitan Pier and Exposition Authority
Corporate Center • 301 East Cermak Road • Chicago, IL 60616
Telephone (312) 791-7000 • Fax (312) 624-8168

April 26, 2022

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 2023 through 2025 as adopted by our Board of Directors on April 26, 2022. 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 2023, 2024, and 2025. 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 MPEA.

MPEA is excited to be back to its business of driving economic impact to the State of Illinois. MPEA reopened to meetings, events, and conventions in July 2021. Through March 31, 2022, MPEA has hosted 135 events, with estimated attendance of 1.02 million, generating an estimated economic impact of \$568 million. This has allowed MPEA to bring more than 2,200 people back to work, not including the contractors who work on our campus but are not employees of the Authority.

For the three-year period, this Financial Plan forecasts combined operating revenue of \$926 million, combined operating income of \$200,000 before depreciation and debt service on Project Revenue Bonds, and combined operating loss of \$7.6 million before depreciation. Following the relaxation of mitigations caused by the Omicron variant, MPEA's business is accelerating quickly. As a result, MPEA plans to improve on this budgeted performance over the next three years by aggressively pursuing event opportunities for its businesses while continuing to rationalize its cost structure. The FY23-25 operating budget assumes event activity for the first half of FY23 will perform at 75% compared to FY19 increasing to 90% during the second half of the fiscal year. For FY24, MPEA assumes event activity will return to 100% of its original schedule. For FY25, MPEA anticipates a return to operating profitability.

Due to COVID-19, the Authority's tax revenues were insufficient to cover debt service in FY21 and the State had to provide \$10 million in sales taxes to cover the shortfall. For FY22, MPEA has collected sufficient Authority Taxes to ensure all FY22 debt service will be paid with Authority taxes so there will be no FY22 draw on State sales taxes. Furthermore, MPEA believes it is well-positioned to replenish a meaningful portion of the \$30 million reserve fund during FY22, which will position the Authority favorably to repay the State for the \$10 million unreimbursed draw on State sales taxes over the next three fiscal years. As required by statute, MPEA must replenish the reserve fund before repaying the State.

Relative to the Authority's Expansion Project Bonds, MPEA closed its \$811 million Series 2022A Expansion Project Refunding Bonds in March 2022. The Authority locked in an all-in rate of 3.09% over the 30-year life of the borrowing. Combined with the Series 2021A financing that closed earlier in the year, total present value savings for the financings were approximately \$135 million.

Looking ahead, the Authority has a very strong outlook with events scheduled through 2035, including 322 events scheduled between July 1, 2022 thru December 31, 2034 with an estimated economic impact of \$12.5 billion. 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,



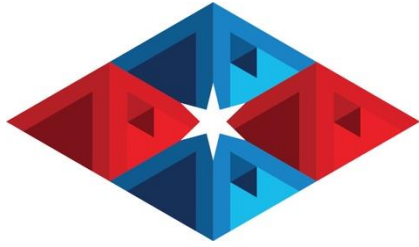
Larita Clark
Chief Executive Officer





TABLE OF CONTENTS

<u>Overview of the Metropolitan Pier and Exposition Authority</u>	1
<i>Operating funds</i>	
<u>MPEA Operating Budget</u>	8
Operating Budget	
Financial Plan Highlights	
<u>McCormick Place</u>	14
Operating Budget	
Financial Plan Assumptions	
<u>Hyatt Regency McCormick Place Hotel</u>	19
Operating Budget	
Financial Plan Assumptions	
<u>Marriott Marquis Chicago Hotel</u>	24
Operating Budget	
Financial Plan Assumptions	
<u>Entertainment Division</u>	28
Operating Budget	
Financial Plan Assumptions	
<u>Energy Center</u>	32
Operating Budget	
Financial Plan Assumptions	
<u>Corporate Center</u>	35
Operating Budget	
Financial Plan Assumptions	
<i>Cash flow</i>	
<u>MPEA Cash Flow Forecast</u>	39
Operating Cash, Tax Collections, Debt Service and Surplus Taxes	
Cash Flow Forecast Assumptions	
<i>Debt service funds</i>	
<u>Debt Service Funds</u>	43
Debt Service Funds Financial Plan Assumptions	
MPEA Expansion Project Bonds	
<i>Other</i>	
<u>History of the Metropolitan Pier and Exposition Authority</u>	48



METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Overview

For Fiscal Years 2023, 2024 and 2025



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



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.

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 and until interrupted by the COVID-19 pandemic, 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. As we re-emerge post-pandemic, MPEA anticipates that this cross-subsidy will return as demonstrated



by our return to operating surpluses in our operating budget beginning in fiscal 2025.

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 the 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 completed construction of a 10,387-seat event center in partnership with DePaul University. 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. It also serves as home court for the defending WNBA Champion Chicago Sky. 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. Wintrust Arena also marked the re-opening of the McCormick Place campus when it hosted the NBA Draft Combine in late-June 2021, a partnership the Authority is actively seeking to build upon.

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 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.

Recovering from COVID-19

On June 11, 2021, the State and City moved into Phase 5 of the Restore Illinois Plan, allowing all large-scale events, conventions, meetings, and seated spectator events to operate at full capacity. The move to Phase 5 allowed large scale operations to re-commence at McCormick Place. MPEA's first event following the re-opening of our facilities to large scale events was the NBA Scouting Combine held at the Wintrust Arena in late June. In early July, MPEA hosted its first events at McCormick Place in nearly 16 months with the Nike National Basketball Invitational and Advertising Specialty Institute (ASI) Show. In mid-July, McCormick Place re-opened to the broader public by hosting the Special Edition of the Chicago Auto Show.

Since then, through March 31, 2022, MPEA has welcomed 135 events to campus. These events have brought 1,019,274 visitors to the McCormick Place campus, generating approximately 350,000 room nights for Chicago hotels, and generating more than \$568 million in economic impact. Perhaps most importantly, we've been able to bring more than 2,200 people back to work, not including the contractors who work on our campus but are not employees of the Authority. Approximately 50% of these employees are full-time.

As expected, MPEA's legacy events that have occurred on campus since re-opening have had lower attendance than prior years. However, MPEA still saw that even with these very complex challenges, on average, events were at about 62% of their originally forecasted attendance. Even as our nation has re-opened, one reason for the reduced attendance was the international travel bans that remain in place both by the U.S. government and by foreign governments that are deterring people from travel. Additionally, two massive COVID-19 surges caused by the Delta and Omicron variants saw the resumption of the risk mitigations, such as mask mandates and even vaccine requirements for indoor dining.

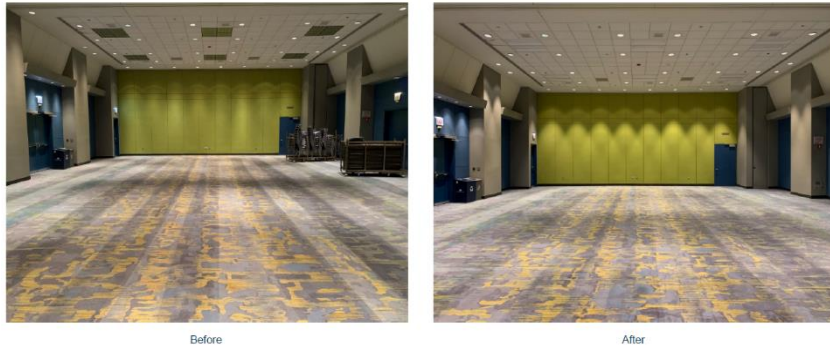
None of these could prevent people from their desire to congregate in person to exchange ideas and to conduct business. The feedback from event organizers, attendees, and exhibitors has been very positive and if anything, the time apart made people realize that conducting business in person is still superior to other mediums. During the events held to date at McCormick Place, exhibitors have reported that even though the number of attendees was down, those who attended were more focused on conducting business. MPEA's sales and management teams know from conversations with clients that people are excited to return to in-person events. We firmly believe the McCormick Place campus is on a path to thrive in a post-COVID economy.

Preparing McCormick Square to operate during and after COVID-19

The health and safety of our employees and clients will always be a top priority for MPEA. Throughout the COVID-19 crisis, MPEA executive staff worked closely with public health officials and followed all guidance regarding meetings and events. MPEA is actively implementing and updating our practices in accordance with federal, state, and local government recommendations. Even as the Authority re-opens from COVID-19, the Authority is continuing to listen to its customers regarding their preferences for hosting safe events at McCormick Place while ensuring that all current public health guidelines are followed. MPEA also implemented a vaccination policy for campus employees and worked closely with our more than twenty labor partners to roll the policy out successfully.

The McCormick Square campus achieved [GBAC STAR accreditation](#) during 2020, the gold standard for the industry, which was awarded after an extensive review of its [campus safety plan](#). MPEA plans to maintain its accreditation for all campus facilities.

To support the health and safety efforts, MPEA funded development of [Healthy Meetings Chicago](#). Launched in January 2021 by Choose Chicago with an update completed in January 2022, 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.



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 to drive incremental income to the Authority

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.

Impact of COVID-19

COVID-19 had an unprecedented impact on the McCormick Square campus. After hosting several successful events from January through early March 2020, 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 2020 when Governor Pritzker issued a stay-at-home executive



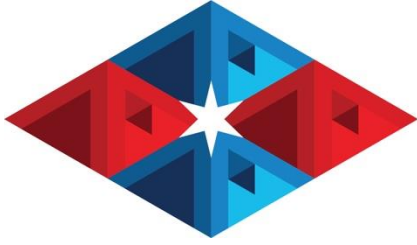
order. The first announced cancellation was the International Home Show, followed within days by several others. The last event hosted at McCormick Place was Pittcon, held March 3 – March 6, 2020, which had 9,000 attendees. In total, through March 31, 2022, lost events represented \$3.13 billion in lost economic impact for the city and state and \$239.5 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 during 2020.

