



McCORMICK  
SQUARE • PLACE • MPEA

# FINANCIAL PLAN



FISCAL YEARS  
2021, 2022, 2023



METROPOLITAN PIER AND EXPOSITION AUTHORITY  
AT McCORMICK SQUARE

# **The Metropolitan Pier and Exposition Authority**

## **Modified Financial Plan**

**For Fiscal Years 2021, 2022 and 2023**

**Adopted by the Board of Directors**

**April 2021**

Metropolitan Pier and Exposition Authority  
Corporate Center • 301 East Cermak Road • Chicago, IL 60616 •  
Telephone (312) 791-7000 • Fax (312) 624-81686

April 27, 2021

The Honorable J.B. Pritzker, Governor, State of Illinois  
The Honorable Lori Lightfoot, Mayor, City of Chicago  
The Honorable Members of the 102<sup>nd</sup> 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 modified three-year Financial Plan for fiscal years 2021 through 2023 as adopted by the MPEA Board of Directors on April 27, 2021. In accordance with the MPEA Act, the Authority has re-examined the revenue and expenditure estimates included in the original fiscal year 2021 through 2023 three-year Financial Plan and has determined that there will be a material change in the revenue and expenditure estimates on which the Financial Plan was based. As a result, MPEA revised the revenue and expenditure estimates and is submitting a modified Financial Plan for fiscal years 2021 through 2023.

The COVID-19 pandemic significantly impacted the MPEA campus event schedule beginning in March 2020. MPEA has not held an event at McCormick Place since the Pittcon conference drew 9,000 attendees from March 3-6, 2020. The Authority’s modified three-year financial plan assumes no events occur at McCormick Place during fiscal 2021. As of April 19, 2021, 230 events at McCormick Place have been cancelled resulting in the loss of 3.38 million event attendees and nearly 2.15 million hotel room nights. These events represent \$3.05 billion in lost economic impact for the state and city and \$233.8 million in lost state and local taxes. The previously submitted Financial Plan assumed that events would resume July 1, 2020.

The Modified Financial Plan includes the following documents:

- MPEA: Summary of Cancelled Events
- MPEA: Fiscal Years 2021-2023 Modified Operating Budget
- Fiscal Years 2021-2023 Modified Operating Budget for:
  - McCormick Place
  - Hyatt Regency McCormick Place Hotel
  - Marriott Marquis Chicago Hotel
  - Wintrust Arena/Arie Crown Theater
  - Energy Center
  - Corporate Center
- MPEA Cash Flow Forecast
- MPEA: Debt Service Funds Budget

### **OPERATING RESULTS**

MPEA has taken extensive efforts to conserve costs during the pandemic. Within weeks of the start of the pandemic, MPEA implemented a campus-wide financial and operational contingency plan to reduce costs. Ultimately, this plan has resulted in a reduction of \$79 million (50.7% of total) in operating expenses through March 31, 2021 when compared to the immediately preceding 12-month period ending March 31, 2020.

Unfortunately, this contingency plan required layoffs or full furloughs for more than 80 percent of the workforce and mandatory partial furloughs for the remaining workforce. In addition to the workers employed by the MPEA business units, McCormick Place events hire (directly or through contractors) skilled labor that





work approximately 3.9 million hours on campus per year. The 3.9 million hours is fulfilled by approximately 8,000-10,000 individuals that have not worked on the McCormick Place campus over the past year.

MPEA entered the pandemic in a strong financial position. The Authority was operationally self-sufficient from FY18 through FY20. Prior to the COVID-19 outbreak, MPEA anticipated a strong finish to budget for FY20, forecasting operating revenues to exceed budget by \$29.8 million. Ultimately, in FY20, operating revenues were \$88.5 million lower than the original budget. By the end of FY24, MPEA forecasts operating revenues to return to nearly 97% of FY19 revenues and the Authority anticipates exceeding FY19 operating revenues by the end of FY25. The Authority takes great pride in being operationally self-sufficient and looks forward to returning to that position as soon as possible.

Following the cancellations primarily caused by the COVID-19 pandemic, the Authority revised its FY21 financial forecast to assume that no events will be held at McCormick Place during fiscal 2021. The Authority also revised its fiscal 2022 and 2023 budgets to reflect lower attendance assumptions as the events and conventions industry recovers from the COVID-19 induced slowdown. The modified FY21-23 financial plan reflects total combined revenue of \$393.8 million, a \$637.8 million reduction as compared to the original FY21-23 financial plan, and a total combined net operating loss of \$181.8 million before the receipt of state operating appropriations, expansion project bond proceeds, and debt service on the project revenue bonds, a \$189.2 million unfavorable variance as compared to the original FY21-23 financial plan.

#### **CASH FLOW FORECAST AND DEBT SERVICE FUNDS BUDGET**

Prior to fully comprehending the gravity and persistence that COVID-19 would have on the hospitality industry, the Authority originally forecasted tax collections of \$122.7 million for FY21. The Authority currently projects FY21 Authority Tax collections, including interest income earned in the Authority Tax Fund, of \$47.7 million, a \$75 million unfavorable variance when compared to the original FY21-23 financial plan. The adjustments are based on projected reductions in hotel, restaurant, auto rental, and airport departure tax revenues. The attached *MPEA Cash Flow Forecast* and *MPEA: Debt Service Funds Budget* reflects these revisions. The Authority is also reducing FY22 and FY23 Authority tax collection forecasts to \$89.0 million and \$129.2 million, respectively.

