NOTICE OF FILING OF VOLUNTARY INFORMATION
METROPOLITAN PIER AND EXPOSITION AUTHORITY (ILLINOIS)

Project Revenue Bonds, Series 2023A **Project Revenue Bonds, Series 2023B (Taxable)**

This Notice of Filing of Voluntary Information has been prepared for information purposes only in connection with the Project Revenue Bonds, Series 2023A (the "Series 2023A Bonds") and the Project Revenue Bonds, Series 2023B (Taxable) (the "Series 2023B Bonds," and together with the Series 2023A Bonds, the "Bonds") of the Metropolitan Pier and Exposition Authority (the "Authority") issued on January 10, 2024. This document is not, and is not intended to be, a complete description or restatement of the material provisions of the Bonds or the related documents. The complete terms and conditions of the Bonds and the rights of holders thereof are set out in full in the Bonds and in the applicable binding transaction documents. This document is not an offer to sell the Bonds or a solicitation of an offer to buy the Bonds.

Initial Investor Due Diligence Information

In connection with the original issuance of the Bonds and the original investor due diligence process, the Authority provided written responses and provided responses to certain questions through its participation in a due diligence conference call held on November 29, 2023 (the "Initial Investor Due Diligence Information"). A written summary of the Initial Investor Due Diligence Information is attached hereto as APPENDIX A.

Prospective Purchaser Investment Considerations

The information contained in this Notice and the attached Appendix A is voluntary and is being provided solely for the purpose of describing certain information made available by the Authority prior to the issuance of the Bonds and is not intended to be solely relied upon in making any investment decision. In reviewing the information contained in this Notice and Appendix A, the initial purchasers of the Bonds and any prospective purchaser of the Bonds understand and acknowledge that (i) no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Bonds, (ii) any such purchaser has made its own inquiry and analysis with respect to the Authority, the Bonds, the security therefor, and other material factors affecting the security for and payment of the Bonds, and (iii) any such purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds. Except as expressly provided in the Continuing Disclosure Undertaking being delivered by the Authority in connection with the issuance of the Bonds, the Authority is under no obligation to update the information and data contained herein and such information and data shall not be deemed to be "Annual Financial Information" under the Continuing Disclosure Undertaking being delivered by the Authority in connection with the issuance of the Bonds.

Voluntary Information Relating to the Bonds

In addition to the filing of information on EMMA responsive to its continuing disclosure obligations, the Authority reserves the right to file additional voluntary information relating to Bonds on EMMA.

METROPOLITAN PIER AND EXPOSITION AUTHORITY

Dated March 15, 2024

APPENDIX A

INITIAL INVESTOR DUE DILIGENCE INFORMATION

November , 2023

To: **Metropolitan Pier and Exposition Authority**

From: **Morgan Stanley and Co. LLC**

Subject: **Bring Down Due Diligence Call – Series 2023A and 2023B Project Revenue Bonds**

November 29, 2023 **2:00 pm EST** **[Insert dial in or Teams/Zoom link info]** **Audio only dial in:** **Access Code: Dial-in:**

These questions will supplement the written due diligence requests submitted to, and answered by, the Metropolitan Pier and Exposition Authority (the "Authority") on (i) June 13, 2023 ("DD Questions"), attached hereto as Exhibit A, (ii) July 5, 2023 ("Additional DD Questions"), attached hereto as Exhibit B, and (iii) August 17, 2023 ("Investor Requests"), attached hereto as Exhibit C, and all collectively referred to as the "2023 Diligence." The written and verbal responses of the Authority to the 2023 Due Diligence are subject to the limitations and context described in Appendix A. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the 2023 Diligence.

EXHIBIT A

1. With respect to the MPEA Credit Questions on Exhibit A, please provide any updates to the responses set forth for questions 1-4 since June 13, 2023.

MPEA posted its annual financial and operating information filing and its audited FY23 financial statements to the Series 2019A Project Revenue Bonds on EMMA. MPEA ended FY23 with operating revenue of $336.9 million, operating income of $3.7 million, and expensed capital reserve contributions of $32.5 million.

Energy Center revenues ended the fiscal year at $10 million and operating income was $7.5 million. Energy Center revenues for FY23 include the full correction error amount. Parking revenues ended the year at $11.6 million with operating income of $5.2 million. Pledged Revenues, including the full correction amount, were $15.2 million.

As an update to question #4, the Authority entered into a 5-year management agreement with Global Spectrum L.P., d/b/a OVG360 to manage and operate the McCormick Place Facilities beginning October 1, 2023.

2. With respect to the Ameresco/Project Specific Questions, please provide any updates to the responses set forth for questions 1-5 since June 13, 2023.

To update question #3, MPEA intends to contribute $25 million in equity toward the project. An additional $5 million in MPEA equity will be available and used as an owner's allowance to cover projects not included in the current scope that MPEA may wish to undertake.

3. With respect to the Energy Center Questions on Exhibit A, please provide any updates to the responses set forth for questions 1-9 since June 13, 2023.

To update question #3.c., following the upgrade, the new Energy Center will be capable of producing 10,000 tons per hour of chilled water at 30-degree brine.

4. With respect to the Parking Operations Questions on Exhibit A, please provide any updates to the responses set forth for questions 1-3 since June 13, 2023.

MPEA has no updates.

5. With respect to all of the DD Questions on Exhibit A, are you aware of any facts, circumstances or information about the Authority, its financial plan, the Series 2019 Project, the Guaranteed Energy Performance Contract, the Energy Center or the Parking Facilities that would be deemed material information to the sale and purchase of the Bonds? If so, please describe.

Not to my knowledge.

EXHIBIT B

1. With respect to the operating budget/projections listed on Exhibit B, please provide any updates to the responses set forth on July 5, 2023.

