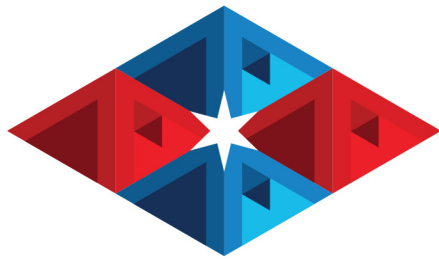


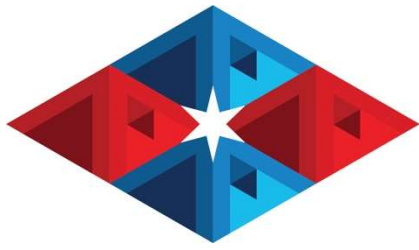
**2025-2027**

**Financial  
PLAN**



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**METROPOLITAN PIER  
AND EXPOSITION AUTHORITY**  
AT McCORMICK SQUARE



METROPOLITAN PIER AND EXPOSITION AUTHORITY  
AT McCORMICK SQUARE

# **The Metropolitan Pier and Exposition Authority**

## **Financial Plan**

**For Fiscal Years 2025, 2026 and 2027**

**Adopted by the Board of Directors**

**April 2024**

# Metropolitan Pier and Exposition Authority

Corporate Center: 301 East Cermak Road, Chicago, IL 60616

Telephone: 312.791.7000 Fax: 312.624.8168



## Larita Clark

April 23, 2024

The Honorable J.B. Pritzker, Governor, State of Illinois  
The Honorable Brandon Johnson, Mayor, City of Chicago  
The Honorable Members of the 104th 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 2025 through 2027 as adopted by our Board of Directors on April 23, 2024. This Financial Plan includes a description of the Authority’s revenues and expenses, provisions for debt service, and a summary of cash resources and uses for fiscal years 2025, 2026, and 2027. As required by the MPEA Act, the revenue estimates for the three years covered by this Financial Plan have been reviewed by the accounting firm of Washington, Pittman & McKeever, independent Certified Public Accountants not currently performing any other work for MPEA.

For the three-year period, this Financial Plan forecasts combined operating revenue of \$1.1 billion and combined operating income of \$7.5 million after capital reserve allocations and debt service on Project Revenue Bonds. Calendar year 2023 was strong, with 219 events campus-wide and 116 events in the McCormick Place convention center. Many events exceeded expectations. The campus welcomed over 1.9 million attendees, who generated more than \$1.8 billion in economic activity and \$191 million in state and local taxes. Since re-opening to host meetings, events, and conventions in July 2021 through the end of March 2024, MPEA has hosted 559 events, with an estimated attendance of 4.6 million, generating approximately 2.5 million room nights for Chicago hotels, an estimated economic impact of \$4.2 billion, and \$431 million in state and local taxes. Importantly, MPEA received positive feedback from numerous event organizers and exhibitors that in-person experiences remain superior for important collaborations and for conducting business.

Authority tax revenues continue to grow and MPEA expects another record year for Authority tax collections. For FY24, MPEA believes it will collect sufficient Authority Taxes to ensure all FY24 debt service will be paid with Authority taxes, so there will be no draw on State sales taxes.

MPEA is actively engaged in planning activities for the 2024 Democratic National Convention. The Authority will play an integral role in the convention by hosting daytime activities at McCormick Place. Additionally, MPEA’s campus hotels have been designated the headquarter



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hotels for the convention and will house delegates and other participants. Having hosted every U.S. President since President John F. Kennedy, MPEA is confident that it will do its part to once again show the world that Chicago is the premiere convention and meeting destination. The Authority is also pleased that its facilities will play a vital role in bringing an estimated \$150 million of economic activity to the City and State.

Looking ahead, the Authority has a very strong outlook with events scheduled through 2035, including 327 events scheduled between July 1, 2024 thru December 31, 2035, with an estimated economic impact of \$14.4 billion. MPEA is well on its way to a full recovery from the impact of the COVID-19 pandemic and remains committed to its mission of driving economic opportunities for the State of Illinois and the City of Chicago.

Sincerely,



Larita Clark  
Chief Executive Officer



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# The Metropolitan Pier and Exposition Authority:

## Overview

**FY  
2025**

**FY  
2026**

**FY  
2027**



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## OVERVIEW OF THE METROPOLITAN PIER AND EXPOSITION AUTHORITY

The Metropolitan Pier and Exposition Authority (the “Authority” or “MPEA”) was originally established by the State of Illinois in 1955 as the Metropolitan Fair and Exposition Authority. The name was changed to MPEA in 1989 to reflect the ownership of Navy Pier.

MPEA is a political subdivision, unit of local government, body politic and municipal corporation. Its mission is to attract trade shows, conventions, meetings, expositions, and public events to the City of Chicago, strengthening 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®.

The MPEA Board governs the Authority, comprised of eleven members; five appointed by the Governor of Illinois, subject to the advice and consent of the Senate, and five appointed by the Mayor of the City of Chicago. The Board members select an eleventh member to serve as Chairman<sup>1</sup>. The Board hires the Authority’s Chief Executive Officer.

MPEA serves as a vital component of the local economy. Its convention complex McCormick Place is recognized as the foremost exhibition facility in the United States. Located in Chicago, it is one of the largest convention centers in the world and the largest contiguous convention and trade show complex in the Western Hemisphere. McCormick Place is suited to serve any customer’s needs – whether a large-scale tradeshow or convention or small organizational meeting – because of its nearly 2.6 million square feet of exhibit hall space, 612,500 square feet of meeting space and 173 meeting rooms.

Through its world-class facilities, the Authority is one of the single greatest generators of economic activity in the State of Illinois. In 2018, through the addition of the Marriott Marquis Chicago and Wintrust Arena, annual campus operations generated \$1.897 billion in economic impact and \$151 million in state and local tax revenue. Pre-COVID-19, the McCormick Square campus was estimated to generate more than \$12.9 billion in cumulative economic impact in operations and construction between 2018 and 2023<sup>2</sup>. Activities associated with events on the McCormick Square campus support more than 17,450 Illinois jobs. For every ten jobs directly attributable to the campus, five additional jobs are created elsewhere in Illinois. Hotels, restaurants, airlines, taxis, services, and a variety of other businesses benefit from the direct spending

<sup>1</sup> On February 10, 2023, P.A. 102-1129 was signed into law increasing MPEA’s Board size from nine members to eleven members.

<sup>2</sup> 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



### 2024 MPEA BOARD

- ◆ Jeffrey Bethke, *Chairman*
- ◆ Don V. Villar, *Vice Chairman*
- ◆ Jorge Ramirez, *Secretary/Treasurer*
- ◆ Nina Grondin
- ◆ Dr. Sonat Birnecker Hart
- ◆ Michelle Mills Clement
- ◆ Terrance B. McGann
- ◆ Juan Morado, Jr.
- ◆ Sherman Wright
- ◆ Sam Kukadia
- ◆ Christian Mitchell

Larita D. Clark,  
Chief Executive Officer

generated by the Authority and virtually all businesses in the entire State benefit from related secondary spending. With McCormick Place located in Chicago, local businesses enjoy an advantage over competitors by having a market for their products and services in their home state.

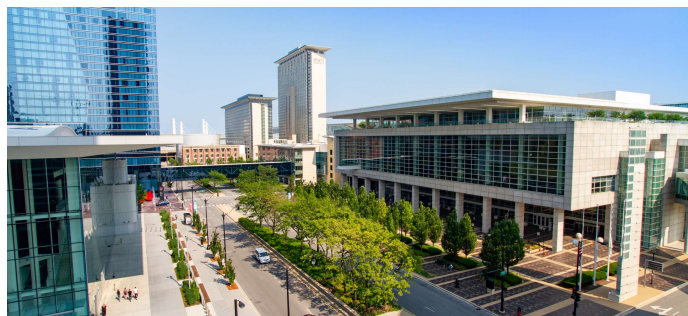
The McCormick Square Campus includes the following exhibit hall facilities:

Exhibit Halls	Square Footage	
	Exhibit Halls	Meeting Rooms
Lakeside Center	583,000	162,500
North Building	705,500	59,000
South Building	840,000	148,400
West Building	470,000	242,600
<b>Total Campus</b>	<b>2,598,500</b>	<b>612,500</b>

Each of our buildings provides a unique experience for our customers. The historic Lakeside Center, on the shores of Lake Michigan, has 300,000 sq. ft. of Class A exhibit hall space that makes it a highly utilized facility. The Arie Crown Theater, located in the Lakeside Center, is the largest theater in Chicago, having hosted both show business legends and heads of state. The side-by-side North and South Buildings provide customers with a combined 1,545,500 sq. ft. of exhibit space, 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, adding 470,000 square feet of exhibition space and 243,000 square feet of meeting space to the McCormick Place campus. The West Building strategically positions McCormick Place so that it can expand its market share in trade shows and meetings, as well as meeting the evolving needs of the industry's event planners, exhibitors, and attendees. The flexibility provided by the West Building allows MPEA to book more simultaneous, or back-to-back events, creating a greater economic impact. The West Building has become a premier destination for the meetings of medical organizations from around the world.

In 2010, the MPEA Act was amended to include various measures that restructured the operations of McCormick Place. These measures included the creation of an incentive program to attract new business and retain current customers and lower the cost of doing business for exhibitors and attendees at McCormick Place. As a result, the Authority was positioned to secure business that will provide significant economic impact to the State of Illinois and the City of Chicago for years to come. During fiscal years 2011 through 2014, surplus revenues from Authority taxes provided temporary operating assistance to offset the financial impact of these changes. Beginning in fiscal 2015, as anticipated and until interrupted by the COVID-19 pandemic, additional revenue from the expansion of the Authority's Hyatt Regency McCormick Place hotel brought the Authority's budget back into balance without support from surplus Authority taxes.



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 to offset operating losses at McCormick Place. MPEA recently undertook meeting space and guest room renovation projects for the Hyatt hotel, which was completed in Spring 2024.

In September 2017, MPEA completed construction of the Marriott Marquis Chicago Hotel. This state-of-the-art hotel spans 40 stories, features 1,205 guest rooms and suites, and has over 93,000 square feet of event space, including two 25,000 square-foot ballrooms. In fiscal 2018 and 2019, the additional revenue from this new hotel solidified MPEA's ability to fully support its operations without assistance from the State.

In October 2017, MPEA completed construction of a 10,387-seat event center in partnership with DePaul University. Wintrust Financial secured the naming rights of the facility, aptly named the Wintrust Arena. The Wintrust Arena serves as home court for DePaul's men's and women's basketball games, as well as home court to the WNBA's Chicago Sky. The Wintrust Arena also fills previously unmet needs of the convention business and allows MPEA to compete for new types of events, including concerts, convocations, and amateur and exhibition sporting events with audiences of 5,000 to 10,000 attendees. During fiscal 2023, the Arena hosted a variety of public and private events, including the WNBA All-Star Weekend. Wintrust Arena has also hosted the NBA Draft Combine for the last three years, allowing Chicago to showcase the best amateur basketball players in the world to NBA teams.

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

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

### **Recovering from COVID-19**

Activity at McCormick Place is continuing to accelerate following the re-opening of the convention center to public events in early July 2021. Since that time and through March 31, 2024, MPEA has welcomed 559 events to campus. These events have brought an estimated 4.6 million visitors to the McCormick Place campus, generating approximately 2.5 million room nights for Chicago hotels, more than \$4.2 billion in economic impact, and \$431 million in state and local taxes. Our campus has been able to bring more than 2,500 people back to work, not including the contractors who work on our campus but are not employees of the Authority.