Relative to MPEA's outstanding Expansion Project Bonds, in September 2020, MPEA refinanced \$118.4 million of its FY21 debt service, the maximum amount legally allowed, in an effort to prevent a draw on state sales taxes. Despite its efforts, the decline in tax revenues primarily due to the closures and partial closures of hotels and restaurants will result in an unavoidable draw on state sales taxes. Through the end of March, year-over-year tax collections are down approximately \$96.4 million, or 73%, as compared to FY20 collections. The Authority estimates that there will be a draw of approximately \$15.2 million on state sales taxes for FY21. Had MPEA not taken the proactive step of refinancing its bonds, the state sales tax draw would have been nearly \$130 million. Assuming recovery in Authority taxes occurs as currently budgeted, MPEA has budgeted to fully replenish the \$30 million reserve fund and to fully repay the State by FY23. Even in a scenario where the recovery is delayed from currently forecasted levels, the Authority expects to fully repay the State by FY25 at the latest.

#### **STATE SUPPORT**

The Authority is grateful to the State for its efforts thus far in helping the Authority to manage through this unprecedented event. During the 2020 Spring legislative session, MPEA received operating appropriations of \$56.5 million from the State. The State also authorized the Authority to use its remaining Expansion Project Bond authorization to fund operating expenses during FY2021 and FY2022. As a result, the Authority was able to raise \$44.4 million from the issuance of its Series 2020D Expansion Project Bonds to help fund operating expenses.



MPEA is acutely aware of the impact that its campus operations have on the state and the local economy. MPEA is committed to providing a safe and healthy campus for our employees, guests, and contractors. We are prepared to reopen as soon as public health conditions allow. Looking ahead, the Authority has a very strong calendar with events scheduled through 2033, including 48 events scheduled between July and December 2021. We are confident in MPEA's ability to recover and resume our position as an important job creator and economic engine for the state, city, and local economy.

Sincerely,

Larita D. Clark  
Chief Executive Officer



## Metropolitan Pier and Exposition Authority Summary of Canceled Events

- The following list reflects events that have canceled since March 2020:

Event Name
<b>FY 2020</b>
<b>March 2020</b>
Fire Battalion Chief Exam
Inspired Home Show
Ace Hardware 2020 Spring Convention
STGI/Strengthening Business Practices of Child Care Institute
Shared Use Mobility Center2020
Bank of America Shamrock Shuffle 8K Health and Fitness Expo
Modern Business Experience
Jordan Brand Classic
Sommore
<b>April 2020</b>
American College of Cardiology
NCTM 2020 Centennial Annual Meeting
US Foods - Non-Foods Conference
National School Boards Association 2020 Annual National Conference
Black Women's Expo
CoD League
American Case Management Association- 2020 National Conference
Adidas Windy City National Qualifier 2020
Microsoft Ignite The Tour FY20
2020 America's Beauty Show / IECSC
SEIU 2020 International Convention
BAPS
ATEEZ
Choose Chicago Annual Meeting
Mulesoft 2020 Connect
Chicago Neighborhood Development Awards
IAHCSMM 2020 Annual Conference & Expo
Yoli, LLC 2020
IEEE - PES Transmission & Distribution Conference & Exposition
<b>May 2020</b>
Digestive Disease Week
Salesforce Connections 2020
City Colleges of Chicago - Graduation
Ford Fleet 2020 Preview Event
Chicago Sky Preseason 11am Game
EnPowered Games
The Mother's Day Comedy Jam
Access Intelligence 2020 Experiential Marketing Summit
Mother's Day Soul Jam
Tyrese - Spring Fest
National Restaurant Association, Restaurant Hotel-Motel Show
The School of the Art Institute of Chicago
Clinical TMS Society
Sky Media Day (Confirmed)
2020 Sweets & Snacks Expo
Chicago Sky vs. Minnesota - 7pm
NBA Combine
Chicago Sky vs Las Vegas - 5:00 pm
Crowe LLP Bike Building Event
Chicago Sky vs. Los Angeles - 7pm
Pri-Med Chicago
Feed The Streetz Tour 2020 - Jeezy, Rick Ross



**June 2020**

American Society Of Clinical Oncology  
2020 Morningstar Investment Conference  
AEC Next & SPAR 3D 2020  
Chicago Sky vs. Connecticut - 7pm  
Latin School of Chicago Commencement Ceremony  
CFA Exam  
Bellator MMA (Mixed Martial Arts) Sporting Event  
Chicago Sky vs. Atlanta - 7pm  
RetailX  
Whitney Young High School Commencement Ceremony (Evening Ceremony)  
Chicago Sky vs. Washington - 7pm  
Lindbloom Math & Science Academy High School (Daytime Ceremony)  
Pershing INSITE 2020  
Thomas Kelly High School (Evening Ceremony)  
American Diabetes Association's 80th Scientific Sessions  
Chicago Sky vs. New York - 7pm  
DePaul Graduation  
KeHE Holiday Show  
2nd Tour Neo City The Awards in Chicago - NCT 127  
ASM Microbe 2020  
Chicago Sky vs. Washington - 7pm  
Chicago Sky vs. Las Vegas - 7pm  
National Louis University Commencement Ceremony  
Chicago Sky vs. Minnesota - 5pm  
American Library Association Annual Conference & Exhibits  
Connected Claims USA  
Plante Moran 2020 Annual Firm Conference  
Chicago Sky vs. Connecticut - 11am  
CBD Expo Midwest 2020  
R&B Concert - Brian McKnight  
The Millennium Tour - Omarion

**FY 2021**

**July 2020**

Dupree Dance  
Pampered Chef 2020 National Conference - Move to FY 22  
NIKE National Invitational Tournament 2020  
Chicago Sky vs. Indiana - 11am  
IFT Annual Meeting and Food Expo 2020  
Chicago Sky vs. Atlanta - 7:30pm  
Focus 2020  
Rock & Roll Chicago Race Expo 2020  
TradersEXPO 2020  
Summer Leadership Institute  
AEC Next & SPAR 3D & GeoWeek 2020  
85 South Show Live - Chico Bean, DC Young Fly, Karlous Miller  
2020 Government Procurement Contracting Symposium