MPEA has no updates.

2. With resect to the details set forth on rate setting at the Energy Center, please provide any updates to the responses set forth on July 5, 2023.

MPEA locked in its Winter FY24 natural gas strip at an average rate of $3.417 per MMBtu versus a budget of $3.50 per MMBtu.

3. Please describe any changes in the frequency of rate adjustments and pricing review as described on Exhibit B.

MPEA has no updates.

4. Please describe any plans to issue any additional debt with the same pledged revenues as the Series 2019 and 2023 Bonds.

MPEA has no updates.

5. Please describe any meter reading errors, in addition to Digital Lakeside and any other similar issues that may have occurred since July 5, 2023.

MPEA is not aware of any additional occurrence.

6. Please describe any material legal issues or proceedings or litigation that is pending against the Authority. Are you aware of any threatened litigation that would affect the issuance of the Bonds or the Authority's ability to repay the Bonds. If so, please describe.

There is no such litigation pending. We are not aware of any such threatened litigation.

7. Please describe any changes to insurance coverage against natural disasters or other physical damage as set forth on Exhibit B.

MPEA has no updates.

8. With respect to all of the Additional DD Questions on Exhibit B, are you aware of any facts, circumstances or information about the Authority, its operations, its operating budget/projections, the 2019 Project, the Energy Center or the Parking Facilities that would be deemed material information to the sale and purchase of the Bonds? If so, please describe.

Not to my knowledge.

EXHIBIT C

1. With respect to Questions 1 and 3 on Exhibit C, regarding pro forma Energy Center revenues and energy savings, please provide any updates to the responses set forth on August 17, 2023.

MPEA has no updates.

2. Please provide any updates to Question 2 regarding the timeline of the Series 2023, capitalized interest, and the status of the GMP and the Guaranteed Energy Performance Contract.

The Energy Center project will be presented for approval at the next meeting of the MPEA Board.

3. With respect to Question 4, regarding Pledged Revenues and Energy Center Revenues, please provide any updates to the responses set forth on August 17, 2023.

MPEA has no updates.

4. With respect to all of the Investor Requests, are you aware of any facts, circumstances or information about the Authority, its operations, the Energy Center and its operations, the Guaranteed Energy Performance Contract, or the cost and construction of the Series 2023 Project that would be deemed material information to the sale and purchase of the Bonds? If so, please describe.

Not to my knowledge.

General Matters:

1. To your knowledge is there any legislation pending or proposed at the federal, state or local level that could, if enacted, have a material adverse impact on the Authority or the Energy Center or on the Authority's ability to repay the Bonds? If so, please describe.

Not to my knowledge.

2. With respect to the Authority, are there any material pending or threatened contract disputes, union disputes, federal, state or local investigations or inquiries? If so, please describe.

Not to my knowledge.

3. Is the Authority subject to any federal, state or local criminal or regulatory investigations or proceedings? During the past two years has the Authority been the subject of any such investigation or proceedings? If so, please describe.

Not to my knowledge.

4. Are there any material facts of which you are aware that have not been disclosed in the 2023 Diligence but should be disclosed to a purchaser of the Bonds with respect to the Authority or any of its operations?

Not to my knowledge.

APPENDIX A
THE 2023 DUE DILIGENCE AND THE RESPONSES OF THE AUTHORITY

The written and verbal responses of the Authority as a part of the 2023 Due Diligence (the "Responses of the Authority") are voluntary and are being provided solely for the purpose of describing certain information made available by the Authority prior to the issuance of the Bonds and are not intended to be solely relied upon in making any investment decision. In reviewing the Responses of the Authority, the initial purchasers of the Bonds and any prospective purchaser of the Bonds understand and acknowledge that (i) no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided by the Authority with respect to the Bonds, (ii) any such purchaser has made its own independent inquiry and analysis with respect to the Authority, the Bonds, the security therefor, and other material factors affecting the security for and payment of the Bonds, and (iii) any such purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds. Except as expressly provided in the Continuing Disclosure Undertaking being delivered by the Authority in connection with the issuance of the Bonds, the Authority is under no obligation to update the information and data contained in the Responses of the Authority and such information and data shall not be deemed to be "Annual Financial Information" under the Continuing Disclosure Undertaking being delivered by the Authority in connection with the issuance of the Bonds.

Metropolitan Pier & Exposition Authority
Project Revenue Bonds, Series 2019/2023

August 17, 2023

1. Proforma energy center revenues see a boost in 2025/2026. Does DRT's the new facility across the street has to be completed for these additional revenues to materialize?
   Yes. Please note that MPEA is not providing water to DRT's new facility. MPEA is providing chilled water to 350 East Cermak facility only and additional chilled water will be needed when they build up tenant base after the buildout of the final floor at the 350 East Cermak facility is completed.

2. <u>Construction:</u>
   a. What is the timeline around Series 2023 project?
      The Series 2023 project is expected to complete in summer 2024.
   b. How many months beyond expected completion does the capitalized interest of $4.3 million cover debt service? The capitalized interest of $4.3 million covers 16 months debt service, i.e., 6 months past the place in service date.
   c. Regarding cost of construction, will there be a GMP? Yes
      i. When is design completion/amended and restated Guaranteed Energy Performance Contract (GEPC) expected? The GEPC is expected to be approved concurrent with the approval of financing documents.
      ii. Can costs go up or savings go down when the above happens? No

3. <u>Energy savings:</u>
   a. How is the annual projected energy savings amount verified for a given year? (Referencing the table on page 5 of the Trust Indenture).
      Pursuant to the GEPC, during each Performance Guarantee Year, Ameresco will provide performance tracking services, including annual performance Measurement and Verification (M&V) assessment to calculate savings achieved per year as a result of the improvement project. The annual verification report will document measurements taken, report any deviations, and make recommendations for approval of any adjustments to M&V plans. The annual verification report will be due within sixty (60) days of the end of the annual performance period.