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. 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 did not work on the McCormick Place campus for over a year from March 2020 to June 2021.

McCormick Place reopened in June 2021.

A strong and vibrant convention and tourism industry will 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. We have engaged all stakeholders to re-open our campus safely and responsibly. The Authority remains confident in its ability to resume its position as an important economic engine for the state, city, and local economy.

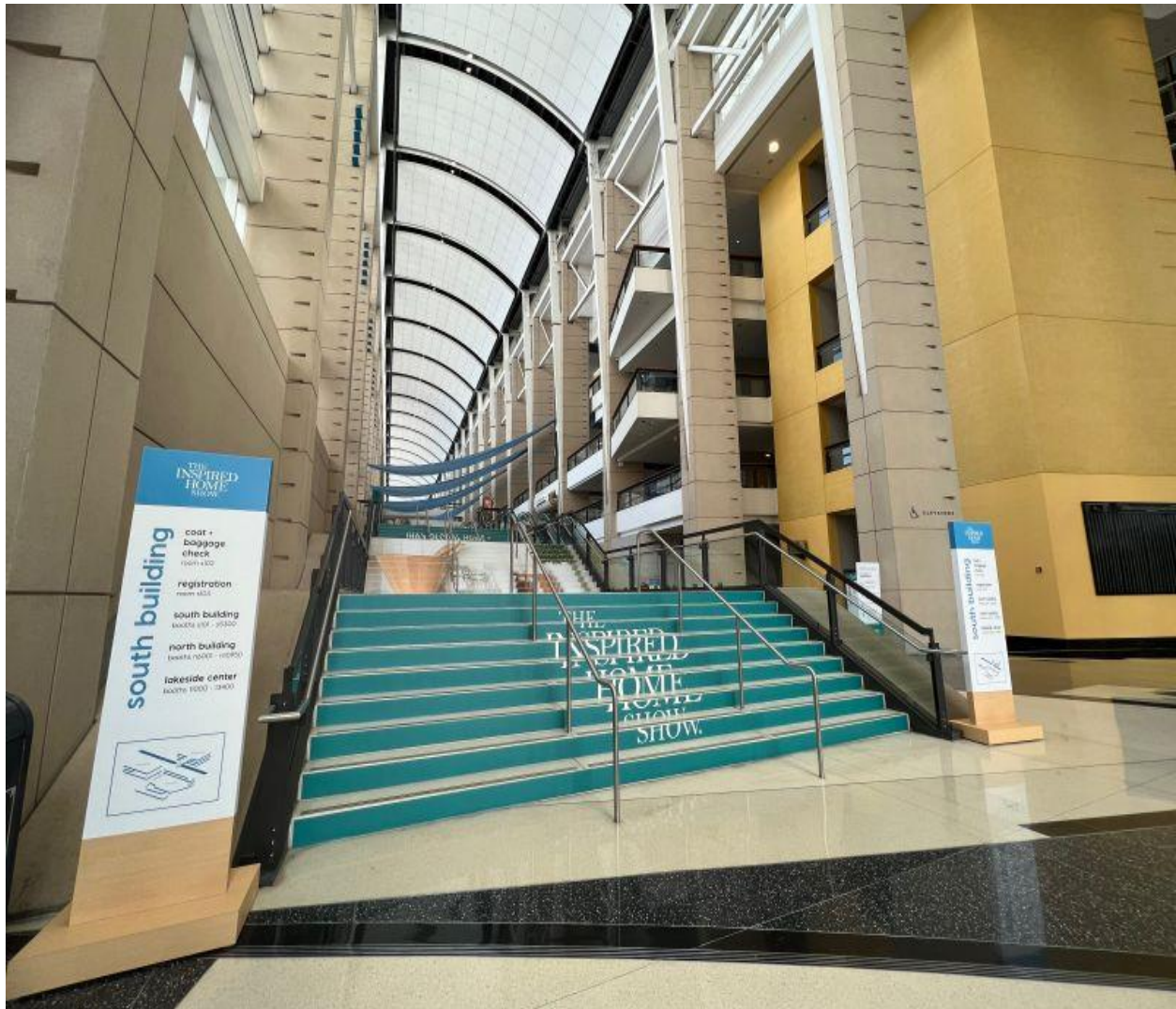


METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

MPEA Operating Budget

For Fiscal Years 2023, 2024 and 2025





**Metropolitan Pier and Exposition Authority
Fiscal Years 2023 - 2025 Operating Budget**

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	PROJECTED Fiscal Year 2022	FY 2023-2025 Budget		
								Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
<u>McCormick Place</u>										
Revenue	59,186,505	66,751,651	54,746,268	100,081,425	80,214,127	3,286,018	49,712,745	94,256,531	107,916,048	115,313,782
Expense	(85,764,896)	(94,262,520)	(97,968,470)	(151,526,458)	(129,358,232)	(57,397,551)	(103,033,342)	(142,565,796)	(147,285,475)	(153,714,503)
Operating Loss	(26,578,391)	(27,510,869)	(43,222,202)	(51,445,033)	(49,144,106)	(54,111,533)	(53,320,597)	(48,309,265)	(39,369,427)	(38,400,721)
<u>Hvatt Hotel</u>										
Revenue	88,245,363	95,949,683	94,448,276	93,748,770	59,926,835	6,070,822	51,948,290	72,249,417	76,705,473	90,930,268
Expense	(61,152,650)	(64,366,112)	(65,360,767)	(67,043,452)	(48,435,287)	(15,648,814)	(40,346,860)	(53,769,659)	(58,161,721)	(66,461,755)
Operating Income	27,092,713	31,583,572	29,087,509	26,705,318	11,491,548	(9,577,992)	11,601,430	18,479,758	18,543,752	24,468,513
<u>Marriott Hotel</u>										
Revenue	-	-	62,165,051	98,765,121	64,909,451	3,662,210	48,487,097	80,478,765	87,361,192	110,407,920
Expense	-	-	(45,676,390)	(71,851,665)	(55,439,428)	(12,429,646)	(41,049,444)	(62,947,048)	(69,575,807)	(81,535,212)
Operating Income	-	-	16,488,661	26,913,456	9,470,023	(8,767,436)	7,437,653	17,531,717	17,785,385	28,872,708
<u>Wintrust Arena/Arie Crown</u>										
Revenue	-	-	9,822,075	11,924,084	11,917,766	1,416,104	11,133,791	13,738,664	16,744,893	15,725,388
Expense	-	-	(10,048,913)	(12,488,599)	(12,315,498)	(2,990,713)	(11,600,256)	(14,167,160)	(16,994,054)	(15,904,850)
Operating Income/(Loss)	-	-	(226,838)	(564,515)	(397,732)	(1,574,609)	(466,465)	(428,496)	(249,161)	(179,462)
<u>Energy Center</u>										
Revenue	7,613,402	8,560,205	8,253,043	9,108,145	8,182,886	9,454,577	12,232,910	12,797,028	13,133,187	13,432,150
Expense	(1,582,659)	(2,377,829)	(1,529,074)	(1,017,567)	(519,271)	(2,451,207)	(1,782,502)	(2,055,899)	(2,356,414)	(1,720,823)
Operating Income	6,030,743	6,182,376	6,723,969	8,090,578	7,663,615	7,003,370	10,450,408	10,741,129	10,776,773	11,711,327
<u>Corporate Center</u>										
Revenue	367,145	467,285	845,517	2,172,457	1,781,160	403,614	330,475	1,346,281	1,529,918	1,506,540
Expense	(6,639,582)	(8,401,819)	(8,690,593)	(11,016,177)	(10,693,393)	(6,345,820)	(10,530,978)	(11,745,350)	(12,014,343)	(12,400,104)
Operating Loss	(6,272,437)	(7,934,533)	(7,845,075)	(8,843,720)	(8,912,233)	(5,942,205)	(10,200,503)	(10,399,069)	(10,484,425)	(10,893,564)
<u>Total Combined</u>										
Revenue	155,412,415	171,728,824	230,280,231	315,800,002	226,932,224	24,293,345	173,845,308	274,866,686	303,390,711	347,316,048
Expense	(155,139,787)	(169,408,279)	(229,274,208)	(314,943,918)	(256,761,109)	(97,263,751)	(208,343,382)	(287,250,912)	(306,387,814)	(331,737,247)
Operating Income (Loss)	272,628	2,320,545	1,006,023	856,085	(29,828,885)	(72,970,405)	(34,498,074)	(12,384,226)	(2,997,103)	15,578,801
Memo: Tax Surplus	20,000,000	-	-	-	-	-	-	-	-	-
Memo: State of Illinois Appropriations	-	-	-	-	-	56,464,696	15,000,000	-	-	-
Memo: Expansion Project Bond Proceeds	-	-	-	-	-	16,550,000	27,891,884	-	-	-
Memo: Debt Service	-	-	-	-	-	-	(2,446,750)	(2,520,250)	(2,593,750)	(2,672,000)
Income (Loss) After Surplus	20,272,628	2,320,545	1,006,023	856,085	(29,828,885)	44,291	5,947,060	(14,904,476)	(5,590,853)	12,906,801
										(7,588,528)

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

FINANCIAL PLAN HIGHLIGHTS

The Economy – Despite the challenges of an unpredictable pandemic, tight labor market, inflation, and supply-chain disruptions, the U.S. economy appears strong. Much of this outlook hinges on the path of the COVID-19 virus and its propensity to disrupt business activity, but as expected, the Omicron variant peaked and led to a rapid drop in cases, allowing rules used to limit the spread of COVID-19 during the height of the Omicron variant to be relaxed.

GDP growth during the fourth quarter of 2021 stood at 7%, while annual growth for 2021 was measured at 5.5%. GDP growth during the first quarter of 2022 may be muted due to the Omicron variant, but GDP is expected to rise 4% during 2022 before moderating to approximately 2% per year during 2023 and 2024.