**August 2020**

Oddities and Curiosities Expo  
2020 HealthTrust Conference  
ASAP Natin to' in Chicago  
Lawyers Trust Fund of IL  
Independent Garden Center Show 2020  
Latin School of Chicago Commencement Ceremony  
Chicago Sky vs. Indiana - 5pm  
Pri-Med Chicago  
Black Women's Expo  
PodcastCon 2020  
AWS Summit  
Chicago Sky vs. Los Angeles - 7pm  
Chicago Sky vs. Seattle - 7pm  
Parkway Drive



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**September 2020**

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International Manufacturing Technology Show  
Chicago Federation of Labor - Luncheon  
Tribute to Broad Shoulders 2020 Luncheon  
Chicago Sky vs. Phoenix - 7pm  
Chicago Sky vs. Dallas - 7pm  
After School Matters Gala  
StriveTogether 2020  
Encephalon  
Randstad  
ATEEZ

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**October 2020**

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IFMA's World Workplace 2020  
ASI 2020 Chicago  
Digital Summit 2020  
American College of Surgeons  
National Electrical Contractors Association Annual National Convention  
ASHE Annual 2020 Meeting  
Nike Chicago Marathon Expo  
2020 Bank of America Chicago Marathon Health & Fitness Expo  
IEEE - PES Transmission & Distribution Conference & Exposition  
Sweetest Day Comedy  
2020 Chicago National College Fair  
American Academy of Family Physicians  
CHEST 2020  
Hyundai Dealer Meeting  
National Workers' Compensation and Disability Conference & Expo  
Academy of General Dentistry  
My Favorite Weekend  
Sitecore Symposium 2020  
ISSA Show North America 2020

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**November 2020**

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BMO 2020  
PACK EXPO and Healthcare Packaging EXPO  
EnsembleIQ 2020 Path to Purchase Expo- P2PX  
American Student Dental Association - 2020  
CHSPS - Childrens Hospital Solutions for Patients Safety  
NCAA - Student-Athlete Leadership Forum 2020 (SALC)  
NCAA - DII SAAC Super Region Convention 2020  
American Physical Society APS DFD 2020 Event

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**December 2020**

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Radiological Society of North America  
Learning Forward 2020 Annual Conference  
CFA Exam  
SharePoint Fest 2020  
USA CBD Expo 2020  
AACC Annual Meeting  
The Midwest Clinic 2020 An International Band and Orchestra Conference  
One Dream Gala  
MAS-ICNA Annual Convention

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**January 2021**

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Progressive Chicago Boat, RV & Strictly Sail Show  
AWS 2021 AKO  
DePaul Basketball Men vs Villanova 6pm  
NA 2021 Chicago Regional Convention  
2021 Winter Volleyball Championship  
DePaul Basketball Men vs Valparaiso (3pm Game)  
International Air-Conditioning Heating Refrigeration Exposition  
SoxFest 2021  
DePaul Basketball vs Providence  
National Louis University Commencement Ceremony

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**February 2021**

Date to be Determined - 2021 Chicago Auto Show  
2021 Country Financial National Sales Meeting  
Valentine's Day Comedy Jam  
American Student Dental Association

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**March 2021**

Chicago Dental Society-Annual Midwinter Meeting 2021  
The Inspired Home Show  
Dupree Dance 2021  
CROI 2021  
Shamrock Shuffle  
Modern Business Experience  
Chicago Comic & Entertainment Expo (C2E2) 2021  
Chicago Build 2021  
CBD MIDWEST & CannaFarm CON-Hemp

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**April 2021**

National Science Teachers Association 2021 National Convention  
ProMat 2021  
Black Women's Expo  
ProFood Tech 2021  
The Millennium Tour  
RIMS Annual Conference 2021  
Adidas Windy City National Qualifier 2021  
IPW-2021  
SME, Rapid 2021 Exposition & Conference  
Encephalon  
KCF All Girls National Championship

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**May 2021**

REED POP Confidential  
HOW Design Live 2021  
Nutanix .NEXT 2021  
PPAI Expo 2021  
University of Chicago Booth Graduation  
Confidential - FC Connected  
American Alliance of Museums 2021 Annual Meeting & Museum Expo  
RetailX  
2021 Morningstar Investment Conference  
Visa Payments Forum 2021  
National Restaurant Association, Restaurant Hotel-Motel Show  
The School of Art Institute of Chicago Graduation Ceremony  
2021 Sweets & Snacks Expo

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**June 2021**

American Society Of Clinical Oncology  
Salesforce Connections 2021  
PLRB 2021 Annual Claims Conference  
Confidential FC BI  
DePaul Graduation  
KeHE Holiday Show  
NAA Apartmentalize  
SHRM21 Annual Conference & Expo  
American Library Association Annual Conference & Exhibits  
National Louis University - Graduation

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<b>FY 2022</b>
<b>July 2021</b>
NACRJ Conference 2021
Dupree Dance 2021
School Nutrition Association 2021 Annual National Conference
CSTA 2021 Meeting
Institute of Food Technologists - IFT21
Pampered Chef 2021 National Conference
CBD MIDWEST & CannaFarm CON-Hemp
NACUBO Annual Meeting 2021
BabyCon
<b>August 2021</b>
The Inspired Home Show
NCSL Legislative Summit 2021
Pri-Med Chicago
Panera Bread Family Reunion 2021
Orgill Fall Dealer Meeting
PodcastCon 2021
<b>September 2021</b>
HOW Design Live 2021
Hyundai Dealer Meeting
2021 Grace Hopper Celebration
<b>October 2021</b>
2021 Chicago National College Fair