   b. We understand that Ameresco has not needed to make any shortfall payments to date. Please play out a scenario where there is a shortfall. How is the process initiated, and how long does it take to get the payments from Ameresco? Compare that timeline to the timing of Series 2019/2023 P&I payments.
      Pursuant to the GEPC, Ameresco guarantees that the Project Savings Amount over the Guarantee Term will equal or exceed the Guaranteed Project Savings Amount. In the event the Project Savings Amount in any Performance Guarantee Year (aligned to the Authority's fiscal year) is less than the Guaranteed Annual Savings Amount, Ameresco will pay the Authority the difference between the Guaranteed Annual Savings Amount and the Project Savings Amount.

Shortfall payments will be made in the fiscal year following applicable debt service payments. However, as required by the Indenture, the Authority must make monthly Pledged Revenue deposits on the 5th day of every month regardless any delay in the payment from Ameresco.

4. Pledged Revenues:
   a. Please play out a distress scenario for MPEA. What protections do the pledged revenues have, if any?
   The Trust Indenture requires that on the 5th day of each month, a monthly Pledged Revenue deposit is made to the Trustee. Pledged revenue includes the following revenue streams and is applied monthly in the following order of priority:
      - Authority's available operating revenues up to the Annual Projected Energy Savings Amount, from McCormick Place, netting out revenues from the Hyatt Regency McCormick Place Hotel and Marriott Marquis Chicago Hotel
      - Net Revenues of the Energy Center
      - Net Revenues of the McCormick Place parking and truck marshalling facilities

   Pledged Revenues are not held as separate funds of the Authority.

   The Authority shall charge and collect Service Charges for all direct or indirect use and services of the Energy Center and the Parking Facilities. The Service Charges shall be charged and collected as needed in order that the Pledged Revenues will be at least sufficient to provide in each Fiscal Year a sum equal to the Debt Service for the Bond Year ending during such Fiscal Year.

   b. For Energy Center Revenues, please help us understand the internal expense allocations.
      - How exactly do they work?
      - How is the cost determined? Is there any constraints on the growth in the usage charge?

   The Authority's Energy Center provides baseload heating and cooling capacity for McCormick Place facilities and for external customers including Digital Lakeside.

   Energy Center expenses are comprised of utility costs (chilled water, steam, and electricity), maintenance costs, and general and administrative expenses incurred in providing utility service to external and internal customers. Total expenses are allocated to internal MPEA business units via internal expense allocations.

   For chilled water and steam, MPEA's internal allocation to all campus business units is calculated at a base unit cost of $10.982 per MMBtu. This base unit cost was determined using historical data and has not changed for at least the last decade. Please see below FY22 Internal Allocation Calculation* for the Energy Center.

   The unit cost for the allocation of electricity expenses differs from chilled water and steam. The unit cost for the allocation of electricity expenses is based on actual meter reads in kWh and the actual cost per kWh.

	MMBtu	Base Unit Cost	FY22	Internal Allocation
Total Energy and Utility Expenses			**$14,163,395**	
Internal Allocation Per Usage	MMBtu	Base Unit Cost		
Steam and Chilled Water Transfer				
McCormick Place	221,040	10.982	$2,427,560	
Corporate Center	7,427	10.982	81,567	
Marriott Hotel	74,335	10.982	816,384	
Hyatt Hotel	93,702	10.982	1,029,075	
Steam and Chilled Water Transfer			4,354,585	
Water Usage				
Hyatt Hotel	6,112	7.76	$47,431	
		Internal Allocation		**$4,402,016**
Energy Center			$691,615	
Total Steam and Chilled Water Transfer and Water Usage			***$5,093,631***	
Electricity Expenses				
Energy Center	651,562			
Internal Allocation to Other Facilities	8,418,202			
		Internal Allocation		**$8,418,202**
Total Electricity Expenses			***$9,069,764***	
		Total Energy and Utility Expenses	***$14,163,395***	
			Total Internal Allocation	**$12,820,218**

*Base Unit Cost is multiplied by MMBtu equivalent meter readings.

- When are the funds received?
  The Authority bills Energy Center customers monthly in arrears. Payment is due within 30 days of receipt of the invoice. Cash revenue for parking is largely collected daily throughout the month, although there is some upfront monthly and annual payment activity.

c. Is the same usage fee charged to Digital Lakeside as to McCormick Place? If there is a private premium, how much higher is it?

No, for steam and chilled water, the internal base unit cost charged to McCormick Place is $10.982 per MMBtu.

As to Digital Lakeside, for the fuel-based portion of the usage fee, for each ton-hour used, MPEA charges a rate of $0.061 times an adjustment factor. The adjustment factor is equal to the commodity cost of gas per mmbtu plus the transportation cost of gas per mmbtu divided by $2.90.

For the CPI portion of the usage fee, for each ton-hour used, MPEA charges a rate of $0.05 times an adjustment factor. The adjustment factor is current CPI divided by 169.20, the CPI in December 1999.

Assuming 3,500 tons per hour for a 31-day month, below is the calculation of the usage fees for chilled water along with the capacity fee calculation.

- **Usage Fee – Gas Costs**

Total Tons	Base Unit Cost	Gas Cost per mmbtu (Commodity plus Transportation)	Base Fuel Cost per mmbtu	Fuel Adjustment Factor	Revenue
2,604,000	$0.061	$5.50	$2.90	1.8966	$301,264

- **Usage Fee – CPI**

Total Tons	Base Unit Cost	Current CPI	Base CPI	Adjustment Factor	Revenue
2,604,000	$0.05	282.42	169.20	1.6691	$217,323

- **Capacity Fee**

Reserved Capacity	Adjustment Amount	Current CPI	Base CPI	Adjustment Factor	Revenue
5,876.5	370/12 = 30.83	282.42	169.20	1.6691	$302,428

a. In the spreadsheet “MPEA Energy Center Net Revenues 07.10.23.xlsx” FY 22 Net Revenues are listed as $17,490,155. Where is this number coming from?

