

Metropolitan Pier and Exposition Authority

301 East Cermak Road
Chicago, IL 60616
312.791.7500
www.mpea.com

MAJOR RESPONSIBILITIES

- The Metropolitan Pier and Exposition Authority (MPEA) works 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.
- MPEA utilizes ownership of McCormick Place (the largest convention center in North America), Hyatt Regency McCormick Place, Marriott Marquis Chicago, Wintrust Arena and an energy center in executing its mission to promote the City of Chicago. MPEA also owns Navy Pier, which is leased to Navy Pier, Inc., a 501(c)3 organization that runs and operates Navy Pier.
- MPEA is responsible for debt service obligations for the McCormick Place Expansion Project Bonds repaid from local authority restaurant, hotel, car rental and airport departure taxes.

BUDGET HIGHLIGHTS

- The recommended fiscal year 2022 budget includes \$260.6 million for MPEA debt service on the Authority's McCormick Place Expansion Project Bonds. In anticipation of the adverse impact if COVID-19 on Authority Tax collections, the Authority anticipates completing a significant refinancing during FY22 to make FY22 debt service more in line with expected Authority Tax collections.
- The FY22 budget includes \$7.1 million for Chicago Travel Industry Promotion Fund grants to market Chicago convention facilities for various size conventions, meetings and trade shows, and promotes the City of Chicago within the travel industry.
- The FY22 budget includes \$15 million for the MPEA incentive grant program. For fiscal 2022, the Authority can receive incentive grants for any show with registered attendance in excess of 3,000 or 5,000 people. No more than \$5 million in incentives during FY22 can be provided for events with more than 3,000 but less than 5,000 attendees. In order to qualify for incentive grants, MPEA must certify that but for the incentive provided to the event, the event would not have used the facilities of the Authority.

NEW LEGISLATION

- The Authority will seek sponsors for proposed legislation during the 2021 Spring legislative session. The proposed legislation will seek to reinstate authorization for MPEA to receive up to \$15 million of incentive grants annually from fiscal 2022 through fiscal 2026. In order to qualify for incentive grants, MPEA must certify that but for the incentive provided to the event, the event would not have used the facilities of the Authority. For fiscal 2022 through fiscal 2024, the Authority can receive incentive grants for any show with registered attendance in excess of 3,000 or 5,000 people. No more than \$5 million in incentives annually for these three years can be provided for events with more than 3,000 but less than 5,000 attendees. For fiscal 2025 and fiscal 2026, attendance parameters increase to 5,000 and 10,000 people with no more than \$5 million in incentives annually provided for events with more than 5,000 but less than 10,000 attendees.
- The Authority also seeks to amend its current monthly Board meeting requirement to (a) require 9 meetings per calendar year and (b) not allow the Board to go consecutive months without a meeting.

Metropolitan Pier and Exposition Authority

EXECUTIVE ORDERS IMPACTING AUTHORITY OPERATIONS AND BUDGET

- Under Governor Pritzker's Restore Illinois Plan, the Authority will not be able to host events of greater than 50 people at McCormick Place until the State of Illinois enters Phase 5 of the plan. The State is not expected to enter Phase 5 of the Restore Illinois plan until a vaccine or treatment is widely available. MPEA's operations will be adversely impacted until it is able to host events of greater than 50 people at McCormick Place.
- Using numbers as of February 9, 2021, 205 events at McCormick Place have been cancelled through the end of fiscal 2021 as a result of COVID-19, resulting in an estimated loss in economic impact to the State and City of \$2.7 billion. The 14 events held by the Authority from the beginning of 2020 through mid-March 2020 drew 1.6 million attendees and generated over \$146.7 million of economic impact.
- To help manage financially through the pandemic, MPEA made significant reductions to its campus wide work force of 2,650 employees. Nearly 2,300 employees are laid off, nearly 500 employees are on furlough, and 378 employees are currently active. In addition, McCormick Place events typically hire (directly or through contractors) skilled labor that work approximately 3.9 million hours annually.
- The Authority has worked to maintain strong customer relationships during COVID-19. The Authority retained many key sales personnel to ensure stability for its customers. 66% of meetings cancelled through the end of FY21, representing \$2.1 billion of economic impact and 1.5 million room nights, have rescheduled their event or if an annual event, have committed to holding their next scheduled event at McCormick Place.