- The following provides the impact of events that have canceled to the local economy:

<b>Economic Impact - Local Economy</b>	
Economic Impact	\$ 3,051,794,366
Lost State and Local Taxes	233,767,448
Total Forecast Attendance	3,376,509
Estimated Hotel Room Nights	2,150,486



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

	Fiscal Year 2020	Original Fiscal Year 2021	FY2021-2023 Budget		
			Projected Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
<b><u>McCormick Place</u></b>					
Revenue	80,214,127	97,259,094	2,524,656	42,230,772	73,463,306
Expense	(129,358,232)	(149,178,574)	(61,940,859)	(99,760,107)	(129,659,960)
Operating Loss	(49,144,106)	(51,919,480)	(59,416,203)	(57,529,335)	(56,196,654)
<b><u>Hvatt Hotel</u></b>					
Revenue	59,926,835	86,747,973	3,750,491	34,077,388	66,994,971
Expense	(48,435,287)	(62,458,353)	(15,461,274)	(33,951,599)	(53,214,974)
Operating Income	11,491,548	24,289,620	(11,710,783)	125,789	13,779,997
<b><u>Marriott Hotel</u></b>					
Revenue	64,909,451	101,529,017	3,262,129	51,429,301	72,479,554
Expense	(55,439,428)	(72,745,609)	(14,707,449)	(45,300,601)	(57,964,156)
Operating Income	9,470,023	28,783,408	(11,445,320)	6,128,700	14,515,398
<b><u>Wintrust Arena/Arie Crown</u></b>					
Revenue	11,917,766	13,448,041	613,467	7,090,448	10,432,978
Expense	(12,315,498)	(13,191,070)	(2,975,872)	(8,659,653)	(11,254,447)
Operating Income/(Loss)	(397,732)	256,971	(2,362,405)	(1,569,205)	(821,469)
<b><u>Energy Center</u></b>					
Revenue	8,182,886	8,940,821	8,346,199	8,123,332	8,205,777
Expense	(519,271)	(2,362,005)	(3,285,406)	(1,689,714)	(1,465,150)
Operating Income	7,663,615	6,578,816	5,060,793	6,433,618	6,740,627
<b><u>Corporate Center</u></b>					
Revenue	1,781,160	583,536	167,549	291,554	329,931
Expense	(10,693,393)	(12,821,253)	(9,624,556)	(12,102,957)	(12,571,538)
Operating Loss	(8,912,233)	(12,237,717)	(9,457,007)	(11,811,403)	(12,241,607)
<b><u>Total Combined</u></b>					
Revenue	226,932,224	308,508,482	18,664,490	143,242,795	231,906,517
Expense	(256,761,109)	(312,756,864)	(107,995,415)	(201,464,631)	(266,130,225)
Operating Income (Loss)	(29,828,885)	(4,248,382)	(89,330,925)	(58,221,836)	(34,223,708)
Memo: Tax Surplus	0	0	0	0	0
Memo: State of Illinois Appropriations	0	0	56,464,696	0	0
Memo: Expansion Project Bond Proceeds	0	0	32,941,884	11,500,000	0
Memo: Debt Service	0	0	0	(2,446,750)	(2,520,250)
Income (Loss) After Surplus	(29,828,885)	(4,248,382)	75,655	(49,168,586)	(36,743,958)
				(85,836,889)	

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



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

	Fiscal Year 2020	Original Fiscal Year 2021	FY2021-2023 Budget		
			Projected Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
<b>Revenue</b>					
Rent	\$11,457,617	\$18,706,982	643,940	9,256,976	\$15,230,651
Services	14,003,680	20,271,391	26,536	10,599,521	17,655,462
Parking/Marshalling	6,425,553	8,775,153	92,000	4,533,474	7,473,493
Food & Beverage	42,086,116	44,689,340	3,463	14,647,125	28,698,113
Other Event Revenue	6,241,161	4,816,228	1,758,717	3,193,676	4,405,587
<b>Total Revenue</b>	<b>80,214,127</b>	<b>97,259,094</b>	<b>2,524,656</b>	<b>42,230,772</b>	<b>73,463,306</b>
<b>Expense</b>					
Rent	(8,511,110)	(10,085,225)	(55,708)	(5,396,670)	(8,499,370)
Services	(8,593,513)	(9,194,021)	(7,468)	(4,848,514)	(7,997,127)
Parking/Marshalling	(4,596,470)	(4,891,635)	(2,211,876)	(3,158,675)	(4,593,847)
Food & Beverage	(27,659,120)	(29,019,245)	(579,996)	(10,484,391)	(19,778,149)
Executive Department	(926,607)	(980,921)	(761,637)	(811,686)	(946,638)
Finance & Administration	(1,674,294)	(2,241,824)	(1,439,965)	(1,636,026)	(1,942,696)
Sales & Services	-	-	-	-	-
Sales	(3,110,682)	(3,499,607)	(2,999,988)	(3,174,443)	(3,348,486)
Event Management	(1,542,244)	(1,976,664)	(1,307,651)	(1,383,434)	(1,805,585)
Arie Crown Theater Operations	-	-	-	-	-
Event Operations	(4,130,441)	(4,900,249)	(2,719,316)	(3,029,261)	(4,988,877)
Facility Operations - SMG	(10,083,858)	(11,664,515)	(9,351,818)	(10,286,410)	(10,509,958)
Facility Operations - MPEA	(15,287,302)	(23,042,168)	(14,300,623)	(19,556,106)	(21,962,011)
Information Technology	(3,172,380)	(3,443,590)	(2,468,559)	(2,677,021)	(3,174,323)
Security	(7,959,163)	(11,116,536)	(5,887,612)	(9,102,102)	(10,491,138)
Insurance	(2,404,863)	(2,794,017)	(2,802,219)	(3,730,313)	(3,961,180)
Utilities	(14,657,742)	(15,258,709)	(10,304,859)	(12,497,752)	(14,460,146)
Food & Beverage	(13,848,903.00)	(14,651,455)	(4,003,722)	(7,357,175)	(10,719,099)
Repair & Maintenance	0	-	-	-	-
Miscellaneous	(1,199,541)	(418,193)	(737,841)	(630,128)	(481,330)
<b>Total Expense</b>	<b>(129,358,232)</b>	<b>(149,178,574)</b>	<b>(61,940,859)</b>	<b>(99,760,107)</b>	<b>(129,659,960)</b>
<b>Operating Loss</b>	<b>(49,144,106)</b>	<b>(51,919,480)</b>	<b>(59,416,203)</b>	<b>(57,529,335)</b>	<b>(56,196,654)</b>