Please see below the breakdown of the Net Revenues of $17,490,155. This amount is Pledged Revenues during FY22 as shown on EMMA ($20,147,044) less the FY22 adjustment amount ($2,656,888).

- Operating data on EMMA has pledged revenues at $20,147,044 including projected energy savings, and $17,699,583 without.

  The Pledged Revenue amount of $20,147,044 does not include the meter adjustment amount. After netting out that adjustment, Pledged Revenues are $17,490,156.

	FY22
Net Revenues of Energy Center	
Revenue	15,171,023
Total Expense	(14,163,395)
Internal Expense Allocation	12,820,218
Total	13,827,846
Less: Adjustment for meter correction*	(2,656,888)
Total including the Adjustments	**11,170,958**
Net Revenues of Parking Facilities	
McCormick Place / SMG Revenue	6,787,036
Wintrust Arena / Arie Crown Revenue	1,631,737
McCormick Place / SMG Expense	(4,088,088)
Wintrust Arena / Arie Crown Expense	(458,948)
Total	**3,871,737**
Less: Duplicative Net Revenue Amount	0
Annual Projected Energy Savings	**2,447,460**
Pledged Revenues	**17,490,156**

** Represents the preliminary revenue reduction adjustments due to overstated meter readings. The agreed upon final adjustment was $2,749,474.*

b. The FY22 audit states that the Energy Center has 4 chilled water contracts and two hot water services contracts, with the rates for these services specified in the contract. Can we receive a summary of these contracts with current rates specified and any growth assumptions/constraints on future rates charged?

In December 2022, the Authority executed a 2nd Amendment to the Energy Services Agreement with Digital Lakeside for the largest contract between MPEA and Digital Lakeside. The term of the contract was extended to June 30, 2044 with an additional 5-year mutual extension option. Under that contract, the current capacity was increased to 5,876.5 tons per hour from 4,376.5 tons per hour. Additionally, the 2nd Amendment includes an option by Digital Lakeside to increase the contract capacity by an additional 3,500 tons per hour following substantial completion of the Energy Center project. MPEA believes the current Energy Center project will provide for both these capacity increases.

A second contract for chilled water with Digital Lakeside ("DRT2") requires MPEA to supply 1,200 tons per hour to Digital Lakeside. During FY 2022, DRT2 used 5.4 tons of chilled water the entire fiscal year. For FY23 through April, DRT2 had used 4.4 tons of chilled water.

MPEA has one additional chilled water contract outstanding with another external customer. MPEA is required to supply 30 tons per hour to this customer. During FY22, this customer consumed on average 5.8 tons of chilled water per hour under this contract. For FY23 through April, this customer consumed on average 7.3 tons of chilled water per hour under this contract.

MPEA's largest contract with Digital Lakeside also includes hot water capacity and usage. During FY22, Digital Lakeside used 5,507 mmbtu of steam. The Authority also provides steam to one other external customer. That customer used 35 mmbtu of steam during FY22. By comparison, thru the end of ten months during FY 2023, Digital Lakeside used 1,015 mmbtu of steam and the other external customer used 658 MMBtu.

The average cost of fuel for FY 2023 was $9.05, leading to an average fuel adjustment of 3.12.

The budgeted assumptions for the average fuel cost for 2024 is $6.57, leading to an average fuel adjustment of 2.27.

2024 chilled water usage is expected to be slightly higher than the recently completed fiscal year 2023 by 0.2%.

c. What is the estimated potential impact if the Chicago Bears relocate to Arlington on McCormick Place parking revenues?

Based upon FY 2024 Budget, the estimated revenue impact for the Bears relocation is about $240,000.

- ABT:
  a. Please elaborate on "50% of sum of net revenue" in coming up with the 1.25x requirement for Energy Savings Bonds and 1.75x for non-Energy Savings Bonds (Section 201(B)(7) and (8).

Note the 50% of the sum of net revenue is based on the last two years of revenues. This is the method we have used to come up with the average of these two years.

- Should be based on MADS, not on the debt service in the year immediately following issuance.
  The test is not based just on the year immediately following issuance. The Authority has to satisfy the test for all years in which Bonds are outstanding.

b. Section 201 (B), of the Third Supplemental Indenture, please add a bondholder approval requirement for the Independent Consultant. No, to be discussed

c. Please elaborate on the Net Revenues of the Energy Center that will be unavailable due to 'expired contracts.' Our understanding is that the two non-DRT contracts make up less than 1% of revenues. Is this clause referencing those contracts?

   Yes. This clause is referencing all Energy Contracts. The Authority can issue bonds payable from and secured by Energy Center net revenues for any contract only if a contract is outstanding for that year.

d. Section 201(B)(9), as a matter of principle, projections should be at a higher multiple than historical. Since historical is 1.75x, projections ought to be 2.0x

   The Authority can satisfy 2.0X coverage by shifting the principal amortization if desired. However, the Authority does not want to change the Trust Indenture coverage provisions.

- Please amend the ratings solicitation covenant to make the cost an operating expense. As written, the cost is borne by bond holders. No, to be discussed.

- MPEA:
  a. Were any additional details provided as to how MPEA ran operating deficits through 2022 but did not project any operating deficits in FY 2023-2026.

