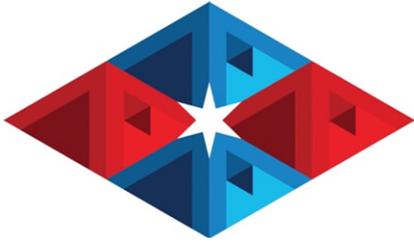


McCORMICK
SQUARE • PLACE • MPEA

FINANCIAL PLAN



FISCAL YEARS
2021, 2022, 2023



METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Financial Plan

For Fiscal Years 2021, 2022 and 2023

Adopted by the Board of Directors

April 2020

Metropolitan Pier and Exposition Authority
Corporate Center • 301 East Cermak Road • Chicago, IL 60616 •
Telephone (312) 791-7000 • Fax (312) 567-8226

April 28, 2020

The Honorable J.B. Pritzker, Governor, State of Illinois
The Honorable Lori Lightfoot, Mayor, City of Chicago
The Honorable Members of the 101st 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 2021 through 2023 as adopted by our Board of Directors on April 28, 2020. This Financial Plan includes a description of the Authority's revenues and expenses, provisions for debt service, and summary of cash resources and uses for fiscal years 2021, 2022 and 2023. As required by the MPEA Act, the revenue estimates for the three years covered by this Financial Plan have been reviewed by the accounting firm of Washington, Pittman & McKeever, independent Certified Public Accountants not currently performing any other work for the Authority.

As you are aware, the United States has been significantly impacted by the global COVID-19 pandemic. This impact extends to the State of Illinois, the City of Chicago, and MPEA. Currently, it is impossible to estimate the full impact of the pandemic. However, for the purposes of this Financial Plan, we have assumed that cancellations or postponements of events will continue in varying degrees through September 2020. Furthermore, we anticipate the most significant impact to the campus will be during the last quarter of fiscal 2020, and we have assumed that there will not be any events or activities on campus beginning March 2020 through June 30, 2020. In light of the projected revenue reductions, the Authority immediately began implementing a campus-wide financial and operational contingency plan to reduce costs. We anticipate the impact of the COVID-19 cancellations to the fiscal 2020 budget will result in an unfavorable variance of approximately \$37.4 million as compared to the originally budget operating income amount of \$725 thousand.

This Financial Plan reflects a balanced operating budget for the fiscal 2021 through fiscal 2023 period after forecasting a reduced show schedule during the first two months of fiscal 2021 and after including debt service in fiscal 2022 and fiscal 2023 for the Project Revenue Bonds issued by the Authority to finance its campus wide LED-lighting retrofit.

- Operating income for the Marriott Marquis Chicago hotel is expected to rise each year, from \$28.8 million in fiscal 2021, to \$38.5 million in fiscal 2022 and \$42.0 million in fiscal 2023.
- The Hyatt Regency McCormick Place Hotel is expected to generate operating income of \$24.3, \$33.1, and \$32.7 million during fiscal 2021, fiscal 2022, and fiscal 2023, respectively.
- Food and beverage revenues and expenditures are expected to approximate \$44.7 million in fiscal year 2021 and are budgeted to continue increasing during fiscal years 2022 and 2023.
- The McCormick Place forecast for fiscal 2020 combined with the fiscal 2021 through fiscal 2023 budgets, include \$16 million in the provision to fund repair and maintenance expenses for the campus.

While this has been a challenging time for MPEA, and the state overall, we are pleased to report that MPEA entered the coronavirus situation with healthy operating reserves. The Authority has been operationally self-sufficient since fiscal 2018. Also, note that during fiscal 2020, the Authority took advantage of low interest rates to refinance nearly \$924.6 million of outstanding State sales tax-supported Expansion Project Bonds, resulting in total debt service savings of \$216.7 million through fiscal 2050. These accomplishments, coupled with a strong recovery plan, will help stabilize the Authority and allow MPEA to continue delivering economic impact to the state of Illinois and the city of Chicago.

Sincerely,



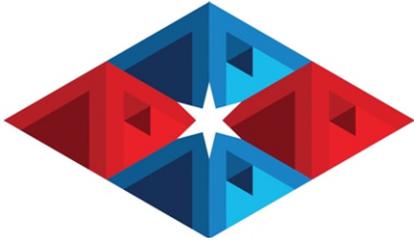
Larita Clark
Chief Executive Officer





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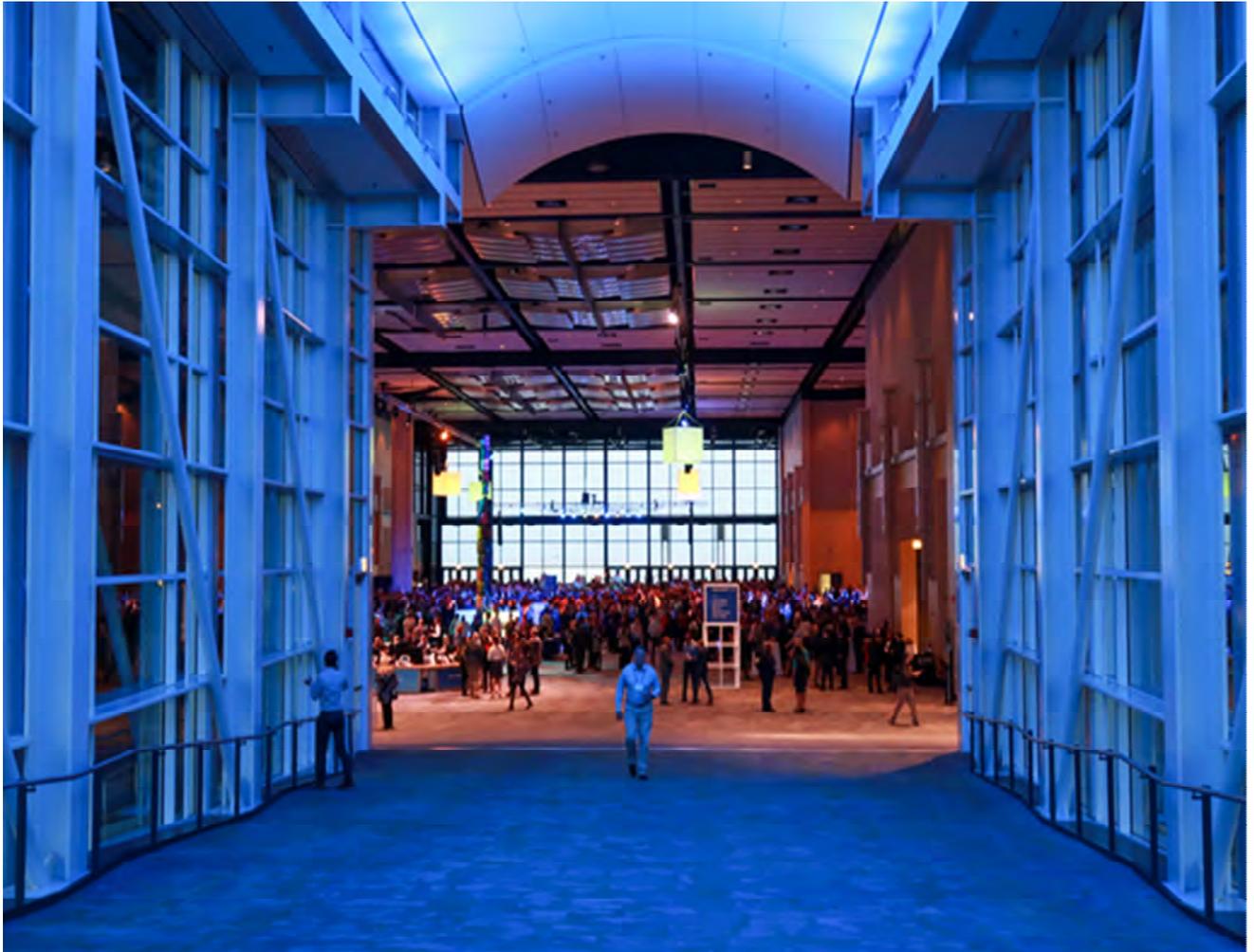


METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Overview

For Fiscal Years 2021, 2022 and 2023



OVERVIEW OF THE METROPOLITAN PIER AND EXPOSITION AUTHORITY

The Metropolitan Pier and Exposition Authority (the “Authority” or “MPEA”) is a municipal corporation established by the Illinois General Assembly in 1989. 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 small organizational meeting or large-scale tradeshow or convention – because of its nearly 2.6 million square feet of exhibit hall space, 612,500 square feet of meeting space and 173 meeting rooms.


McCORMICK SQUARE

MPEA BOARD OF DIRECTORS

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

Larita D. Clark,
Chief Executive Officer

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 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 show planners, exhibitors and attendees. It can seamlessly accommodate multiple large-scale events. The flexibility provided by the West Building allows the MPEA to book more simultaneous or back-to-back events and to fully capitalize on future growth opportunities in the industry. The West Building has become a premier destination for the meetings of medical organizations from around the world, as well as the tradeshow and convention needs of numerous other groups and organizations.

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



During 2019, the McCormick Square campus hosted 274 events, attracting more than 2.8 million visitors to the campus.

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

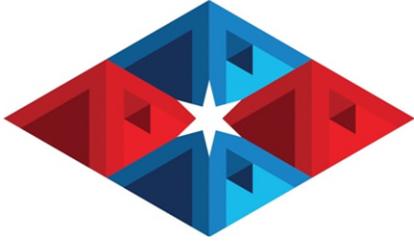
In September 2017, MPEA completed construction of a new hotel, which is branded a Marriott Marquis Chicago Hotel. This state-of-the-art hotel spans 40 stories, features 1,205 guest rooms and suites, and has over 93,000 square feet of event space, including two 25,000 square-foot ballrooms. The additional revenue from this new hotel solidifies MPEA's ability to fully support its operations without assistance from the State.

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

During fiscal 2016, the Authority announced the launch of McCormick Square. Chicago's newest destination, McCormick Square offers the complete event experience with the new 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. 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. 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. With the new Marriott Marquis Chicago and Wintrust Arena, annual campus operations currently generate \$1.897 billion in economic impact and \$151 million in state and local tax revenue. 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. Airlines, taxis, hotels, restaurants, services, and a variety of other businesses benefit from the direct spending generated by the Authority – and virtually all businesses in all regions of the State benefit from the 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 Authority also is charged to develop, promote and maintain Chicago's historic Navy Pier. On July 1, 2011, MPEA entered into a long-term lease with Navy Pier, Inc. "NPI", a not-for-profit corporation, to operate Navy Pier. While MPEA continues to own Navy Pier, NPI is responsible for developing and operating it. MPEA receives a nominal lease payment from NPI each year.

The economic future of the State of Illinois and the City of Chicago depends on a strong and vibrant convention and tourism industry – and that industry depends, in large part, on the work at the MPEA. Every day, the Authority works to enhance the experience of each visitor with the goal of ensuring that Chicago retains a leadership position in the convention and tourism industry.