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

	Fiscal Year 2021	Original Fiscal Year 2021	FY2021-2023 Budget		
			Projected Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
<b>Revenue</b>					
Rooms	\$42,124,098	\$59,216,563	\$2,585,166	\$24,332,000	\$46,284,000
Food and Beverage	14,316,288	22,946,640	6,965	7,812,000	17,288,000
Telephone	18,144	34,072	836	8,000	16,000
Rentals/Other Income	1,928,723	2,163,747	993,245	636,000	1,529,000
Parking	1,539,582	2,386,951	164,279	1,289,388	1,877,971
<b>Total Revenue</b>	<b>59,926,835</b>	<b>86,747,973</b>	<b>3,750,491</b>	<b>34,077,388</b>	<b>66,994,971</b>
<b>Direct Expense</b>					
Rooms	(14,196,317)	(19,151,705)	(2,681,969)	(8,543,000)	(17,125,000)
Food and Beverage	(13,970,668)	(19,572,607)	(1,501,379)	(8,221,000)	(15,356,000)
Telephone	-	-	-	-	-
Parking	(1,485,900)	(1,674,290)	(700,537)	(1,120,599)	(1,360,974)
<b>Total Direct Expense</b>	<b>(29,652,885)</b>	<b>(40,398,602)</b>	<b>(4,883,885)</b>	<b>(17,884,599)</b>	<b>(33,841,974)</b>
Contribution Margin	30,273,950	46,349,371	(1,133,394)	16,192,789	33,152,997
Contribution Margin %	50.5%	53.4%	-30.2%	47.5%	49.5%
<b>General &amp; Admin Expense:</b>					
Hotel Sales, Gen & Admin	(9,431,982)	(11,429,142)	(3,535,870)	(7,299,000)	(9,125,000)
Information Technology	(1,575,483)	(1,877,981)	(900,791)	(1,145,000)	(1,498,000)
Utilities	(1,648,585)	(1,781,312)	(1,464,065)	(1,492,000)	(1,910,000)
Maintenance & Operations	(3,412,056)	(4,106,751)	(1,878,979)	(2,968,000)	(3,546,000)
Capital Maintenance Reserve	0	-	-	-	-
Operating Insurance	(527,246)	(614,565)	(566,934)	(850,000)	(916,000)
Management Fees	(2,030,000)	(2,085,000)	(2,085,000)	(2,148,000)	(2,213,000)
Incentive Management Fees	0	-	-	-	-
Professional Fees	(157,050)	(165,000)	(145,750)	(165,000)	(165,000)
<b>Total General &amp; Admin</b>	<b>(18,782,402)</b>	<b>(22,059,751)</b>	<b>(10,577,389)</b>	<b>(16,067,000)</b>	<b>(19,373,000)</b>
<b>G &amp; A as % of Sales</b>	<b>31.3%</b>	<b>25.4%</b>	<b>282.0%</b>	<b>47.1%</b>	<b>28.9%</b>
<b>Total Expense</b>	<b>(48,435,287)</b>	<b>(62,458,353)</b>	<b>(15,461,274)</b>	<b>(33,951,599)</b>	<b>(53,214,974)</b>
<b>Operating Income (Loss)</b>	<b>11,491,548</b>	<b>24,289,620</b>	<b>(11,710,783)</b>	<b>125,789</b>	<b>13,779,997</b>