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



# The Metropolitan Pier and Exposition Authority:

## MPEA Operating Budget

**FY  
2025**

**FY  
2026**

**FY  
2027**



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**MPEA Combined P&L**  
Statement of Revenue & Expenditure  
FY 2024 Forecast - Nine Months Actual/Three Months Forecast

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	PROJECTED	MODIFIED	FY 2025-2027 Budget		
	2018	2019	2020	2021	2022	2023	Fiscal Year 2024	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
<b>McCormick Place</b>											
Revenue	54,746,268	100,081,425	80,214,127	3,286,018	59,676,620	113,418,580	98,356,693	98,356,693	115,739,997	109,086,197	121,022,133
Expense	(97,968,470)	(151,526,458)	(129,358,232)	(57,397,551)	(106,425,595)	(162,805,911)	(152,077,127)	(152,077,127)	(167,501,532)	(162,485,524)	(176,729,650)
Operating Loss	(43,222,202)	(51,445,033)	(49,144,106)	(54,111,533)	(46,748,975)	(49,387,331)	(53,720,434)	(53,720,434)	(51,761,536)	(53,399,327)	(55,707,517)
<b>Hyatt Hotel</b>											
Revenue	94,448,276	93,748,770	59,926,835	6,070,822	59,262,140	88,619,598	82,708,826	80,172,402	98,446,095	93,943,299	100,615,755
Expense	(65,360,767)	(67,043,452)	(48,435,287)	(15,648,814)	(41,837,355)	(62,343,466)	(59,358,518)	(56,104,394)	(69,803,978)	(66,467,270)	(70,133,806)
Operating Income	29,087,509	26,705,318	11,491,548	(9,577,992)	17,424,785	26,276,132	23,350,308	24,068,008	28,642,117	27,476,029	30,481,949
<b>Marriott Hotel</b>											
Revenue	62,165,051	98,765,121	64,909,451	3,662,210	57,636,388	102,377,891	105,712,278	94,952,715	119,391,557	127,200,727	132,509,549
Expense	(45,676,390)	(71,851,665)	(55,439,428)	(12,429,646)	(42,325,343)	(75,809,318)	(78,651,364)	(72,980,906)	(89,718,510)	(91,495,864)	(95,169,187)
Operating Income	16,488,661	26,913,456	9,470,023	(8,767,436)	15,311,045	26,568,573	27,060,914	21,971,809	29,673,048	35,704,862	37,340,362
<b>Wintrust Arena/Arie Crown</b>											
Revenue	9,822,075	11,924,084	11,917,766	1,416,104	12,743,836	18,190,970	15,913,606	15,913,606	18,777,475	19,122,128	19,386,291
Expense	(10,048,913)	(12,488,599)	(12,315,498)	(2,990,713)	(12,110,838)	(17,218,861)	(17,293,003)	(17,293,003)	(18,720,048)	(19,096,228)	(19,333,598)
Operating Income/(Loss)	(226,838)	(564,515)	(397,732)	(1,574,609)	632,999	972,109	(1,379,397)	(1,379,397)	57,427	25,900	52,693
<b>Energy Center</b>											
Revenue	8,253,043	9,108,145	8,182,886	9,454,577	15,171,023	9,951,060	12,521,470	12,521,470	12,068,434	13,219,014	13,419,595
Expense	(1,529,074)	(1,017,567)	(519,271)	(2,451,207)	(1,343,177)	(2,469,273)	(2,332,802)	(2,332,802)	(3,788,836)	(4,140,567)	(4,292,104)
Operating Income	6,723,969	8,090,578	7,663,615	7,003,370	13,827,846	7,481,787	10,188,668	10,188,668	8,279,597	9,078,447	9,127,491
<b>Corporate Center</b>											
Revenue	845,517	2,172,457	1,781,160	403,614	314,087	4,364,877	6,794,192	6,794,192	4,967,986	3,657,086	2,888,438
Expense	(8,690,593)	(11,016,177)	(10,693,393)	(6,345,819)	(6,590,976)	(12,534,095)	(12,473,847)	(12,473,847)	(13,598,855)	(13,963,755)	(14,670,383)
Operating Loss	(7,845,075)	(8,843,720)	(8,912,233)	(5,942,205)	(6,276,889)	(8,169,218)	(5,679,655)	(5,679,655)	(8,630,869)	(10,306,669)	(11,781,945)
<b>Total Combined</b>											
Revenue	230,280,231	315,800,002	226,932,224	24,293,345	204,804,096	336,922,976	322,007,065	308,711,078	369,391,544	366,228,451	389,841,761
Expense	(229,274,208)	(314,943,918)	(256,761,109)	(97,263,750)	(210,633,284)	(333,180,924)	(322,186,661)	(313,262,079)	(363,131,759)	(357,649,209)	(380,328,728)
Operating Income (Loss)	1,006,023	856,085	(29,828,885)	(72,970,405)	(5,829,188)	3,742,053	(179,596)	(4,551,001)	6,259,785	8,579,242	9,513,033
Memo: Tax Surplus	0	0	0	0	0	0	0	0	0	0	0
Memo: State of Illinois Appropriations	0	0	0	56,464,696	15,000,000	0	0	0	0	0	0
Memo: Expansion Project Bond Proceeds	0	0	27,891,884	16,550,000	0	0	0	0	0	0	0
Memo: Debt Service	0	0	0	0	(2,446,750)	(2,520,250)	(2,593,750)	(2,593,750)	(3,505,570)	(6,634,035)	(6,747,885)
Income (Loss) After Surplus	1,006,023	856,085	(1,937,001)	44,291	6,724,062	1,221,803	(2,773,346)	(7,144,751)	2,754,215	1,945,207	2,765,148
										7,464,570	

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



## FINANCIAL PLAN HIGHLIGHTS

**The Economy** – Despite the challenges posed by inflation and Federal Reserve policy employed to reduce inflation to its targeted 2% range, the U.S. economy remains resilient.

Economic growth is projected to slow in 2024 amid increased unemployment and lower inflation. Real GDP growth during 2023 remained strong at 3.1% but is expected to decline to more moderate levels during 2024. In light of this moderating growth, many economists expect the Federal Reserve to respond by reducing interest rates during calendar 2024. Economic growth is expected to rebound slightly in 2025 and 2026.

According to the Hotel & Lodging Association 2024 State of the Hotel Industry report, hotel industry demand nationally is expected to remain robust. Top findings of the report indicated that occupancy and ADR will continue to improve, allowing RevPAR to hit a nominal high. AHLA Platinum Partner Encore reports that 47% of meeting professionals planned to increase their budgets in 2024 and 40% expected their budgets to remain flat—a similar outlook compared to early 2023. This illustrates a baseline understanding that the cost of doing business has increased, and therefore budgets must increase. Additional research shows that there's more interest in the individual, societal, organizational, and cultural impact of events. Human connection and cultivating a sense of belonging remain top values even as events incorporate AI, augmented reality (AR), and virtual experiences. This desire for belonging should suggest a strong future for group events.<sup>3</sup>

**MPEA Combined** – MPEA believes it will achieve positive operating income during Fiscal Years 2025 through 2027. The combined MPEA operating budget includes projections for the McCormick Place, Hyatt Regency McCormick Place, Marriott Marquis Chicago Hotel, Wintrust Arena and Arie Crown Theater, the Energy Center, and MPEA Corporate Center. MPEA's Financial Plan forecasts combined operating revenue of \$369.4 million and a combined operating income of \$2.8 million for fiscal 2025 before depreciation. For the three-year Financial Plan period, the combined operating income after required debt service on outstanding revenue bonds is \$7.5 million before depreciation. The fiscal 2025 through 2027 budget includes provisions to fund repair and maintenance expenses of \$17.2 million in fiscal 2025, \$2.4 million in fiscal 2026, and \$8.5 million in fiscal 2027.

**McCormick Place**– The McCormick Place convention center attracts more than 2 million visitors annually. The three-year budget is expected to generate an operating loss before depreciation of \$160.9 million.

McCormick Place financial results reflect:

- ◆ MPEA estimates that events will perform comparably to fiscal year 2023. Budgeted operating revenues for fiscal 2025 are estimated to be approximately \$115.7 million. For fiscal 2026, combined operating revenues are expected to exceed fiscal 2019 operating revenues by \$9.0 million but are expected to decrease compared to fiscal year 2025 due to cyclical nature of McCormick Place's business.
- ◆ 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.

<sup>3</sup> American Hotel & Lodging Association. (2024). *Beyond Recovery: The American Hotel & Lodging Association 2024 State of the Hotel Industry Report*. [https://www.ahla.com/sites/default/files/SOTI.2024.Final\\_Draft\\_v4.pdf](https://www.ahla.com/sites/default/files/SOTI.2024.Final_Draft_v4.pdf)



- ◆ MPEA's FY25-27 financial plan includes incentive reimbursements of \$12.8 million, \$11.5 million, and \$2.5 million in fiscal 2025, fiscal 2026, and fiscal 2027, respectively. As part of P.A. 102-16, the Illinois General Assembly passed legislation that will re-institute the incentive grant program from fiscal 2022 through fiscal 2026. The incentive grant program was originally introduced as part of the 2010 restructuring of McCormick Place and was originally eliminated by the fiscal 2018 Budget Implementation Act. When utilized, the Incentive Fund provides reimbursements to MPEA for incentives granted to organizations that agreed to use MPEA facilities for trade shows and meetings with attendance greater than 5,000 people for fiscal 2025 and beyond. For the event to receive incentive grants, the MPEA Chief Executive Officer must certify that if not for the incentive, the event would not have occurred in Chicago. During the 2023 Spring session, legislation was passed to amend the incentive grant program in the MPEA Act. Under the amendment, the Authority can offer any of the \$15 million either appropriated or expected to be appropriated to the Authority from 2024 through 2026 to events that are expected to occur after fiscal 2026 if a contract is signed with either Choose Chicago or McCormick Place during fiscal years 2024 through 2026. This legislation enables the Authority to extend the life of funds under the current incentive grant program to continue attracting events to Chicago.
- ◆ The cyclical nature of the events held at McCormick Place drive the level of revenue that is budgeted each year. Some events are held annually while others are held bi-annually or tri-annually. The Authority's two largest bi-annual conventions are expected to occur during fiscal 2025 and fiscal 2027.

**Hyatt Regency McCormick Place Hotel** – The Hyatt Regency McCormick Place is expected to generate operating revenue of \$293.0 million and operating income, before depreciation, of \$86.6 million over the three-year period. The Hyatt Regency McCormick Place is a 33-story, 4-star hotel with 1,258 guest rooms located within two towers. The original tower consists of 800 guest rooms. The second tower, which opened in fiscal 2013, includes 458 guest rooms. Other amenities include a ballroom, banquet and meeting space and a Conference Center accessible by a pedestrian walkway. The Hyatt Conference Center offers a junior ballroom and additional meeting space.

In December 2023, MPEA embarked upon an exciting construction project aimed at elevating the offerings of the Hyatt Regency McCormick Place. This project is designed to provide long-term economic sustainability while creating flexible, transformative spaces. The renovations — covering more than 93,000 square feet of meeting and event space, corridors, and restrooms on two levels of the hotel and two levels of the Conference Center, including the connecting bridge — aim to transform the visitor experience.

**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 \$379.1 million and operating income of \$102.7 million is projected over the three-year financial plan period. The Marriott Marquis Chicago along with the Wintrust Arena positions MPEA to compete for new market segments and attract additional visitors to our region.

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

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

The combined Wintrust Arena and Arie Crown Theater budgets are projected to produce operating income of \$136,000 over the three-year budget period. Aside from its stand-alone operating results, events held at Wintrust Arena and Arie Crown Theater positively impact the operating results of the Authority's other business units through increased hotel bookings and increased convention center facility usage, the impact of which produces a positive financial result for the Authority.

**Energy Center** – The Energy Center supplies chilled water and steam for cooling and heating to outside customers, McCormick Place, the Hyatt Regency McCormick Place, the Marriott Marquis Chicago, the Wintrust Arena, and MPEA Corporate Center. The Energy Center will continue to serve its outside customers and expects to generate net operating income on sales to outside customers, before depreciation, of approximately \$26.5 million over the three-year financial plan period.

**Corporate Center** – Corporate Center operating loss before depreciation totals \$30.7 million over the three-year budget period. Effective November 1, 2017, MPEA and the McCormick Place private management company amended and restated the management agreement to allow the convention center private management company 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. In fiscal 2019, MPEA created a corporate campus sales department to oversee and coordinate the sales efforts of all campus partners.

Corporate expenses include \$815,000 annually in fiscal year 2025 through 2027 to fund the Authority's pension plan. Pension contribution estimates stem from historic actuarially determined contributions and is based upon an assumption that capital market asset values will expand at a moderate pace throughout the budget period. The retirement plan, which had a funded ratio of 94.9% at the end of fiscal 2023, 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 2025, 2026 and 2027

### BASIS OF FINANCIAL PLAN PRESENTATION

The Metropolitan Pier and Exposition Authority's operating budget excludes revenues and expenses related to 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. MPEA estimates that events at McCormick Place will continue to return to pre-pandemic activity levels.
- ◆ 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.**



# The Metropolitan Pier and Exposition Authority:

## McCormick Place

**FY  
2025**

**FY  
2026**

**FY  
2027**



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**McCormick Place**  
**Statement of Revenue & Expenditure**  
**FY 2024 Forecast - Nine Months Actual/Three Months Forecast**