While employment has yet to reach pre-pandemic levels, the economy added an average of 500,000 new jobs per month during 2021 and the U.S. unemployment rate stood at approximately 4% in December, just a half-percent higher than pre-pandemic levels. While employment has not returned to pre-pandemic levels, job openings remain high which is putting upward pressure on wages.

Supply chain-issues are continuing to affect retailers and goods producers as businesses nationwide continue reporting supply delays. It's likely that these supply issues won't be resolved until later in 2022 or perhaps even into 2023. Supply chain issues coupled with higher business costs have contributed to higher inflation rates. In response to inflationary pressures, the Federal Reserve has indicated that they intend to increase the Fed Funds rate multiple times in the near future to combat inflation.

The hospitality and on-site entertainment industries continue their recovery from the COVID-19 pandemic. Most predictions regarding the recovery of the hospitality sector estimates that a recovery to pre-COVID-19 levels will not occur for two to three years. While it is impossible to estimate the full impact of the pandemic, for the purposes of this Financial Plan, the Authority assumes reduced event activity for McCormick Place through fiscal 2023 resulting from either reduced attendance or less events. MPEA continues to assume event business will mostly return to pre-COVID-19 levels beginning in fiscal 2024.

MPEA Combined – The combined MPEA operating budget includes projections for the McCormick Place, Hyatt Regency McCormick Place, Marriott Marquis Chicago Hotel, Wintrust Arena and Arie Crown Theater, the Energy Center, and MPEA Corporate Center. MPEA's Financial Plan forecasts combined operating revenue of \$274.9 million and a combined operating loss of \$14.9 million for fiscal 2023, following debt service and before depreciation. Before debt service on outstanding revenue bonds, the forecasted combined operating loss for fiscal 2023 is \$12.4 million. For the three-year Financial Plan period, the forecasted combined operating income before debt service and depreciation is \$197,000. The combined operating loss after required debt service on outstanding revenue bonds is \$7.6 million.

These operating results stem from the impact of the COVID-19 pandemic on near-term convention center and hotel revenues. To scale operations to pre-pandemic levels, MPEA plans to continue aggressively pursuing event opportunities for the convention center, the campus hotels, and the arena while continuing to rationalize our cost structure to reflect the existing level of business. As the current budget suggests, MPEA believes it will again be an operationally self-sufficient organization by fiscal 2025.

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 \$126.1 million.

McCormick Place financial results reflect:

- ◆ The expectations of cancelled events and reduced attendance: For the first half of fiscal 2023, MPEA estimates that McCormick Place will hold 75% of its pre-COVID-19 event schedule increasing to 90% enduring the second half of fiscal 2023. 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 96% of fiscal 2019 operating revenues. For fiscal 2025, combined operating revenues are expected to exceed fiscal 2019 operating revenues by \$31.5 million.
- ◆ 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 FY23-25 financial plan includes incentive reimbursements of \$2.2 million, \$10.6 million, and \$10.8 million in fiscal 2023, fiscal 2024, and fiscal 2025, respectively. As part of P.A. 102-16, the Illinois General Assembly passed legislation 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 3,000 for fiscal 2023 and 2024 or 5,000 people after fiscal 2024. For the event to receive incentive grants, the MPEA Chief Executive Officer 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 and fiscal 2025. The fiscal 2023 through 2025 budget does not include provisions to fund repair and maintenance expenses. MPEA anticipates it will be able to reinstate these provisions in future budget cycles.

Hyatt Regency McCormick Place Hotel – The Hyatt Regency McCormick Place is expected to generate operating revenue of \$239.9 million and operating income, before depreciation, of \$61.5 million over the three-year period. The Hyatt Regency McCormick Place 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 \$278.2 million and operating income of \$64.2 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 completed construction of a 10,387-seat event center in partnership with DePaul University. 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.

The combined Wintrust Arena and Arie Crown Theater budgets are projected to produce operating loss of \$857,000 over the three-year budget period. Aside from its stand-alone operating results, events held at Wintrust Arena and Arie Crown Theater positively impact the operating results of the Authority’s other business units through increased hotel bookings and increased convention center facility usage, the impact of which produces a positive financial result for the Authority.

Energy Center – The Energy Center supplies chilled water and steam for cooling and heating to outside customers, McCormick Place, the Hyatt Regency McCormick Place, the Marriott Marquis Chicago, 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 \$33.2 million over the three-year financial plan period.

Corporate Center – Corporate executive and administrative expenses total \$36.2 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 \$500,000 annually in fiscal year 2023 through 2025 for McCormick Collection sales and marketing initiatives and \$415,000 annually in fiscal year 2023 through 2025 to fund the Authority’s pension plan. Pension contribution estimates stem from historic actuarially determined contributions and is based upon an assumption that capital market asset values will expand at a moderate pace throughout the budget period. The retirement plan, which had a funded ratio of 107.2% at the end of fiscal 2021, 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 2023, 2024 and 2025

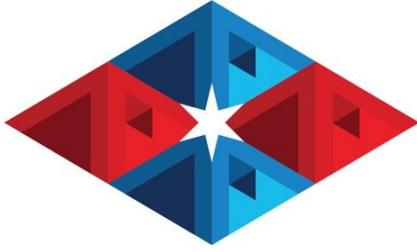
BASIS OF FINANCIAL PLAN PRESENTATION

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 continues to expect cancelled events and reduced attendance during fiscal 2023. For the first half of fiscal 2023, MPEA estimates that McCormick Place will hold 75% of its pre-COVID-19 event schedule increasing to 90% during the second half of fiscal 2023. 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 96% of fiscal 2019 operating revenues. For fiscal 2025, combined operating revenues are expected to exceed fiscal 2019 operating revenues by \$31.5 million.

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.



METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

McCormick Place

Operating Budget

For Fiscal Years 2023, 2024 and 2025





Metropolitan Pier and Exposition Authority
Fiscal Years 2023 - 2025 Operating Budget
 McCormick Place

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	PROJECTED	FY 2023-2025 Budget		
							Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Revenue										
Rent	30,585,729	34,209,748	17,920,927	20,472,395	11,457,617	1,070,630	11,196,524	19,229,121	27,910,599	31,028,976
Services	12,679,616	15,507,076	19,632,299	21,778,666	14,003,680	74,580	12,545,008	20,554,371	22,141,781	23,239,688
Parking/Marshalling	8,723,440	9,740,032	9,137,752	10,805,873	6,425,553	263,108	6,437,656	8,215,528	8,719,520	10,422,457
Food & Beverage	715,606	698,108	957,322	40,235,105	42,086,116	5,486	15,910,024	41,632,496	44,222,121	45,184,846
Other Event Revenue	6,482,114	6,596,687	7,097,970	6,789,386	6,241,161	1,872,214	3,623,533	4,625,015	4,922,027	5,437,815
Total Revenue	59,186,505	66,751,651	54,746,268	100,081,425	80,214,127	3,286,018	49,712,745	94,256,531	107,916,048	115,313,782
Expense										
Rent	(9,706,030)	(10,469,995)	(12,955,662)	(12,527,481)	(8,511,110)	(66,181)	(7,647,883)	(9,638,242)	(9,975,888)	(10,973,388)
Services	(4,972,150)	(5,321,432)	(8,165,140)	(9,606,614)	(8,593,513)	(38,556)	(5,120,971)	(8,394,649)	(9,721,022)	(11,036,847)
Parking/Marshalling	(4,820,739)	(5,336,578)	(5,363,739)	(5,846,317)	(4,596,470)	(2,213,961)	(3,877,566)	(4,846,323)	(5,207,716)	(6,134,018)
Food & Beverage	-	-	-	(37,694,203)	(27,659,120)	(344,205)	(12,539,877)	(26,703,988)	(28,417,680)	(29,071,334)
Executive Department	(862,869)	(874,904)	(907,362)	(845,622)	(926,607)	(599,039)	(896,328)	(772,678)	(795,822)	(819,780)
Finance & Administration	(2,145,458)	(2,293,151)	(2,089,323)	(2,025,253)	(1,674,294)	(1,355,960)	(1,582,315)	(2,211,960)	(2,279,707)	(2,351,602)
Sales & Services	-	-	-	-	-	-	-	-	-	-
Sales	(2,689,033)	(2,920,998)	(2,848,972)	(3,027,433)	(3,110,682)	(2,807,955)	(3,159,920)	(3,469,852)	(3,524,645)	(3,673,209)
Event Management	(1,815,058)	(1,966,947)	(1,730,944)	(1,570,760)	(1,542,244)	(1,268,042)	(1,437,880)	(1,905,138)	(1,972,205)	(2,042,524)
Arie Crown Theater	-	-	(312,097)	(604,646)	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-	-	-
Event Operations	(3,374,967)	(4,379,386)	(4,171,078)	(3,637,321)	(4,130,441)	(2,382,752)	(3,207,428)	(5,764,111)	(5,855,320)	(6,044,625)
Facility Operations - SMG	(30,610,967)	(30,635,025)	(16,654,485)	(10,729,085)	(10,083,858)	(8,594,142)	(10,505,579)	(10,187,048)	(10,443,427)	(10,707,859)
Facility Operations - MPEA	-	-	(11,865,560)	(17,940,010)	(15,287,302)	(12,594,779)	(17,212,928)	(21,880,366)	(21,464,672)	(21,924,987)
Information Technology	(2,666,316)	(2,730,649)	(2,853,026)	(3,156,541)	(3,172,380)	(2,198,476)	(2,626,687)	(3,384,863)	(3,459,152)	(3,536,694)
Security	(6,227,262)	(6,902,346)	(7,547,219)	(8,363,120)	(7,959,163)	(5,711,517)	(8,333,738)	(10,684,245)	(10,882,946)	(10,939,346)
Insurance	(2,232,576)	(2,373,684)	(2,246,151)	(2,483,317)	(2,404,863)	(2,767,786)	(3,374,903)	(3,356,316)	(3,403,693)	(3,427,855)
Utilities	(12,315,493)	(13,040,456)	(14,551,847)	(16,669,346)	(14,657,742)	(9,536,132)	(12,385,004)	(15,237,248)	(15,016,918)	(15,927,247)
Food & Beverage	-	-	-	-	(13,848,903)	(4,012,319)	(8,646,284)	(13,820,872)	(14,557,518)	(14,792,022)
Repair & Maintenance	(90,758)	(4,000,000)	(3,000,000)	(13,000,000)	-	-	-	-	-	-
Miscellaneous	(1,235,220)	(1,016,969)	(705,867)	(1,799,388)	(1,199,541)	(905,749)	(478,051)	(307,897)	(307,144)	(311,116)
Total Expense	(85,764,896)	(94,262,520)	(97,968,470)	(151,526,458)	(129,358,232)	(57,397,551)	(103,033,342)	(142,565,796)	(147,285,475)	(153,714,503)
Operating Loss	(26,578,391)	(27,510,869)	(43,222,202)	(51,445,033)	(49,144,106)	(54,111,533)	(53,320,597)	(48,309,265)	(39,369,427)	(38,400,721)

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 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 2023, 2024 and 2025.