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

	Fiscal Year 2020	Original Fiscal Year 2021	FY2021-2023 Budget		
			Projected Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
<b>Revenue</b>					
Rooms	\$37,458,607	\$59,891,000	\$1,720,212	\$31,352,000	\$43,016,000
Food and Beverage	24,476,639	37,959,000	899,712	17,913,000	26,970,000
Telephone	148,174	285,000	13,534	151,000	203,000
Rentals/Other Income	2,250,048	2,384,000	640,161	1,452,000	1,496,000
Parking	575,983	1,010,017	(11,491)	561,301	794,554
<b>Total Revenue</b>	<b>64,909,451</b>	<b>101,529,017</b>	<b>3,262,129</b>	<b>51,429,301</b>	<b>72,479,554</b>
<b>Direct Expense</b>					
Rooms	(11,535,757)	(16,562,000)	(1,654,370)	(10,107,000)	(13,421,000)
Food and Beverage	(18,894,069)	(25,504,000)	(1,969,002)	(14,098,000)	(18,925,000)
Telephone	-	-	-	-	-
Parking	(1,076,128)	(1,110,609)	(65,331)	(660,601)	(887,156)
<b>Total Direct Expense</b>	<b>(31,505,954)</b>	<b>(43,176,609)</b>	<b>(3,688,703)</b>	<b>(24,865,601)</b>	<b>(33,233,156)</b>
Contribution Margin	33,403,497	58,352,408	(426,575)	26,563,700	39,246,398
Contribution Margin %	51.5%	57.5%	-13.1%	51.7%	54.1%
<b>General &amp; Admin Expense:</b>					
Hotel Sales, Gen & Admin	(13,806,532)	(15,985,000)	(5,613,877)	(10,768,000)	(13,157,000)
Information Technology	(1,956,440)	(2,469,000)	(809,417)	(1,522,000)	(2,008,000)
Utilities	(1,590,471)	(2,119,000)	(915,696)	(1,256,000)	(1,581,000)
Maintenance & Operations	(3,835,560)	(4,606,000)	(2,741,280)	(4,107,000)	(4,614,000)
Capital Maintenance Reserve	0	-	-	-	-
Replacement Reserve	(151,127)	(600,000)	(300,000)	(600,000)	(600,000)
Operating Insurance	(508,974)	(609,000)	(394,517)	(491,000)	(455,000)
Management Fees	(1,927,320)	(3,016,000)	(98,209)	(1,526,000)	(2,151,000)
Professional Fees	(157,050)	(165,000)	(145,750)	(165,000)	(165,000)
<b>Total General &amp; Admin</b>	<b>(23,933,474)</b>	<b>(29,569,000)</b>	<b>(11,018,745)</b>	<b>(20,435,000)</b>	<b>(24,731,000)</b>
<b>G &amp; A as % of Sales</b>	<b>36.9%</b>	<b>29.1%</b>	<b>337.8%</b>	<b>39.7%</b>	<b>34.1%</b>
<b>Total Expense</b>	<b>(55,439,428)</b>	<b>(72,745,609)</b>	<b>(14,707,449)</b>	<b>(45,300,601)</b>	<b>(57,964,156)</b>
<b>Operating Income (Loss)</b>	<b>9,470,023</b>	<b>28,783,408</b>	<b>(11,445,320)</b>	<b>6,128,700</b>	<b>14,515,398</b>



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

	Fiscal Year 2020	Original Fiscal Year 2021	FY2021-2023 Budget		
			Projected Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
<b>Revenue</b>					
Rent	1,830,149	\$2,288,352	\$267,001	\$1,230,459	\$1,983,661
Services	132,362	124,468	16,957	75,392	112,355
Parking/Marshalling	910,874	1,215,448	0	671,183	927,145
Food & Beverage	3,604,118	3,064,616	0	1,168,050	2,007,283
Other Event Revenue	5,440,263	6,755,157	329,509	3,945,364	5,402,534
<b>Total Revenue</b>	<b>11,917,766</b>	<b>13,448,041</b>	<b>613,467</b>	<b>7,090,448</b>	<b>10,432,978</b>
<b>Expense</b>					
Rent	(4,299,633)	(4,480,744)	(74,698)	(3,006,561)	(3,873,205)
Services	(573,226)	(418,182)	(21,785)	(212,386)	(334,668)
Parking/Marshalling	(362,407)	(491,494)	0	(333,828)	(395,698)
Food & Beverage	(3,045,229)	(2,954,452)	(154,008)	(1,198,133)	(1,938,734)
Other Event/Op Expenses	(464,589)	(320,037)	0	(212,960)	(260,991)
General & Admin / Operations	(3,488,653)	(4,394,321)	(2,612,527)	(3,612,485)	(4,347,401)
Miscellaneous	(81,761)	(131,840)	(112,854)	(83,300)	(103,750)
<b>Total Expense</b>	<b>(12,315,498)</b>	<b>(13,191,070)</b>	<b>(2,975,872)</b>	<b>(8,659,653)</b>	<b>(11,254,447)</b>
<b>Operating Income (Loss)</b>	<b>(397,732)</b>	<b>256,971</b>	<b>(2,362,405)</b>	<b>(1,569,205)</b>	<b>(821,469)</b>



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

	Fiscal Year 2020	Original Fiscal Year 2021	FY2021-2023 Budget		
			Projected Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
<b>Revenue</b>	<b>8,182,886</b>	<b>8,940,821</b>	<b>8,346,199</b>	<b>8,123,332</b>	<b>8,205,777</b>
<b><u>Expense</u></b>					
Payroll & benefits	(1,838,534)	(2,295,300)	(1,471,128)	(1,655,476)	(2,043,891)
Energy Costs	(14,477,038)	(16,493,798)	(11,327,142)	(12,960,448)	(14,948,749)
General & Administrative	(505,306)	(1,331,078)	(1,095,619)	(1,412,509)	(1,673,519)
Total Expense	(16,820,877)	(20,120,176)	(13,893,889)	(16,028,433)	(18,666,159)
<b>Internal Expense Alloc.</b>	<b>16,301,606</b>	<b>17,758,171</b>	<b>10,608,484</b>	<b>14,338,719</b>	<b>17,201,009</b>
<b>Net Expense</b>	<b>(519,271)</b>	<b>(2,362,005)</b>	<b>(3,285,406)</b>	<b>(1,689,714)</b>	<b>(1,465,150)</b>
<b>Operating Income</b>	<b>7,663,615</b>	<b>6,578,816</b>	<b>5,060,793</b>	<b>6,433,618</b>	<b>6,740,627</b>