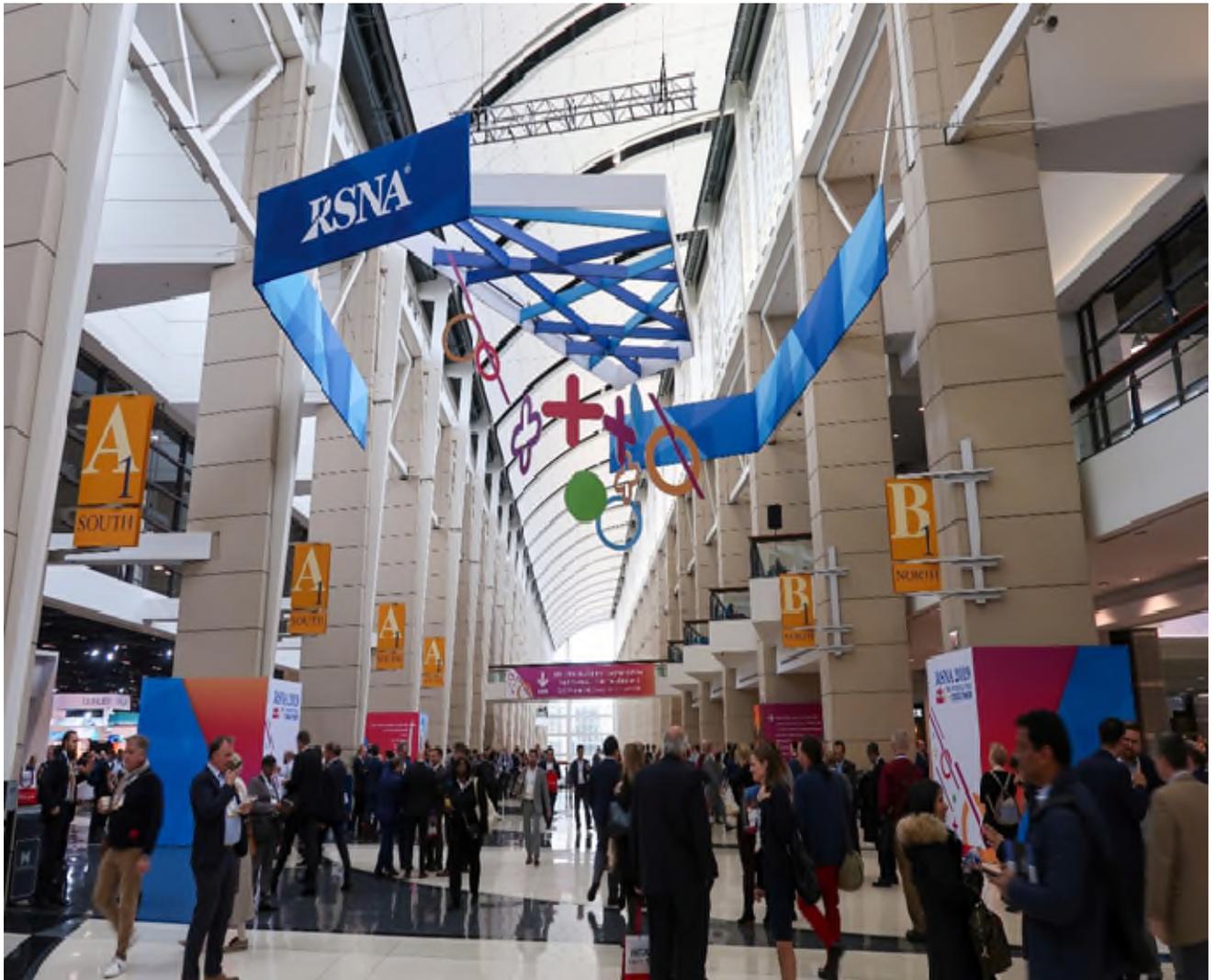


METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

MPEA Operating Budget

For Fiscal Years 2021, 2022 and 2023





Metropolitan Pier and Exposition Authority
Fiscal Years 2021 - 2023 Operating Budget

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	PROJECTED	FY2021-2023 Budget		
							Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
<u>McCormick Place</u>										
Revenue	56,205,763	65,759,526	59,186,505	66,751,651	54,746,268	100,081,425	77,359,489	97,259,094	106,200,100	112,128,900
Expense	(94,322,507)	(92,389,652)	(85,764,896)	(94,262,520)	(97,968,470)	(151,526,458)	(129,694,698)	(149,178,574)	(166,998,828)	(175,488,241)
Operating Loss	(38,116,744)	(26,630,126)	(26,578,391)	(27,510,869)	(43,222,202)	(51,445,033)	(52,335,209)	(51,919,480)	(60,798,728)	(63,359,340)
<u>Hvatt Hotel</u>										
Revenue	78,705,932	90,421,534	88,245,363	95,949,683	94,448,276	93,748,770	58,094,112	86,747,973	102,452,939	103,900,936
Expense	(55,068,234)	(60,669,349)	(61,152,650)	(64,366,112)	(65,360,767)	(67,043,452)	(49,345,667)	(62,458,353)	(69,308,883)	(71,220,945)
Operating Income	23,637,698	29,752,185	27,092,713	31,583,572	29,087,509	26,705,318	8,748,445	24,289,620	33,144,056	32,679,991
<u>Marriott Hotel</u>										
Revenue	0	0	0	0	62,165,051	98,765,121	64,699,294	101,529,017	121,067,299	127,614,738
Expense	0	0	0	0	(45,676,390)	(71,851,665)	(55,535,795)	(72,745,609)	(82,597,288)	(85,574,654)
Operating Income	0	0	0	0	16,488,661	26,913,456	9,163,499	28,783,408	38,470,011	42,040,084
<u>Wintrust Arena/Arie Crown</u>										
Revenue	0	0	0	0	9,822,075	11,924,084	11,744,119	13,448,041	14,783,659	14,820,099
Expense	0	0	0	0	(10,048,913)	(12,488,599)	(12,021,476)	(13,191,070)	(14,128,808)	(14,067,948)
Operating Income/(Loss)	0	0	0	0	(226,838)	(564,515)	(277,357)	256,971	654,851	752,151
<u>Energy Center</u>										
Revenue	7,954,242	7,842,471	7,613,402	8,560,205	8,253,043	9,108,145	8,497,662	8,940,821	8,940,821	8,940,821
Expense	(3,120,468)	(1,833,879)	(1,582,659)	(2,377,829)	(1,529,074)	(1,017,567)	(1,380,333)	(2,362,005)	(2,039,529)	(1,783,049)
Operating Income	4,833,774	6,008,592	6,030,743	6,182,376	6,723,969	8,090,578	7,117,329	6,578,816	6,901,292	7,157,772
<u>Corporate Center</u>										
Revenue	577,176	387,890	367,145	467,285	845,517	2,172,457	2,082,801	583,536	1,060,096	1,342,218
Expense	(4,108,052)	(3,541,510)	(6,639,582)	(8,401,819)	(8,690,593)	(11,016,177)	(11,172,133)	(12,821,253)	(14,013,907)	(14,315,221)
Operating Loss	(3,530,876)	(3,153,620)	(6,272,437)	(7,934,533)	(7,845,075)	(8,843,720)	(9,089,332)	(12,237,717)	(12,953,811)	(12,973,003)
<u>Total Combined</u>										
Revenue	143,443,113	164,411,421	155,412,415	171,728,824	230,280,231	315,800,002	222,477,477	308,508,482	354,504,914	368,747,712
Expense	(156,619,261)	(158,434,390)	(155,139,787)	(169,408,279)	(229,274,208)	(314,943,918)	(259,150,102)	(312,756,864)	(349,087,244)	(362,450,057)
Operating Income (Loss)	(13,176,148)	5,977,031	272,628	2,320,545	1,006,023	856,085	(36,672,625)	(4,248,382)	5,417,671	6,297,654
Memo: Tax Surplus	20,000,000	20,000,000	0	0	0	0	0	0	0	0
Memo: Debt Service	0	0	0	0	0	0	0	0	(2,446,750)	(2,520,250)
Income (Loss) After Surplus	6,823,852	25,977,031	272,628	2,320,545	1,006,023	856,085	(36,672,625)	(4,248,382)	2,970,921	3,777,404
									2,499,943	

FINANCIAL PLAN HIGHLIGHTS

The Economy – The United States has been significantly impacted by the global COVID-19 pandemic. This impact extends to the state of Illinois, the city of Chicago, and MPEA. The United States’ ability to effectively respond to this significant challenge will drive the economic environment, particularly for fiscal 2021. While it is impossible to estimate the full impact of the pandemic, for the purposes of this Financial Plan, the Authority assumes cancellations or postponements of events and shows will continue through the beginning of September 2020. The fiscal and monetary responses of both the federal government and the Federal Reserve to the economic impacts of the COVID-19 pandemic have been aggressive. The President of the United States signed a \$2.2 trillion fiscal stimulus package into law on March 27, 2020, the third piece of federal legislation enacted to address COVID-19. The Federal Reserve responded to the pandemic by cutting the Fed Funds rate by 1.50% during the month of March and by re-instituting a number of programs used to provide liquidity to the financial markets initially enacted during the 2008 Financial Crisis.

The state of Illinois and city of Chicago have also implemented aggressive measures in an attempt to curb the health-related aspects of COVID-19 and to ease the burden on impacted businesses. On March 20, 2020, Governor J.B. Pritzker issued a stay-at-home order that has since been extended until May 31, 2020. Governor Pritzker also issued Executive Order 20-10, which orders all non-essential businesses in the state of Illinois to cease all activities within the state except minimum basic operations. As a hospitality driven business, the impact of these actions to the Authority’s operations has been significant.

MPEA Combined – The combined operating budget includes projections for the Marriott Marquis Chicago Hotel and the Wintrust Arena, the newest additions to the McCormick Square campus. These facilities further enhance the Authority’s ability to achieve a balanced budget and sustain its operations going forward. The Authority is projecting three-year combined operating income, before depreciation expense, of \$2.5 million.

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 \$176.1 million.

McCormick Place financial results reflect:

- ◆ An expectation that 75% of events scheduled during the month of July 2020 will cancel and 50% of events and shows scheduled during the month of August 2020 will cancel.
- ◆ 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.
- ◆ The elimination of incentive reimbursements of up to \$15 million annually. As part of the 2010 restructuring of McCormick Place, the State of Illinois established an Incentive Fund to provide reimbursements to MPEA for incentives granted to organizations that agreed to use MPEA facilities for trade shows and meetings. The Incentive Fund was eliminated by the fiscal year 2018 Budget Implementation Act.