- 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. While the fiscal 2018 Budget Implementation Act eliminated the MPEA Incentive fund beginning July 1, 2017, the fiscal 2022 Budget Implementation Act reinstates the MPEA Incentive Fund program from fiscal 2022 through fiscal 2026.

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 represents commissions charged to outside contractors that utilize McCormick Place facilities and includes electrical services provided by in-house event operations staff for events held in meeting rooms.

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. 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 units), event advertising and meeting room equipment. Non-rental revenue for meeting rooms includes charges for equipment, equipment handling and other related services.

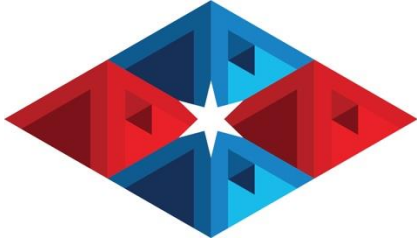
This category also includes projected revenue from retail operations such as Chicago Sports and Novelty, an Illinois partnership, and FedEx Office operating at the McCormick Place business center. Other revenues are derived from antenna license agreements, storage rental and ATM banking.

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 ASM Global. 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.



METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

Hyatt Regency McCormick Place Hotel

Operating Budget

For Fiscal Years 2023, 2024 and 2025



Metropolitan Pier and Exposition Authority
Fiscal Years 2023 - 2025 Operating Budget
Hyatt Regency McCormick Place Hotel

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	PROJECTED	FY 2023-2025 Budget		
	2016	2017	2018	2019	2020	2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Revenue										
Rooms	59,972,214	65,744,495	65,866,045	63,647,459	42,124,098	4,389,599	36,888,000	53,174,000	53,831,000	62,153,000
Food and Beverage	23,754,541	24,770,518	23,798,683	25,360,658	14,316,288	79,738	10,629,000	15,215,000	18,190,000	23,518,000
Telephone	128,670	169,986	116,968	124,691	18,144	3,431	21,000	30,000	34,000	38,000
Rentals/Other Income	1,763,059	2,544,896	2,236,102	2,243,378	1,928,723	1,035,909	2,474,000	1,802,000	1,952,000	2,434,000
Parking	2,626,879	2,719,788	2,430,478	2,372,584	1,539,582	562,145	1,936,290	2,028,417	2,698,473	2,787,268
Total Revenue	88,245,363	95,949,683	94,448,276	93,748,770	59,926,835	6,070,822	51,948,290	72,249,417	76,705,473	90,930,268
Direct Expense										
Rooms	(19,049,243)	(20,328,828)	(21,105,183)	(20,534,409)	(14,196,317)	(3,239,474)	(11,822,000)	(16,792,000)	(18,372,000)	(20,520,000)
Food and Beverage	(19,618,650)	(20,797,523)	(20,618,385)	(20,371,956)	(13,970,668)	(1,493,176)	(10,121,000)	(15,047,000)	(16,733,000)	(20,997,000)
Telephone	-	-	-	-	-	-	-	-	-	-
Parking	(1,583,033)	(1,652,952)	(1,694,506)	(1,615,559)	(1,485,900)	(726,445)	(1,273,860)	(1,347,659)	(1,845,721)	(1,912,755)
Total Direct Expense	(40,250,926)	(42,779,303)	(43,418,074)	(42,521,924)	(29,652,885)	(5,459,095)	(23,216,860)	(33,186,659)	(36,950,721)	(43,429,755)
Contribution Margin	47,994,437	53,170,381	51,030,202	51,226,847	30,273,950	611,727	28,731,430	39,062,758	39,754,752	47,500,513
Contribution Margin %	54.4%	55.4%	54.0%	54.6%	50.5%	10.1%	55.3%	54.1%	51.8%	52.2%
General & Admin Expense:										
Hotel Sales, Gen & Admin	(10,855,218)	(11,156,571)	(11,269,054)	(11,462,599)	(9,431,982)	(3,358,058)	(8,156,000)	(10,186,000)	(10,587,000)	(11,711,000)
Information Technology	(1,607,941)	(1,862,243)	(1,904,567)	(1,876,658)	(1,575,483)	(896,858)	(1,255,000)	(1,471,000)	(1,500,000)	(1,569,000)
Utilities	(2,066,491)	(1,841,878)	(1,900,612)	(1,905,435)	(1,648,585)	(1,525,182)	(1,764,000)	(1,780,000)	(1,834,000)	(1,999,000)
Maintenance & Operations	(3,820,114)	(3,449,723)	(3,593,088)	(3,683,037)	(3,412,056)	(1,644,319)	(3,121,000)	(3,929,000)	(3,958,000)	(4,302,000)
Capital Maintenance Reserve	-	-	-	(2,255,047)	-	-	-	-	-	-
Operating Insurance	(537,960)	(502,572)	(459,603)	(489,837)	(527,246)	(548,302)	(599,000)	(830,000)	(879,000)	(930,000)
Management Fees	(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)	(2,347,000)
Incentive Management Fees	-	-	(680,000)	(682,000)	-	-	-	-	-	-
Professional Fees	(210,000)	(210,000)	(216,637)	(197,595)	(157,050)	(132,000)	(87,000)	(174,000)	(174,000)	(174,000)
Total General & Admin	(20,901,724)	(21,586,809)	(21,942,693)	(24,521,529)	(18,782,402)	(10,189,719)	(17,130,000)	(20,583,000)	(21,211,000)	(23,032,000)
G & A as % of Sales	23.7%	22.5%	23.2%	26.2%	31.3%	167.8%	33.0%	28.5%	27.7%	25.3%
Total Expense	(61,152,650)	(64,366,112)	(65,360,767)	(67,043,452)	(48,435,287)	(15,648,814)	(40,346,860)	(53,769,659)	(58,161,721)	(66,461,755)
Operating Income	27,092,713	31,583,572	29,087,509	26,705,318	11,491,548	(9,577,992)	11,601,430	18,479,758	18,543,752	24,468,513



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 60-70% 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.

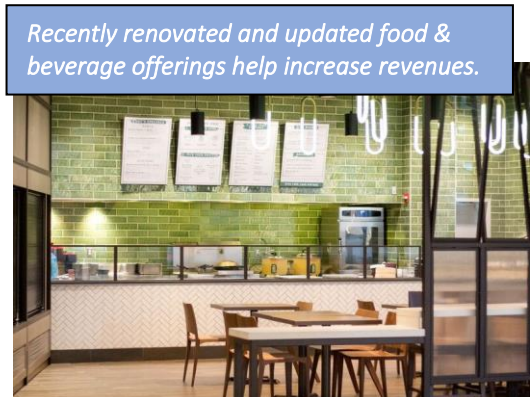
In June 2013, the Authority completed construction of a second hotel tower increasing the total guest room count to 1,258 available rooms. Additionally, the Authority completed the renovation of the existing tower in April 2013. The renovation included the upgrade of the existing 800 rooms to improve 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.



- ◆ 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 2023, 2024 and 2025:

- ◆ Overall, Hyatt hotel revenue is expected to increase significantly in fiscal 2023 as compared to fiscal 2022. This increase is due to the removal of COVID-19 mitigations due to the rollout of vaccines and boosters. The estimated revenue increase is due to increases in the occupancy rate as compared to fiscal 2022 as well as an increase in the average daily rate as compared to fiscal 2022. The average daily rate is estimated to increase 2.9% in fiscal 2023 as compared to fiscal 2022 based on the continued recovery. Occupancy rates for fiscal 2024 are projected to increase as compared to fiscal 2023 as we continue to return to pre-COVID-19 levels. Occupancy rates for fiscal 2025 are expected to continue increasing and only be slightly less than fiscal 2019 results. The average daily rate for fiscal 2024 is expected to grow slightly from fiscal 2023 as the Hyatt continues to recover matching fiscal 2019 and is expected to increase from fiscal 2024 to fiscal 2025 finally surpassing fiscal 2019 by almost 3%.
- ◆ 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 occupancy rate is now forecasted to be 38.6% in fiscal 2022 and 54.1% in fiscal 2023, as groups start to rebook and hold in-person meetings for the first time in two years. The occupancy rate is projected to remain flat in fiscal 2024 and increase to 60.8% in fiscal 2025. The Hyatt is experiencing a slower recovery as Chicago is a group heavy market and the group convention business is expected to be one of the final segments of the hotel industry to recover.
- ◆ 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 2023 average rate will increase 2.9% from fiscal 2022, and will continue to grow by 1.1% in fiscal 2024 as the hotel continues to recover. We expect average room rate to increase by 3.0% in fiscal 2025 as the city returns to pre-pandemic business levels.
- ◆ Conference Center meeting space of approximately 28,515 square feet allows for a variety of layouts and is divisible into 27 versatile meeting rooms, as well as 2 boardrooms. It also includes a 5,471 square-foot junior ballroom and foyer (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.