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

	Fiscal Year 2020	Original Fiscal Year 2021	FY2021-2023 Budget		
			Projected Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
<b>Revenue</b>					
Interest Income	1,532,330	349,972	52,681	66,777	92,220
Other Income	248,830	233,564	114,868	224,777	237,711
<b>Total Revenues</b>	<b>1,781,160</b>	<b>583,536</b>	<b>167,549</b>	<b>291,554</b>	<b>329,931</b>
<b>Expense</b>					
Chief Executive Office	(820,329)	(1,171,703)	(946,541)	(1,475,028)	(1,251,785)
Labor Relations	(376,447)	(392,153)	(361,079)	(381,387)	(383,899)
Internal Audit	(455,387)	(647,847)	(552,667)	(785,002)	(787,515)
IT	(184,999)	(509,963)	(309,550)	(311,800)	(351,800)
Corporate Marketing	(776,322)	(759,421)	(546,109)	(680,792)	(731,941)
	(2,613,484)	(3,481,087)	(2,715,947)	(3,634,009)	(3,506,940)
Finance	(1,584,963)	(1,881,798)	(1,593,028)	(1,729,812)	(1,731,432)
Risk Management	(632,897)	(1,039,718)	(1,042,500)	(1,438,398)	(1,576,046)
Human Resources	(358,814)	(383,426)	(355,818)	(369,119)	(371,417)
Corporate Campus Sales	(221,671)	(414,800)	(286,160)	(352,830)	(439,466)
	(2,798,344)	(3,719,742)	(3,277,506)	(3,890,159)	(4,118,361)
Legal	(1,022,389)	(1,466,400)	(1,021,674)	(1,473,858)	(1,479,376)
Procurement/Diversity	(457,752)	(576,402)	(433,325)	(496,263)	(500,025)
	(1,480,141)	(2,042,802)	(1,454,999)	(1,970,121)	(1,979,401)
Development	(994,303)	(1,139,484)	(953,497)	(510,421)	(513,533)
Safety & Security	(809,884)	(782,767)	(118,443)	(274,688)	(296,688)
Maintenance & Operations	(942,508)	(664,242)	(529,292)	(533,557)	(538,647)
Utilities	(211,171)	(76,865)	(37,796)	(63,681)	(74,046)
Housekeeping	(224,077)	(99,264)	(37,076)	(126,321)	(128,922)
Other Expenses	(619,482)	(815,000)	(500,000)	(1,100,000)	(1,415,000)
	(2,807,122)	(2,438,138)	(1,222,607)	(2,098,247)	(2,453,303)
<b>Total Expense</b>	<b>(10,693,393)</b>	<b>(12,821,253)</b>	<b>(9,624,556)</b>	<b>(12,102,957)</b>	<b>(12,571,538)</b>
<b>Operating Loss</b>	<b>(8,912,233)</b>	<b>(12,237,717)</b>	<b>(9,457,007)</b>	<b>(11,811,403)</b>	<b>(12,241,607)</b>



## MPEA Cash Flow Projection

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>(Actual)</b>	<b>(Budget)</b>	<b>(Budget)</b>	<b>(Budget)</b>
<b><u>Operating Fund</u></b>				
- McCormick Place	(49,144,106)	(59,416,203)	(57,529,335)	(56,196,654)
- Navy Pier	1	1	1	1
- Hyatt	11,491,548	(11,710,783)	125,789	13,779,997
- Marriott	9,470,023	(11,445,320)	6,128,700	14,515,398
- Wintrust Arena	(397,732)	(2,362,405)	(1,569,205)	(821,469)
- Energy Center	7,663,615	5,060,793	6,433,618	6,740,627
- Corporate Center	(8,912,233)	(9,457,007)	(11,811,403)	(12,241,607)
Subtotal Base Operating P&L	(29,828,884)	(89,330,924)	(58,221,835)	(34,223,707)
+ State of Illinois Appropriations	-	56,464,696	-	-
+ Expansion Project Bond Proceeds	-	32,941,884	11,500,000	-
+ Planned Maintenance Operating Support	-	-	17,000,000	16,800,000
+ Incremental Operating Support	-	-	15,000,000	20,000,000
- Project Revenue Bonds Debt Service	-	-	(2,446,750)	(2,520,250)
<b>Operating Fund Balance</b>	<b>27,286,478</b>	<b>27,362,134</b>	<b>10,193,549</b>	<b>10,249,592</b>
<b><u>Repair &amp; Maintenance Fund</u></b>				
- Receipt of Surplus Tax payment	-	-	-	-
- Transfer to Project Funds	-	-	-	-
- Operating Fund Support	-	-	(17,000,000)	(16,800,000)
- Provision for Repair & Maintenance	-	-	-	-
- Repair & Maintenance Spending	(644,347)	-	-	-
<b>Repair &amp; Maintenance Fund Balance</b>	<b>33,890,679</b>	<b>33,890,679</b>	<b>16,890,679</b>	<b>90,679</b>
<b><u>Debt Service &amp; Tax Collections</u></b>				
- MPEA Tax Collections	154,404,643	47,725,126	88,992,085	129,224,017
- Change in Uncertified Tax Collections	(16,717,025)	-	5,903,520	5,903,520
- Reduction Amounts	31,700,000	31,700,000	31,700,000	31,700,000
- Debt Service (Expansion Project Bonds)	(189,920,234)	(95,468,088) <sup>(1)</sup>	(113,058,410) <sup>(2)</sup>	(135,145,785) <sup>(2)</sup>
- (Replenish) / Draw on Reserve Balance	20,532,616 <sup>(3)</sup>	16,042,962 <sup>(3)</sup>	(13,537,195) <sup>(4)</sup>	(16,462,805) <sup>(4)</sup>
- Repayment of State Sales Tax Draws	-	-	-	(15,216,054) <sup>(4)</sup>
- Surplus Tax Payment	-	-	-	(2,893)
<b>Cumulative Draw on Sales Tax</b>	<b>-</b>	<b>(15,216,054)</b>	<b>(15,216,054)</b>	<b>-</b>

<sup>(1)</sup> In anticipation that FY21 tax collections will be less than original FY21 debt service, MPEA issued Series 2020BC Expansion Project Refunding Bonds to refund \$118,404,325 of FY21 debt service.