     The Authority returned to profitability as campus activity picked up following COVID. For FY23, MPEA reported operating revenue of $339.3 million (versus the budget at $274.9 million) and operating income of $7.9 million (versus a $12.4 million operating loss in the budget). MPEA also contributed over $30 million to its capital maintenance reserves. As stated in the Authority 3-year financial plan, the fiscal year 2024 budgeted operating revenues will be near the FY 2019 revenues with over $1.3 million of operating income. FY2025 operating revenues exceed FY2019 revenues by $36.4 million, and FY 2026 operating revenues exceed FY2019 by $37.4 million.

  b. What caused the big spike in Energy Center revenues in FY 2022, even after accounting for the meter correction adjustment, when chilled water capacity increase wen through in December 2022?

Energy Center revenues during FY22 rose significantly for two reasons. First, MPEA and Digital Lakeside entered into an amendment to the Energy Services Agreement in May 2021 to increase capacity by 500 tons per hour to 4,376.5 tons per hour. This higher capacity along with higher inflation (the capacity charge is indexed to CPI) increased capacity revenue by $384,000 during FY22. Higher natural gas prices and higher inflation prices attributed to higher usage revenues during FY22. The fuel adjustment factor during FY22 increased from 1.82 during FY21 to 3.214 during FY22, implying average natural gas prices of $5.28 during FY21 and $9.32 during FY22. There was also a small change in average usage. Usage charges for chilled water for FY22 were $2.88 million higher than FY21.

c. Will the $15MM to $25MM equity contribution from MPEA take place at the closing of Series 2023 bonds?

   The Authority may consider holding the equity contribution in an escrow outside of the Trust Estate for the project drawdowns during construction.

Metropolitan Pier and Exposition Authority DD Questions

Operating performance

- Operating budget/projections for through 2044 (can skip 2023-2026) for the following items:
  - Energy revenues: gross revenues, expenses, internal expense allocation
  - Parking revenues: gross revenues and expenses for McCormick Place/SMG and Wintrust Arena/Arie Crown
  - Energy savings
  - Cash position
- Detailed rationale behind all projections

Please see attached spreadsheet for energy center and parking revenues and expenses and for energy savings amounts.

New revenues and expenses for the Energy Center are included in the "Proforma Energy Center" column. New energy center revenues assume 1,000 tons per hour of additional chilled water are consumed by MPEA's largest customer in FY25 and 2,000 tons of additional chilled water per hour are consumed by MPEA's largest customer beginning in FY26. Beyond these increases, usage is assumed to remain flat.

For the fuel-based portion of the usage fee, commodity costs are projected to increase 1% annually and transportation costs are estimated to increase 2% annually. CPI is assumed to increase 2% annually.

Parking revenues are mostly based on transient event parking. Parking volumes are projected to remain flat over the forecast period. Parking rates are estimated to increase by $3 every 5 years. Parking Expenses are assumed to increase approximately 2% annually, corresponding to the revenues generated based on the cyclical bi-annual event schedule.

Currently MPEA does not have a Board approved liquidity policy. The Authority can reduce unrestricted capital maintenance spending from its operating account to maintain a sufficient level of liquidity reserves. In the due diligence materials sent to Morgan Stanley dated May 31, 2023, MPEA noted an estimated unrestricted liquidity position of $131.5 million at the end of FY24. During the COVID-19 pandemic, over the 15-month period from April 2020 through June 2021 when McCormick Place and one of our hotels were both closed, MPEA experienced total operating losses of approximately $91.9 million. Subsequently, MPEA lost an additional $8.2 million over the next two months (July and August 2021) as operations re-scaled, so MPEA needed approximately $100 million to manage through the depths of the COVID-19 pandemic.

Energy Center

- Further details on rate setting: namely, related to "The charge related to usage is in part indexed to the Consumer Price Index and in part indexed to natural gas prices." (from previous responses) – can we get more color on what part is indexed to natural gas prices

  For the fuel-based portion of the usage fee, for each ton-hour used, MPEA charges a rate of $0.061 times an adjustment factor. The adjustment factor is equal to the commodity cost of gas per mmbtu plus the transportation cost of gas per mmbtu divided by $2.90.

  For the CPI portion of the usage fee, for each ton-hour used, MPEA charges a rate of $0.05 times an adjustment factor. The adjustment factor is current CPI divided by 169.20, the CPI in December 1999.

  Assuming 3,500 tons per hour for a 31-day month, below is the calculation of the usage fees for chilled water along with the capacity fee calculation.

Usage Fee – Gas Costs

Total Tons	Base Unit Cost	Gas Cost per mmbtu (Commodity plus Transportation)	Base Fuel Cost per mmbtu	Fuel Adjustment Factor	Revenue
2,604,000	$0.061	$5.50	$2.90	1.8966	$301,264

Usage Fee – CPI

Total Tons	Base Unit Cost	Current CPI	Base CPI	Adjustment Factor	Revenue
2,604,000	$0.05	282.42	169.20	1.6691	$217,323

Capacity Fee

Reserved Capacity	Adjustment Amount	Current CPI	Base CPI	Adjustment Factor	Revenue
5,876.5	370/12 = 30.83	282.42	169.20	1.6691	$302,428

- Further details on future contracts for gas prices: any outstanding contracts currently, if so, notional amount, tenor, terms, any covenants or compliance requirements under those contracts; any current plans for entering additional contracts

MPEA has locked in basis with its natural gas commodity provider through the end of March 2024. MPEA has not locked in any natural gas costs beyond that. MPEA may lock in portions of the Winter 2024 strip prior to the Fall. When MPEA locks natural gas prices a Winter strip, it generally does not lock in any more than 90%.

