

AN ACT concerning State government.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. If and only if Senate Bill 28 (as enrolled) of the 96th General Assembly becomes law, the Metropolitan Pier and Exposition Authority Act is amended by changing Sections 5.4, 5.6, 14.2, 14.5, and 25.4 as follows:

(70 ILCS 210/5.4)

Sec. 5.4. Exhibitor rights and work rule reforms.

(a) Legislative findings.

(1) The Authority is a political subdivision of the State of Illinois subject to the plenary authority of the General Assembly and was created for the benefit of the general public to promote business, industry, commerce, and tourism within the City of Chicago and the State of Illinois.

(2) The Authority owns and operates McCormick Place and Navy Pier, which have collectively 2.8 million square feet of exhibit hall space, 700,000 square feet of meeting room space.

(3) The Authority is a vital economic engine that annually generates 65,000 jobs and \$8 billion of economic

activity for the State of Illinois through the trade shows, conventions, and other meetings held and attended at McCormick Place and Navy Pier.

(4) The Authority supports the operation of McCormick Place and Navy Pier through not only fees on the rental of exhibit and meeting room space, electrical and utility service, food and beverage services, and parking, but also hotel room rates paid by persons staying at the Authority-owned hotel.

(5) The Authority has a compelling and proprietary interest in the success, competitiveness, and continued viability of McCormick Place and Navy Pier as the owner and operator of the convention facilities and its obligation to ensure that these facilities produce sufficient operating revenues.

(6) The Authority's convention facilities were constructed and renovated through the issuance of public bonds that are directly repaid by State hotel, auto rental, food and beverage, and airport and departure taxes paid principally by persons who attend, work at, exhibit, and provide goods and services to conventions, shows, exhibitions, and meetings at McCormick Place and Navy Pier.

(7) State law also dedicates State occupation and use tax revenues to fulfill debt service obligations on these bonds should State hotel, auto rental, food and beverage, and airport and departure taxes fail to generate sufficient

revenue.

(8) Through fiscal year 2010, \$55 million in State occupation and use taxes will have been allocated to make debt service payments on the Authority's bonds due to shortfalls in State hotel, auto rental, food and beverage, and airport and departure taxes. These shortfalls are expected to continue in future fiscal years and would require the annual dedication of approximately \$40 million in State occupation and use taxes to fulfill debt service payments.

(9) In 2009, managers of the International Plastics Showcase announced that 2009 was the last year they would host their exhibition at McCormick Place, as they had since 1971, because union labor work rules and electric and food service costs make it uneconomical for the show managers and exhibitors to use McCormick Place as a convention venue as compared to convention facilities in Orlando, Florida and Las Vegas, Nevada. The exhibition used over 740,000 square feet of exhibit space, attracted over 43,000 attendees, generated \$4.8 million of revenues to McCormick Place, and raised over \$200,000 in taxes to pay debt service on convention facility bonds.

(10) After the International Plastics Showcase exhibition announced its departure, other conventions and exhibitions managers and exhibitors also stated that they would not return to McCormick Place and Navy Pier for the

same reasons cited by the International Plastics Showcase exhibition. In addition, still other managers and exhibitors stated that they would not select McCormick Place as a convention venue unless the union labor work rules and electrical and food service costs were made competitive with those in Orlando and Las Vegas.

(11) The General Assembly created the Joint Committee on the Metropolitan Pier and Exposition Authority to conduct hearings and obtain facts to determine how union labor work rules and electrical and food service costs make McCormick Place and Navy Pier uneconomical as a convention venue.

(12) Witness testimony and fact-gathering revealed that while the skilled labor provided by trade unions at McCormick Place and Navy Pier is second to none and is actually "exported" to work on conventions and exhibitions held in Orlando and Las Vegas, restrictive work rules on the activities show exhibitors may perform present exhibitors and show managers with an uninviting atmosphere and result in significantly higher costs than competing convention facilities.

(13) Witness testimony and fact-gathering also revealed that the mark-up on electrical and food service imposed by the Authority to generate operating revenue for McCormick Place and Navy Pier also substantially increased exhibitor and show organizer costs to the point of excess

when compared to competing convention facilities.