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	PROJECTED	MODIFIED	FY 2025-2027 Budget			
	2018	2019	2020	2021	2022	2023	Fiscal Year 2024	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	
<b>Revenue</b>												
Rent	\$17,920,927	\$20,472,395	\$11,457,617	\$1,070,630	\$14,735,407	\$30,446,841	\$24,961,902	\$24,961,902	\$33,161,885	\$29,851,232	\$28,338,297	
Services	19,632,299	21,778,666	14,003,680	74,580	15,841,563	28,580,210	20,351,951	20,351,951	25,563,129	22,080,130	31,383,028	
Parking/Marshalling	9,137,752	10,805,873	6,425,553	263,108	6,787,036	9,713,039	8,951,357	8,951,357	11,214,984	9,355,215	11,379,493	
Food & Beverage	957,322	40,235,105	42,086,116	5,486	18,830,835	40,733,978	39,517,051	39,517,051	40,171,098	42,104,733	43,348,381	
Other Event Revenue	7,097,970	6,789,386	6,241,161	1,872,214	3,481,779	3,944,512	4,574,432	4,574,432	5,628,901	5,694,888	6,572,935	
<b>Total Revenue</b>	<b>54,746,268</b>	<b>100,081,425</b>	<b>80,214,127</b>	<b>3,286,018</b>	<b>59,676,620</b>	<b>113,418,580</b>	<b>98,356,693</b>	<b>98,356,693</b>	<b>115,739,997</b>	<b>109,086,197</b>	<b>121,022,133</b>	
<b>Expense</b>												
Rent	(12,955,662)	(12,527,481)	(8,511,110)	(66,181)	(9,415,936)	(15,634,162)	(15,465,074)	(15,465,074)	(12,874,205)	(12,406,070)	(14,580,414)	
Services	(8,165,140)	(9,606,614)	(8,593,513)	(38,556)	(6,374,375)	(12,083,804)	(9,786,870)	(9,786,870)	(10,545,796)	(9,752,733)	(11,852,137)	
Parking/Marshalling	(5,363,739)	(5,846,317)	(4,596,470)	(2,213,961)	(4,088,088)	(5,817,557)	(5,487,294)	(5,487,294)	(5,958,983)	(6,081,691)	(6,714,065)	
Food & Beverage	-	(37,694,203)	(27,659,120)	(344,205)	(14,634,133)	(25,881,852)	(32,989,236)	(32,989,236)	(24,867,518)	(26,164,073)	(26,905,547)	
Executive Department	(907,362)	(845,622)	(926,607)	(599,039)	(735,406)	(640,220)	(640,428)	(640,428)	(780,746)	(810,527)	(841,724)	
Finance & Administration	(2,089,323)	(2,025,253)	(1,674,294)	(1,355,960)	(1,367,011)	(1,579,216)	(1,991,735)	(1,991,735)	(2,340,548)	(2,421,107)	(2,511,374)	
Sales & Services	-	-	-	-	-	-	-	-	(625,508)	(663,437)	(744,028)	
Sales	(2,848,972)	(3,027,433)	(3,110,682)	(2,807,955)	(2,802,719)	(3,298,477)	(4,198,921)	(4,198,921)	(4,423,670)	(4,191,336)	(4,284,902)	
Event Management	(1,730,944)	(1,570,760)	(1,542,244)	(1,268,042)	(1,214,158)	(1,228,440)	(1,700,384)	(1,700,384)	(1,978,986)	(2,065,775)	(2,156,782)	
Arie Crown Theater	(312,097)	(604,646)	-	-	-	-	-	-	-	-	-	
Operations	-	-	-	-	-	-	-	-	(478,250)	(491,492)	(496,417)	
Event Operations	(4,171,078)	(3,637,321)	(4,130,441)	(2,382,752)	(2,653,332)	(2,696,423)	(12,567,394)	(12,567,394)	(17,771,886)	(18,230,775)	(18,710,403)	
Facility Operations - SMG	(16,654,485)	(10,729,085)	(10,083,858)	(8,594,142)	(11,772,584)	(9,184,023)	(2,720,106)	(2,720,106)	-	-	-	
Facility Operations - MPEA	(11,865,560)	(17,940,010)	(15,287,302)	(12,594,779)	(15,921,461)	(18,424,491)	(20,719,366)	(20,719,366)	(22,986,154)	(23,695,432)	(24,138,369)	
Information Technology	(2,853,026)	(3,156,541)	(3,172,380)	(2,198,476)	(2,499,881)	(3,040,833)	(3,447,337)	(3,447,337)	(3,695,316)	(3,784,418)	(3,878,370)	
Security	(7,547,219)	(8,363,120)	(7,959,163)	(5,711,517)	(6,996,982)	(7,569,622)	(8,737,044)	(8,737,044)	(12,080,255)	(13,115,979)	(14,278,273)	
Insurance	(2,246,151)	(2,483,317)	(2,404,863)	(2,767,786)	(3,117,020)	(3,815,508)	(4,081,806)	(4,081,806)	(5,740,309)	(6,196,411)	(6,471,220)	
Utilities	(14,551,847)	(16,669,346)	(14,657,742)	(9,536,132)	(12,603,526)	(10,415,559)	(13,883,552)	(13,883,552)	(16,199,108)	(15,885,601)	(15,654,483)	
Food & Beverage	-	-	(13,848,903)	(4,012,319)	(8,913,464)	(16,722,688)	(13,159,562)	(13,159,562)	(14,535,157)	(15,168,229)	(15,654,952)	
Repair & Maintenance	(3,000,000)	(13,000,000)	-	-	(705,000)	(24,500,000)	-	-	(9,200,000)	(1,000,000)	(6,500,000)	
Miscellaneous	(705,867)	(1,799,388)	(1,199,541)	(905,749)	(610,518)	(273,036)	(501,018)	(501,018)	(419,139)	(360,439)	(356,189)	
<b>Total Expense</b>	<b>(97,968,470)</b>	<b>(151,526,458)</b>	<b>(129,358,232)</b>	<b>(57,397,551)</b>	<b>(106,425,595)</b>	<b>(162,805,911)</b>	<b>(152,077,127)</b>	<b>(152,077,127)</b>	<b>(167,501,532)</b>	<b>(162,485,524)</b>	<b>(176,729,650)</b>	
<b>Operating Loss</b>	<b>(43,222,202)</b>	<b>(51,445,033)</b>	<b>(49,144,106)</b>	<b>(54,111,533)</b>	<b>(46,748,975)</b>	<b>(49,387,331)</b>	<b>(53,720,434)</b>	<b>(53,720,434)</b>	<b>(51,761,536)</b>	<b>(53,399,327)</b>	<b>(55,707,517)</b>	

## McCORMICK PLACE FINANCIAL PLAN ASSUMPTIONS

### McCORMICK PLACE REVENUES

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

### RENT REVENUES

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

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

McCormick Place is used primarily for conventions and expositions, but it is also used for consumer or public events. Rental rates for conventions and exhibitions are on a per net square foot basis for a term of up to 14 days, with a minimum rental charge per building. Rental rates for conventions and exhibitions are not projected to increase during fiscal years 2025, 2026 and 2027.

- b) **Meeting Rooms** revenue consists of rental revenues for the use of meeting rooms for trade show meetings and exhibits. Additional revenue is generated from charges for room set-ups and other miscellaneous services. Meeting rooms are rented to trade show sponsors and exhibitors, as well as to the general public according to the prevailing rental rates for the various rooms.
- c) **Incentive Fund Revenue** - The State of Illinois established the Metropolitan Pier and Exposition Authority Incentive Fund to provide reimbursement to MPEA for incentives granted to organizations and entities that agree to use MPEA facilities for conventions, trade shows and meetings. McCormick Place rent revenues from fiscal 2013 through fiscal 2017 reflect incentive reimbursements of up to \$15 million annually. While the fiscal 2018 Budget Implementation Act eliminated the MPEA Incentive fund beginning July 1, 2017, the fiscal 2022 Budget Implementation Act reinstates the MPEA Incentive Fund program from fiscal 2022 through fiscal 2026. MPEA's FY25-27 financial plan includes incentive reimbursements of \$12.8 million, \$11.5 million, and \$2.5 million in Fiscal Years 2025, 2026, and 2027, respectively.

During the 2023 Spring session, legislation was passed to amend the incentive grant program in the MPEA Act. Under the amendment, the Authority can offer any of the \$15 million either appropriated or expected to be appropriated to the Authority from 2024 through 2026 to events that are expected to occur after fiscal 2026 if a contract is signed with either Choose Chicago or McCormick Place during fiscal years 2024 through 2026. This legislation enables the Authority to extend the life of funds under the current incentive grant program to continue attracting events to Chicago.



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

## PARKING/MARSHALLING REVENUES

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

- a) **Parking** revenues are derived from charges for the use of the Authority's parking facilities. McCormick Place, excluding the hotels, has three parking facilities with approximately 5,650 parking spaces. The Authority's schedule of forecasted revenues for the fiscal years 2025, 2026, and 2027 assumes a \$1 increase to the general rate (effective July 1, 2024) to \$26 and remains constant throughout the three year budget 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. From October 1, 2011 through September 30, 2023, SMG Food & Beverage, LLC d/b/a Savor managed the McCormick Place food services operations. Effective January 1, 2018, MPEA amended and restated the management agreement which included management of the food services operations at the Wintrust Arena.

On June 21, 2023, MPEA's Board voted to award the agreement to manage the food service operations at McCormick Place to OVG Hospitality. The initial management term is effective from October 1, 2023 through September 30, 2028. The Authority's schedule of forecasted revenues for the fiscal years 2025, 2026, and 2027 for McCormick Place and Wintrust Arena/Arie Crown Theater food service operations has been agreed to by MPEA and OVG Hospitality.

## OTHER EVENT REVENUE

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

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

## PRIVATE OPERATOR CONTRACT AWARDS

From July 12, 2011 through September 30, 2023, MPEA awarded a series of contracts to ASM Global (as a successor to SMG) to manage the McCormick Place complex. Effective July 1, 2016, the contract with SMG was amended to include management of Wintrust Arena.

On June 21, 2023, MPEA's Board voted to award the McCormick Place and Wintrust Arena private management contract to Oak View Group (OVG360). On October 1, 2023, OVG360 assumed responsibilities for managing McCormick Place and Wintrust Arena. The initial management term is effective from October 1, 2023 through September 30, 2028.

The three-year Financial Plan for McCormick Place and Wintrust Arena has been jointly agreed to by MPEA and OVG360. In accordance with safe harbor provisions of IRS Revenue Procedure 2017-13, the operating agreement provides incentives to OVG360 to improve on the operating results in the Financial Plan by growing revenues and reducing the deficit while maintaining overall customer satisfaction, maintaining facility conditions, and coordinating with campus partners to book business into McCormick Place and Wintrust Arena.



# The Metropolitan Pier and Exposition Authority:

## Hyatt Regency McCormick Place Hotel

**FY  
2025**

**FY  
2026**

**FY  
2027**



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**Hyatt Regency McCormick Place Hotel**  
 Statement of Revenue & Expenditure  
 FY 2024 Forecast - Nine Months Actual/Three Months Forecast

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	FORECAST	MODIFIED	FY 2025-2027 Budget		
	2018	2019	2020	2021	2022	2023	Fiscal Year 2024	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
<b>Revenue</b>											
Rooms	\$65,866,045	\$63,647,459	\$42,124,098	\$4,389,599	\$41,082,656	\$59,488,756	\$55,964,232	\$54,033,970	\$67,734,914	\$64,639,622	\$69,163,369
Food and Beverage	23,798,683	25,360,658	14,316,288	79,738	13,076,049	24,520,551	22,060,652	21,561,423	26,324,812	24,747,635	26,463,520
Telephone	116,968	124,691	18,144	3,431	15,793	4,691	3,853	8,152	5,781	5,583	5,700
Rentals/Other Income	2,236,102	2,243,378	1,928,723	1,035,909	3,037,035	2,312,351	2,424,223	2,394,014	2,183,417	2,294,983	2,647,617
Parking	2,430,478	2,372,584	1,539,582	562,145	2,050,607	2,293,249	2,255,866	2,174,843	2,197,171	2,255,476	2,335,549
<b>Total Revenue</b>	<b>94,448,276</b>	<b>93,748,770</b>	<b>59,926,835</b>	<b>6,070,822</b>	<b>59,262,140</b>	<b>88,619,598</b>	<b>82,708,826</b>	<b>80,172,402</b>	<b>98,446,095</b>	<b>93,943,299</b>	<b>100,615,755</b>
<b>Direct Expense</b>											
Rooms	(21,105,183)	(20,534,409)	(14,196,317)	(3,239,474)	(12,146,011)	(17,363,180)	(17,749,888)	(16,462,223)	(19,661,095)	(19,608,300)	(20,600,958)
Food and Beverage	(20,618,385)	(20,371,956)	(13,970,668)	(1,493,176)	(10,769,165)	(17,448,033)	(17,734,590)	(16,712,850)	(20,266,162)	(20,044,190)	(21,261,006)
Telephone	-	-	0	-	-	0	-	-	-	-	0
Parking	(1,694,506)	(1,615,559)	(1,485,900)	(726,445)	(1,194,567)	(1,345,968)	(1,405,232)	(1,401,514)	(1,498,900)	(1,532,519)	(1,593,073)
<b>Total Direct Expense</b>	<b>(43,418,074)</b>	<b>(42,521,924)</b>	<b>(29,652,885)</b>	<b>(5,459,095)</b>	<b>(24,109,743)</b>	<b>(36,157,181)</b>	<b>(36,889,710)</b>	<b>(34,576,587)</b>	<b>(41,426,157)</b>	<b>(41,185,009)</b>	<b>(43,455,037)</b>
<b>Contribution Margin</b>	<b>51,030,202</b>	<b>51,226,847</b>	<b>30,273,950</b>	<b>611,727</b>	<b>28,731,430</b>	<b>52,462,417</b>	<b>45,819,116</b>	<b>45,595,815</b>	<b>57,019,938</b>	<b>52,758,290</b>	<b>57,160,718</b>
Contribution Margin %	54.0%	54.6%	50.5%	10.1%	48.5%	59.2%	55.4%	56.9%	57.9%	56.2%	56.8%
<b>General &amp; Admin Expense:</b>											
Hotel Sales, Gen & Admin	(11,269,054)	(11,462,599)	(9,431,982)	(3,358,058)	(8,513,231)	(11,025,016)	(11,481,151)	(10,995,193)	(13,258,105)	(13,288,852)	(13,952,297)
Information Technology	(1,904,567)	(1,876,658)	(1,575,483)	(896,858)	(1,261,620)	(1,370,281)	(1,433,039)	(1,345,167)	(1,514,681)	(1,558,213)	(1,604,147)
Utilities	(1,900,612)	(1,905,435)	(1,648,585)	(1,525,182)	(1,791,494)	(1,721,292)	(1,914,272)	(1,796,001)	(1,993,260)	(2,044,167)	(2,105,491)
Maintenance & Operations	(3,593,088)	(3,683,037)	(3,412,056)	(1,644,319)	(2,820,851)	(4,122,592)	(4,169,763)	(4,054,157)	(4,320,344)	(4,381,317)	(4,506,930)
Capital Maintenance Reserve	-	(2,255,047)	-	-	-	(4,000,000)	-	-	(4,000,000)	(700,000)	(1,000,000)
Operating Insurance	(459,603)	(489,837)	(527,246)	(548,302)	(605,912)	(908,136)	(1,012,359)	(879,069)	(1,181,856)	(1,285,821)	(1,348,461)
Management Fees	(1,919,133)	(1,969,321)	(2,030,000)	(2,085,000)	(2,577,927)	(2,863,663)	(2,279,004)	(2,279,000)	(1,924,978)	(1,833,756)	(1,965,604)
Incentive Management Fees	(680,000)	(682,000)	-	-	-	0	-	-	-	-	0
Professional Fees	(216,637)	(197,595)	(157,050)	(132,000)	(156,578)	(175,305)	(179,220)	(179,220)	(184,597)	(190,135)	(195,839)
<b>Total General &amp; Admin</b>	<b>(21,942,693)</b>	<b>(24,521,529)</b>	<b>(18,782,402)</b>	<b>(10,189,719)</b>	<b>(17,727,612)</b>	<b>(26,186,285)</b>	<b>(22,468,808)</b>	<b>(21,527,807)</b>	<b>(28,377,821)</b>	<b>(25,282,261)</b>	<b>(26,678,769)</b>
G & A as % of Sales	23.2%	26.2%	31.3%	167.8%	29.9%	29.5%	27.2%	26.9%	28.8%	26.9%	26.5%
<b>Total Expense</b>	<b>(65,360,767)</b>	<b>(67,043,452)</b>	<b>(48,435,287)</b>	<b>(15,648,814)</b>	<b>(41,837,355)</b>	<b>(62,343,466)</b>	<b>(59,358,518)</b>	<b>(56,104,394)</b>	<b>(69,803,978)</b>	<b>(66,467,270)</b>	<b>(70,133,806)</b>
<b>Operating Income</b>	<b>29,087,509</b>	<b>26,705,318</b>	<b>11,491,548</b>	<b>(9,577,992)</b>	<b>17,424,785</b>	<b>26,276,132</b>	<b>23,350,308</b>	<b>24,068,008</b>	<b>28,642,117</b>	<b>27,476,029</b>	<b>30,481,949</b>