- Energy mix of the center and any expected changes

The chillers are 100% electric generated power. The boilers are 100% natural gas power. The entire plant is backed up by a diesel-powered generator. There are no expected changes to the power source for the chillers or boilers following the plant upgrade, but chiller usage will increase which will change the mix. The current mix is 60% electric / 40% natural gas. The mix of the new plant will be 77% electric / 23% natural gas.

Parking Revenues

- Frequency/schedule/plans of adjusting the rates/fees going forward

MPEA reviews price increases annually during its budgeting process but has chosen not to increase prices since the last one in January 2020. With limited competing parking in the area and high demand during peak periods, MPEA believes it can increase pricing beyond current levels without impacting demand. In Lots B and C for events at Soldier Field, MPEA routinely charges parking rates much higher than the rates charged to convention attendees. A $3 rate increase in Lot A would have resulted in an increase in parking revenues of $758,409 for the first ten months of FY23.

Debt

- Any plans to issue additional debt same pledged revenues as Series 2019 and 2023 bonds (including non-par)? If so:
    - Purpose

- Tax status
- Expected interest mode (variable/fixed)
- Expected amortization (bullet, amortizing)

MPEA does not have plans to issue any additional debt with the same pledged revenues beyond the Series 2019 and Series 2023 Bonds.

Other

- Beyond the described recent meter reading error with Digital Lakeside, any other similar issues

Not to our knowledge.

- Knowledge of any litigations.

Not to our knowledge.

- Details on insurance against any natural disasters or other physical damage of the energy center/equipment and parking facilities (what is covered/exempt, $ amount)

The energy center/equipment and parking garages are covered for natural disasters or other physical damage on the property all risk policy placed with FM Global. The maximum limit per occurrence is $1,500,000,000.

EXCLUSIONS
In addition to the exclusions elsewhere in the Policy, the following exclusions apply unless otherwise stated:

A. The Policy excludes:
   1) indirect or remote loss or damage.
   2) interruption of business, except to the extent provided by the Policy.
   3) loss of market or loss of use.
   4) loss or damage or deterioration arising from any delay.
   5) mysterious disappearance, loss or shortage disclosed on taking inventory, or any unexplained loss.
   6) loss from enforcement of any law or ordinance:
      a) regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or
      b) requiring the demolition of any property, including the cost in removing its debris; except as provided by the DECONTAMINATION COSTS and LAW AND ORDINANCE coverages of the Policy.
   7) loss resulting from the voluntary parting with title or possession of property if induced by any fraudulent act or by false pretense.

B. The policy excludes loss or damage directly or indirectly caused by or resulting from any of the following regardless of any other cause or event, whether or not insured under the policy, contributing concurrently or in any other sequence to the loss
   1) nuclear reaction or nuclear radiation or radioactive contamination. However:
      a) if physical damage by fire or sprinkler leakage results, then only that resulting damage is insured; but not including any loss or damage due to nuclear reaction, radiation or radioactive contamination.
      b) the policy does insure physical damage directly caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the insured location, provided that on the date of loss, there is neither a nuclear reactor nor any new or used nuclear fuel on the insured location. The coverage does not apply to any act, loss or damage excluded in item B2g of the EXCLUSIONS clause.

The exclusion B1 and the exceptions in B1a and B1b do not apply to any act, loss or damage which also comes within the terms of exclusion B2c of the EXCLUSIONS clause.

2) a) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by any:
    (i) government or sovereign power (de jure or de facto);
    (ii) military, naval or air force; or
    (iii) agent or authority of any party specified in i or ii above.
  b) hostile or warlike cyberattack in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected cyberattack by any:
    (i) government or sovereign power (de jure or de facto);
    (ii) military, naval or air force; or
    (iii) agent or authority of any party specified in i or ii above.
  c) discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
  d) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event.
  e) seizure or destruction under quarantine or custom regulation, or confiscation by order of any governmental or public authority.
  f) risks of contraband, or illegal transportation or trade.
  g) terrorism, including action taken to prevent, defend against, respond to or retaliate against terrorism or suspected terrorism.

  Any act which satisfies the definition of terrorism shall not be considered to be vandalism, malicious mischief, riot, civil commotion, or any other risk of physical loss or damage covered elsewhere in the policy.

  If any act which satisfies the definition of terrorism also comes within the terms of items B2a or B2b of the EXCLUSIONS clause then items B2a or B2b applies in place of the item B2g exclusion.

  If any act which satisfies the definition of terrorism also comes within the terms of item B2c of the EXCLUSIONS clause then item B2c applies in place of the item B2g exclusion.

  If any act which satisfies the definition of terrorism also comes within the terms of item B2d of the EXCLUSIONS clause then item B2d applies in place of the item B2g exclusion.

  If any act excluded herein involves nuclear reaction, nuclear radiation or radioactive contamination, the item B2g exclusion applies in place of item B1 of the EXCLUSIONS clause.

3) any dishonest act, including but not limited to theft, committed alone or in collusion with others, at any time:
  a) by an Insured or any proprietor, partner, director, trustee, officer, or employee of an Insured; or
  b) by any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by an Insured to do anything in connection with property insured under the policy.

The policy does insure acts of direct insured physical damage intentionally caused by an employee of an Insured or any individual specified in b above, and done without the knowledge of the Insured. The coverage does not apply to any act excluded in B2g of the EXCLUSIONS clause. In no event does the policy cover loss by theft by any individual specified in a or b above.

4) lack of the following services:
  a) incoming electricity, fuel, water, gas, steam or refrigerant;
  b) outgoing sewerage;
  c) incoming or outgoing voice, data or video, all when caused by an event off the insured location, except as provided in the DATA SERVICE PROVIDER and SERVICE INTERRUPTION

coverages of the policy. But, if the lack of such a service directly causes insured physical damage on the insured location, then only that resulting damage is insured.