(14) Witness testimony and fact-gathering further revealed that the additional departure of conventions, exhibitions, and trade shows from Authority facilities threatens the continued economic viability of these facilities and the stability of sufficient tax revenues necessary to support debt service.

(15) In order to safeguard the Authority's and State of Illinois' shared compelling and proprietary interests in McCormick Place and Navy Pier and in response to local economic needs, the provisions contained in this Section set forth mandated changes and reforms to restore and ensure that (i) the Authority's facilities remain economically competitive with other convention venues and (ii) conventions, exhibitions, trade shows, and other meetings are attracted to and retained at Authority facilities by producing an exhibitor-friendly environment and by reducing costs for exhibitors and show managers.

(16) The provisions set forth in this Section are reasonable, necessary, and narrowly tailored to safeguard the Authority's and State of Illinois' shared and compelling proprietary interests and respond to local economic needs as compared to the available alternative set forth in House Bill 4900 of the 96th General Assembly and proposals submitted to the Joint Committee on the Metropolitan Pier and Exposition Authority. Action by the

State offers the only comprehensive means to remedy the circumstances set forth in these findings, despite the concerted and laudable voluntary efforts of the Authority, labor unions, show contractors, show managers, and exhibitors.

(b) Definitions. As used in this Section:

"Booth" means the demarcated exhibit space of an exhibitor on Authority premises.

"Contractor" or "show contractor" means any person who contracts with the Authority, an exhibitor, or with the manager of a show to provide any services related to drayage, rigging, carpentry, decorating, electrical, maintenance, mechanical, and food and beverage services or related trades and duties for shows on Authority premises.

"Exhibitor" or "show exhibitor" means any person who contracts with the Authority or with a manager or contractor of a show held or to be held on Authority premises.

"Exhibitor employee" means any person who has been employed by the exhibitor as a full-time employee for a minimum of 6 months before the show's opening date.

"Hand tools" means cordless tools, power tools, and other tools as determined by the Authority.

"Licensee" means any entity that uses the Authority's premises.

"Manager" or "show manager" means any person that owns or manages a show held or to be held on Authority premises.

"Personally owned vehicles" means the vehicles owned by show exhibitors or the show management, excluding commercially registered trucks, vans, and other vehicles as determined by the Authority.

"Premises" means grounds, buildings, and facilities of the Authority.

"Show" means a convention, exposition, trade show, event, or meeting held on Authority premises by a show manager or show contractor on behalf of a show manager.

"Union employees" means workers represented by a labor organization, as defined in the National Labor Relations Act, providing skilled labor services to exhibitors, a show manager, or a show contractor on Authority premises.

(c) Exhibitor rights.

In order to control costs, increase the competitiveness, and promote and provide for the economic stability of Authority premises, all Authority contracts with exhibitors, contractors, and managers shall include the following minimum terms and conditions:

(1) Consistent with safety and the skills and training necessary to perform the task, as determined by the Authority, an exhibitor and exhibitor employees are permitted in a booth of any size with the use of the

exhibitor's ladders and hand tools to:

(i) set-up and dismantle exhibits displayed on Authority premises;

(ii) assemble and disassemble materials, machinery, or equipment on Authority premises; and

(iii) install all signs, graphics, props, balloons, other decorative items, and the exhibitor's own drapery, including the skirting of exhibitor tables, on the Authority's premises.

(2) An exhibitor and exhibitor employees are permitted in a booth of any size to deliver, set-up, plug in, interconnect, and operate an exhibitor's electrical equipment, computers, audio-visual devices, and other equipment.

(3) An exhibitor and exhibitor employees are permitted in a booth of any size to skid, position, and re-skid all exhibitor material, machinery, and equipment on Authority premises.

(4) An exhibitor and exhibitor employees are prohibited at any time from using scooters, forklifts, pallet jacks, condors, scissors lifts, motorized dollies, or similar motorized or hydraulic equipment on Authority premises.

(5) The Authority shall designate areas, in its discretion, where exhibitors may unload and load exhibitor materials from privately owned vehicles at Authority

premises with the use of non-motorized hand trucks and dollies.