- ◆ 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. For this reason, revenues projected in fiscal 2023 are higher than that of fiscal 2022. Direct expenses correlate with the level of revenue realized which allows the Authority to maintain the margins that have been achieved over the past few years. **The fiscal 2021 through 2023 budget includes a provision of \$16 million to fund repair and maintenance expenses. MPEA hopes to further increase this provision in future budget cycles.**

Hyatt Regency McCormick Place Hotel – The Hyatt Regency McCormick Place Hotel is expected to generate operating revenue of \$293.1 million and operating income, before depreciation, of \$90.1 million over the three-year period. The Hyatt Regency McCormick Place Hotel is a 33-story, 4-star hotel with 1,258 guest rooms located within two towers. The original tower consists of 800 guest rooms. The second tower, which opened in fiscal 2013, includes 458 guest rooms. Other amenities include a ballroom, banquet and meeting space and a Conference Center accessible by a pedestrian link. The Hyatt Conference Center offers a junior ballroom and additional meeting space. **In fiscal 2017, the Authority invested nearly \$12 million to upgrade and reposition all lobby food and beverage operations.** This upgrade positioned the Hyatt to complement the offerings at the new Marriott Marquis Chicago Hotel and to provide highly competitive options to off-site alternative locations.

Marriott Marquis Chicago Hotel – The Marriott Marquis Chicago Hotel opened September 10, 2017. The 40-story, 4-star hotel includes 1,205 guest rooms and suites, banquet and meeting space, ballrooms and other amenities. Operating revenue of \$350.2 million and operating income of \$109.3 million is projected for fiscals 2021 through 2023 combined. The Marriott Marquis Chicago along with the Wintrust Arena positions MPEA to compete for new market segments and attract new visitors to our region.

Wintrust Arena/Arie Crown Theater – In early fiscal 2018, MPEA, in partnership with DePaul University, completed construction of a 10,387-seat event center. Wintrust Financial secured the naming rights of the facility and it has been aptly named the Wintrust Arena. The Wintrust Arena officially opened October 14, 2017 and is owned and operated by MPEA. The Wintrust Arena serves as the home court for DePaul's men's and women's basketball games and fills unmet needs of current 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 income in excess of \$1.6 million over the three-year budget period. In addition to generating direct operating income, events held at Wintrust Arena and Arie Crown Theater positively impact the operating results of the Authority's other business units through hotel bookings and usage of the convention center facilities.

Energy Center – The Energy Center supplies chilled water and steam for cooling and heating to outside customers, McCormick Place, the Hyatt Regency McCormick Place Hotel and Conference Center, the Marriott Marquis Chicago Hotel, the Wintrust Arena and MPEA Corporate Center. The Energy Center will continue to serve its outside customers and expects to generate net operating income on sales to outside customers, before depreciation, of approximately \$20.6 million over the three-year budget period.



Corporate Center – Corporate executive and administrative expenses total \$41.2 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 \$815 thousand annually, from fiscal 2021 through fiscal 2023, to fund the Authority’s pension plan. These amounts stem from an actuarially determined projection and are based upon an assumption that the market will experience some recovery during the final three months of fiscal 2020 and will then expand at a moderate pace throughout the budget period. The retirement plan has been closed to new entrants since fiscal 2010 and benefit amounts have been frozen since fiscal 2012.



METROPOLITAN PIER AND EXPOSITION AUTHORITY SUMMARY OF SIGNIFICANT FINANCIAL PLAN ASSUMPTIONS For Fiscal Years 2021, 2022 and 2023

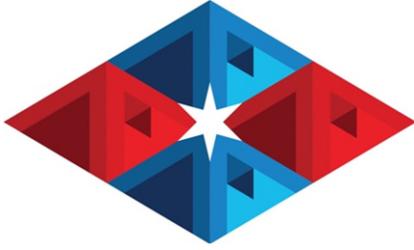
BASIS OF FINANCIAL PLAN PRESENTATION

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.

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 2021, 2022 and 2023





Metropolitan Pier and Exposition Authority
Fiscal Years 2021 - 2023 Operating Budget
McCormick Place

	Fiscal Year	PROJECTED	FY2021-2023 Budget							
	2014	2015	2016	2017	2018	2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Revenue										
Rent	\$28,567,300	\$33,143,700	\$30,585,729	\$34,209,748	\$17,920,927	\$20,472,395	\$11,592,477	\$18,706,982	\$19,113,118	\$20,307,543
Services	11,933,887	16,250,628	12,679,616	15,507,076	19,632,299	21,778,666	13,676,509	20,271,391	21,667,328	22,711,092
Parking/Marshalling	8,608,675	9,453,577	8,723,440	9,740,032	9,137,752	10,805,873	6,305,054	8,775,153	8,523,818	9,322,057
Food & Beverage	704,076	853,077	715,606	698,108	957,322	40,235,105	41,473,210	44,689,340	51,819,418	54,399,639
Other Event Revenue	6,391,825	6,058,544	6,482,114	6,596,687	7,097,970	6,789,386	4,312,239	4,816,228	5,076,418	5,388,569
Total Revenue	56,205,763	65,759,526	59,186,505	66,751,651	54,746,268	100,081,425	77,359,489	97,259,094	106,200,100	112,128,900
Expense										
Rent	(9,007,100)	(10,274,631)	(9,706,030)	(10,469,995)	(12,955,662)	(12,527,481)	(8,294,215)	(10,085,225)	(11,593,595)	(11,250,214)
Services	(4,102,622)	(5,231,372)	(4,972,150)	(5,321,432)	(8,165,140)	(9,606,614)	(6,815,997)	(9,194,021)	(10,379,783)	(10,584,667)
Parking/Marshalling	(4,723,624)	(4,942,605)	(4,820,739)	(5,336,578)	(5,363,739)	(5,846,317)	(4,705,946)	(4,891,635)	(5,368,157)	(5,798,165)
Food & Beverage	-	-	-	-	-	(37,694,203)	(27,254,919)	(29,019,245)	(34,507,965)	(36,382,118)
Executive Department	(513,567)	(527,966)	(862,869)	(874,904)	(907,362)	(845,622)	(892,758)	(980,921)	(1,035,486)	(1,062,183)
Finance & Administration	(1,899,732)	(1,999,362)	(2,145,458)	(2,293,151)	(2,089,323)	(2,025,253)	(1,720,178)	(2,241,824)	(2,375,775)	(2,437,330)
Sales & Services	(445,071)	(248,987)	-	-	-	-	-	-	-	-
Sales	(2,328,576)	(2,364,495)	(2,689,033)	(2,920,998)	(2,848,972)	(3,027,433)	(3,141,124)	(3,499,607)	(3,577,678)	(3,676,300)
Event Management	(2,019,123)	(2,061,678)	(1,815,058)	(1,966,947)	(1,730,944)	(1,570,760)	(1,579,875)	(1,976,664)	(2,109,687)	(2,169,857)
Arie Crown Theater	-	-	-	-	(312,097)	(604,646)	-	-	-	-
Operations	(392,116)	(397,392)	-	-	-	-	-	-	-	-
Event Operations	(4,006,247)	(2,987,163)	(3,374,967)	(4,379,386)	(4,171,078)	(3,637,321)	(4,014,906)	(4,900,249)	(5,129,148)	(5,268,610)
Facility Operations - SMG	(28,575,027)	(29,600,349)	(30,610,967)	(30,635,025)	(16,654,485)	(10,729,085)	(10,438,411)	(11,664,515)	(11,964,685)	(12,261,520)
Facility Operations - MPEA	-	-	-	-	(11,865,560)	(17,940,010)	(17,648,217)	(23,042,168)	(24,042,596)	(24,591,257)
Information Technology	(2,289,634)	(3,240,597)	(2,666,316)	(2,730,649)	(2,853,026)	(3,156,541)	(3,177,221)	(3,443,590)	(3,593,124)	(3,662,736)
Security	(5,566,372)	(6,086,193)	(6,227,262)	(6,902,346)	(7,547,219)	(8,363,120)	(8,221,869)	(11,116,536)	(11,579,915)	(12,021,111)
Insurance	(2,479,455)	(2,423,053)	(2,232,576)	(2,373,684)	(2,246,151)	(2,483,317)	(2,430,074)	(2,794,017)	(2,866,401)	(2,866,401)
Utilities	(10,700,025)	(12,813,422)	(12,315,493)	(13,040,456)	(14,551,847)	(16,669,346)	(14,424,263)	(15,258,709)	(14,472,694)	(14,454,246)
Food & Beverage	-	-	-	-	-	-	(13,726,202)	(14,651,455)	(16,089,718)	(16,726,538)
Repair & Maintenance	(14,000,000)	(6,000,000)	(90,758)	(4,000,000)	(3,000,000)	(13,000,000)	-	-	(6,000,000)	(10,000,000)
Miscellaneous	(1,274,216)	(1,190,387)	(1,235,220)	(1,016,969)	(705,867)	(1,799,388)	(1,208,523)	(418,193)	(312,421)	(274,988)
Total Expense	(94,322,507)	(92,389,652)	(85,764,896)	(94,262,520)	(97,968,470)	(151,526,458)	(129,694,698)	(149,178,574)	(166,998,828)	(175,488,241)
Operating Loss	(38,116,744)	(26,630,126)	(26,578,391)	(27,510,869)	(43,222,202)	(51,445,033)	(52,335,209)	(51,919,480)	(60,798,728)	(63,359,340)



McCORMICK PLACE FINANCIAL PLAN ASSUMPTIONS

McCORMICK PLACE REVENUES

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

RENT REVENUES

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

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

McCormick Place is used primarily for conventions and expositions, but it is also used for consumer or public events. Rental rates for conventions and exhibitions are on a per net square foot basis for a term of up to 14 days, with a minimum rental charge per building. Rental rates for conventions and exhibitions are not projected to increase during fiscal years 2021, 2022 and 2023.

- b) **Meeting Rooms** revenue consists of rental revenues for the use of meeting rooms for trade show meetings and exhibits. Additional revenue is generated from charges for room set-ups and other miscellaneous services. Meeting rooms are rented to trade show sponsors and exhibitors, as well as to the general public according to the prevailing rental rates for the various rooms.
- c) **Incentive Fund Revenue** - The State of Illinois established the Metropolitan Pier and Exposition Authority Incentive Fund to provide reimbursement to MPEA for incentives granted to organizations and entities that agree to use MPEA facilities for conventions, trade shows and meetings. McCormick Place rent revenues from fiscal 2013 through fiscal 2017 reflect incentive reimbursements of up to \$15 million annually. The fiscal 2018 Budget Implementation Act eliminated the MPEA Incentive Fund beginning July 1, 2017. As a result, these reimbursements are not included in revenue projections.

SERVICES REVENUES

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

- a) **Internet service** revenue is comprised of revenue from internet services provided to event exhibitors. McCormick Place offers high speed and high density wireless services as well as, lower priced wired services and, plug and play shared services.
- b) **Telephone** revenue is comprised of revenue from services provided to event exhibitors and tradeshow sponsors for the rental, installation and use of single-line telephone service for exhibitors, charges for local and long-distance telephone usage, multi-line telephone services for tradeshow sponsors and miscellaneous rental revenues.
- c) **Electrical and plumbing** revenue primarily represents commissions charged to outside contractors that utilize McCormick Place facilities. This category also includes electrical services provided by in-house event operations staff for events held in meeting rooms at McCormick Place.