C. The policy excludes the following, but, if physical damage not excluded by the policy results, then only that resulting damage is insured:
1) faulty workmanship, material, construction or design from any cause.
2) loss or damage to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested, or otherwise worked on.
3) deterioration, depletion, rust, corrosion or erosion, wear and tear, inherent vice or latent defect.
4) settling, cracking, shrinking, bulging, or expansion of:
a) foundations (including any pedestal, pad, platform or other property supporting machinery).
b) floors.
c) pavements.
d) walls.
e) ceilings.
f) roofs.
5) a) changes of temperature damage (except to machinery or equipment); or
b) changes in relative humidity damage,
all whether atmospheric or not.
6) insect, animal or vermin damage.
7) loss or damage to the interior portion of buildings under construction from rain, sleet or snow, whether or not driven by wind, when the installation of the roof, walls or windows of such buildings has not been completed.

D. The policy excludes the following unless directly resulting from other physical damage not excluded by the policy:
1) contamination, and any cost due to contamination including the inability to use or occupy property or any cost of making property safe or suitable for use or occupancy. If contamination due only to the actual not suspected presence of contaminant(s) directly results from other physical damage not excluded by the policy, then only physical damage caused by such contamination may be insured. The exclusion D1 does not apply to radioactive contamination which is excluded elsewhere in the policy.
2) shrinkage.
3) changes in color, flavor, texture or finish.

Morgan Stanley Credit Due Diligence Q&A Update
Metropolitan Pier and Exposition Authority Project Revenue Bonds Series 2023
Energy Center Upgrade
June 13, 2023

MPEA Credit Questions

1. We have reviewed the Financial Plan release in April of this year (the "Plan"). As it relates to the Plan:
   a. Please share any updates to the extent they are material from what has already been provided

For FY23, MPEA financial results were significantly better than both the budget adopted in the FY23-25 financial plan and the updated FY23 projection included in the FY24-26 financial plan. Including 10 months actual results and 2 months budget, MPEA is expecting operating revenues of $323.4 million for FY23. Note that during FY23, MPEA discovered a meter reading error on one of the risers that feeds Digital Lakeside's 350 East Cermak facility. Following further investigations conducted by independent consultants for both MPEA and Digital Lakeside, the two parties agreed that this meter correction error totaled $4,068,866. The error spanned a 17- month period from June 2021 through October 2022. MPEA will report this error in its May 2023 monthly financial results. In the table immediately below, we have calculated an adjusted operating income including the impact of this correction. Operating income for FY23 following this correction is slightly less than $12.5 million. After accounting for expensed capital reserve contributions, MPEA expects to generate nearly $28 million in adjusted operating income for FY23.

By fiscal year, meter correction adjustments are $228,538 in FY21, $2,769,474 in FY22, and $1,070,854 in FY23.

With respect to the meter read correction, MPEA has not received any indication that this issue has had an adverse impact on its relationship with Digital Lakeside. Digital Lakeside commented that this is a common occurrence in their industry. To prevent this issue from happening in the future, MPEA is taking multiple steps. First, MPEA is installing two meters on each of the two risers feeding 350 East Cermak so it will immediately know if there are discrepancies. Additionally, MPEA is installing Onicon meters, as recommended by Digital Lakeside that will also feed into Digital Lakeside's system so they will have real-time access to the results.

MPEA FY23 Operating Results Comparison ($ in thousands)

	10 mo. Actual/ 2 mo. Budget FY23	FY23 Budget	7 mo. Actual/ 5 mo. Budget FY23
Revenue	323,362	274,867	303,814
Expense	(306,795)	(287,251)	(293,617)
Operating Income (Loss)	**16,568**	**(12,384)**	**10,198**
Less: Adjustment for meter correction	(4,069)	0	0
Operating Income after meter correction	**12,499**	**(12,384)**	**10,198**
Plus: Planned Maint. Reserve Contribution	15,500	0	0
Adjusted Operating Income plus Planned Maint (Loss)	**27,999**	**(12,384)**	**10,198**

The table below shows the impact of the meter correction on the Authority's consolidated financial results by fiscal year ($ in thousands).

	Actual FY21	Actual FY22	10 mo. Actual/ 2 mo. Budget FY23
Revenue	24,293	204,804	323,362
Expense	(97,264)	(210,633)	(306,795)
Operating Income (Loss)	**(72,970)**	**(5,829)**	**16,568**
Less: Adjustment for meter correction	(229)	(2,769)	(1,071)
Plus: Planned Maint. Reserve Contribution	0	0	15,500
Adjusted Operating Income (Loss)	**(73,199)**	**(8,599)**	**30,997**

MPEA FY23 Operating Results for 10 Months Ended 4/30/23 ($ in thousands)

	10 mo. Actual	10 mo. Budget	Variance
Revenue	258,753	210,257	48,496
Expense	(250,351)	(230,807)	(19,544)
Operating Income (Loss)	**8,401**	**(20,550)**	**28,952**
Less: Adjustment for meter correction	(4,069)	0	(4,069)
Operating Income after meter correction	**4,332**	**(20,550)**	**24,883**
Plus: Planned Maint. Reserve Contribution	15,500	0	15,500
Adjusted Operating Income (Loss)	**19,832**	**(20,550)**	**40,383**

Through the first 10 months of FY23, MPEA operating revenues of $258.8 million are $48.5 million higher than budgeted operating revenues. Adjusted net operating income of $19.8 million after adjustments for meter correction and Planned Maintenance Reserve contributions exceeded budget by $40.4 million. The operating results above do not include FY23 debt service due on outstanding Project Revenue Bonds of $2,520,250.

b. What is your projected ending cash balance for fiscal year 2023 and through the term of the current forecast?