(6) On Monday through Friday for any consecutive 8-hour period during the hours of 6:00 a.m. and 10:00 p.m., union employees on Authority premises shall be paid straight-time hourly wages plus fringe benefits. Union employees shall be paid straight-time and a half hourly wages plus fringe benefits for labor services provided after any consecutive 8-hour period; provided, however, that between the hours of midnight and 6:00 a.m. union employees shall be paid double straight-time wages plus fringe benefits for labor services.

(7) On Monday through Friday for any consecutive 8-hour period during the hours of 6:00 a.m. and 10:00 p.m., a show manager or contractor shall charge an exhibitor only for labor services provided by union employees on Authority premises based on straight-time hourly wages plus fringe benefits along with a reasonable mark-up. After any consecutive 8-hour period, a show manager or contractor shall charge an exhibitor only for labor services provided by union employees based on straight-time and a half hourly wages plus fringe benefits along with a reasonable mark-up; provided, however, that between the hours of midnight and 6:00 a.m. a show manager or contractor shall charge an exhibitor only for labor services provided by union employees based on double straight-time wages plus fringe

benefits along with a reasonable mark-up.

(8) On Saturdays for any consecutive 8-hour period, union employees on Authority premises shall be paid straight-time and a half hourly wages plus fringe benefits. After any consecutive 8-hour period, union employees on Authority premises shall be paid double straight-time hourly wages plus fringe benefits; provided, however, that between the hours of midnight and 6:00 a.m. union employees shall be paid double straight-time wages plus fringe benefits for labor services.

(9) On Saturdays for any consecutive 8-hour period, a show manager or contractor shall charge an exhibitor only for labor services provided by union employees on Authority premises based on straight-time and a half hourly wages plus fringe benefits along with a reasonable mark-up. After any consecutive 8-hour period, a show manager or contractor shall charge an exhibitor only for labor services provided by union employees based on double straight-time hourly wages plus fringe benefits along with a reasonable mark-up; provided, however, that between the hours of midnight and 6:00 a.m. a show manager or contractor shall charge an exhibitor only for labor services provided by union employees based on double straight-time wages plus fringe benefits along with a reasonable mark-up.

(10) On Sundays and on State and federal holidays, union employees on Authority premises shall be paid double

straight-time hourly wages plus fringe benefits.

(11) On Sundays and on State and federal holidays, a show manager or contractor shall charge an exhibitor only for labor services provided by union employees on Authority premises based on double straight-time hourly wages plus fringe benefits along with a reasonable mark-up.

(12) The Authority has the power to determine, after consultation with the Advisory Council, the work jurisdiction and scope of work of union employees on Authority premises during the move-in, move-out, and run of a show, provided that any affected labor organization may contest the Authority's determination through a binding decision of an independent, third-party arbitrator. When making the determination, the Authority or arbitrator, as the case may be, shall consider the training and skills required to perform the task, past practices on Authority premises, safety, and the need for efficiency and exhibitor satisfaction. These factors shall be considered in their totality and not in isolation. Nothing in this item permits the Authority to eliminate any labor organization representing union employees that provide labor services on the move-in, move-out, and run of the show as of the effective date of this amendatory Act of the 96th General Assembly.

(13) During the run of a show, all stewards of union employees shall be working stewards. Subject to the

discretion of the Authority, no more than one working steward per labor organization representing union employees providing labor services on Authority premises shall be used per building and per show.

(14) An exhibitor or show manager may request by name specific union employees to provide labor services on Authority premises consistent with all State and federal laws. Union employees requested by an exhibitor shall take priority over union employees requested by a show manager.

(15) A show manager or show contractor on behalf of a show manager may retain an electrical contractor approved by the Authority or Authority-provisioned electrical services to provide electrical services on the premises. If a show manager or show contractor on behalf of a show manager retains Authority-provisioned electrical services, then the Authority shall offer these services at a rate not to exceed the cost of providing those services.

(16) Crew sizes for any task or operation shall not exceed 2 persons unless, after consultation with the Advisory Council, the Authority determines otherwise based on the task, skills, and training required to perform the task and on safety.