## HYATT REGENCY McCORMICK PLACE HOTEL FINANCIAL PLAN ASSUMPTIONS

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

On January 30, 2023, the MPEA Board awarded a new contract to Hyatt Corporation to manage the Hyatt Regency McCormick Place from July 1, 2024 through June 30, 2039.

Hotel revenues are generated from room rentals, food and beverage, parking, and miscellaneous other services.

The hotel has three main categories of customers: McCormick Place convention group business, in-house group meeting business and business/leisure transient customers. McCormick Place group business includes hotel guests attending events in McCormick Place. McCormick Place group business is approximately 60-70% of hotel group revenue. The in-house group meeting and event business is booked by Hyatt sales staff for groups attending meetings and events held in the hotel and conference center. The in-house group meeting business allows the hotel to maintain occupancy rates particularly when the convention center is vacant.

In June 2013, the Authority completed construction of a second hotel tower increasing the total guest room count to 1,258 available rooms. Additionally, the Authority completed the renovation of the existing tower in April 2013. The renovation included the upgrade of the existing 800 rooms to improve the quality to the level of furnishings provided in the new tower. As anticipated, the increased operating income from the expanded hotel provides an internal cross-subsidy to offset operating deficits at the convention center, replacing the temporary operating assistance from surplus MPEA taxes that ended after fiscal 2014. In fiscal 2024, the Authority invested an estimated \$11 million to renovate Hyatt public spaces and conference center. This upgrade positions the Hyatt to complement the offerings at the Marriott Marquis Chicago Hotel. MPEA is currently planning a guest room renovation, which is expected to be completed in two phases during Fiscal Years 2026 and 2027.



- ◆ 33-story luxury hotel with 1,258 rooms, including 51 suites
- ◆ 57,319 total square feet of meeting space
- ◆ 28,314 square-foot Hyatt Conference Center, including 29 meeting rooms and a 4,677 square-foot junior ballroom was added with the hotel expansion.
- ◆ 11,644 square-foot hotel Ballroom and additional meeting rooms in the hotel
- ◆ 6,085 square-foot meeting and venue space added in 2020 with state-of-the-art technology
- ◆ 2 restaurants and 1 bar with outdoor seating capacity for up to 400 guests
- ◆ Specialty coffee and retail shop
- ◆ Indoor pool and health club
- ◆ 568 enclosed parking spaces
- ◆ High-speed internet access and state-of-the-art audiovisual equipment
- ◆ FedEx Business Center

The following key assumptions were used in projecting Hyatt hotel revenues in 2025, 2026 and 2027:

- ◆ Overall, Hyatt hotel revenue is expected to increase in fiscal 2025 as compared to Fiscal Year 2024. The estimated revenue increase is due to increases in the average daily rate as compared to Fiscal Year 2024. The average daily rate is estimated to increase 7.5% in Fiscal Year 2025 as compared to Fiscal Year 2024 as the hotel continues its recovery from the pandemic. Occupancy is expected to increase slightly from Fiscal Year 2024 to Fiscal Year 2025 from 50.0% to 55.9%. Food and beverage revenues are also expected to increase from fiscal 2024 to fiscal 2025.
- ◆ Projected occupancy is based upon a customer mix comprised primarily of convention-related demand, with the balance comprised of in-house groups and business/leisure travelers. The occupancy rate for Fiscal Year 2024 is projected to be 50.0% and is budgeted to increase in Fiscal Year 2025 to 55.9%. The occupancy rate is projected to decrease slightly in Fiscal Year 2026 to 54.3% but increase to 55.4% in Fiscal Year 2027. The Hyatt hotel continues to experience a slower recovery in the group room nights because Chicago is a group-heavy market and city-wide convention bookings are projected to be down in 2025 compared to pre-pandemic levels. City-wide groups are trending well on peak nights but pre-and post-event stays are lower than pre-pandemic, due in part to international travel still recovering. Additionally, the transient demand is softer due to the opening of the Marriott Marquis Hotel in 2018 and the Hilton tri-plex in 2019.
- ◆ 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. For Fiscal Year 2025 average rate is budgeted to increase by 7.5% from Fiscal Year 2024 and will decrease slightly by 1.8% in Fiscal Year 2026. The Hyatt expects average room rate to increase by 4.8% in Fiscal Year 2027.
- ◆ Conference Center meeting space of approximately 28,515 square feet allows for a variety of layouts and is divisible into 27 versatile meeting rooms, as well as 3 boardrooms. It also includes a 5,471 square-foot junior ballroom and foyer (Prairie) and is connected to the hotel via an enclosed pedestrian link. Adjacent to the Prairie is The Tap with approximately 6,085 square feet which was added in 2020 and provides an additional venue to host events.
- ◆ Food and Beverage revenues are projected to grow in Fiscal Year 2025 but decline in Fiscal Year 2026 due to lower occupancy and less group room nights. Food and beverage revenues are projected to increase by 6.9% in Fiscal Year 2027. Past history, increased demand from improved food and beverage offerings, industry standard estimated levels of spending on food per occupied room, and the expectation of significant volume of walk-in traffic from McCormick Place events were also utilized to estimate food and beverage revenues. Food and Beverage is expected to increase by 6.9% in Fiscal Year 2027 to coincide with increased occupancy.







- ◆ Direct and support expenses are based on the historical performance of the property benchmarked against the market and industry averages for operating a major international hotel brand.
- ◆ Parking revenues are based on historical performance and projected future business mix at the hotel and include a combination of self-parks and valet-parks in the 568-space garage. Charges per car are based on a tiered rate structure according to length of stay. The 24-hour hotel self-park rate in Fiscal Year 2024 is \$38 and valet parking rate is \$52 per parked vehicle. Parking rates in Fiscal Years 2025, 2026, and 2027 are currently projected to remain constant.



# The Metropolitan Pier and Exposition Authority:

## Marriott Marquis Chicago Hotel

**FY  
2025**

**FY  
2026**

**FY  
2027**



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**Marriott Marquis Chicago Hotel**  
**Statement of Revenue & Expenditure**  
**FY 2024 Forecast - Nine Months Actual/Three Months Forecast**

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	FORECAST	MODIFIED	FY 2025-2027 Budget			
	2018	2019	2020	2021	2022	Fiscal Year 2024	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	
<b>Revenue</b>											
Rooms	\$ 37,923,649	\$58,666,580	\$37,458,607	\$795,556	\$38,747,378	\$62,448,064	\$64,245,679	\$54,684,345	\$72,632,498	\$76,771,058	\$79,117,444
Food and Beverage	22,969,344	36,448,803	24,476,639	583,436	16,354,954	35,540,899	37,509,606	36,713,245	43,461,176	47,041,778	49,912,871
Telephone	209,727	382,733	148,174	17,069	160,230	160,810	140,337	208,057	143,581	149,464	152,262
Rentals/Other Income	433,705	2,257,432	2,250,048	2,265,972	1,501,268	3,175,986	2,733,970	2,314,098	2,061,161	2,122,996	2,186,686
Parking	628,626	1,009,573	575,983	177	872,558	1,052,132	1,082,686	1,032,970	1,093,141	1,115,431	1,140,286
<b>Total Revenue</b>	<b>62,165,051</b>	<b>98,765,121</b>	<b>64,909,451</b>	<b>3,662,210</b>	<b>57,636,388</b>	<b>102,377,891</b>	<b>105,712,278</b>	<b>94,952,715</b>	<b>119,391,557</b>	<b>127,200,727</b>	<b>132,509,549</b>
<b>Direct Expense</b>											
Rooms	(10,375,115)	(15,814,441)	(11,535,757)	(1,049,788)	(9,598,810)	(16,962,569)	(18,156,663)	(16,820,745)	(20,208,621)	(21,062,166)	(21,477,631)
Food and Beverage	(15,373,749)	(23,558,037)	(18,894,069)	(1,772,817)	(11,506,361)	(24,510,601)	(27,387,507)	(25,803,408)	(30,398,294)	(32,205,548)	(33,761,118)
Telephone	-	-	-	-	-	-	-	-	-	-	-
Parking	(537,206)	(1,051,532)	(1,076,128)	(63,077)	(829,101)	(1,035,895)	(1,039,640)	(1,074,896)	(1,092,215)	(1,122,027)	(1,156,049)
<b>Total Direct Expense</b>	<b>(26,286,070)</b>	<b>(40,424,010)</b>	<b>(31,505,954)</b>	<b>(2,885,682)</b>	<b>(21,934,272)</b>	<b>(42,509,065)</b>	<b>(46,583,810)</b>	<b>(43,699,049)</b>	<b>(51,699,130)</b>	<b>(54,389,741)</b>	<b>(56,394,798)</b>
<b>Contribution Margin</b>	<b>35,878,981</b>	<b>58,341,111</b>	<b>33,403,497</b>	<b>776,528</b>	<b>35,702,116</b>	<b>59,868,826</b>	<b>59,128,468</b>	<b>51,253,666</b>	<b>67,692,428</b>	<b>72,810,985</b>	<b>76,114,751</b>
Contribution Margin %	57.7%	59.1%	51.5%	21.2%	61.9%	58.5%	55.9%	54.0%	56.7%	57.2%	57.4%
<b>General &amp; Admin Expense:</b>											
Hotel Sales, Gen & Admin	(10,386,508)	(14,953,396)	(13,806,532)	(4,667,076)	(10,664,855)	(16,416,731)	(18,069,829)	(16,048,917)	(18,537,565)	(20,086,748)	(20,838,061)
Information Technology	(2,254,059)	(2,579,983)	(1,956,440)	(684,825)	(1,732,209)	(2,166,603)	(2,219,121)	(2,375,329)	(2,401,230)	(2,511,772)	(2,619,335)
Utilities	(1,460,363)	(2,022,787)	(1,590,471)	(1,054,378)	(1,440,777)	(1,463,425)	(1,679,439)	(1,843,386)	(1,972,790)	(2,114,231)	(2,217,958)
Maintenance & Operations	(2,797,399)	(5,653,160)	(3,835,560)	(2,527,302)	(2,234,347)	(4,384,263)	(4,632,564)	(4,656,214)	(5,005,265)	(5,235,689)	(5,383,793)
Capital Maintenance Reserve	-	(2,541,644)	0	-	-	(4,000,000)	-	-	(4,000,000)	(700,000)	(1,000,000)
Replacement Reserve	(67,431)	-	(151,127)	(17,912)	(1,525,939)	(419,179)	(700,004)	(700,000)	(700,000)	(700,000)	(700,000)
Operating Insurance	(501,882)	(620,260)	(508,974)	(350,638)	(510,880)	(700,366)	(682,576)	(661,200)	(781,739)	(838,806)	(892,490)
Management Fees	(1,846,093)	(2,932,666)	(1,927,320)	(109,833)	(1,700,451)	(3,574,381)	(3,904,801)	(2,817,591)	(3,548,954)	(3,783,102)	(3,941,644)
Incentive Management Fees	-	-	-	-	(425,113)	-	-	-	(887,240)	(945,640)	(985,269)
Professional Fees	(76,585)	(123,760)	(157,050)	(132,000)	(156,500)	(175,305)	(179,220)	(179,220)	(184,597)	(190,135)	(195,839)
<b>Total General &amp; Admin</b>	<b>(19,390,320)</b>	<b>(31,427,655)</b>	<b>(23,933,474)</b>	<b>(9,543,964)</b>	<b>(20,391,071)</b>	<b>(33,300,253)</b>	<b>(32,067,554)</b>	<b>(29,281,857)</b>	<b>(38,019,380)</b>	<b>(37,106,123)</b>	<b>(38,774,389)</b>
<b>G &amp; A as % of Sales</b>	<b>31.2%</b>	<b>31.8%</b>	<b>36.9%</b>	<b>260.6%</b>	<b>35.4%</b>	<b>32.5%</b>	<b>30.3%</b>	<b>30.8%</b>	<b>31.8%</b>	<b>29.2%</b>	<b>29.3%</b>
<b>Total Expense</b>	<b>(45,676,390)</b>	<b>(71,851,665)</b>	<b>(55,439,428)</b>	<b>(12,429,646)</b>	<b>(42,325,343)</b>	<b>(75,809,318)</b>	<b>(78,651,364)</b>	<b>(72,980,906)</b>	<b>(89,718,510)</b>	<b>(91,495,864)</b>	<b>(95,169,187)</b>
<b>Operating Income</b>	<b>16,488,661</b>	<b>26,913,456</b>	<b>9,470,023</b>	<b>(8,767,436)</b>	<b>15,311,045</b>	<b>26,568,573</b>	<b>27,060,914</b>	<b>21,971,809</b>	<b>29,673,048</b>	<b>35,704,862</b>	<b>37,340,362</b>



## 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.

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 60% 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. More than 282,000 hotel nights have already been booked for the Marriott Marquis Chicago Hotel for fiscal years 2025 through 2027.