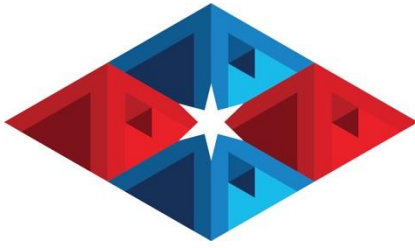


Recently renovated and updated food & beverage offerings help increase revenues.



- ◆ Food and Beverage revenues are projected to grow from fiscals 2023 through 2025 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 2022 is \$38 per parked vehicle. Parking rates in fiscal 2023, fiscal 2024, and fiscal 2025 are currently projected to remain constant.





METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Marriott Marquis Chicago Hotel

Operating Budget

For Fiscal Years 2023, 2024 and 2025





Metropolitan Pier and Exposition Authority
Fiscal Years 2023 - 2025 Operating Budget
Marriott Marquis Chicago Hotel

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	PROJECTED	FY 2023-2025 Budget		
							Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Revenue										
Rooms	-	-	37,923,649	58,666,580	37,458,607	795,556	33,096,000	47,938,000	51,130,000	63,637,000
Food and Beverage	-	-	22,969,344	36,448,803	24,476,639	583,436	12,733,000	29,463,000	32,783,000	43,183,000
Telephone	-	-	209,727	382,733	148,174	17,069	172,000	196,000	219,000	267,000
Rentals/Other Income	-	-	433,705	2,257,432	2,250,048	2,265,972	1,696,000	2,021,000	2,081,000	2,144,000
Parking	-	-	628,626	1,009,573	575,983	177	790,097	860,765	1,148,192	1,176,920
Total Revenue	-	-	62,165,051	98,765,121	64,909,451	3,662,210	48,487,097	80,478,765	87,361,192	110,407,920
Direct Expense										
Rooms	-	-	(10,375,115)	(15,814,441)	(11,535,757)	(1,049,788)	(9,404,000)	(14,420,000)	(16,598,000)	(19,419,000)
Food and Beverage	-	-	(15,373,749)	(23,558,037)	(18,894,069)	(1,772,817)	(11,189,000)	(21,091,000)	(23,232,000)	(28,238,000)
Telephone	-	-	-	-	-	-	-	-	-	-
Parking	-	-	(537,206)	(1,051,532)	(1,076,128)	(63,077)	(839,694)	(896,048)	(1,200,807)	(1,235,212)
Total Direct Expense	-	-	(26,286,070)	(40,424,010)	(31,505,954)	(2,885,682)	(21,432,694)	(36,407,048)	(41,030,807)	(48,892,212)
Contribution Margin	-	-	35,878,981	58,341,111	33,403,497	776,528	27,054,403	44,071,717	46,330,385	61,515,708
Contribution Margin %	-	-	57.7%	59.1%	51.5%	21.2%	55.8%	54.8%	53.0%	55.7%
General & Admin Expense:										
Hotel Sales, Gen & Admin	-	-	(10,386,508)	(14,953,396)	(13,806,532)	(4,667,076)	(10,593,000)	(14,314,000)	(15,659,000)	(18,080,000)
Information Technology	-	-	(2,254,059)	(2,579,983)	(1,956,440)	(684,825)	(1,638,000)	(1,924,000)	(2,091,000)	(2,524,000)
Utilities	-	-	(1,460,363)	(2,022,787)	(1,590,471)	(1,054,378)	(1,379,000)	(1,746,000)	(1,832,000)	(2,192,000)
Maintenance & Operations	-	-	(2,797,399)	(5,653,160)	(3,835,560)	(2,527,302)	(3,614,000)	(4,574,000)	(4,761,000)	(4,915,000)
Capital Maintenance Reserve	-	-	-	(2,541,644)	-	-	-	-	-	-
Replacement Reserve	-	-	(67,431)	-	(151,127)	(17,912)	(300,000)	(700,000)	(700,000)	(700,000)
Operating Insurance	-	-	(501,882)	(620,260)	(508,974)	(350,638)	(516,000)	(728,000)	(750,000)	(790,000)
Management Fees	-	-	(1,846,093)	(2,932,666)	(1,927,320)	(109,833)	(1,431,000)	(2,389,000)	(2,587,000)	(3,277,000)
Professional Fees	-	-	(76,585)	(123,760)	(157,050)	(132,000)	(145,750)	(165,000)	(165,000)	(165,000)
Total General & Admin	-	-	(19,390,320)	(31,427,655)	(23,933,474)	(9,543,964)	(19,616,750)	(26,540,000)	(28,545,000)	(32,643,000)
G & A as % of Sales	-	-	(9,003,812)	31.8%	36.9%	260.6%	40.5%	33.0%	32.7%	29.6%
Total Expense	-	-	(45,676,390)	(71,851,665)	(55,439,428)	(12,429,646)	(41,049,444)	(62,947,048)	(69,575,807)	(81,535,212)
Operating Income	-	-	16,488,661	26,913,456	9,470,023	(8,767,436)	7,437,653	17,531,717	17,785,385	28,872,708



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 50% 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 224,000 hotel nights have already been booked for the Marriott Marquis Chicago Hotel for fiscal years 2023 through 2025.

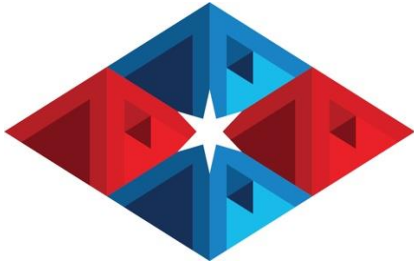


MARRIOTT

- ◆ 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 2023 through 2025:

- ◆ 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 2022, the occupancy rate is forecasted to be 31.6% due to COVID-19 pandemic which caused significant group cancellations. Assuming lifted restrictions and convention recovery plan for the City of Chicago, occupancy is expected to be 44.0%, 49.0% and 60.1% in fiscal years 2023, 2024 and 2025, 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 increase 2.6% in fiscal 2023, decrease 1.9% in fiscal 2024, and remain relatively flat in fiscal 2025.
- ◆ Food and Beverage revenues are projected at \$29.5 million in fiscal 2023 and projected to rise to \$32.8 million and \$43.2 million in fiscal 2024 and 2025, respectively. Both catering and restaurant revenues are expected to rise in conjunction with group and transient occupancy along with increased local market penetration.



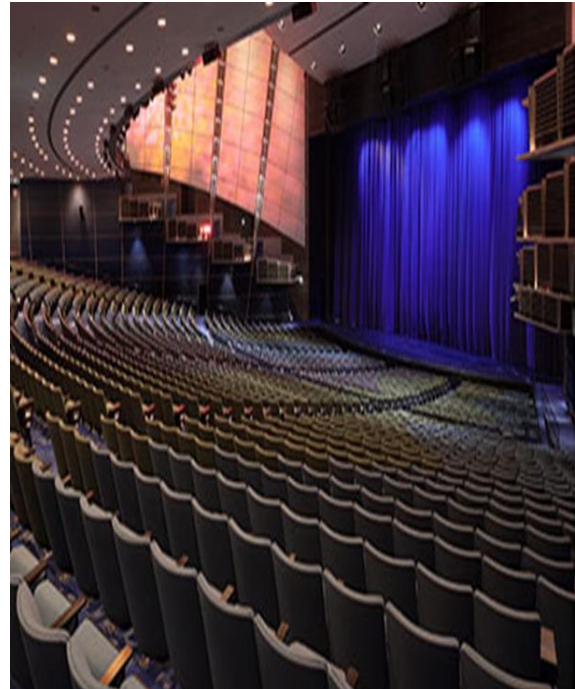
METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Entertainment Division

Operating Budget

For Fiscal Years 2023, 2024 and 2025



Metropolitan Pier and Exposition Authority
Fiscal Years 2023 - 2025 Operating Budget
 Entertainment Division

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	PROJECTED	FY 2023-2025 Budget		
							Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Revenue										
Rent	-	-	1,525,816	1,609,861	1,830,149	554,734	1,807,499	2,283,235	2,423,858	2,448,748
Services	-	-	66,215	150,141	132,362	64,535	85,138	92,465	216,643	104,843
Parking/Marshalling	-	-	774,409	862,217	910,874	41,980	1,487,111	1,232,275	1,263,477	1,261,710
Food & Beverage	-	-	3,700,521	3,847,474	3,604,118	111,321	2,414,407	4,044,521	5,319,336	5,520,341
Other Event Revenue	-	-	3,755,114	5,454,391	5,440,263	643,534	5,339,636	6,086,168	7,521,579	6,389,746
Total Revenue	-	-	9,822,075	11,924,084	11,917,766	1,416,104	11,133,791	13,738,664	16,744,893	15,725,388
Expense										
Rent	-	-	(3,425,278)	(4,927,740)	(4,299,633)	(386,708)	(4,417,189)	(4,677,277)	(6,016,194)	(4,902,145)
Services	-	-	(483,978)	(900,025)	(573,226)	(225,521)	(370,192)	(414,427)	(566,588)	(433,623)
Parking/Marshalling	-	-	(273,390)	(300,835)	(362,407)	(12,778)	(539,339)	(373,185)	(385,250)	(386,435)
Food & Beverage	-	-	(3,246,002)	(3,567,351)	(3,045,229)	(239,206)	(2,036,083)	(3,528,637)	(4,620,241)	(4,708,998)
Other Event/Op Expenses	-	-	(165,261)	(153,587)	(464,589)	-	(720,998)	(682,003)	(808,317)	(754,281)
General & Admin / Operations	-	-	(2,375,172)	(2,524,130)	(3,488,653)	(2,046,514)	(3,438,762)	(4,358,881)	(4,466,169)	(4,586,482)
Miscellaneous	-	-	(79,832)	(114,930)	(81,761)	(79,986)	(77,693)	(132,750)	(131,295)	(132,886)
Total Expense	-	-	(10,048,913)	(12,488,599)	(12,315,498)	(2,990,713)	(11,600,256)	(14,167,160)	(16,994,054)	(15,904,850)
Operating Income	-	-	(226,838)	(564,515)	(397,732)	(1,574,609)	(466,465)	(428,496)	(249,161)	(179,462)