(17) An exhibitor may bring food and beverages on the premises of the Authority for personal consumption.

(18) Show managers and contractors shall comply with any audit performed under subsection (e) of this Section.

(19) A show manager or contractor shall charge an exhibitor only for labor services provided by union employees on Authority premises on a minimum half-hour basis.

The Authority has the power to implement, enforce, and administer the exhibitor rights set forth in this subsection, including the promulgation of rules. The Authority also has the power to determine violations of this subsection and implement appropriate remedies, including, but not limited to, barring violators from Authority premises.

(d) Advisory Council.

(1) An Advisory Council is hereby established to ensure an active and productive dialogue between all affected stakeholders to ensure exhibitor satisfaction for conventions, exhibitions, trade shows, and meetings held on Authority premises.

(2) The composition of the Council shall be determined by the Authority consistent with its existing practice for labor-management relations.

(3) The Council shall hold meetings no less than once every 90 days.

(e) Audit of exhibitor rights.

The Authority shall retain the services of a person to complete, at least twice per calendar year, a financial

statement audit and compliance attestation examination to determine and verify that the exhibitor rights set forth in this Section have produced cost reductions for exhibitors and those cost reductions have been fairly passed along to exhibitors. The financial statement audit shall be performed in accordance with generally accepted auditing standards. The compliance attestation examination shall be (i) performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and shall examine the compliance with the requirements set forth in this Section and (ii) conducted by a licensed public accounting firm, selected by the Authority from a list of firms prequalified to do business with the Illinois Auditor General. Upon request, a show contractor or manager shall provide the Authority or person retained to provide auditing services with any information and other documentation reasonably necessary to perform the obligations set forth in this subsection. Upon completion, the report shall be submitted to the Authority and made publicly available on the Authority's website.

(f) Exhibitor service reforms. The Authority shall make every effort to substantially reduce exhibitor's costs for participating in shows.

(1) Any contract to provide food or beverage services in the buildings and facilities of the Authority, except Navy Pier, shall be provided at a rate not to exceed the

cost established in the contract. The Board shall periodically review all food and beverage contracts.

(2) A department or unit of the Authority shall not serve as the exclusive provider of electrical services.

(3) Exhibitors shall receive a detailed statement of all costs associated with utility services, including the cost of labor, equipment, and materials.

(g) Severability. If any provision of this Section or its application to any person or circumstance is held invalid, the invalidity of that provision or application does not affect other provisions or applications of this Section that can be given effect without the invalid provision or application.

(Source: 09600SB0028enr.)

(70 ILCS 210/5.6)

Sec. 5.6. Marketing agreement.

(a) The Authority shall enter into a marketing agreement with a not-for-profit organization headquartered in Chicago and recognized by the Department of Commerce and Economic Opportunity as a certified local tourism and convention bureau entitled to receive State tourism grant funds, provided the bylaws of the organization establish a board of the organization that is comprised of 25 members serving 3-year staggered terms, including the following:

(1) a Chair of the board of the organization appointed

by the Mayor of the City of Chicago from among the business and civic leaders of Chicago who are not engaged in the hospitality business or who have not served as a member of the Board or as chief executive officer of the Authority;

(2) the chairperson of the interim board or Board of the Authority, or his or her designee;

(3) no more than 5 members from the hotel industry;

(4) no more than 2 members from the restaurant ~~or~~ ~~attractions~~ industry;

(5) no more than 2 members employed by or representing an entity responsible for a trade show;

(6) no more than 2 members representing unions; ~~and~~

(7) no more than 2 members from the attractions industry; and

(8) ~~(7)~~ the Director of the Illinois Department of Commerce and Economic Opportunity, ex officio.

Persons with a real or apparent conflict of interest shall not be appointed to the board. Members of the board of the organization shall not serve more than 2 terms. The bylaws shall require the following: (i) that the Chair of the organization name no less than 5 and no more than 9 members to the Executive Committee of the organization, one of whom must be the chairperson of the interim board or Board of the Authority, and (ii) a provision concerning conflict of interest and a requirement that a member abstain from participating in board action if there is a threat to the independence of

judgment created by any conflict of interest or if participation is likely to have a negative effect on public confidence in the integrity of the board.