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 2025 through 2027:

- ◆ 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 2024, the occupancy rate is forecasted to be 54.5%. Occupancy is expected to be 58.7%, 61.1% and 62.2% in fiscal years 2025, 2026 and 2027, respectively. Occupancies are expected to get back to pre-pandemic levels in fiscal 2025.
- ◆ The projected average room rate is based upon the positioning of contracted group business coupled with projected market conditions for comparable hotels in Downtown Chicago and the McCormick Place event schedule. Rates are primarily determined by market demand and the ability of the Marriott to maximize performance given the expected strong demand within the brand and desirable location near McCormick Place. As compared to Fiscal 2024, the average daily rate is projected to increase by 4.4% in fiscal 2025, increase 1.5% in fiscal 2026 and increase 1.6% in fiscal 2027.
- ◆ Food and Beverage revenues are projected at \$43.5 million in fiscal 2025 and projected to rise to \$47.0 million and \$49.9 million in fiscal 2026 and 2027, respectively. Both catering and restaurant revenues are expected to rise in conjunction with group and transient occupancy along with increased local market penetration.





# The Metropolitan Pier and Exposition Authority:

## Entertainment Division

**FY  
2025**

**FY  
2026**

**FY  
2027**



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**Entertainment Division**  
**Statement of Revenue & Expenditure**  
**FY 2024 Forecast - Nine Months Actual/Three Months Forecast**

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	PROJECTED	MODIFIED	FY 2025-2027 Budget			
	2018	2019	2020	2021	2022	2023	Fiscal Year 2024	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	
<b>Revenue</b>												
Rent	\$1,525,816	\$1,609,861	\$1,830,149	\$554,734	\$2,042,028	\$2,050,301	\$2,817,092	\$2,817,092	\$2,904,612	\$3,023,664	\$3,058,068	
Services	66,215	150,141	132,362	64,535	115,806	500,490	103,371	103,371	149,378	149,377	150,138	
Parking/Marshalling	774,409	862,217	910,874	41,980	1,631,737	1,855,248	1,488,066	1,488,066	1,078,685	1,095,197	1,052,148	
Food & Beverage	3,700,521	3,847,474	3,604,118	111,321	2,436,648	4,451,966	3,883,646	3,883,646	4,028,900	4,175,540	4,139,118	
Other Event Revenue	3,755,114	5,454,391	5,440,263	643,534	6,517,617	9,332,965	7,621,431	7,621,431	10,615,900	10,678,350	10,986,819	
<b>Total Revenue</b>	<b>9,822,075</b>	<b>11,924,084</b>	<b>11,917,766</b>	<b>1,416,104</b>	<b>12,743,836</b>	<b>18,190,970</b>	<b>15,913,606</b>	<b>15,913,606</b>	<b>18,777,475</b>	<b>19,122,128</b>	<b>19,386,291</b>	
<b>Expense</b>												
Rent	(3,425,278)	(4,927,740)	(4,299,633)	(386,708)	(5,189,831)	(7,090,924)	(7,034,521)	(7,034,521)	(7,215,462)	(7,317,757)	(7,424,968)	
Services	(483,978)	(900,025)	(573,226)	(225,521)	(572,489)	(781,886)	(556,754)	(556,754)	(667,847)	(669,026)	(688,204)	
Parking/Marshalling	(273,390)	(300,835)	(362,407)	(12,778)	(458,948)	(519,575)	(441,872)	(441,872)	(323,605)	(328,560)	(315,645)	
Food & Beverage	(3,246,002)	(3,567,351)	(3,045,229)	(239,206)	(2,044,373)	(3,466,840)	(3,804,034)	(3,804,034)	(3,319,367)	(3,544,087)	(3,513,918)	
Other Event/Op Expenses	(165,261)	(153,587)	(464,589)	-	(1,175,014)	(1,524,096)	(608,068)	(608,068)	(1,922,725)	(1,922,725)	(1,922,725)	
General & Admin / Operations	(2,375,172)	(2,524,130)	(3,488,653)	(2,046,514)	(2,594,079)	(3,738,071)	(4,701,685)	(4,701,685)	(5,061,253)	(5,111,478)	(5,275,284)	
Miscellaneous	(79,832)	(114,930)	(81,761)	(79,986)	(76,103)	(97,469)	(146,069)	(146,069)	(209,788)	(202,595)	(192,853)	
<b>Total Expense</b>	<b>(10,048,913)</b>	<b>(12,488,599)</b>	<b>(12,315,498)</b>	<b>(2,990,713)</b>	<b>(12,110,838)</b>	<b>(17,218,861)</b>	<b>(17,293,003)</b>	<b>(17,293,003)</b>	<b>(18,720,048)</b>	<b>(19,096,228)</b>	<b>(19,333,598)</b>	
<b>Operating Income</b>	<b>(226,838)</b>	<b>(564,515)</b>	<b>(397,732)</b>	<b>(1,574,609)</b>	<b>632,999</b>	<b>972,109</b>	<b>(1,379,397)</b>	<b>(1,379,397)</b>	<b>57,427</b>	<b>25,900</b>	<b>52,693</b>	

## WINTRUST ARENA/ARIE CROWN THEATER FINANCIAL PLAN ASSUMPTIONS

### WINTRUST ARENA/ARIE CROWN THEATER REVENUES

In early fiscal 2018 MPEA, in partnership with DePaul University, completed construction of a 10,387-seat event center. Wintrust Financial secured the naming rights of the facility and it has been aptly named the Wintrust Arena. The Wintrust Arena officially opened October 14, 2017 and is owned and operated by MPEA. The Wintrust Arena serves as the home court for DePaul's men's and women's basketball games and will meet previously unmet needs of the convention business. During fiscal 2017, MPEA entered into an agreement with the Chicago Sky Women's National Basketball Association (WNBA) franchise, one of twelve teams in the WNBA. The Wintrust Arena allows MPEA to compete for new types of events, including concerts, convocations, and amateur and exhibition sporting events with audiences of 5,000 to 10,000 attendees. Since re-opening following the pandemic, the Arena hosted a variety of public and private events including the NBA Draft Combine, all Chicago Sky home playoff games including the championship clinching game, AEW Dynamite, Chicagoland Sports Hall of Fame, Bellator MMA, Burna Boy, and the McDonald's High School All American Game. In addition to its stand-alone operating results, events held at the Arena positively impact the operating results of the Authority's other business units through increased hotel bookings and increased usage of the convention center facilities.



The budget for the Arena includes projections for 87 events in fiscal year 2025 and 84 events in fiscal years 2026 and 2027. The budget assumes that the anchor tenant, DePaul University, will hold 31 basketball games (16 men and 15 women games) and six graduation ceremonies spanning two days, annually. The budget assumes the Chicago Sky will host 17 home games as well as promotional events at the Wintrust Arena. The balance of the anticipated events includes concerts, assemblies, banquets, and sporting events. Wintrust Arena revenues include estimated rental, services, parking, food and beverage, and other related event revenues.



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



## **PRIVATE OPERATOR CONTRACT AWARDS TO ASM GLOBAL**

From July 12, 2011 through September 30, 2023, MPEA awarded a series of contracts to ASM Global (as a successor to SMG) to manage the McCormick Place complex. Effective July 1, 2016, the contract with SMG was amended to include management of Wintrust Arena.

On June 21, 2023, MPEA's Board voted to award the McCormick Place and Wintrust Arena private management contract to Oak View Group (OVG360). On October 1, 2023, OVG360 assumed responsibilities for managing McCormick Place and Wintrust Arena. The initial management term is effective from October 1, 2023 through September 30, 2028.

The three-year Financial Plan for McCormick Place and Wintrust Arena has been jointly agreed to by MPEA and OVG360. In accordance with safe harbor provisions of IRS Revenue Procedure 2017-13, the operating agreement provides incentives to OVG360 to improve on the operating results in the Financial Plan by growing revenues and reducing the deficit while maintaining overall customer satisfaction, maintaining facility conditions, and coordinating with campus partners to book business into McCormick Place and Wintrust Arena.



# The Metropolitan Pier and Exposition Authority:

## Energy Center

**FY  
2025**

**FY  
2026**

**FY  
2027**



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**Energy Center**  
**Statement of Revenue & Expenditure**  
**FY 2024 Forecast - Nine Months Actual/Three Months Forecast**

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	PROJECTED	MODIFIED	FY 2025-2027 Budget		
	2018	2019	2020	2021	2022	2023	Fiscal Year 2024	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
<b>Revenue</b>	\$8,253,043	\$9,108,145	\$8,182,886	\$9,454,577	\$15,171,023	\$9,951,060	\$12,521,470	\$12,521,470	\$12,068,434	\$13,219,014	\$13,419,595
<b>Expense</b>											
Payroll & benefits	(1,852,540)	(1,849,899)	(1,838,534)	(1,553,142)	(1,745,564)	(1,946,142)	(1,850,211)	(1,850,211)	(2,121,919)	(2,186,576)	(2,243,163)
Energy Costs	(15,088,820)	(16,393,711)	(14,477,038)	(10,987,769)	(11,293,739)	(11,564,750)	(14,930,886)	(14,930,886)	(18,605,428)	(18,430,255)	(18,160,822)
General & Administrative	(833,003)	(908,760)	(505,306)	(847,116)	(1,124,092)	(1,145,360)	(1,570,126)	(1,570,126)	(1,703,430)	(1,753,475)	(1,802,158)
<b>Total Expense</b>	<b>(17,774,363)</b>	<b>(19,152,370)</b>	<b>(16,820,877)</b>	<b>(13,388,027)</b>	<b>(14,163,395)</b>	<b>(14,656,252)</b>	<b>(18,351,223)</b>	<b>(18,351,223)</b>	<b>(22,430,777)</b>	<b>(22,370,306)</b>	<b>(22,206,143)</b>
<b>Internal Expense Alloc.</b>	16,245,289	18,134,803	16,301,606	10,936,820	12,820,218	12,186,979	16,018,421	16,018,421	18,641,941	18,229,740	17,914,039
<b>Net Expense</b>	<b>(1,529,074)</b>	<b>(1,017,567)</b>	<b>(519,271)</b>	<b>(2,451,207)</b>	<b>(1,343,177)</b>	<b>(2,469,273)</b>	<b>(2,332,802)</b>	<b>(2,332,802)</b>	<b>(3,788,836)</b>	<b>(4,140,567)</b>	<b>(4,292,104)</b>
<b>Operating Income</b>	<b>6,723,969</b>	<b>8,090,578</b>	<b>7,663,615</b>	<b>7,003,370</b>	<b>13,827,846</b>	<b>7,481,787</b>	<b>10,188,668</b>	<b>10,188,668</b>	<b>8,279,597</b>	<b>9,078,447</b>	<b>9,127,491</b>