<sup>(2)</sup> In anticipation that tax collections will be less than debt service in FY22 and FY23, MPEA intends to refinance portions of its Expansion Project Bonds. The Authority will also refinance bonds to repay unreimbursed draws on State Sales Taxes expected to occur during FY21 and to replenish the \$30 million reserve in the Authority Tax Fund.

<sup>(3)</sup> The Authority used a portion of the \$30 million on deposit in the Authority Tax Fund to pay debt service during FY19 and FY20. The Authority will likely exhaust the \$30 million reserve balance in the Authority Tax Fund during FY21 causing an unreimbursed draw on State Sales Taxes at the end of FY21.

<sup>(4)</sup> The Authority intends to fully replenish the \$30 million reserve balance during FY22 and FY23 and to repay the unreimbursed draw on State Sales Taxes during FY23.



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

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2023</u>
<b>Revenues</b>			
<b>Projected Authority Tax Collections</b>			
Food & Beverage Tax	\$18,456	\$32,808	\$47,418
Auto Rental Tax	20,751	24,146	33,159
Hotel Tax	7,720	29,441	44,430
Airport Departure Tax	771	2,497	4,118
Interest Earnings	77	150	150
<b>Authority Tax Collections (incl. Interest)</b>	<b>\$47,775</b>	<b>\$89,042</b>	<b>\$129,275</b>
<b>Capitalized Interest / Earned Interest</b>	<b>19,600</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>\$99,075</b>	<b>\$120,742</b>	<b>\$160,975</b>
<b>Expenditures</b>			
<b>Principal and Sinking Fund Payments:</b>			
Expansion Project Bonds, Series 1992A	\$33,875	\$0	\$0
Expansion Project Bonds, Series 1994	11,260	6,020	1,585
Expansion Project Bonds, Series 1996A	16,660	69,605	69,605
Expansion Project Bonds, Series 1998	3,625	3,825	5,745
Expansion Project Bonds, Series 1999	0	0	0
Expansion Project Bonds, Series 2002	0	64,245	8,455
Expansion Project Bonds, Series 2004	0	0	0
Expansion Project Bonds, Series 2010	0	0	0
Expansion Project Bonds, Series 2012	51,545	95	53,790
Expansion Project Bonds, Series 2015	0	0	0
Expansion Project Bonds, Series 2017	0	0	0
Expansion Project Bonds, Series 2020A	0	0	0
Expansion Project Bonds, Series 2020BCD	0	0	0
<b>Total Principal and Sinking Fund Payments</b>	<b>\$116,965</b>	<b>\$143,790</b>	<b>\$139,180</b>
<b>Interest Expense:</b>			
Expansion Project Bonds, Series 1992A	\$0	\$0	\$0
Expansion Project Bonds, Series 1994	0	0	0
Expansion Project Bonds, Series 1996A	0	0	0
Expansion Project Bonds, Series 1998	5,058	4,856	4,643
Expansion Project Bonds, Series 1999	0	0	0
Expansion Project Bonds, Series 2002	9,186	9,186	5,556
Expansion Project Bonds, Series 2004	0	0	0
Expansion Project Bonds, Series 2010	0	0	0
Expansion Project Bonds, Series 2012	34,608	33,317	32,390
Expansion Project Bonds, Series 2015	10,162	10,162	10,162
Expansion Project Bonds, Series 2017	12,421	12,421	12,421
Expansion Project Bonds, Series 2020A	39,725	39,725	39,725
Expansion Project Bonds, Series 2020BCD	5,347	7,183	7,183
<b>Total Interest Expense Payments</b>	<b>\$116,507</b>	<b>\$116,850</b>	<b>\$112,080</b>
<b>Total Debt Service before Refinancing</b>	<b>\$233,472</b>	<b>\$260,640</b>	<b>\$251,260</b>
less: Estimated Refinanced Debt Service	(118,404) <sup>(1)</sup>	(147,581) <sup>(2)</sup>	(116,114) <sup>(2)</sup>
<b>Total Debt Service Payments</b>	<b>\$115,068</b>	<b>\$113,059</b>	<b>\$135,146</b>
<b>Trustee Fees:</b>			
Expansion Project Bonds Series 1994, Series 1996A, Series 1998, Series 2002, Series 2010, Series 2012, Series 2015, Series 2017, Series 2020A, and Series 2020BCD	50	50	50
<b>Total Expenditures</b>	<b>\$115,118</b>	<b>\$113,109</b>	<b>\$135,196</b>
<b>Net Revenues over (under) Expenditures</b>	<b>(\$16,043)</b>	<b>\$7,633</b>	<b>\$25,779</b>

<sup>(1)</sup> Estimated Refinanced Debt Service for FY21 represents debt service the Authority refinanced as part of its issuance of Series 2020BCD Expansion Project Bonds in September 2020.

<sup>(2)</sup> Estimated Refinanced Debt Service represents debt service the Authority intends to refinance from FY22 to FY24 in anticipation of current debt service exceeding Authority Tax Collections.



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

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

<sup>(1)</sup> Debt service on the Project Revenue Bonds will be included in the Authority’s operating budget. Energy, maintenance, and operating savings recognized during fiscal 2022, 2023, and 2024 are expected to equal the debt service on the Project Revenue Bonds.