(b) The Authority shall notify the Department of Revenue within 10 days after entering into a contract pursuant to this Section.

(Source: 09600SB0028enr.)

(70 ILCS 210/14.2)

Sec. 14.2. Ethical conduct.

(a) The Trustee, members of the interim board, members of the Board, and all employees of the Authority shall comply with the provisions of the Illinois Governmental Ethics Act and carry out duties and responsibilities in a manner that preserves the public trust and confidence in the Authority. The Trustee, members of the interim board, members of the Board, and all employees of the Authority, including the spouse and immediate family members of such person shall not:

(1) use or attempt to use their position to secure or attempt to secure any privilege, advantage, favor, or influence for himself or herself or others;

(2) accept for personal use any gift, gratuity, service, compensation, travel, lodging, or thing of value, with the exception of unsolicited items of an incidental nature, from any person, corporation, or entity doing business with the Authority;

(3) hold or pursue employment, office, position, business, or occupation that may conflict with his or her official duties;

(4) influence any person or corporation doing business with the Authority to hire or contract with any person or corporation for any compensated work;

(5) engage in any activity that constitutes a conflict of interest; or

(6) have a financial interest, directly or indirectly, in any contract or subcontract for the performance of any work for the Authority or a party to a contract with the Authority, except this does not apply to an interest in any such entity through an indirect means, such as through a mutual fund.

(b) The Board shall develop an annual ethics training program for members of the Board and all employees of the Authority.

(c) No Trustee, member on the interim board, Board, or an employee of the Authority, or spouse or immediate family member living with such person, shall, within a period of one year immediately after termination of service or employment, knowingly accept employment or receive compensation or fees for services from a person or entity if the Trustee, member, or employee participated personally or substantially in the award of a contract to that person or entity or in making a licensing decision with regard to that person or entity. Nothing in this

amendatory Act of the 96th General Assembly shall preclude an employee of the Authority from accepting employment from the private manager contracted to operate the Authority, provided the employee did not participate personally or substantially in the award of the contract to the private manager.

(d) Notwithstanding any other provision of this Act, the Authority shall not enter into an agreement for consulting services with or provide compensation or fees for consulting services to the chief executive officer on April 1, 2010, a member of the interim board on April 1, 2010, or any member of the interim board or Board appointed on or after the effective date of this amendatory Act of the 96th General Assembly.

(Source: 09600SB0028enr.)

(70 ILCS 210/14.5)

Sec. 14.5. Trustee of the Authority.

(a) Beginning on the effective date of this amendatory Act of the 96th General Assembly, the Authority shall be governed by a Trustee for a term of 18 months or until the Board created in this amendatory Act of the 96th General Assembly appoints a chief executive officer, whichever is longer. The James Reilly shall serve as the Trustee of the Authority shall immediately ~~and~~ assume all duties and powers of the Board and the chief executive officer. The Trustee shall take all actions necessary to carry into effect the provisions of this Act and this amendatory Act of the 96th General Assembly. The Trustee shall

receive an annual salary equal to the current salary of the chief executive officer, minus 5%.

As provided in Senate Bill 28 of the 96th General Assembly, the Trustee of the Authority is James Reilly, who served as the Chief Operating Officer of the Authority from 1989 to 1999, served as the Chief Operating Officer of the Chicago Convention and Tourism Bureau from 1999 to 2004, and served as Chairman of the Regional Transportation Authority Board. James Reilly may be removed as Trustee only by a joint resolution of the General Assembly approved by a majority of members elected to each chamber; and the General Assembly shall thereupon notify the Governor, Trustee, and interim board upon the adoption of a joint resolution creating a vacancy in the position of Trustee of the Authority.

(a-5) In the case of a vacancy in the office of Trustee of the Authority, the Governor, with the advice and consent of the Senate, shall appoint a Trustee within 5 calendar days. If the vacancy occurs during a recess of the Senate, the Governor shall make a temporary appointment within 5 calendar days and the person shall serve until the next meeting of the Senate, when the Governor shall nominate some person to fill the office of Trustee. Any person so nominated who is confirmed by the Senate shall hold the office of Trustee during the remainder of the term as provided for in this Section.