## ENERGY CENTER FINANCIAL PLAN ASSUMPTIONS

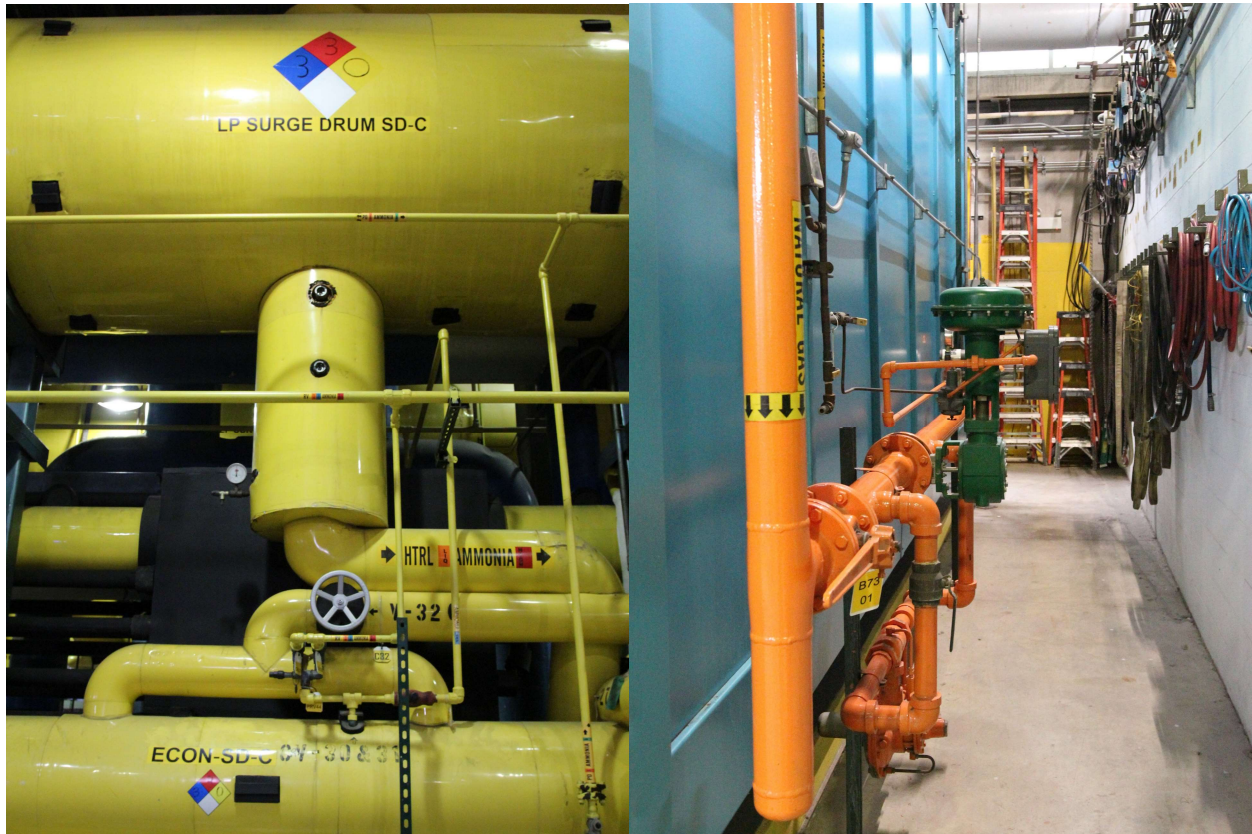
The Energy Center supplies chilled water and steam for cooling and heating to McCormick Place, including the Arie Crown Theater, the Hyatt Regency McCormick Place Hotel, the Marriott Marquis Chicago Hotel, the Wintrust Arena, the MPEA Corporate Center, and outside customers.

### REVENUES

While the primary use of the Energy Center is to supply heating and cooling for Authority operations, the Energy Center has excess heating and cooling capacity that is sold to outside customers. The Energy Center budgeted revenues are projected based on existing contracts with those external customers and historical trends of usage. 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.





# The Metropolitan Pier and Exposition Authority:

## Corporate Center

**FY  
2025**

**FY  
2026**

**FY  
2027**



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**Corporate Center**  
**Statement of Revenue & Expenditure**  
**FY 2024 Forecast - Nine Months Actual/Three Months Forecast**

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	PROJECTED	MODIFIED	FY 2025-2027 Budget			
	2018	2019	2020	2021	2022	2023	Fiscal Year 2024	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	
<b>Revenue</b>												
Interest Income	\$575,227	\$1,886,382	\$1,532,330	\$72,167	\$161,069	\$4,117,328	\$6,530,087	\$6,530,087	\$4,755,717	\$3,440,505	\$2,667,477	
Other Income	270,290	286,075	248,830	331,447	153,019	247,549	264,105	264,105	212,269	216,581	220,961	
<b>Total Revenues</b>	<b>845,517</b>	<b>2,172,457</b>	<b>1,781,160</b>	<b>403,614</b>	<b>314,087</b>	<b>4,364,877</b>	<b>6,794,192</b>	<b>6,794,192</b>	<b>4,967,986</b>	<b>3,657,086</b>	<b>2,888,438</b>	
<b>Expense</b>												
Chief Executive Office	(1,197,115)	(1,078,973)	(820,329)	(827,445)	(1,018,709)	(1,154,538)	(1,340,320)	(1,340,320)	(1,646,179)	(1,691,066)	(1,744,424)	
Labor Relations	(337,974)	(381,015)	(376,447)	(386,151)	(433,894)	(652,401)	(636,475)	(636,475)	(632,200)	(656,024)	(684,842)	
Internal Audit	(388,465)	(457,402)	(455,387)	(405,260)	(488,468)	(630,738)	(571,769)	(571,769)	(752,221)	(766,152)	(783,354)	
IT	-	-	(184,999)	(438,397)	(421,108)	(421,241)	(569,608)	(569,608)	(661,500)	(803,982)	(817,234)	
Corporate Marketing	(494,251)	(798,790)	(776,322)	(562,344)	(507,463)	(466,092)	(753,356)	(753,356)	(779,109)	(785,941)	(794,402)	
	<b>(2,417,804)</b>	<b>(2,716,179)</b>	<b>(2,613,484)</b>	<b>(2,619,597)</b>	<b>(2,869,643)</b>	<b>(3,325,010)</b>	<b>(3,871,528)</b>	<b>(3,871,528)</b>	<b>(4,471,209)</b>	<b>(4,703,165)</b>	<b>(4,824,256)</b>	
Finance	(1,562,586)	(1,742,121)	(1,584,963)	(1,480,955)	(1,721,401)	(1,871,862)	(2,208,978)	(2,208,978)	(2,631,717)	(2,726,271)	(2,844,612)	
Risk Management	(624,873)	(630,490)	(632,897)	(1,042,091)	(1,145,112)	(1,075,027)	(1,037,289)	(1,037,289)	(1,199,531)	(1,259,230)	(1,321,657)	
Human Resources	(306,551)	(325,765)	(358,814)	(333,937)	(385,563)	(455,068)	(490,627)	(490,627)	(663,526)	(526,487)	(542,688)	
Corporate Campus Sales	0	(37,508)	(221,671)	(198,929)	(313,177)	(458,508)	(540,552)	(540,552)	(555,770)	(572,613)	(592,811)	
	<b>(2,494,010)</b>	<b>(2,735,884)</b>	<b>(2,798,344)</b>	<b>(3,055,913)</b>	<b>(3,565,253)</b>	<b>(3,860,465)</b>	<b>(4,277,446)</b>	<b>(4,277,446)</b>	<b>(5,050,544)</b>	<b>(5,084,601)</b>	<b>(5,301,768)</b>	
Legal	(1,138,096)	(1,300,730)	(1,022,389)	(834,959)	(986,856)	(891,152)	(1,060,205)	(1,060,205)	(1,288,458)	(1,321,932)	(1,362,115)	
Procurement/Diversity	(419,638)	(438,962)	(457,752)	(371,323)	(445,569)	(442,362)	(484,690)	(484,690)	(609,782)	(633,570)	(663,774)	
	<b>(1,557,734)</b>	<b>(1,739,691)</b>	<b>(1,480,141)</b>	<b>(1,206,283)</b>	<b>(1,432,425)</b>	<b>(1,333,514)</b>	<b>(1,544,895)</b>	<b>(1,544,895)</b>	<b>(1,898,240)</b>	<b>(1,955,502)</b>	<b>(2,025,889)</b>	
<b>Development</b>	<b>(199,735)</b>	<b>(1,131,113)</b>	<b>(994,303)</b>	<b>(845,060)</b>	<b>(777,717)</b>	<b>(485,641)</b>	<b>(251,389)</b>	<b>(251,389)</b>	<b>(422,434)</b>	<b>(436,886)</b>	<b>(454,624)</b>	
Safety & Security	(470,627)	(800,013)	(809,884)	(63,875)	(31,967)	(17,028)	13,233	13,233	(68,831)	(69,602)	(318,446)	
Maintenance & Operations	(398,562)	(802,109)	(942,508)	(557,389)	(536,457)	(618,138)	(615,153)	(615,153)	(656,912)	(681,618)	(711,133)	
Utilities	(226,074)	(238,688)	(211,171)	(54,933)	(52,984)	(56,290)	(51,751)	(51,751)	(49,476)	(49,212)	(49,088)	
Housekeeping	(114,966)	(179,632)	(224,077)	(54,604)	(115,190)	(117,610)	(102,097)	(102,097)	(85,710)	(87,669)	(89,679)	
Other Expenses	(811,082)	(672,866)	(619,482)	2,111,833	2,790,660	(2,720,399)	(1,772,821)	(1,772,821)	(895,500)	(895,500)	(895,500)	
	<b>(2,021,310)</b>	<b>(2,693,309)</b>	<b>(2,807,122)</b>	<b>1,381,033</b>	<b>2,054,061</b>	<b>(3,529,465)</b>	<b>(2,528,589)</b>	<b>(2,528,589)</b>	<b>(1,756,428)</b>	<b>(1,783,601)</b>	<b>(2,063,846)</b>	
<b>Total Expense</b>	<b>(8,690,593)</b>	<b>(11,016,177)</b>	<b>(10,693,393)</b>	<b>(6,345,819)</b>	<b>(6,590,976)</b>	<b>(12,534,095)</b>	<b>(12,473,847)</b>	<b>(12,473,847)</b>	<b>(13,598,855)</b>	<b>(13,963,755)</b>	<b>(14,670,383)</b>	
<b>Operating Loss</b>	<b>(7,845,075)</b>	<b>(8,843,720)</b>	<b>(8,912,233)</b>	<b>(5,942,205)</b>	<b>(6,276,889)</b>	<b>(8,169,218)</b>	<b>(5,679,655)</b>	<b>(5,679,655)</b>	<b>(8,630,869)</b>	<b>(10,306,669)</b>	<b>(11,781,945)</b>	



## CORPORATE CENTER FINANCIAL PLAN ASSUMPTIONS

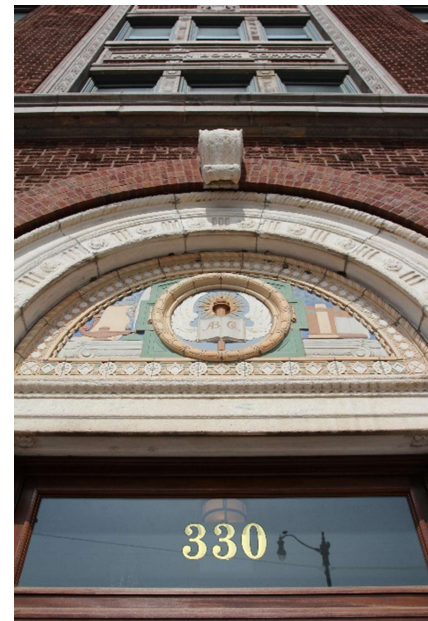
### REVENUES

Corporate Center revenues consist of interest received on cash balances in MPEA operating accounts. Interest earnings are based on expected operating cash balances at average interest rates of 3.03%, 2.36% and 2.02% for fiscal 2025, fiscal 2026 and fiscal 2027, respectively. Revenues also include an allocation of operating expenses to Corporate Center tenants. Projected tenant revenues are \$212,269, \$216,581, and \$220,961 for fiscal years 2025, 2026, and 2027, respectively.

### 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 the McCormick Place private manager amended and restated the management agreement to allow the convention center manager to focus its priorities on the management of events at McCormick Place and Wintrust Arena. MPEA assumed control of operations and maintenance of the buildings and all capital projects. As a result, MPEA transferred seven positions from the McCormick Place budget to the Corporate Center budget with no impact to the combined budget. Beginning in fiscal 2020, the Corporate Center budget included a Senior Director of Campus Sales position to oversee and coordinate the sales efforts of all MPEA partners. This position was transferred from the McCormick Place budget, as such it had no impact on the combined budget. During fiscal 2020, administration of the Authority's information technology "IT" services was transferred from ASM Global to MPEA. Beginning with the fiscal 2021 budget, \$300,000 was transferred from McCormick Place to the Corporate Center budget to fund the Corporate Center IT expenses, which had no impact on the combined budget. During fiscal 2022, a Director of Collection Sales was added to support the Senior Director of Campus Sales and a Manager of Financial Planning, Budget and Analysis position to support Finance. During fiscal 2023, the Authority transferred a payroll manager position from the McCormick Place budget to the Corporate Center budget with no impact to the combined budget. During fiscal 2024, the Authority added an Associate Director, Communications position.

Starting in fiscal year 2025, the Authority budgeted four new positions to support the Finance department, Purchasing and Development, while eliminating two positions in the Campus Sales and Corporate Communications department. Corporate expenses also include \$815,000 to fund the Authority's pension plan. The pension contribution budget estimate stems from an actuarially determined projection and is based upon an assumption that capital market asset values will continue to expand at a moderate pace throughout the budget period. The retirement plan has been closed to new entrants since fiscal 2010 and benefit amounts have been frozen since fiscal 2012. As of June 30, 2023, the funded ratio of the Authority's pension plan is 94.9%.