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. During fiscal 2017, MPEA entered into an agreement with the reigning Women’s National Basketball (WNBA) Champion Chicago Sky, one of the twelve teams in the WNBA. 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. Since re-opening following the pandemic, the Arena hosted a variety of public and private events including the NBA Draft Combine, all Chicago Sky home playoff games including the championship clinching game, AEW Dynamite, Ateez, Patti LaBelle, and the McDonald’s High School All American Game. In addition to its stand-alone operating results, events held at the Arena 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 88 events in fiscal year 2023, and 89 events in fiscal year 2024 and 2025. The budget assumes that the anchor tenant, DePaul University, will hold 35 basketball games (19 men and 16 women games) and six graduation ceremonies spanning two days, annually. The budget assumes the reigning WNBA Chicago Sky will host 17 home games, as well as promotional events, at the Wintrust Arena. 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

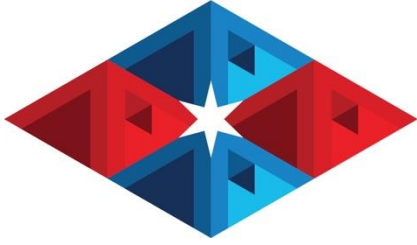


PRIVATE OPERATOR CONTRACT AWARD TO SMG

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 ASM Global. As provided in a private letter ruling from the IRS, the operating agreement provides incentives to ASM Global to improve on the operating results in the Financial Plan by growing revenues and reducing the deficit while maintaining overall customer satisfaction.



METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Energy Center

Operating Budget

For Fiscal Years 2023, 2024 and 2025



Metropolitan Pier and Exposition Authority
Fiscal Years 2023 - 2025 Operating Budget
Energy Center

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	PROJECTED	FY 2023-2025 Budget		
							Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Revenue	7,613,402	8,560,205	8,253,043	9,108,145	8,182,886	9,454,577	12,232,910	12,797,028	13,133,187	13,432,150
Expense										
Payroll & benefits	(1,985,528)	(1,904,374)	(1,852,540)	(1,849,899)	(1,838,534)	(1,553,142)	(1,887,380)	(1,793,329)	(1,828,035)	(1,889,424)
Energy Costs	(2,509,867)	(3,013,359)	(15,088,820)	(16,393,711)	(14,477,038)	(10,987,769)	(12,446,707)	(16,178,507)	(16,286,058)	(16,519,266)
General & Administrative	(986,832)	(1,329,118)	(833,003)	(908,760)	(505,306)	(847,116)	(1,229,720)	(1,547,555)	(1,550,422)	(1,551,322)
Total Expense	(5,482,227)	(6,246,852)	(17,774,363)	(19,152,370)	(16,820,877)	(13,388,027)	(15,563,807)	(19,519,391)	(19,664,515)	(19,960,012)
Internal Expense Alloc.	3,899,568	3,869,023	16,245,289	18,134,803	16,301,606	10,936,820	13,781,305	17,463,492	17,308,101	18,239,189
Net Expense	(1,582,659)	(2,377,829)	(1,529,074)	(1,017,567)	(519,271)	(2,451,207)	(1,782,502)	(2,055,899)	(2,356,414)	(1,720,823)
Operating Income	6,030,743	6,182,376	6,723,969	8,090,578	7,663,615	7,003,370	10,450,408	10,741,129	10,776,773	11,711,327



ENERGY CENTER FINANCIAL PLAN ASSUMPTIONS

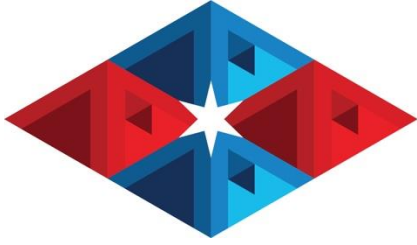
The Energy Center supplies chilled water and steam for cooling and heating to McCormick Place, including the Arie Crown Theater, the Hyatt Regency McCormick Place Hotel, the Marriott Marquis Chicago Hotel, the Wintrust Arena, the MPEA Corporate Center, and outside customers.

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.



METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Corporate Center

Operating Budget

For Fiscal Years 2023, 2024 and 2025





Metropolitan Pier and Exposition Authority
Fiscal Years 2023 - 2025 Operating Budget
 Corporate Center

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	PROJECTED	FY 2023-2025 Budget		
							Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Revenue										
Interest Income	121,936	253,978	575,227	1,886,382	1,532,330	72,167	98,823	1,126,321	1,301,851	1,277,756
Other Income	245,209	213,308	270,290	286,075	248,830	331,447	231,652	219,960	228,067	228,784
Total Revenues	367,145	467,285	845,517	2,172,457	1,781,160	403,614	330,475	1,346,281	1,529,918	1,506,540
Expense										
Chief Executive Office	(1,129,644)	(976,910)	(1,197,115)	(1,078,973)	(820,329)	(827,445)	(1,137,725)	(1,390,673)	(1,427,287)	(1,464,881)
Labor Relations	(313,198)	(323,400)	(337,974)	(381,015)	(376,447)	(386,151)	(389,666)	(429,590)	(454,645)	(468,771)
Internal Audit	(356,244)	(369,114)	(388,465)	(457,402)	(455,387)	(405,260)	(601,126)	(748,397)	(764,052)	(782,964)
IT	-	-	-	-	(184,999)	(438,397)	(427,291)	(571,800)	(576,800)	(638,300)
Corporate Marketing	(337,945)	(672,878)	(494,251)	(798,790)	(776,322)	(562,344)	(549,234)	(806,997)	(844,925)	(582,817)
	(2,137,031)	(2,342,301)	(2,417,804)	(2,716,179)	(2,613,484)	(2,619,597)	(3,105,042)	(3,947,457)	(4,067,709)	(3,937,733)
Finance	(1,498,425)	(1,374,309)	(1,562,586)	(1,742,121)	(1,584,963)	(1,480,955)	(1,693,298)	(1,888,403)	(1,940,313)	(1,993,457)
Risk Management	(724,339)	(665,402)	(624,873)	(630,490)	(632,897)	(1,042,091)	(1,146,354)	(1,261,643)	(1,261,664)	(1,261,685)
Human Resources	(157,425)	(273,829)	(306,551)	(325,765)	(358,814)	(333,937)	(371,045)	(395,465)	(405,230)	(415,223)
Corporate Campus Sales	-	-	-	(37,508)	(221,671)	(198,929)	(295,277)	(451,428)	(464,318)	(506,527)
	(2,380,189)	(2,313,540)	(2,494,010)	(2,735,884)	(2,798,344)	(3,055,912)	(3,505,974)	(3,996,939)	(4,071,525)	(4,176,892)
Legal	(1,235,789)	(1,495,870)	(1,138,096)	(1,300,730)	(1,022,389)	(834,959)	(1,072,959)	(1,229,011)	(1,255,483)	(1,282,800)
Procurement/Diversity	(387,792)	(347,708)	(419,638)	(438,962)	(457,752)	(371,323)	(459,593)	(489,328)	(493,275)	(614,314)
	(1,623,581)	(1,843,577)	(1,557,734)	(1,739,691)	(1,480,141)	(1,206,282)	(1,532,552)	(1,718,339)	(1,748,758)	(1,897,114)
Development	-	(199,469)	(199,735)	(1,131,113)	(994,303)	(845,060)	(744,547)	(238,687)	(244,435)	(250,324)
Safety & Security	(271,799)	(286,638)	(470,627)	(800,013)	(809,884)	(63,875)	(137,049)	(162,115)	(163,966)	(397,118)
Maintenance & Operations	(197,494)	(226,234)	(398,562)	(802,109)	(942,508)	(557,389)	(545,774)	(581,524)	(611,471)	(630,605)
Utilities	(205,756)	(222,933)	(226,074)	(238,688)	(211,171)	(54,933)	(66,876)	(47,167)	(50,691)	(51,798)
Housekeeping	(122,022)	(113,356)	(114,966)	(179,632)	(224,077)	(54,604)	(119,547)	(138,122)	(140,788)	(143,520)
Other Expenses	298,290	(853,770)	(811,082)	(672,866)	(619,482)	2,111,833	(773,617)	(915,000)	(915,000)	(915,000)
	(498,781)	(1,702,931)	(2,021,310)	(2,693,309)	(2,807,122)	1,381,032	(1,642,863)	(1,843,928)	(1,881,916)	(2,138,041)
Total Expense	(6,639,582)	(8,401,819)	(8,690,593)	(11,016,177)	(10,693,393)	(6,345,820)	(10,530,978)	(11,745,350)	(12,014,343)	(12,400,104)
Operating Loss	(6,272,437)	(7,934,533)	(7,845,075)	(8,843,720)	(8,912,233)	(5,942,205)	(10,200,503)	(10,399,069)	(10,484,425)	(10,893,564)



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 0.86% to 2.05% during the 3-year financial plan period. Revenues also include projected tenant revenue of \$219,960, \$228,067, and \$228,784, in fiscal years 2023, 2024, and 2025, respectively, reflecting an allocation of operating expenses to Corporate Center tenants.