PARKING/MARSHALLING REVENUES

Standard Parking Corporation manages all Authority parking lots and the truck marshaling yard.

- a) **Parking** revenues are derived from charges for the use of the Authority's parking facilities. McCormick Place, excluding the hotels, has three parking facilities with approximately 5,650 parking spaces. Due to the implementation of the new State tax on parking, effective January 1, 2020, the general parking rate increased from \$23 to \$25 per parked vehicle and is projected to remain constant throughout the Financial Plan period.
- b) **Truck Marshalling** is a service provided by the Authority for the processing and controlled movement of exhibitor trucks during unloading, loading and storage. Revenue is generated primarily from fees assessed per truck (fees vary according to the number of axles per truck) and from annual fixed-fee contracts with high-volume customers. Additional revenue is expected from the operation of a certified truck weight scale station and from the leasing of office space. Offices are leased to volume users of the marshalling yard.

FOOD & BEVERAGE REVENUES

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

OTHER EVENT REVENUE

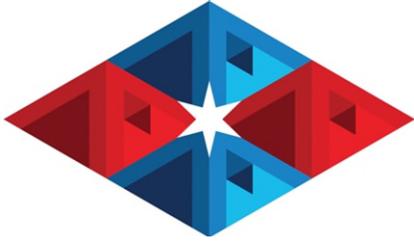
Other event revenue is comprised of non-rental/service revenue projected for McCormick Place. This includes, but is not limited to, labor (Stagehands, City Police and K-9, EMT's), event advertising and meeting room equipment. Non-rental revenue for meeting rooms includes charges for equipment, equipment 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. 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 Event Center (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. The three-year Financial Plan for McCormick Place and Wintrust Arena has been jointly agreed to by MPEA and SMG. As provided in a private letter ruling from the IRS, the operating agreement provides incentives to SMG to improve on the operating results in the Financial Plan by growing revenues and reducing the deficit while maintaining overall customer satisfaction. SMG assumed effective operating control of the convention complex on July 1, 2011 with all phases fully transitioned by August 1, 2011.

On Oct 1, 2019, SMG and AEG Facilities announced completion of their business combination to create a new, standalone global facility management and venue services company: ASM Global. 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.



METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

Hyatt Regency McCormick Place Hotel

Operating Budget

For Fiscal Years 2021, 2022 and 2023



Metropolitan Pier and Exposition Authority
 Fiscal Years 2021 - 2023 Operating Budget
 Hyatt Regency McCormick Place Hotel

	Fiscal Year	PROJECTED	FY2021-2023 Budget							
	2014	2015	2016	2017	2018	2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Revenue										
Rooms	\$53,392,596	\$61,411,518	\$59,972,214	\$65,744,495	\$65,866,045	\$63,647,459	\$40,601,760	\$59,216,563	\$71,819,000	\$72,572,000
Food and Beverage	20,820,923	24,967,162	23,754,541	24,770,518	23,798,683	25,360,658	14,326,068	22,946,640	25,638,000	26,283,000
Telephone	230,237	189,495	128,670	169,986	116,968	124,691	18,099	34,072	39,000	37,000
Rentals/Other Income	1,945,522	1,355,520	1,763,059	2,544,896	2,236,102	2,243,378	1,642,161	2,163,747	2,503,000	2,486,000
Parking	2,316,654	2,497,839	2,626,879	2,719,788	2,430,478	2,372,584	1,506,024	2,386,951	2,453,939	2,522,936
Total Revenue	78,705,932	90,421,534	88,245,363	95,949,683	94,448,276	93,748,770	58,094,112	86,747,973	102,452,939	103,900,936
Direct Expense										
Rooms	(16,892,532)	(19,217,779)	(19,049,243)	(20,328,828)	(21,105,183)	(20,534,409)	(14,349,444)	(19,151,705)	(23,003,000)	(23,857,000)
Food and Beverage	(17,558,303)	(19,773,855)	(19,618,650)	(20,797,523)	(20,618,385)	(20,371,956)	(14,074,565)	(19,572,607)	(21,178,000)	(21,681,000)
Telephone	(487,178)	(984,285)	-	-	-	-	-	-	-	-
Parking	(1,366,246)	(1,397,660)	(1,583,033)	(1,652,952)	(1,694,506)	(1,615,559)	(1,401,835)	(1,674,290)	(1,711,883)	(1,774,945)
Total Direct Expense	(36,304,259)	(41,373,579)	(40,250,926)	(42,779,303)	(43,418,074)	(42,521,924)	(29,825,844)	(40,398,602)	(45,892,883)	(47,312,945)
Contribution Margin	42,401,673	49,047,955	47,994,437	53,170,381	51,030,202	51,226,847	28,268,268	46,349,371	56,560,056	56,587,991
Contribution Margin %	53.9%	54.2%	54.4%	55.4%	54.0%	54.6%	48.7%	53.4%	55.2%	54.5%
General & Admin Expense:										
Hotel Sales, Gen & Admin	(10,737,080)	(10,638,876)	(10,855,218)	(11,156,571)	(11,269,054)	(11,462,599)	(9,563,962)	(11,429,142)	(12,217,000)	(12,446,000)
Information Technology	-	-	(1,607,941)	(1,862,243)	(1,904,567)	(1,876,658)	(1,598,733)	(1,877,981)	(1,980,000)	(2,031,000)
Utilities	(1,963,269)	(2,081,007)	(2,066,491)	(1,841,878)	(1,900,612)	(1,905,435)	(1,797,279)	(1,781,312)	(1,958,000)	(1,990,000)
Maintenance & Operations	(4,037,202)	(4,100,407)	(3,820,114)	(3,449,723)	(3,593,088)	(3,683,037)	(3,816,343)	(4,106,751)	(4,298,000)	(4,388,000)
Capital Maintenance Reserve	-	-	-	-	-	(2,255,047)	-	-	-	-
Operating Insurance	(498,638)	(523,032)	(537,960)	(502,572)	(459,603)	(489,837)	(548,207)	(614,565)	(650,000)	(675,000)
Management Fees	(1,527,786)	(1,758,474)	(1,804,000)	(2,563,822)	(1,919,133)	(1,969,321)	(2,030,003)	(2,085,000)	(2,148,000)	(2,213,000)
Incentive Management Fees	-	-	-	-	(680,000)	(682,000)	-	-	-	-
Professional Fees	-	(193,974)	(210,000)	(210,000)	(216,637)	(197,595)	(165,296)	(165,000)	(165,000)	(165,000)
Total General & Admin	(18,763,975)	(19,295,770)	(20,901,724)	(21,586,809)	(21,942,693)	(24,521,529)	(19,519,823)	(22,059,751)	(23,416,000)	(23,908,000)
G & A as % of Sales	23.8%	21.3%	23.7%	22.5%	23.2%	26.2%	33.6%	25.4%	22.9%	23.0%
Total Expense	(55,068,234)	(60,669,349)	(61,152,650)	(64,366,112)	(65,360,767)	(67,043,452)	(49,345,667)	(62,458,353)	(69,308,883)	(71,220,945)
Operating Income	23,637,698	29,752,185	27,092,713	31,583,572	29,087,509	26,705,318	8,748,445	24,289,620	33,144,056	32,679,991



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 new 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 June 30, 2024. Effective June 4, 2013, the Authority revised the Management Agreement to incorporate the additional tower and to provide incentives to Hyatt for meeting established new business objectives. Hotel revenues are generated from room rentals, food and beverage, parking and miscellaneous other services.

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

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

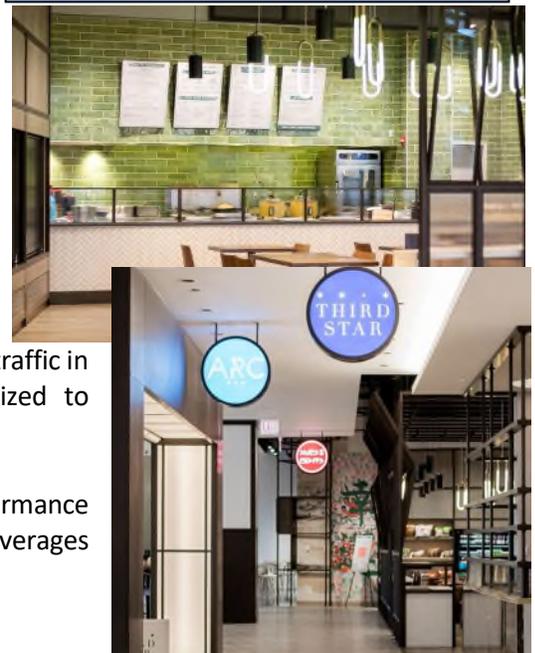


- ◆ 33-story luxury hotel with 1,258 rooms, including 51 suites
- ◆ 50,721 total square feet of meeting space
- ◆ 28,314 square-foot Hyatt Conference Center, including 29 meeting rooms and a 5,471 square-foot junior ballroom was added with the hotel expansion.
- ◆ 11,644 square-foot hotel Ballroom and additional meeting rooms in the hotel
- ◆ 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
- ◆ Business center and secretarial services

The following key assumptions were used in projecting Hyatt hotel revenues in 2021, 2022 and 2023:

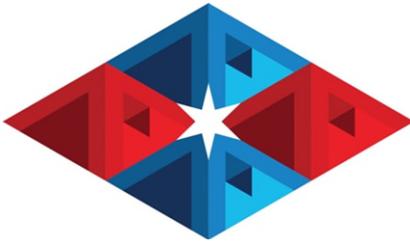
- ◆ Overall, Hyatt hotel revenue is expected to increase in fiscal 2021 as compared to fiscal 2020. However, due to the impact of COVID-19, revenues for fiscal 2021 are expected to be considerably less than initial estimates. The estimated revenue increase is due to increases in the occupancy rate as compared to fiscal 2020 and an increase in the average daily rate as compared to fiscal 2020. The average daily rate is estimated to increase 6.3% in fiscal 2021 as compared to fiscal 2020 based on anticipated market conditions. Occupancy rates for fiscal 2022 are projected to increase as compared to fiscal 2021 while occupancy rates for 2023 are projected to remain the same as fiscal 2022. The average daily rate will increase slightly from fiscal 2022 to fiscal 2023.
- ◆ The projected occupancy is based upon a customer mix comprised primarily of convention-related demand, with the balance comprised of in-house groups and business/leisure travelers. The Hyatt hotel's business mix has been severely impacted by COVID-19 with the cancellation of most groups from March through June 2020. The occupancy rate is now forecasted to be 43.1% in fiscal 2020 and 59.3% in fiscal 2021. **The occupancy rate is projected to rise to 70.3% in both fiscal 2022 and fiscal 2023.**
- ◆ 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 coupled with what the market will allow and does not necessarily correspond to the region's overall inflation. Due to COVID-19, these rates dropped close to 7% during the last quarter of fiscal 2020. **Compared to fiscal 2020, the average daily rate is projected to increase by 6.3% in fiscal 2021, an additional 3.2% in fiscal 2022 and an additional 1.0% in fiscal 2023.**
- ◆ Conference Center meeting space of approximately 28,314 square feet allows for a variety of layouts and is divisible into 29 versatile meeting rooms. It also includes a 5,471 square-foot junior ballroom (Prairie Room) and is connected to the hotel via an enclosed pedestrian link.
- ◆ **Food and Beverage revenues are projected to grow at a steady pace from fiscals 2021 through 2023 based upon the anticipated mix of events.** 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.