**MPEA Corporate Center Headcount**

Departments	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27
CEO	8	7	7	8.75	10	11	12	11	11	11
CFO	13	13	13	12.75	13.5	15	17	18	18	18
Information Systems	0	0	1	0	0	0	0	0	1	1
Legal	8	9	8	6	7	7	7	8	8	8
Development	2	6	5	4	2	3	3	4	4	4
Maintenance	0	4	5	3	3	3	3	3	3	4
<b>Totals</b>	<b>31</b>	<b>39</b>	<b>39</b>	<b>34.5</b>	<b>35.5</b>	<b>39</b>	<b>42</b>	<b>44</b>	<b>45</b>	<b>46</b>





# The Metropolitan Pier and Exposition Authority:

## MPEA Cash Flow Forecast

**FY  
2025**

**FY  
2026**

**FY  
2027**



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## MPEA Cash Flow Projection

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
<u>Operating Fund</u>	(Actual)	(Actual)	(Estimate)	(Budget)	(Budget)	(Budget)
- McCormick Place	(46,748,975)	(49,387,331)	(53,720,434)	(51,761,536)	(53,399,327)	(55,707,517)
- Navy Pier	1	1	1	1	1	1
- Hyatt	17,424,785	26,276,132	23,350,308	28,642,117	27,476,029	30,481,949
- Marriott	15,311,045	26,568,573	27,060,918	29,673,048	35,704,862	37,340,362
- Wintrust Arena	632,999	972,109	(1,379,397)	57,427	25,900	52,693
- Energy Center	13,827,846	7,481,787	10,188,668	8,279,597	9,078,447	9,127,491
- Corporate Center	<u>(6,276,889)</u>	<u>(8,169,218)</u>	<u>(5,679,655)</u>	<u>(8,630,869)</u>	<u>(10,306,669)</u>	<u>(11,781,945)</u>
Subtotal Base Operating P&L	(5,829,188)	3,742,053	(179,591)	6,259,785	8,579,243	9,513,034
+ State of Illinois Appropriations	15,000,000	-	-	-	-	-
+ Expansion Project Bond Proceeds	-	-	-	-	-	-
- Project Revenue Bonds Debt Service	<u>(2,446,750)</u>	<u>(2,520,250)</u>	<u>(2,593,750)</u>	<u>(3,505,570)</u>	<u>(6,634,035)</u>	<u>(6,747,885)</u>
<b>Operating Fund Balance</b>	<b>58,693,467</b>	<b>57,023,794</b>	<b>54,250,453</b>	<b>57,004,668</b>	<b>58,949,876</b>	<b>61,715,025</b>
<b><u>Repair &amp; Maintenance Fund</u></b>						
- Provision for Repair & Maintenance	705,000	32,500,000	-	17,200,000	2,400,000	8,500,000
- Repair & Maintenance Spending	<u>(66,200)</u>	<u>(984,771)</u>	<u>(2,550,000)</u>	<u>(8,000,000)</u>	<u>(10,000,000)</u>	<u>(10,000,000)</u>
<b>Repair &amp; Maintenance Fund Balance</b>	<b>39,326,170</b>	<b>70,841,399</b>	<b>68,291,399</b>	<b>77,491,399</b>	<b>69,891,399</b>	<b>68,391,399</b>
<b><u>Debt Service &amp; Tax Collections</u></b>						
- MPEA Tax Collections	117,220,302	168,420,261	176,427,565	181,666,000	189,681,000	197,964,000
- Change in Uncertified Tax Collections/Other	10,496,616	5,938,343	-	-	-	-
- Reduction Amounts	31,700,000	31,700,000	31,700,000	31,700,000	31,700,000	31,700,000
- Debt Service (Expansion Project Bonds)	(113,058,610)	(193,823,190)	(208,001,952)	(213,364,000) <sup>(1)</sup>	(221,379,488) <sup>(1)</sup>	(229,663,899) <sup>(1)</sup>
- (Replenish) / Draw on Reserve Balance	(30,000,000) <sup>(2)</sup>	-	-	-	-	-
- Repayment / (Draw) of State Sales Taxes	9,969,650 <sup>(2)</sup>	-	-	-	-	-
- Surplus Tax Payment	6,388,658	12,235,414	125,613	2,000	1,512	101
<b>Cumulative Draw on Sales Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>(1)</sup> In anticipation that tax collections will be less than debt service in FY25, FY26, and FY27, MPEA intends to refinance portions of its Expansion Project Bonds.

<sup>(2)</sup> The Authority exhausted the \$30 million reserve balance in the Authority Tax Fund during FY21 causing an unreimbursed draw on State Sales Taxes of \$9,969,650. During FY22, the Authority fully replenished the \$30 million reserve balance and repaid the State in full for the unreimbursed draw on State Sales Taxes that occurred during FY21.



## MPEA CASH FLOW FORECAST ASSUMPTIONS

### MPEA CASH FLOW FORECAST

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

The effect of those changes was to dramatically lower McCormick Place revenues and increase the Authority's operating deficits by approximately \$20 million annually. To offset these anticipated deficits, the 2010 Legislation allowed MPEA to use surplus Authority tax collections to reimburse up to \$80 million of operating expenses during the fiscal 2011-2014 transition period while a second hotel tower was added to the Authority's Hyatt hotel property. The 2010 Expansion bond transaction made provision for surplus Authority Tax revenue to be available to support operations. Collections during fiscal 2011-2014 were above forecasted amounts and provided the planned financial support for the operating budget. As MPEA emerged from the pandemic, the cross-subsidy has returned as MPEA generated an operating surplus during fiscal 2023 with positive operating surpluses expected annually during the fiscal 2025 through 2027 financial plan period.

During fiscal 2018, the Authority opened the 1,205-room Marriott Marquis Chicago hotel. The Authority's long-term expectation is that with the addition of the Marriott hotel, the Authority's combined hotel operating income will provide funds to not only balance the Authority's operating budget, but also to fund its capital maintenance program.

To provide MPEA with liquidity while McCormick Place was closed during the pandemic, the Authority received operating appropriations of \$56.5 million from the State of Illinois during fiscal 2021, \$15 million in operating appropriations during fiscal 2022, and raised \$44.4 million of operating cash from the sale of its Series 2020D Bonds. These cash infusions largely offset the operating losses the Authority incurred while it was shut down during the pandemic, allowing the Authority to maintain its pre-pandemic cash position.

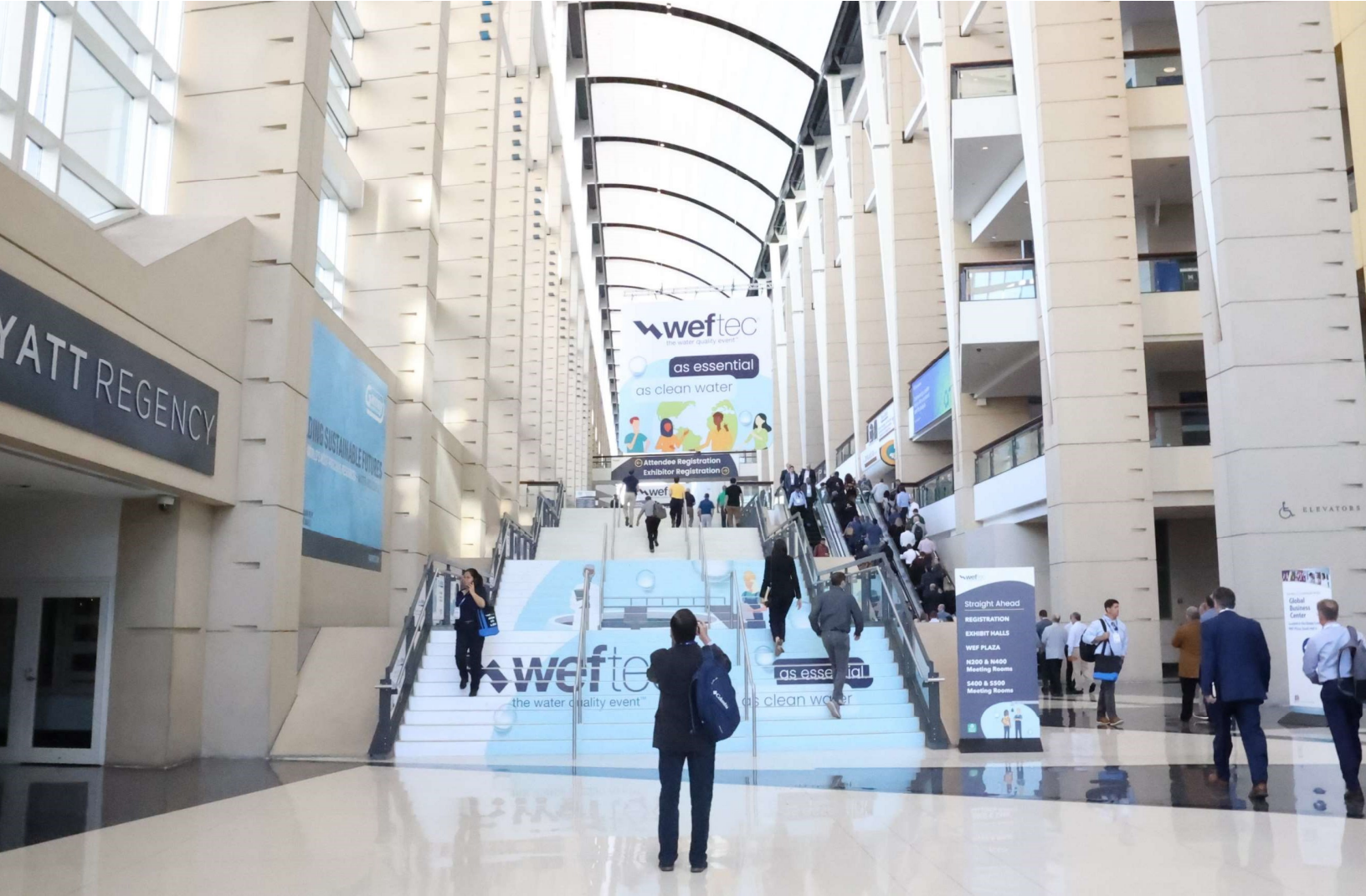
MPEA expects the incentive grant program provided by the State to be an important part of MPEA's strategy to generate positive operating income. MPEA's FY25-27 financial plan includes incentive reimbursements of \$12.8 million, \$11.5 million, and \$2.5 million in fiscal 2025, fiscal 2026, and fiscal 2027, respectively. Aside from the financial benefits to the Authority, the benefits of the Incentive Grant program will reach far beyond the halls of McCormick Place as the economic impact and jobs created in the State through increased visitation will far exceed the State's investment in incentive grant reimbursements.

Due to a confluence of factors, MPEA submitted a modified financial plan for Fiscal Years 2024 through 2026. While the Authority expects Total Combined Operating Income before debt service on Project Revenue Bonds to be positive, it does expect an operating loss after debt service on its Project Revenue Bonds. MPEA expects to return to operating profitability each year during the FY25-27 financial plan period. Importantly,



MPEA also anticipates generating sufficient operating cash flow to continue making contributions to its capital reserve account.

MPEA anticipates further growth in Authority tax revenues during the financial plan period. During fiscal year 2023, MPEA collected a record \$168.4 million in Authority taxes. MPEA is currently forecasting Authority tax collections of \$181.7 million, \$189.7 million, and \$198.0 million in fiscal 2025, 2026, and fiscal 2027, respectively.



# The Metropolitan Pier and Exposition Authority:

## Debt Service Funds

**FY  
2025**

**FY  
2026**

**FY  
2027**



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

	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
<b>Revenues</b>			
<b>Projected Authority Tax Collections</b>			
Food & Beverage Tax	\$62,623	\$85,767	\$69,068
Auto Rental Tax	45,481	46,995	48,560
Hotel Tax	68,034	71,306	74,736
Airport Departure Tax	5,128	5,213	5,300
Interest Earnings	465	465	365
<b>Authority Tax Collections (incl. Interest)</b>	<b>\$181,731</b>	<b>\$189,746</b>	<b>\$198,029</b>
<b>Capitalized Interest/ Earned Interest / Available Debt Service Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>State Reduction Amount</b>	<b>31,700</b>	<b>31,700</b>	<b>31,700</b>
<b>Total Revenues</b>	<b>\$213,431</b>	<b>\$221,446</b>	<b>\$229,729</b>
<b>Expenditures</b>			
<b>Principal and Sinking Fund Payments:</b>			
Expansion Project Bonds, Series 1994	1,585	2,960	2,960
Expansion Project Bonds, Series 1996A	69,610	0	0
Expansion Project Bonds, Series 1998	12,360	15,260	16,110
Expansion Project Bonds, Series 2002	54,600	64,400	41,640
Expansion Project Bonds, Series 2010	0	52,435	64,135
Expansion Project Bonds, Series 2012	0	0	0
Expansion Project Bonds, Series 2015	0	0	0
Expansion Project Bonds, Series 2017	0	5,610	16,325
Expansion Project Bonds, Series 2020A	0	0	0
Expansion Project Bonds, Series 2020BCD	0	0	35,995
Expansion Project Bonds, Series 2022A	20,830	0	0
Expansion Project Bonds, Series 2022B	0	0	0
Expansion Project Bonds, Series 2023A	0	0	0
<b>Total Principal and Sinking Fund Payments</b>	<b>\$158,985</b>	<b>\$140,665</b>	<b>\$177,165</b>
<b>Interest Expense:</b>			
Expansion Project Bonds, Series 1994	0	0	0
Expansion Project Bonds, Series 1996A	0	0	0
Expansion Project Bonds, Series 1998	3,600	2,913	2,066
Expansion Project Bonds, Series 2002	0	0	0
Expansion Project Bonds, Series 2010	0	0	0
Expansion Project Bonds, Series 2012	0	0	0
Expansion Project Bonds, Series 2015	10,162	10,162	10,162
Expansion Project Bonds, Series 2017	12,421	12,281	11,732
Expansion Project Bonds, Series 2020A	39,725	39,725	39,725
Expansion Project Bonds, Series 2020BCD	7,183	7,183	6,471
Expansion Project Bonds, Series 2022A	26,569	25,944	25,944
Expansion Project Bonds, Series 2022B	1,172	1,172	1,172
Expansion Project Bonds, Series 2023A	2,897	2,897	2,897
<b>Total Interest Expense Payments</b>	<b>\$103,729</b>	<b>\$102,277</b>	<b>\$100,169</b>
<b>Total Debt Service before Refinancing</b>	<b>\$262,714</b>	<b>\$242,942</b>	<b>\$277,334</b>
less: Estimated Refinanced Debt Service	(49,350) <sup>(1)</sup>	(21,562) <sup>(1)</sup>	(47,670)
<b>Total Debt Service Payments</b>	<b>\$213,364</b>	<b>\$221,380</b>	<b>\$229,664</b>
<b>Trustee Fees:</b>			
Expansion Project Bonds Series 1994B, Series 1996A, Series 1998B, Series 2002A, Series 2010B, Series 2012B, Series 2015AB, Series 2017AB, Series 2020A, Series 2020BCD, Series 2022AB, and Series 2023A	65	65	65
<b>Total Expenditures</b>	<b>\$213,429</b>	<b>\$221,445</b>	<b>\$229,729</b>
<b>Net Revenues over (under) Expenditures</b>	<b>\$2</b>	<b>\$1</b>	<b>\$0</b>