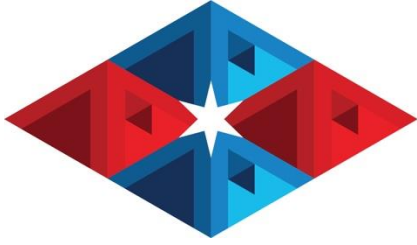
ADMINISTRATIVE EXPENSES

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 Senior Director of Campus Sales position to oversee and coordinate the sales efforts of all MPEA partners. 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, which had no impact on the combined budget. During fiscal year 2021, due to the COVID-19 pandemic, the Corporate Center undertook a contingency plan to reduce operating costs. During fiscal 2022, the budget included a Sales Manager to support the Senior Director of Campus Sales and a temporary Innovation Specialist position to identify strategies, business opportunities and new technologies for the Authority.

Starting in fiscal year 2023, as campus activities continue to ramp up, the Authority assumed salary increases and full retirement plan contributions for non-represented employees. Corporate expenses also include \$500,000, annually, for McCormick Collection sales and marketing initiatives and \$415,000 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 of June 30, 2021, the funded ratio of the Authority's pension plan is 107.2%.



	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
CEO Depts.	6	6.5	8	7	7	8.75	10	10	10	10
CFO Depts.	12	12	13	13	13	12.75	13.5	14	14	14
Information Systems	0	0	0	0	1	0	0	0	0	0
Legal	8	8	8	9	8	6	7	7	7	8
Development	0	1	2	6	5	4	2	1	1	1
Maintenance	0	0	0	4	5	3	3	3	3	3
TOTALS	26	27.5	31	39	39	34.5	35.5	35	35	36

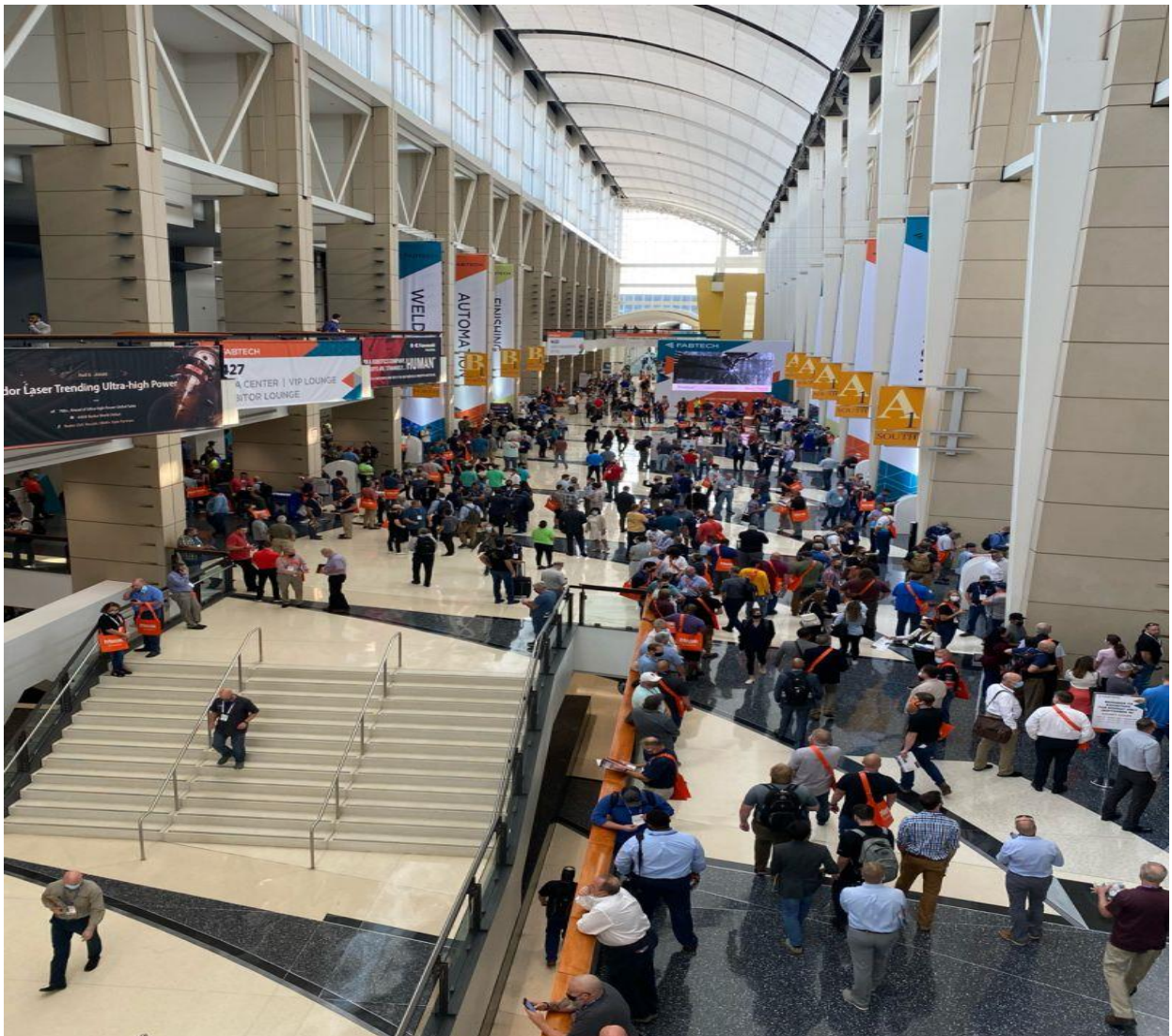


METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

MPEA Cash Flow Forecast

For Fiscal Years 2023, 2024 and 2025



MPEA Cash Flow Projection

	2020	2021	2022	2023	2024	2025
	(Actual)	(Actual)	(Estimate)	(Budget)	(Budget)	(Budget)
Operating Fund						
- McCormick Place	(49,144,106)	(54,111,533)	(53,320,597)	(48,309,265)	(39,369,427)	(38,400,721)
- Navy Pier	1	1	1	1	1	1
- Hyatt	11,491,548	(9,577,992)	11,601,430	18,479,758	18,543,752	24,468,513
- Marriott	9,470,023	(8,767,436)	7,437,653	17,531,717	17,785,385	28,872,708
- Wintrust Arena	(397,732)	(1,574,609)	(466,465)	(428,496)	(249,161)	(179,462)
- Energy Center	7,663,615	7,003,370	10,450,408	10,741,129	10,776,773	11,711,327
- Corporate Center	(8,912,233)	(5,942,205)	(10,200,503)	(10,399,069)	(10,484,425)	(10,893,564)
Subtotal Base Operating P&L	(29,828,884)	(72,970,404)	(34,498,073)	(12,384,225)	(2,997,102)	15,578,802
+ State of Illinois Appropriations	-	56,464,696	15,000,000	-	-	-
+ Expansion Project Bond Proceeds	-	16,550,000	27,891,884	-	-	-
- Project Revenue Bonds Debt Service	-	-	(2,446,750)	(2,520,250)	(2,593,750)	(2,672,000)
Operating Fund Balance	27,286,478	26,563,146	32,510,207	17,605,732	12,014,880	24,921,682
Repair & Maintenance Fund						
- Receipt of Surplus Tax payment	-	-	-	-	-	-
- Transfer to Project Funds	-	-	-	-	-	-
- Provision for Repair & Maintenance	-	-	-	-	-	-
- Repair & Maintenance Spending	(644,347)	-	(66,200)	-	-	-
Repair & Maintenance Fund Balance	33,890,679	33,890,679	33,824,479	33,824,479	33,824,479	33,824,479
Debt Service & Tax Collections						
- MPEA Tax Collections	154,404,643	47,587,874	113,313,000	144,000,000	162,700,000	170,400,000
- Change in Uncertified Tax Collections	(16,717,025)	5,093,580	-	-	-	-
- 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)	(189,920,234)	(95,085,484)	(113,058,610)	(167,680,934) ⁽¹⁾	(194,394,838) ⁽¹⁾	(202,095,000) ⁽¹⁾
- (Replenish) / Draw on Reserve Balance	20,532,616	734,380	(30,000,000) ⁽³⁾	-	-	-
- Repayment / (Draw) of State Sales Taxes	-	(9,969,650) ⁽²⁾	1,954,390 ⁽³⁾	8,015,260 ⁽³⁾	-	-
- Surplus Tax Payment	-	-	-	(3,806)	(5,162)	(5,000)
Cumulative Draw on Sales Tax	-	(9,969,650)	(8,015,260)	-	-	-

⁽¹⁾ In anticipation that tax collections will be less than debt service in FY23, FY24, and FY25, MPEA intends to refinance portions of its Expansion Project Bonds. The Authority will also refinance bonds to repay unreimbursed draws on State Sales Taxes that occurred during FY21 and to replenish the \$30 million reserve balance in the Authority Tax Fund.

⁽²⁾ The Authority exhausted the \$30 million reserve balance in the Authority Tax Fund during FY21 causing an unreimbursed draw on State Sales Taxes of \$9,969,650.

⁽³⁾ Based on current projections, the Authority believes it can fully replenish the \$30 million reserve balance during FY22 and repay the unreimbursed draw on State Sales Taxes during FY22 and 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.