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





- ◆ Parking revenues are based on historical performance and projected future business mix at the hotel and include a combination of self-parks and valet-parks in the 568-space garage. Charges per car are based on a tiered rate structure according to length of stay. The 24-hour hotel self-park rate in fiscal 2020 is \$38 per parked vehicle. Parking rates in fiscal 2021, fiscal 2022 and fiscal 2023 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 2021, 2022 and 2023





Metropolitan Pier and Exposition Authority
Fiscal Years 2021 - 2023 Operating Budget
Marriott Marquis Chicago Hotel

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	PROJECTED	FY2021-2023 Budget		
							Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Revenue										
Rooms	-	-	-	-	\$ 37,923,649	\$58,666,580	\$37,515,792	\$59,891,000	\$71,901,157	\$76,377,822
Food and Beverage	-	-	-	-	22,969,344	36,448,803	24,542,139	37,959,000	45,111,936	47,066,521
Telephone	-	-	-	-	209,727	382,733	149,263	285,000	326,327	335,857
Rentals/Other Income	-	-	-	-	433,705	2,257,432	1,864,115	2,384,000	2,692,107	2,772,870
Parking	-	-	-	-	628,626	1,009,573	627,985	1,010,017	1,035,772	1,061,667
Total Revenue	-	-	-	-	62,165,051	98,765,121	64,699,294	101,529,017	121,067,299	127,614,738
Direct Expense										
Rooms	-	-	-	-	(10,375,115)	(15,814,441)	(11,644,415)	(16,562,000)	(19,180,736)	(19,713,569)
Food and Beverage	-	-	-	-	(15,373,749)	(23,558,037)	(18,857,447)	(25,504,000)	(29,389,504)	(30,446,571)
Telephone	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	(537,206)	(1,051,532)	(1,005,282)	(1,110,609)	(1,130,226)	(1,166,011)
Total Direct Expense	-	-	-	-	(26,286,070)	(40,424,010)	(31,507,144)	(43,176,609)	(49,700,466)	(51,326,150)
Contribution Margin	-	-	-	-	35,878,981	58,341,111	33,192,150	58,352,408	71,366,833	76,288,587
Contribution Margin %	-	-	-	-	57.7%	59.1%	51.3%	57.5%	58.9%	59.8%
General & Admin Expense:										
Hotel Sales, Gen & Admin	-	-	-	-	(10,386,508)	(14,953,396)	(13,126,871)	(15,985,000)	(18,071,873)	(18,782,545)
Information Technology	-	-	-	-	(2,254,059)	(2,579,983)	(2,056,789)	(2,469,000)	(2,716,286)	(2,856,721)
Utilities	-	-	-	-	(1,460,363)	(2,022,787)	(1,798,504)	(2,119,000)	(2,291,107)	(2,415,587)
Maintenance & Operations	-	-	-	-	(2,797,399)	(5,653,160)	(4,355,554)	(4,606,000)	(4,801,557)	(4,947,650)
Capital Maintenance Reserve	-	-	-	-	-	(2,541,644)	-	-	-	-
Replacement Reserve	-	-	-	-	(67,431)	-	(54,000)	(600,000)	(600,000)	(600,000)
Operating Insurance	-	-	-	-	(501,882)	(620,260)	(552,317)	(609,000)	(650,000)	(684,000)
Management Fees	-	-	-	-	(1,846,093)	(2,932,666)	(1,919,317)	(3,016,000)	(3,601,000)	(3,797,000)
Professional Fees	-	-	-	-	(76,585)	(123,760)	(165,299)	(165,000)	(165,000)	(165,000)
Total General & Admin	-	-	-	-	(19,390,320)	(31,427,655)	(24,028,651)	(29,569,000)	(32,896,823)	(34,248,503)
G & A as % of Sales	-	-	-	-	31.2%	31.8%	37.1%	29.1%	27.2%	26.8%
Total Expense	-	-	-	-	(45,676,390)	(71,851,665)	(55,535,795)	(72,745,609)	(82,597,288)	(85,574,654)
Operating Income	-	-	-	-	16,488,661	26,913,456	9,163,499	28,783,408	38,470,011	42,040,084



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 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 38% 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 337,000 hotel nights have already been booked for the Marriott Marquis Chicago Hotel for fiscal years 2021 through 2023.



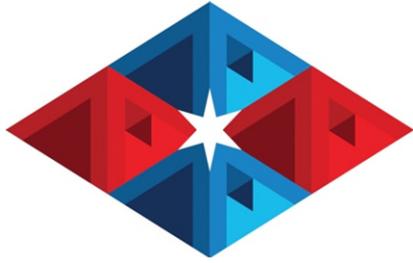
MARRIOTT

- ◆ 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 2021 through 2023:

- ◆ 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 2020, **the occupancy rate is forecasted to be 38.0% due to COVID-19 pandemic and is expected to increase to 54.3%, 62.7% and 64.5% in fiscal years 2021, 2022 and 2023, 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 Marriott to maximize performance given the expected strong demand within the brand and appeal of a new hotel. **As compared to 2020, the average daily rate is projected to increase 11.4% in fiscal 2021 due to the COVID-19 pandemic impact in Fiscal 2020, increase 4.0% in fiscal 2022 and increase an additional 3.2% in fiscal 2023** based upon anticipated market conditions.
- ◆ **Food and Beverage revenues are projected at \$38.0 million in fiscal 2021 and projected to rise to \$45.1 million and \$47.1 million in fiscal 2022 and 2023, respectively.** Restaurant revenues are expected to rise as the hotel improves with increased market awareness along with increasing local market penetration.



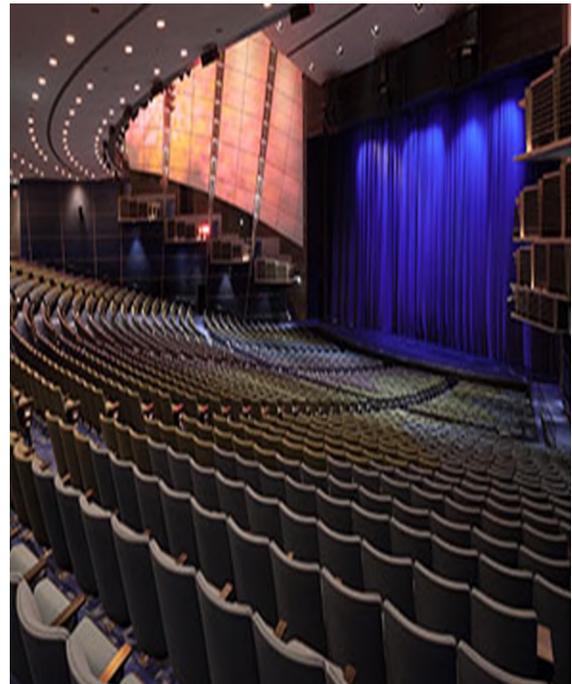
METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Wintrust Arena/Arie Crown Theater

Operating Budget

For Fiscal Years 2021, 2022 and 2023





Metropolitan Pier and Exposition Authority
Fiscal Years 2021 - 2023 Operating Budget
Wintrust Arena/Arie Crown Theater

	Fiscal Year	Fiscal Year	PROJECTED	FY2021-2023 Budget						
	2014	2015	2016	2017	2018	2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Revenue										
Rent	-	-	-	-	\$ 1,525,816	\$ 1,609,861	\$ 1,789,879	\$2,288,352	\$2,525,917	\$2,625,377
Services	-	-	-	-	66,215	150,141	130,362	124,468	149,515	149,515
Parking/Marshalling	-	-	-	-	774,409	862,217	887,288	1,215,448	1,303,418	1,365,478
Food & Beverage	-	-	-	-	3,700,521	3,847,474	3,625,989	3,064,616	3,345,058	3,445,399
Other Event Revenue	-	-	-	-	3,755,114	5,454,391	5,310,601	6,755,157	7,459,751	7,234,330
Total Revenue	-	-	-	-	9,822,075	11,924,084	11,744,119	13,448,041	14,783,659	14,820,099
Expense										
Rent	-	-	-	-	(3,425,278)	(4,927,740)	(4,145,500)	(4,480,744)	(4,958,320)	(4,697,207)
Services	-	-	-	-	(483,978)	(900,025)	(454,184)	(418,182)	(435,449)	(438,048)
Parking/Marshalling	-	-	-	-	(273,390)	(300,835)	(344,972)	(491,494)	(605,296)	(634,069)
Food & Beverage	-	-	-	-	(3,246,002)	(3,567,351)	(3,125,545)	(2,954,452)	(3,128,302)	(3,223,398)
Other Event/Op Expenses	-	-	-	-	(165,261)	(153,587)	(490,829)	(320,037)	(334,492)	(334,492)
General & Admin / Operations	-	-	-	-	(2,375,172)	(2,524,130)	(3,377,380)	(4,394,321)	(4,533,471)	(4,605,569)
Miscellaneous	-	-	-	-	(79,832)	(114,930)	(83,066)	(131,840)	(133,478)	(135,165)
Total Expense	-	-	-	-	(10,048,913)	(12,488,599)	(12,021,476)	(13,191,070)	(14,128,808)	(14,067,948)
Operating Income	-	-	-	-	(226,838)	(564,515)	(277,357)	256,971	654,851	752,151

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 fill unmet needs of current convention business. The Wintrust Arena allows MPEA to compete for new

types of events, including concerts, convocations, and amateur and exhibition sporting events with audiences of 5,000 to 10,000 attendees. During fiscal 2020, the Arena hosted a variety of public and private events including NBA All-Star Weekend, AWS AKO 2020 (Amazon), AEW Revolution, Fantasia, Patti LaBelle, and TWICE. In addition to generating direct operating income for the Arena, events held at the Arena will positively impact the operating results of the Authority’s other business units through hotel bookings and 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 75 events annually during fiscal 2021 through fiscal 2023.

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



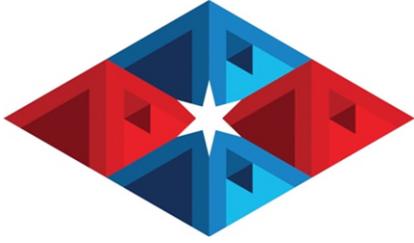
Arie Crown Theater revenues are derived from the rental of the Arie Crown Theater to event sponsors, primarily on a fixed-rate basis. Events include industrial shows, trade show meetings, and estimated revenue from public events including assemblies, theatrical performances and concerts. Forecasted theater 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.