<sup>(1)</sup> Estimated Refinanced Debt Service represents debt service the Authority intends to refinance from FY25 to FY27 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  
\$ in 000's**

	<u>Fiscal Year 2025</u>	<u>Fiscal Year 2026</u>	<u>Fiscal Year 2027</u>
<b><u>Non-Operating Revenues</u></b>			
<b><u>Bond Proceeds - Capitalized Interest:</u></b>			
Project Revenue Bonds, Series 2019A	\$0	\$0	\$0
Project Revenue Bonds, Series 2023A	\$608	\$0	\$0
Project Revenue Bonds, Series 2023B	\$1,363	\$0	\$0
<b>Funds Provided by Operations / Other Sources <sup>(1)</sup></b>	<b>\$3,518</b>	<b>\$6,647</b>	<b>\$6,760</b>
<b>Total Revenues</b>	<b>\$5,489</b>	<b>\$6,647</b>	<b>\$6,760</b>
<b><u>Expenditures</u></b>			
<b><u>Principal and Sinking Fund Payments:</u></b>			
Project Revenue Bonds, Series 2019A	\$850	\$975	\$1,105
Project Revenue Bonds, Series 2023A	\$0	\$0	\$0
Project Revenue Bonds, Series 2023B	\$0	\$1,075	\$1,185
<b>Total Principal and Sinking Fund Payments</b>	<b>\$850</b>	<b>\$2,050</b>	<b>\$2,290</b>
<b><u>Interest Payments</u></b>			
Project Revenue Bonds, Series 2019A	\$1,822	\$1,780	\$1,731
Project Revenue Bonds, Series 2023A	\$865	\$865	\$865
Project Revenue Bonds, Series 2023B	\$1,940	\$1,940	\$1,862
<b>Total Interest Payments</b>	<b>\$4,627</b>	<b>\$4,585</b>	<b>\$4,458</b>
<b><u>Trustee Fees</u></b>			
Project Revenue Bonds, Series 2019A	\$4	\$4	\$4
Project Revenue Bonds, Series 2023A	\$4	\$4	\$4
Project Revenue Bonds, Series 2023B	\$4	\$4	\$4
<b>Total Trustee Fees</b>	<b>\$12</b>	<b>\$12</b>	<b>\$12</b>
<b>Total Expenditures</b>	<b>\$5,489</b>	<b>\$6,647</b>	<b>\$6,760</b>
<b>Net Revenues over (under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) Debt service on the Project Revenue Bonds will be included in the Authority's operating budget. Energy, maintenance, operating savings, and net operating revenues recognized during fiscal 2025, 2026 and 2027 are expected to equal the debt service on the outstanding Project Revenue Bonds.



## DEBT SERVICE FUNDS FINANCIAL PLAN ASSUMPTIONS

MPEA has two outstanding bond indentures. The Expansion Project Bond indenture is the primary financing mechanism MPEA used to build out its entire campus beginning with the South Building construction in the early 1990s. The Authority's Expansion Project Bonds are secured first by Authority Tax revenues and second by a claim of State Sales Tax deposits following the State's Build Illinois Bonds debt service up to a maximum amount annually. As of June 30, 2023, MPEA had \$4.6 billion of outstanding Expansion Project Bonds including amortized accretion on capital appreciation bonds.

MPEA also has three series of Project Revenue Bonds outstanding. The Project Revenue Bonds are secured by certain net operating revenues of the Authority including revenues equal to the estimated annual energy savings amount, net revenues of the Authority's Energy Center, and net revenues of the Authority's parking operations, excluding hotel parking operations.

### EXPANSION PROJECT BONDS

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

#### **Non-Operating Revenues**

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

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

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

The debt service and trustee fees for the MPEA Expansion Project Bonds are expected to be \$213.4 million, \$221.4 million, and \$229.7 million in fiscal years 2025, 2026, and 2027, respectively, after the Authority completes anticipated debt service refinancings from fiscal 2025 through fiscal 2027 to bring debt service in line with Authority taxes. The Authority expects the \$30 million Reserve Fund to remain fully funded during the financial plan period.

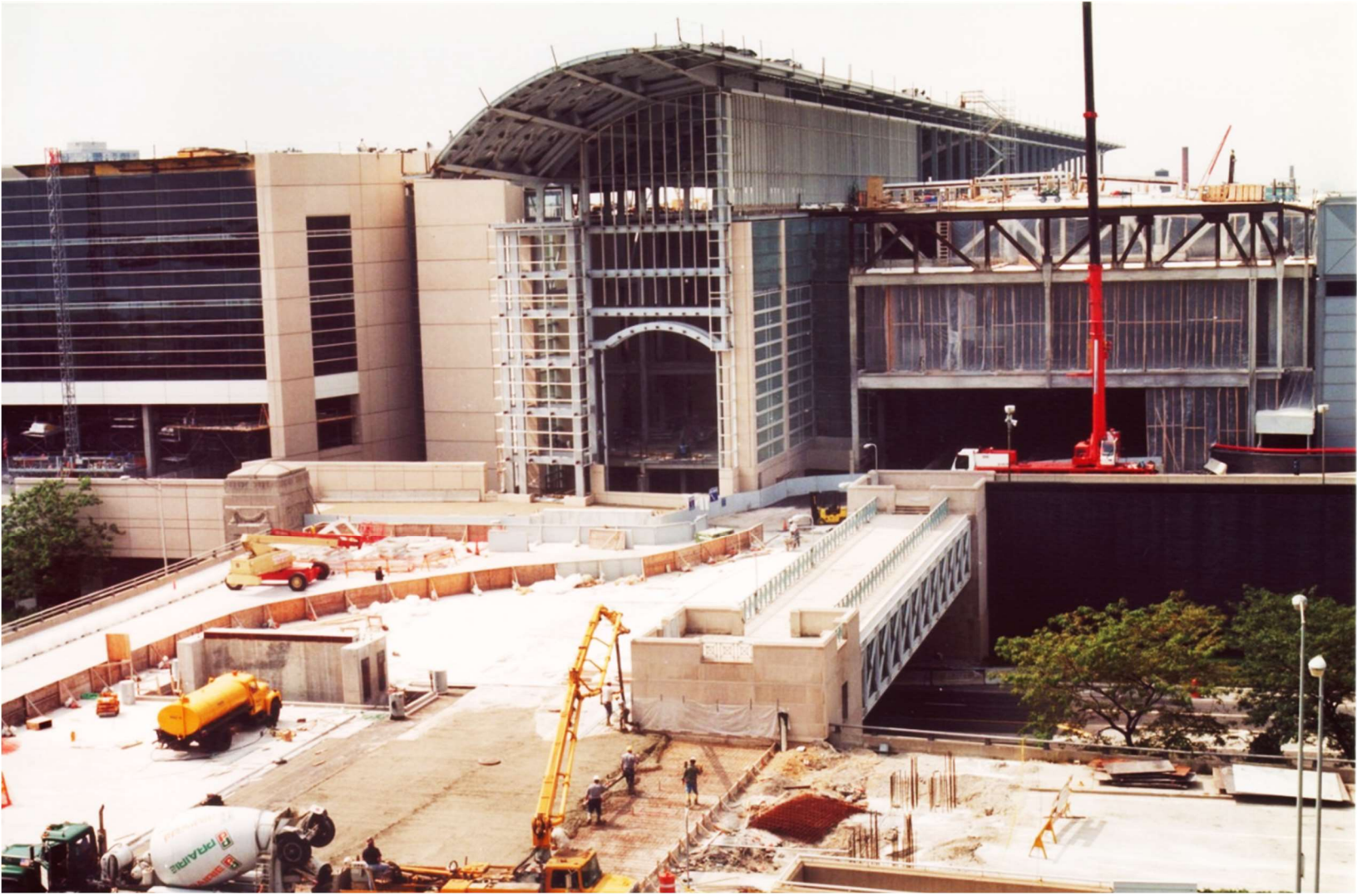




## **PROJECT REVENUE BONDS**

On May 8, 2019, MPEA issued its Project Revenue Bonds, Series 2019A for a par amount of \$36,865,000 as a direct placement. The Authority used Project Revenue Bond proceeds to finance the replacement of nearly 67,000 light bulbs across the McCormick Place campus with LED lighting fixtures. In January 2024, MPEA issued its Series 2023A and 2023B (Taxable) Project Revenue Bonds (collectively, the Series 2023 Bonds) for a total par amount of \$42,830,000. The Series 2023 Bonds will be used to finance upgrades to the Authority's Energy Center plant. Increased demand from external customers is expected to provide funds to repay at least a portion of the debt service on the Series 2023 Bonds.

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.



# History of The Metropolitan Pier and Exposition Authority

**FY  
2025**

**FY  
2026**

**FY  
2027**



**MCCORMICK**  
SQUARE • PLACE • MPEA



## 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** – ASM Global 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. 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 would generate more than \$9.4 billion dollars in cumulative economic impact in operations and construction between 2014 and 2018. Operations in fiscal 2018 were projected to deliver \$1.726 billion in economic impact and more than \$131 million in state and local tax revenue.

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

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

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

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

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

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

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

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

its own website for the McCormick Place Collection. MPEA utilized its trade labor to perform much needed campus maintenance projects across campus.

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

MPEA welcomed 181 events to campus during fiscal year 2022. These events brought 1,343,260 visitors to the McCormick Place campus, generated approximately 609,000 room nights for Chicago hotels, and generated more than \$1.0 billion in economic impact. Perhaps most importantly, we were able to bring more than 2,200 people back to work, not including the contractors who worked on our campus and were not employees of the Authority.

**2023** –MPEA brought both legacy and first-time events to campus, including the American Geophysical Union’s 2022 Fall Meeting and the Harlem Globetrotters. In April, Chicago was named the host City for the 2024 Democratic National Convention with McCormick Place selected as the destination for daytime convention activities while MPEA’s campus hotels will house delegates and other participants. The 2024 Democratic National Convention is expected to bring \$150 million in economic impact to the State and City.

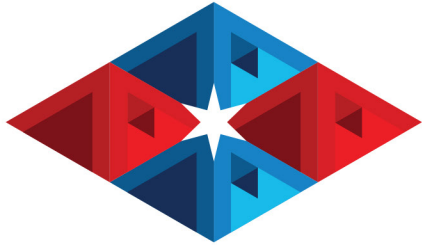


Other notable events on campus included the American Society of Clinical Oncology (ASCO), with 38,000 attendees and a \$172,368,577 economic impact; HIMSS Global Health Conference and Exhibition (HIMSS23) with 33,611 attendees and a \$89,524,355 economic impact; and Mitsubishi Heavy Industries convened ProMat, gathering 37,537 attendees with a \$73,871,299 economic impact.

In all, 115 events took place at the convention center in 2023, representing approximately 1,037,196 hotel room nights.

**2024** – In October 2023, MPEA entered an exciting new phase when Oak View Group, OVG360 and OVG Hospitality, assumed private management and food services at McCormick Place Convention Center, Wintrust Arena, and Arie Crown Theater. The campus further solidified its position as the premier convention and events hub in North America, retaining 91% of campus staff through the transition, ensuring the highest level of continuity while preserving critical institutional knowledge.

Also in early 2024, the Radiological Society of North America (RSNA) committed to hosting its annual meeting at McCormick Place through 2032. The 2023 event drew over 40,000 registrants, with 40% representing international visitors, contributing \$115 million to the local economy. MPEA is well-positioned to amplify our impact in 2024, with a robust schedule representing 91 scheduled events, 1,972,594 projected attendees, 1,316,369 projected room nights and a \$2,171,009,598 estimated economic impact.



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