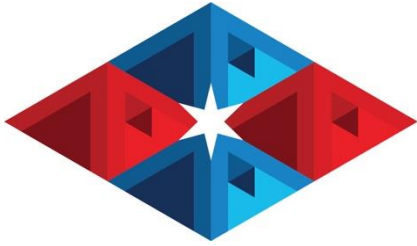
As a result of COVID-19, the remaining balance of the \$51 million total provision previously accumulated by the Authority from fiscal 2013 through fiscal 2019 and originally earmarked to fund repair and maintenance expenses is currently providing much needed liquidity to help the Authority recover from COVID-19. Additionally, the Authority received operating appropriations of \$56.5 million from the State of Illinois during fiscal 2021, \$15 million in operating appropriations during fiscal 2022, 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 has the liquidity it needs to return the Authority's operations to profitability. The Authority's goal is to accelerate this timeline by aggressively pursuing event opportunities for the convention center, the arena, and the campus hotels while continuing to rationalize our cost structure. MPEA views the incentive grant program provided by the State from fiscal 2023 through fiscal 2026 to be an important part of this strategy. The Incentive Grant program will provide reimbursements to MPEA for incentives granted to organizations that agree to use MPEA facilities for conventions, tradeshow, and meetings and that meet certain requirements. The Authority expects incremental revenue and operating income benefits resulting from increased on campus rental and service

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.

Over the next three years, MPEA anticipates a recovery in Authority tax revenues to pre-pandemic levels. After collecting only \$47.6 million in Authority taxes during fiscal 2021, MPEA estimates fiscal 2022 tax collections to be \$113.3 million. MPEA is currently forecasting Authority tax collections of \$144 million, \$162.7 million, and \$170.4 million in fiscal 2023, fiscal 2024, and fiscal 2025, respectively. For reference, MPEA collected \$158.5 million during fiscal 2019, the last full pre-pandemic fiscal year. During fiscal 2020, MPEA was forecasting Authority tax collections of \$166.9 million.

Due to the dramatic nature of the decline in Authority taxes, MPEA had an unreimbursed draw on State sales taxes of slightly less than \$10 million at the end of fiscal 2021. The Authority is planning 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, beginning with MPEA's Series 2021A and Series 2022A Bonds, which the Authority used to reduce fiscal 2022 debt service while refinancing other outstanding debt for savings. MPEA recognized \$135 million in present value debt service savings with these refinancings. These refinancings can be completed because the State increased the Authority's annual maximum annual deposit limits during the Spring 2020 legislative session.



METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Debt Service Funds

Non-Operating Budget

For Fiscal Years 2023, 2024 and 2025





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

	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2025</u>
Revenues			
Projected Authority Tax Collections			
Food & Beverage Tax	\$48,100	\$58,900	\$61,300
Auto Rental Tax	34,000	35,500	36,900
Hotel Tax	57,700	64,100	68,000
Airport Departure Tax	4,100	4,100	4,100
Interest Earnings	155	155	155
Authority Tax Collections (incl. Interest)	\$144,055	\$162,755	\$170,455
Capitalized Interest / Earned Interest	12,067	0	0
State Reduction Amount	31,700	31,700	31,700
Total Revenues	\$187,822	\$194,455	\$202,155
Expenditures			
Principal and Sinking Fund Payments:			
Expansion Project Bonds, Series 1994	1,585	1,585	1,585
Expansion Project Bonds, Series 1996A	69,605	69,605	69,610
Expansion Project Bonds, Series 1998	5,745	11,710	12,360
Expansion Project Bonds, Series 2002	8,455	61,645	54,600
Expansion Project Bonds, Series 2010	0	0	0
Expansion Project Bonds, Series 2012	37,000	0	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	0	0	0
Expansion Project Bonds, Series 2022A	0	23,950	20,830
Total Principal and Sinking Fund Payments	\$122,390	\$168,495	\$158,985
Interest Expense:			
Expansion Project Bonds, Series 1994	0	0	0
Expansion Project Bonds, Series 1996A	0	0	0
Expansion Project Bonds, Series 1998	4,643	4,252	3,600
Expansion Project Bonds, Series 2002	482	0	0
Expansion Project Bonds, Series 2010	0	0	0
Expansion Project Bonds, Series 2012	925	0	0
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
Expansion Project Bonds, Series 2022A	27,287	27,287	26,569
Total Interest Expense Payments	\$102,828	\$101,030	\$99,660
Total Debt Service before Refinancing	\$225,218	\$269,525	\$258,645
less: Estimated Refinanced Debt Service	(45,470) ⁽¹⁾	(75,130) ⁽¹⁾	(56,550) ⁽¹⁾
Total Debt Service Payments	\$179,748	\$194,395	\$202,095
Trustee Fees:			
Expansion Project Bonds Series 1994, Series 1996A, Series 1998, Series 2002, Series 2010, Series 2012, Series 2015, Series 2017, Series 2020A, Series 2020BCD, and Series 2022A	55	55	55
Total Expenditures	\$179,803	\$194,450	\$202,150
Net Revenues over (under) Expenditures	\$8,019	\$5	\$5

⁽¹⁾ Estimated Refinanced Debt Service represents debt service the Authority intends to refinance from FY23 to FY25 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

	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2025</u>
<u>1-Operating Revenues</u>			
<u>Bond Proceeds - Capitalized Interest:</u>			
Project Revenue Bonds, Series 2019A	\$0	\$0	\$0
Funds Provided by Operations / Other Sources ⁽¹⁾	\$2,524	\$2,598	\$2,676
Total Revenues	<u>\$2,524</u>	<u>\$2,598</u>	<u>\$2,676</u>
<u>Expenditures</u>			
<u>Principal and Sinking Fund Payments:</u>			
Project Revenue Bonds, Series 2019A	\$630	\$735	\$850
Total Principal and Sinking Fund Payments	<u>\$630</u>	<u>\$735</u>	<u>\$850</u>
<u>Interest Payments</u>			
Project Revenue Bonds, Series 2019A	\$1,890	\$1,859	\$1,822
Total Interest Payments	<u>\$1,890</u>	<u>\$1,859</u>	<u>\$1,822</u>
<u>Trustee Fees</u>			
Project Revenue Bonds, Series 2019A	\$4	\$4	\$4
Total Trustee Fees	<u>\$4</u>	<u>\$4</u>	<u>\$4</u>
Total Expenditures	<u>\$2,524</u>	<u>\$2,598</u>	<u>\$2,676</u>
Net Revenues over (under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>

⁽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 2023, 2024 and 2025 are expected to equal the debt service on the Project Revenue Bonds.



DEBT SERVICE FUNDS FINANCIAL PLAN ASSUMPTIONS

MPEA has two outstanding bond indentures. The Expansion Project Bond indenture is the primary financing mechanism MPEA used to build out its entire campus beginning with the South Building construction in the early 1990s. The Authority's Expansion Project Bonds are secured by first Authority Tax revenues and second by a claim of State Sales Tax deposits following the State's Build Illinois Bonds debt service up to a maximum amount annually. As of June 30, 2021, MPEA had \$4.4 billion of outstanding Expansion Project Bonds including amortized accretion on capital appreciation bonds.

MPEA also has one series of Project Revenue Bonds for a current par amount of \$36,865,000. 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, excluding hotel parking operations.

EXPANSION PROJECT BONDS

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

Non-Operating Revenues

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.

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.

Expansion Project Bond Debt Service, Reserve Fund, and Draws on State Sales Taxes

The debt service and trustee fees for the MPEA Expansion Project Bonds are expected to be \$179.8 million, \$194.5 million, and \$202.2 million in fiscal years 2023, 2024, and 2025, respectively, after the Authority completes its anticipated debt service refinancings from fiscal 2023 through fiscal 2025. As a result of COVID-19, fiscal 2021 Authority tax collections were \$47.6 million, which despite the significant refinancing discussed below, resulted in a depletion of the \$30 million Reserve Balance in the Authority Tax Fund and an unreimbursed draw on State sales taxes of just under \$10 million. 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 by the end of fiscal 2024. Following the replenishment of the \$30 million Reserve Balance in the Authority Tax Fund, 100% of surplus

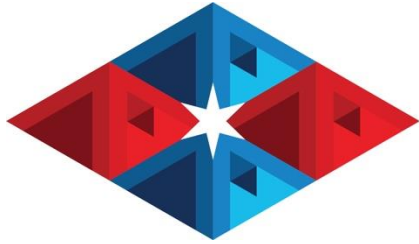
revenues must be used to repay the State for outstanding draws on State sales taxes until all post-2010 deficiency amounts are repaid.

As a first step in that process, during fiscal 2022, MPEA issued its Series 2021A and Series 2022A Bonds in July 2021 and March 2022, respectively. The Authority used the proceeds of its fiscal 2022 bond issuances to refinance an estimated \$147.6 million of fiscal 2022 debt service to align fiscal 2022 debt service with forecasted Authority tax collections and to refinance other outstanding debt for debt service savings. All in, MPEA realized nearly \$135 million in present value debt service savings through the combined refinancing.

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 used 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 used bond proceeds to finance interest payments on the Project Revenue Bonds through the end of fiscal 2021. Beginning in fiscal 2022, debt service on the Project Revenue Bonds were included in the Authority's operating budget. Annual energy, maintenance, and operating savings recognized during fiscal 2023, 2024, and 2025 are expected to equal annual debt service on the Project Revenue Bonds.



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 into 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 did not host any events on campus until it hosted the NBA Draft Combine at Wintrust Arena in June 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 across campus.

2022 - In early July, MPEA hosted its first events at McCormick Place in nearly 16 months with the Nike National Basketball Invitational and Advertising Specialty Institute (ASI) Show. In mid-July, McCormick Place re-opened to the broader public by hosting the Special Edition of the Chicago Auto Show, which included both indoor and outdoor event space.

Through March 31, 2022, MPEA has welcomed 135 events to campus. These events have brought 1,019,274 visitors to the McCormick Place campus, generating approximately 350,000 room nights for Chicago hotels, and generating more than \$568 million in economic impact. Perhaps most importantly, we've been able to bring more than 2,200 people back to work, not including the contractors who work on our campus but are not employees of the Authority.



McCORMICK
SQUARE • PLACE • MPEA