PRIVATE OPERATOR CONTRACT AWARD TO SMG

In 2011, MPEA awarded a five-year contract to SMG to manage the McCormick Place complex. 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 Event Center (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. The three-year Financial Plan for McCormick Place and Wintrust Arena has been jointly agreed to by MPEA and SMG. As provided in a private letter ruling from the IRS, the operating agreement provides incentives to SMG to improve on the operating results in the plan by growing revenues and reducing the deficit while maintaining overall customer satisfaction. SMG assumed effective operating control of the convention complex on July 1, 2011 with all phases fully transitioned by August 1, 2011.

Oct 1, 2019, SMG and AEG Facilities announced completion of their business combination to create a new, standalone global facility management and venue services company: ASM Global. 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.



METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Energy Center

Operating Budget

For Fiscal Years 2021, 2022 and 2023





Metropolitan Pier and Exposition Authority
Fiscal Years 2021 - 2023 Operating Budget
Energy Center

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	PROJECTED Fiscal Year 2020	FY2021-2023 Budget		
								Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Revenue	7,954,242	7,842,471	7,613,402	8,560,205	8,253,043	9,108,145	8,497,662	8,940,821	8,940,821	8,940,821
Expense										
Payroll & benefits	(2,240,958)	(1,659,129)	(1,985,528)	(1,904,374)	(1,852,540)	(1,849,899)	(2,050,514)	(2,295,300)	(2,400,176)	(2,482,552)
Energy Costs	(3,880,140)	(3,431,447)	(2,509,867)	(3,013,359)	(15,088,820)	(16,393,711)	(16,081,484)	(16,493,798)	(16,221,075)	(16,097,745)
General & Administrative	(1,178,572)	(1,145,135)	(986,832)	(1,329,118)	(833,003)	(908,760)	(1,174,787)	(1,331,078)	(1,562,366)	(1,350,493)
Total Expense	(7,299,670)	(6,235,711)	(5,482,227)	(6,246,852)	(17,774,363)	(19,152,370)	(19,306,785)	(20,120,176)	(20,183,617)	(19,930,790)
Internal Expense Alloc.	4,179,202	4,401,832	3,899,568	3,869,023	16,245,289	18,134,803	17,926,452	17,758,171	18,144,088	18,147,741
Net Expense	(3,120,468)	(1,833,879)	(1,582,659)	(2,377,829)	(1,529,074)	(1,017,567)	(1,380,333)	(2,362,005)	(2,039,529)	(1,783,049)
Operating Income	4,833,774	6,008,592	6,030,743	6,182,376	6,723,969	8,090,578	7,117,329	6,578,816	6,901,292	7,157,772



ENERGY CENTER FINANCIAL PLAN ASSUMPTIONS

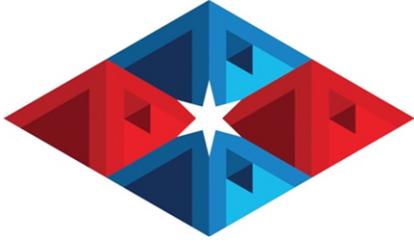
The Energy Center supplies chilled water and steam for cooling and heating to McCormick Place, including the Arie Crown Theater, the Hyatt Regency McCormick Place Hotel and Conference Center, the Marriott Marquis Chicago Hotel, the Wintrust Arena, the MPEA Corporate Center, and outside customers.

REVENUES

While the primary use of the Energy Center is to supply heating and cooling to the Authority, 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 2021, 2022 and 2023



Metropolitan Pier and Exposition Authority
Fiscal Years 2021 - 2023 Operating Budget
Corporate Center

	Fiscal Year	PROJECTED	FY2021-2023 Budget							
	2014	2015	2016	2017	2018	2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Revenue										
Interest Income	102,516	109,547	121,936	253,978	575,227	1,886,382	1,802,523	349,972	820,258	1,097,191
Other Income	474,660	278,343	245,209	213,308	270,290	286,075	280,278	233,564	239,838	245,027
Total Revenues	577,176	387,890	367,145	467,285	845,517	2,172,457	2,082,801	583,536	1,060,096	1,342,218
Expense										
Chief Executive Office	(632,497)	(782,485)	(1,129,644)	(976,910)	(1,197,115)	(1,078,973)	(888,982)	(1,171,703)	(1,317,406)	(1,350,492)
Labor Relations	-	(304,296)	(313,198)	(323,400)	(337,974)	(381,015)	(382,170)	(392,153)	(416,829)	(429,558)
Internal Audit	(382,199)	(363,402)	(356,244)	(369,114)	(388,465)	(457,402)	(475,186)	(647,847)	(857,752)	(866,645)
IT	-	-	-	-	-	-	(146,904)	(509,963)	(519,670)	(526,408)
Corporate Marketing	(179,933)	(221,102)	(337,945)	(672,878)	(494,251)	(798,790)	(763,632)	(759,421)	(819,138)	(823,886)
	(1,194,629)	(1,671,286)	(2,137,031)	(2,342,301)	(2,417,804)	(2,716,179)	(2,656,874)	(3,481,087)	(3,930,795)	(3,996,989)
Finance	(1,400,952)	(1,371,914)	(1,498,425)	(1,374,309)	(1,562,586)	(1,742,121)	(1,708,680)	(1,881,798)	(2,025,651)	(2,081,090)
Risk Management	(696,756)	(724,228)	(724,339)	(665,402)	(624,873)	(630,490)	(715,440)	(1,039,718)	(1,071,820)	(1,071,820)
Human Resources	(150,758)	(157,338)	(157,425)	(273,829)	(306,551)	(325,765)	(374,617)	(383,426)	(393,236)	(402,762)
Corporate Campus Sales	-	-	-	-	-	(37,508)	(248,862)	(414,800)	(533,924)	(547,154)
	(2,248,465)	(2,253,480)	(2,380,189)	(2,313,540)	(2,494,010)	(2,735,884)	(3,047,599)	(3,719,742)	(4,024,631)	(4,102,826)
Legal	(968,809)	(1,110,424)	(1,235,789)	(1,495,870)	(1,138,096)	(1,300,730)	(1,106,407)	(1,466,400)	(1,664,236)	(1,690,333)
Procurement/Diversity	(344,289)	(426,957)	(387,792)	(347,708)	(419,638)	(438,962)	(489,234)	(576,402)	(701,912)	(720,591)
	(1,313,098)	(1,537,381)	(1,623,581)	(1,843,577)	(1,557,734)	(1,739,691)	(1,595,641)	(2,042,802)	(2,366,148)	(2,410,924)
Development	(169,865)	-	-	(199,469)	(199,735)	(1,131,113)	(1,018,241)	(1,139,484)	(1,028,934)	(1,056,889)
Safety & Security	(183,973)	(220,058)	(271,799)	(286,638)	(470,627)	(800,013)	(881,234)	(782,767)	(873,593)	(930,400)
Maintenance & Operations	(267,137)	(212,086)	(197,494)	(226,234)	(398,562)	(802,109)	(885,248)	(664,242)	(795,697)	(821,289)
Utilities	(251,964)	(205,151)	(205,756)	(222,933)	(226,074)	(238,688)	(275,746)	(76,865)	(78,562)	(79,041)
Housekeeping	(137,491)	(136,141)	(122,022)	(113,356)	(114,966)	(179,632)	(236,037)	(99,264)	(100,547)	(101,863)
Other Expenses	1,658,572	2,694,072	298,290	(853,770)	(811,082)	(672,866)	(575,513)	(815,000)	(815,000)	(815,000)
	818,006	1,920,637	(498,781)	(1,702,931)	(2,021,310)	(2,693,309)	(2,853,778)	(2,438,138)	(2,663,399)	(2,747,593)
Total Expense	(4,108,052)	(3,541,510)	(6,639,582)	(8,401,819)	(8,690,593)	(11,016,177)	(11,172,133)	(12,821,253)	(14,013,907)	(14,315,221)
Operating Loss	(3,530,876)	(3,153,620)	(6,272,437)	(7,934,533)	(7,845,075)	(8,843,720)	(9,089,332)	(12,237,717)	(12,953,811)	(12,973,003)



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 an annual interest rate of 0.40% to 1.44% during the budget period. Revenues also include projected tenant revenue of \$233,564, \$239,838 and \$245,027, in fiscal years 2021, 2022 and 2023, respectively, reflecting an allocation of operating expenses to Corporate Center tenants.

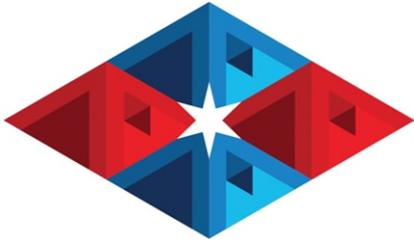
ADMINISTRATIVE EXPENSES

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. The fiscal 2021 through fiscal 2023 Corporate Center budgets continue to reflect the retention of two Development Department staff to manage the Authority's on-going capital maintenance projects. Beginning in fiscal 2020, the Corporate Center budget also includes a Director of Campus Sales position to oversee and coordinate the sales efforts of all MPEA partners. The fiscal 2021 budget includes a sales manager position to support the Director of Campus Sales. This position was transferred from the McCormick Place budget, so 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. The Authority hired a Director of Technology to manage its corporate center IT infrastructure and to oversee the campus technology footprint. Beginning with the fiscal 2021 budget, \$300 thousand was transferred from McCormick Place to the Corporate Center budget to fund the Corporate Center IT expenses. This transfer had no impact on the combined budget. Corporate expenses also include \$815 thousand, annually, in fiscal 2021 through fiscal 2023 to fund the Authority's pension plan. These amounts stem from an actuarially determined projection and is based upon an assumption that the market will expand at a moderate pace throughout the budget period. The retirement plan has been closed to new entrants since fiscal 2010 and benefit amounts have been frozen since fiscal 2012.



As a result of the COVID-19 pandemic, the Corporate Center is undertaking a contingency plan to reduce operating costs. Currently, the Authority assumes six open positions will initially remain at the beginning of fiscal 2021. As campus activities return during the year, the Authority anticipates filling these positions. The Authority also assumes there will be no salary increases for non-represented employees during fiscal 2021.