Any Trustee of the Authority appointed by the Governor, with the advice and consent of the Senate, shall be subject to

the Governor's removal power provided for under Section 10 of Article V of the Illinois Constitution.

(a-10) If the Trustee of the Authority, or the guardian of his or her estate and person, notifies the Governor that he or she is unable to perform the duties vested by law in the Trustee, then the Governor may designate some person as acting Trustee to execute and discharge those duties. When the Trustee of the Authority is prepared to resume his or her duties, he or she, or the guardian of his or her estate and person, shall do so by notifying the Governor.

(b) It shall be the duty of the Trustee:

(1) to ensure the proper administration of the Authority;

(2) to submit to the interim board monthly reports detailing actions taken and the general status of the Authority;

(3) to report to the General Assembly and Governor no later than January 1, 2011, whether Navy Pier should remain within the control of the Authority or serve as an entity independent from the Authority;

(4) to enter into an agreement with a contractor or private manager to operate the buildings and facilities of the Authority, provided that the agreement is procured using a request for proposal process in accordance with a ~~manner substantially similar to the~~ Illinois Procurement Code;

(5) to enter into any agreements to license naming rights of any building or facility of the Authority, provided the Trustee determines such an agreement is in the best interest of the Authority;

(6) to ensure the proper implementation, administration, and enforcement of Section 5.4 of this Act; and

(7) to ensure that any contract of the Authority to provide food or beverage in the buildings and facilities of the Authority, except Navy Pier, shall be provided at a rate not to exceed the cost established in the contract.

(c) The Trustee shall notify the interim board prior to entering into an agreement for a term of more than 24 months or with a total value in excess of \$100,000. Notification shall include the purpose of the agreement, a description of the agreement, disclosure of parties to the agreement, and the total value of the agreement. Within 10 days after receiving notice, the interim board may prohibit the Trustee from entering into the agreement by a resolution approved by at least 5 members of the interim board. The interim board may veto any other action of the Trustee by a resolution approved by at least 5 members of the interim board, provided that the resolution is adopted within 30 days after the action.

(d) Any provision of this Act that requires approval by the Chair of the Board or at least the approval of a majority of the Board shall be deemed approved if the Trustee approves the

action, subject to the restrictions in subsection (c).

(Source: 09600SB0028enr.)

(70 ILCS 210/25.4)

Sec. 25.4. Contracts for professional services.

(a) When the Authority proposes to enter into a contract or agreement for professional services, other than the marketing agreement required in Section 5.6, the Authority shall use a request for proposal process in accordance with ~~a manner substantially similar to~~ the Illinois Procurement Code.

(b) Any person that submits a response to a request for proposals under this Section shall disclose in the response the name of each individual having a beneficial interest directly or indirectly of more than 7 1/2% in such person and, if such person is a corporation, the names of each of its officers and directors. The person shall notify the Board of any changes in its ownership or its officers or directors at the time such changes occur if the change occurs during the pendency of a proposal or a contract.

(c) All contracts and agreements under this Section shall be authorized and approved by the Board and shall be set forth in a writing executed by the contractor and the Authority. No payment shall be made under this Section until a written contract or agreement shall be so authorized, approved, and executed. A copy of each contract or agreement (whether or not exempted under this Section) and the response, if any, to the

request for proposals upon which the contract was awarded must be filed with the Secretary of the Authority and is required to be open for public inspection.

(d) This Section applies to (i) contracts in excess of \$25,000 for professional services provided to the Authority, including the services of accountants, architects, attorneys, engineers, physicians, superintendents of construction, financial advisors, bond trustees, and other similar professionals possessing a high degree of skill and (ii) contracts or bond purchase agreements in excess of \$10,000 with underwriters or investment bankers with respect to sale of the Authority's bonds under this Act. This Section shall not apply to contracts for professional services to be provided by, or the agreement is with, a State agency, federal agency, or unit of local government.

(Source: 09600SB0028enr.)

Section 99. Effective date. This Act takes effect upon becoming law.