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
CEO Depts.	4	6	6	6.5	8	7	7	9	9	9
CFO Depts.	13	12	12	12	13	13	14	15	15	15
Information Systems	0	0	0	0	0	0	0	1	1	1
Legal	8	8	8	8	8	9	9	8	8	8
Development	1	0	0	1	2	6	5	4	4	4
Maintenance	0	0	0	0	0	4	6	6	6	6
TOTALS	26	26	26	27.5	31	39	41	43	43	43

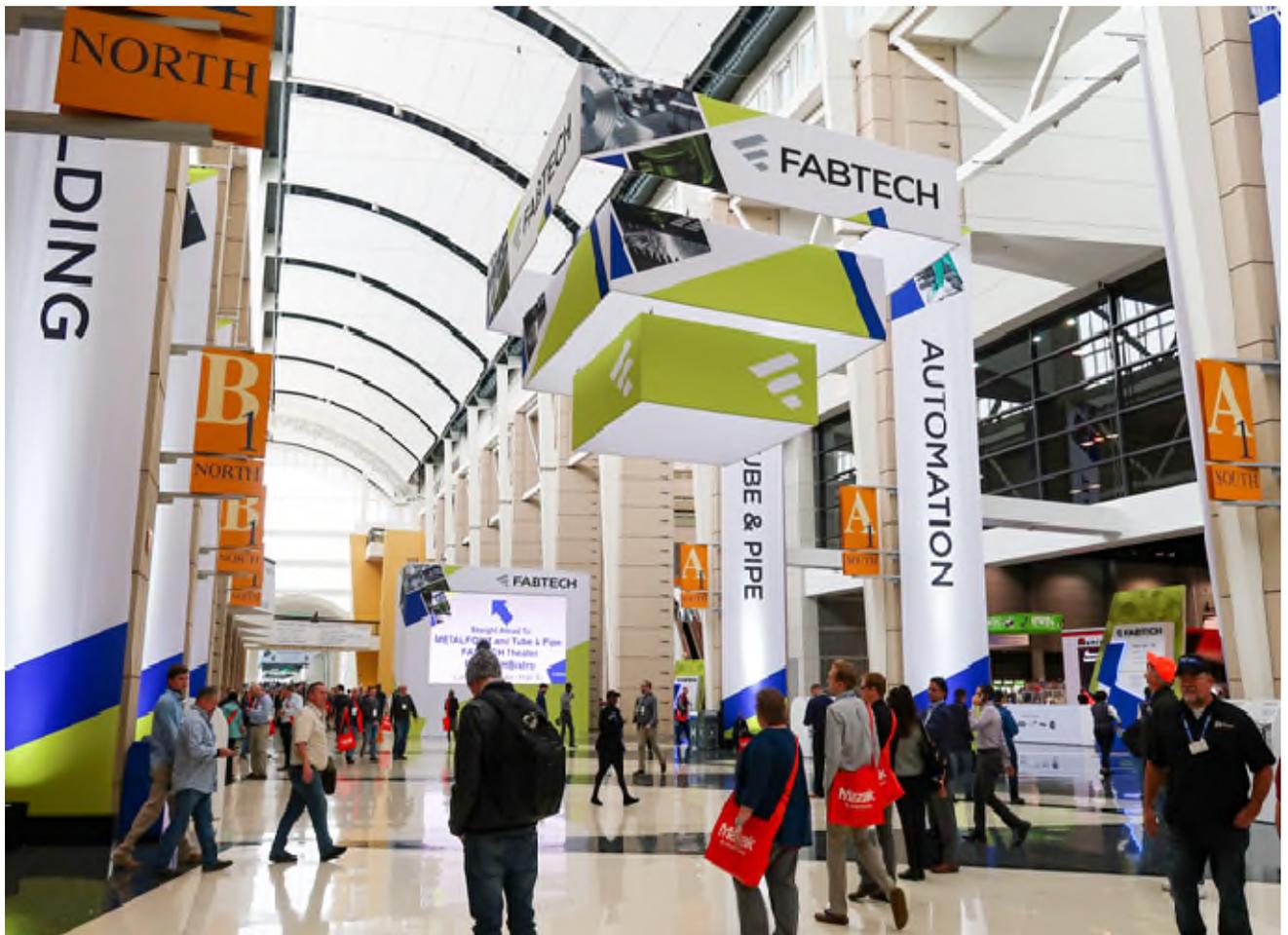


METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

MPEA Cash Flow Forecast

For Fiscal Years 2021, 2022 and 2023





MPEA Cash Flow Projection

	2018	2019	2020	2021	2022	2023
	(Actual)	(Actual)	(Estimate)	(Budget)	(Budget)	(Budget)
<u>Operating Fund</u>						
- McCormick Place	(43,222,202)	(51,445,033)	(52,335,209)	(51,919,480)	(60,798,728)	(63,359,340)
- Navy Pier	1	1	1	1	1	1
- Hyatt	29,087,509	26,705,318	8,748,445	24,289,620	33,144,056	32,679,991
- Marriott	16,488,661	26,913,456	9,163,499	28,783,408	38,470,011	42,040,084
- Wintrust Arena	(226,838)	(564,515)	(277,357)	256,971	654,851	752,151
- Energy Center	6,723,969	8,090,578	7,117,329	6,578,816	6,901,292	7,157,772
- Corporate Center	(7,845,075)	(8,843,720)	(9,089,332)	(12,237,717)	(12,953,811)	(12,973,003)
Subtotal Base Operating P&L	1,006,024	856,085	(36,672,624)	(4,248,381)	5,417,672	6,297,656
- PTO / Severance Impact	-	-	(2,500,000)	-	-	-
- Project Revenue Bonds Debt Service	-	-	-	-	(2,446,750)	(2,520,250)
Operating Fund Balance	65,820,017	66,676,102	27,503,478	23,255,097	26,226,019	30,003,425
<u>Repair & Maintenance Fund</u>						
- Receipt of Surplus Tax payment	2,697,005	4,988,732	-	-	2,824	3,222
- Transfer to Project Funds	(2,697,005)	(4,988,732)	-	-	(2,824)	(3,222)
- Transitional Operating Fund Support	-	-	-	-	-	-
- Provision for Repair & Maintenance	3,000,000	13,000,000	-	-	6,000,000	10,000,000
- Repair & Maintenance Spending	(2,964,794)	(804,917)	(486,616)	(1,500,000)	(5,000,000)	(5,000,000)
Repair & Maintenance Fund Balance	22,339,943	34,535,026	34,048,410	32,548,410	33,548,410	38,548,410
<u>Debt Service & Tax Collections</u>						
- MPEA Tax Collections	154,371,279	156,255,848	155,444,000	122,737,000	182,100,000	190,365,000
- Reduction Amounts	31,700,000	31,700,000	31,700,000	31,700,000	31,700,000	31,700,000
- Debt Service (Ded State & Expansion)	(141,778,656)	(196,596,324)	(189,920,234)	(143,017,466) ⁽¹⁾	(213,796,778) ⁽¹⁾	(222,061,435) ⁽¹⁾
- (Replenish) / Draw on Reserve Balance	-	8,640,476 ⁽²⁾	2,776,234 ⁽²⁾	(11,416,710) ⁽²⁾	-	-
- Repayment of pre-2010 State Draws	(39,303,891) ⁽³⁾	-	-	-	-	-
- Surplus Tax Payment	(4,988,732)	-	-	(2,824)	(3,222)	(3,565)
Cumulative Draw on Sales Tax	-	-	-	-	-	-

⁽¹⁾ In anticipation that tax collections will be less than debt service in FY21, FY22, and FY23, MPEA intends to refinance portions of its Expansion Project Bonds.

⁽²⁾ The Authority used a portion of the \$30 million on deposit in the Authority Tax Fund to pay debt service during FY19. The Authority issued refunding bonds in FY20 with the intended goal of replenishing the Reserve Fund balance to \$30 million by the end of FY20. Due to the impact of COVID-19, the Authority now anticipates using a portion of the \$30 million on deposit in the Authority Tax Fund to pay debt service in FY20. The Authority plans to refinance debt in FY21 to replenish the Reserve Fund balance to \$30 million by the end of FY21.

⁽³⁾ In July 2018, the Authority fully repaid the State for previous draws on State Sales Tax deposits.

MPEA CASH FLOW FORECAST ASSUMPTIONS

MPEA CASH FLOW FORECAST

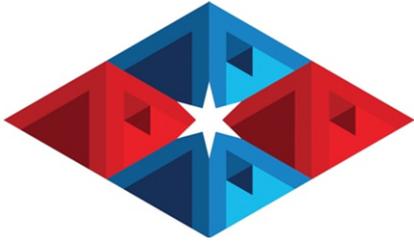
The 2010 Legislation mandated changes to MPEA's operations including eliminating the Authority's mark-up on trade labor on the show floor and operating the food service unit at cost. It also required that the delivery of electrical utility services be opened to outside contractors and that work rules 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 have provided the planned financial support for the operating budget.

The Authority completed construction of a second Hyatt hotel tower on June 1, 2013. The new 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, the additional operating income from the second Hyatt Regency McCormick Place Hotel tower has provided the internal cross-subsidy necessary to balance the overall MPEA operating budgets beginning in fiscal 2015 when the operating assistance from surplus taxes was phased out.

During fiscal 2018, the Authority opened the 1,205-room Marriott Marquis Chicago hotel. Net operating income for the Marriott is projected to equal \$28.8 million in fiscal 2021, \$38.5 million in fiscal 2022 and \$42.0 million in fiscal 2023. With the addition of the Marriott hotel, the Authority's combined hotel operating income will also provide funds to support the Authority's capital maintenance program. The Financial Plan also includes an additional provision of \$16 million of operating funds for repair and maintenance of the McCormick Place complex from fiscal 2022 through fiscal 2023. This brings the total provision to fund repair and maintenance expenses extending from fiscal 2013 through fiscal 2023 to \$67.0 million.

As a result of COVID-19, the Authority expects Authority tax collections considerably lower than its original forecast. The Authority estimates fiscal 2020 tax collections to be \$11.4 million below fiscal 2020 debt service, which will reduce the \$30 million Reserve Balance in the Authority Tax Fund by that amount. To replenish the Reserve Balance to \$30 million, the Authority will increase its fiscal 2021 refunding by an additional \$11.4 million. Under current assumptions, the Authority estimates fiscal 2021 Authority tax collections to come in \$51.6 million below its original forecast. The duration of the slowdown in the hospitality industry caused by COVID-19 will be a significant contributing factor to the total decline in Authority taxes. During fiscal 2022 and fiscal 2023, Authority tax collections are forecasted to continue increasing to support the payment of debt service on the Authority's Expansion Project Bonds. During fiscal 2019, the Authority repaid the remaining \$39.3 million balance to the State for prior draws on the State Sales taxes.



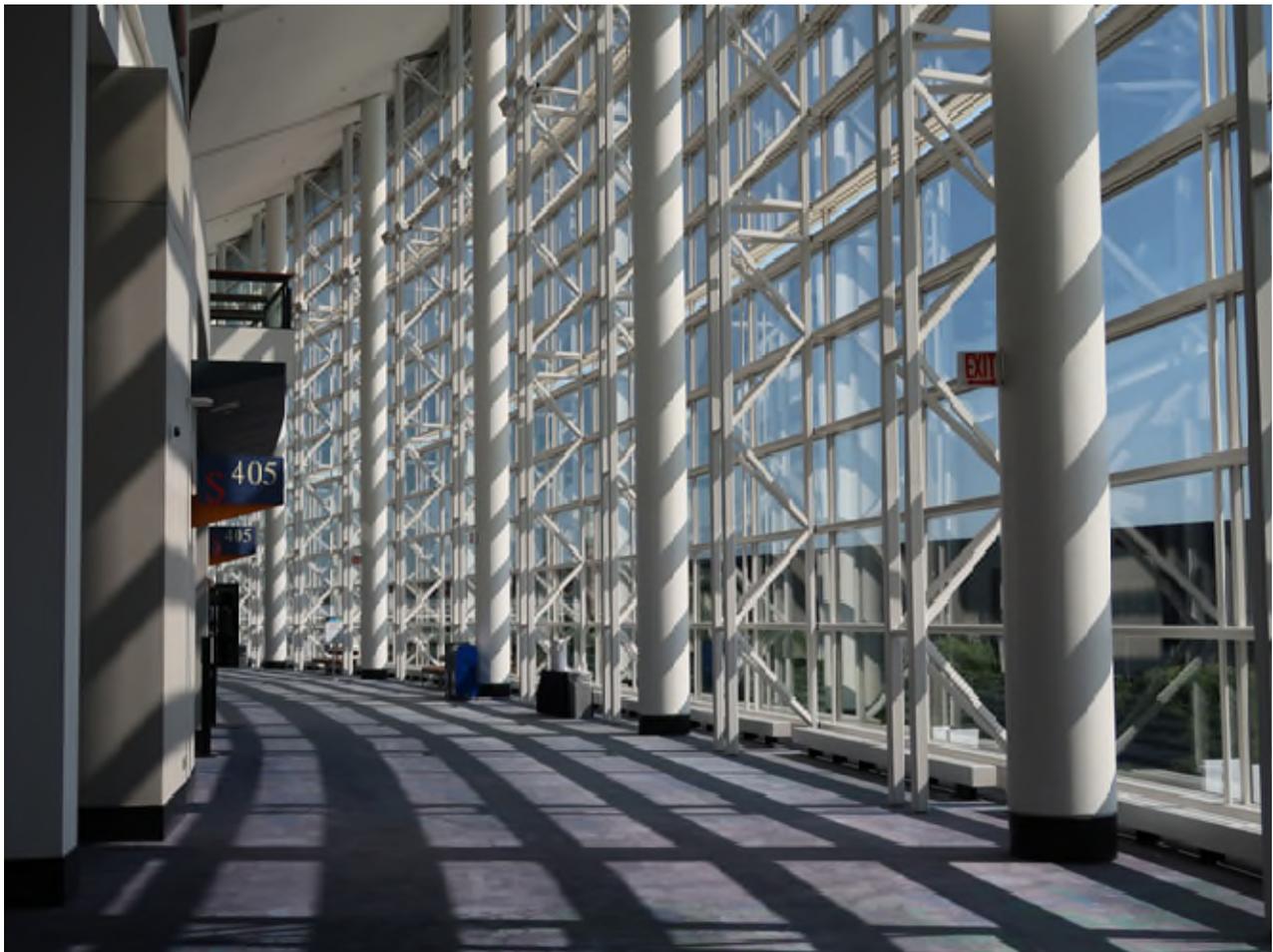
METROPOLITAN PIER AND EXPOSITION AUTHORITY
AT McCORMICK SQUARE

The Metropolitan Pier and Exposition Authority

Debt Service Funds

Non-Operating Budget

For Fiscal Years 2021, 2022 and 2023





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

	<u>Fiscal</u> <u>Year 2021</u>	<u>Fiscal</u> <u>Year 2022</u>	<u>Fiscal</u> <u>Year 2023</u>
Revenues			
Projected Authority Tax Collections			
Food & Beverage Tax	\$42,762	\$63,580	\$67,210
Auto Rental Tax	24,505	35,160	35,520
Hotel Tax	49,561	76,420	80,695
Airport Departure Tax	5,719	6,740	6,740
Capitalized Interest / Earned Interest	14,491	250	250
State Reduction Amount (Net of Ded. State Tax Bonds)	31,700	31,700	31,700
Total Revenues	<u>168,738</u>	<u>213,850</u>	<u>222,115</u>
Expenditures			
Principal and Sinking Fund Payments:			
Expansion Project Bonds, Series 1992A	33,875	0	0
Expansion Project Bonds, Series 1994	11,260	6,020	1,585
Expansion Project Bonds, Series 1996A	16,660	69,605	69,605
Expansion Project Bonds, Series 1998	3,625	3,825	5,745
Expansion Project Bonds, Series 1999	0	0	0
Expansion Project Bonds, Series 2002	0	64,245	8,455
Expansion Project Bonds, Series 2004	0	0	0
Expansion Project Bonds, Series 2010	0	0	0
Expansion Project Bonds, Series 2012	51,545	95	53,790
Expansion Project Bonds, Series 2015	0	0	0
Expansion Project Bonds, Series 2017	0	0	0
Expansion Project Bonds, Series 2020A	0	0	0
Total Principal and Sinking Fund Payments	<u>116,965</u>	<u>143,790</u>	<u>139,180</u>
Interest Expense:			
Expansion Project Bonds, Series 1992A	0	0	0
Expansion Project Bonds, Series 1994	0	0	0
Expansion Project Bonds, Series 1996A	0	0	0
Expansion Project Bonds, Series 1998	5,058	4,856	4,643
Expansion Project Bonds, Series 1999	0	0	0
Expansion Project Bonds, Series 2002	9,186	9,186	5,556
Expansion Project Bonds, Series 2004	0	0	0
Expansion Project Bonds, Series 2010	0	0	0
Expansion Project Bonds, Series 2012	34,608	33,317	32,390
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
Total Interest Expense Payments	<u>111,160</u>	<u>109,667</u>	<u>104,897</u>
Total Debt Service before Refinancing	<u>228,125</u>	<u>253,457</u>	<u>244,077</u>
less: Estimated Refinanced Debt Service	(70,856) ⁽¹⁾	(39,660) ⁽¹⁾	(22,015) ⁽¹⁾
Total Debt Service Payments	<u>157,269</u>	<u>213,797</u>	<u>222,062</u>
Trustee Fees:			
Expansion Project Bonds Series 1992A, Series 1994, Series 1996A, Series 1998, Series 2002, Series 2010, Series 2012, Series 2015, Series 2017, and Series 2020A	50	50	50
Total Expenditures	<u>157,319</u>	<u>213,847</u>	<u>222,112</u>
Net Revenues over (under) Expenditures	<u>11,419</u>	<u>3</u>	<u>3</u>

⁽¹⁾ Estimated Refinanced Debt Service represents debt service the Authority intends to refinance from FY21 to FY23 in anticipation of current debt service exceeding Authority Tax Collections.



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

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
<u>Non-Operating Revenues</u>			
<u>Bond Proceeds - Capitalized Interest:</u>			
Project Revenue Bonds, Series 2019A	\$1,917	\$0	\$0
Funds Provided by Operations / Other Sources	\$4	\$2,451	\$2,524
Total Revenues	\$1,921	\$2,451	\$2,524
<u>Expenditures</u>			
<u>Principal and Sinking Fund Payments:</u>			
Project Revenue Bonds, Series 2019A	\$0	\$530	\$630
Total Principal and Sinking Fund Payments	\$0	\$530	\$630
<u>Interest Payments</u>			
Project Revenue Bonds, Series 2019A	\$1,917	\$1,917	\$1,890
Total Interest Payments	\$1,917	\$1,917	\$1,890
<u>Trustee Fees</u>			
Project Revenue Bonds, Series 2019A	\$4	\$4	\$4
Total Trustee Fees	\$4	\$4	\$4
Total Expenditures	\$1,921	\$2,451	\$2,524
Net Revenues over (under) Expenditures	-	-	-

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



DEBT SERVICE FUNDS FINANCIAL PLAN ASSUMPTIONS

NON-OPERATING REVENUES

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

Revenue collected by the State of Illinois and City of Chicago represents forecasted transfers to the McCormick Place Expansion Project Fund. These revenues are derived from taxes levied by the Authority 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. In addition, dedicated state sales taxes are required to be deposited into the Expansion Project Fund each month in an amount equal to 1/8th of the annual debt service on the bonds to cover deficiencies, if any, in the collection of Authority Taxes.

The debt service and trustee fees for the MPEA Expansion Project Bonds are expected to be \$157.3 million, \$213.8 million, and \$222.1 million in fiscal years 2021, 2022 and 2023, respectively, after the Authority completes its anticipated debt service refinancing from fiscal 2021 through fiscal 2023. As a result of COVID-19, the Authority estimates fiscal 2020 tax collections to be \$11.4 million below fiscal 2020 debt service, which will reduce the \$30 million Reserve Balance in the Authority Tax Fund by that amount. To replenish the Reserve Balance to \$30 million, the Authority will increase its fiscal 2021 refunding by an additional \$11.4 million. Over fiscal years 2011-2015, Authority tax collections were adequate to fund debt service, restore the \$30 million Reserve Balance in the Authority Tax Fund, and allow \$80 million of surplus MPEA taxes to reimburse MPEA operating expenses. Beginning with MPEA tax collections during fiscal 2015 through fiscal 2017, half of future surplus tax amounts was used to repay the prior draw on the State Sales Tax. In July 2017, legislation was enacted allowing the Authority to use 100% of surplus tax amounts to repay prior State Sales Tax draws beginning in fiscal 2018.

On December 10, 2019, the Authority issued its Series 2019A Expansion Project Bonds (Taxable) and on March 17, 2020, the Authority issued its Series 2020A Expansion Project Bonds. Collectively, the Authority used the proceeds of the Series 2019A and 2020A Bonds to replenish the \$30 million reserve fund for an \$8.6 million draw that occurred in FY2019, to refinance an estimated \$12.6 million tax collection deficit in FY2020, and to refund outstanding Expansion Project Bonds for debt service savings. As a result of the refunding, the Authority was able to reduce its total debt service by \$216 million from fiscal 2021 through fiscal 2050.

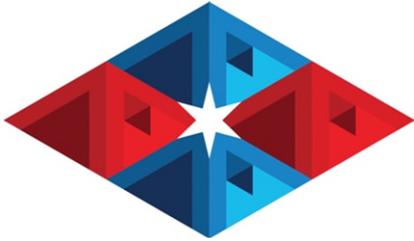
OTHER-NON- OPERATING REVENUES

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

PROJECT REVENUE BONDS

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

The Authority is using bond proceeds to finance interest payments on the Project Revenue Bonds during fiscal 2021. During fiscal 2022 and fiscal 2023, debt service on the Project Revenue Bonds will be included in the Authority's operating budget. Annual energy, maintenance, and operating savings recognized during fiscal 2022 and 2023 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 continues to realize strong campus attendance through 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 due to their cyclical nature. These two events are scheduled to return in calendar 2020.

The global COVID-19 pandemic is expected to have a significant impact on the Authority’s fiscal 2020 financial results. MPEA anticipates the most significant impact to the campus will be during the last quarter of fiscal 2020 based on event cancellations that began in March 2020 and are projected to continue through August 2020.

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.