For the fiscal year ended 6/30/22, MPEA had an unrestricted cash and investments balance of $117.4 million. By comparison, as of June 30, 2019, MPEA's unrestricted cash and investments balance was $115.3 million. Based on its 10-month Actual/ 2-month budget for FY23 following adjustments for the meter correction, Planned Maintenance Reserve contributions, and payments of debt service on its Project Revenue Bonds currently outstanding, MPEA currently projects to have unrestricted cash and investments of $142.1 million at the end of FY23. At the end of MPEA's 3-year financial plan period ending 6/30/26, MPEA projects to have unrestricted cash and investments of $143.9 million.

MPEA Estimated Cash Position ($ in thousands)

	10 mo. Actual/ 2 mo. Budget FY23	FY24 Budget	FY25 Budget	FY26 Budget
Beginning Unrestricted Cash and Investments	117,417	142,127	131,466	139,213
+/- Net Operating Income (Loss)	16,568	3,933	4,019	4,045
Less: Project Revenue Bond Debt Service	**(2,520)**	**(2,594)**	**(2,672)**	**(2,755)**
Less: Adjustment for meter correction	(4,069)	0	0	0
Plus: Planned Maint. Reserve Contribution	15,500	0	14,400	7,000
Less: CAPEX	(769)	(12,000)	(8,000)	(3,650)
Ending Unrestricted Cash and Investments	**142,127**	**131,466**	**139,213**	**143,853**

c. How are you planning to address/finance projected deficits over FY2024-2026?

As shown in the answer to question 1, MPEA is not projecting operating deficits during any year in the FY24-26 financial plan period.

d. What are projected net parking revenues for FY2024-2026?

MPEA Parking Revenues and Expenses ($ in thousands)

Net Revenues of the Parking Facilities	10 mo. Actual/ 2 mo. Budget FY23	FY23 Budget	FY24 Budget	FY25 Budget	FY26 Budget
McCormick Place / SMG Revenue	9,290	8,216	8,983	10,833	9,013
Wintrust Arena/Arie Crown Revenue	1,752	1,232	1,079	1,037	1,060
McCormick Place / SMG Expense	(5,515)	(4,846)	(5,579)	(6,089)	(6,013)
Wintrust Arena/Arie Crown Expense	(500)	(373)	(324)	(311)	(318)
Total Net Revenues	5,027	4,228	4,160	5,470	3,742

Parking revenue projections coincide with the cyclical makeup of events held at McCormick Place. Large legacy heavy manufacturing events are held at McCormick Place in the odd fiscal years, leading to greater attendance and more revenues than during even fiscal years. Due to these events, net revenues are generally higher in the odd fiscal years than in the even fiscal years due to additional revenues offsetting fixed expenses. For FY26, Standard Parking remained consistent with non-payroll spending compared to prior years. However, they projected additional payroll costs attributed to wage increases while revenues remained flat (compared to FY 2024). MPEA will seek to improve on budgeted FY26 budgeted results by either increasing events bookings and/or managing payroll costs consistent with current event expectations.

e. The financial projections for the most recent 11 months provided by MPEA suggest the Energy Center Net Revenues for FY 2022 will be in excess of $12mm. These numbers are greater than the projected Energy Center numbers in the Plan. Can you explain the differences and the projected impact going forward?

As mentioned previously, MPEA discovered an error in the meters that measured water sent through one of the risers to the Digital Lakeside facility. This meter correction totaled $4,068,866. The table below details the adjusted revenues for FY21, FY22, and FY23 as compared to budgeted revenues.

	FY2021	FY2022	10 mo. Actual/ 2 mo. Budget FY23
Actual Energy Center Revenues	$9,454,577	$15,171,023	$14,086,066
Less: Adjustment for meter correction	(228,538)	(2,769,464)	(1,070,854)
Adjusted Energy Center Revenues	$9,226,039	$12,401,559	$13,015,212
Budgeted Energy Center Revenues	$8,940,821	$8,123,332	$12,797,028
Variance	$285,218	$4,278,227	$218,184

Chilled water revenues are comprised of capacity fees and usage fees. Capacity fees are assessed at the capacity reserved in the contract and are indexed to CPI. In December 2022, MPEA and Digital Lakeside amended the Energy Services Agreement to increase chilled water capacity from 4,376.5 tons per hour to 5,876.5 tons per hour. From that date forward, capacity charges are assessed on 5,876.5 tons of chilled water per hour.

Usage fees are based on actual chilled water usage. Usage fees are in part indexed to CPI, and in part indexed to the price of natural gas, which is comprised of a commodity cost and distribution fee. When adjusting for the meter correction issue, actual usage has increased slightly from 26.1 million tons for the first ten months in FY19 to 26.2 million tons for the same period in FY23. For the period from FY24-FY26, MPEA is expecting current usage to remain the same. Rate, driven by CPI and natural gas prices, is the primary reason for the positive variance. For the financial plan period from FY24-26, MPEA is expecting to see moderation in the rate, which is driving the decrease in revenues to $11.8 million in FY24, $12.0 million in FY25, and $12.1 million in FY26. As part of the rate, MPEA is budgeting moderate increases in CPI and a decline in the commodity cost of natural gas.

Chilled Water Usage comparison for FY19 - FY23 [1,2]

	Usage by Customers				Chilled Water Usage		
Fiscal Year	DRT 1	DRT 2	Level (3) Communications, LLC	XO Communications	Total Chilled Water Usage	Average Usage Per Month	Average Usage Per Hour
FY 2019	31,377,281	3	55,240	23,696	31,456,220	2,621,352	3,591
FY 2020	30,808,555	7	70,540	28,778	30,907,880	2,575,657	3,519
FY 2021 [1]	30,902,852	11	88,660	25,310	31,016,833	2,584,736	3,541
FY 2022 [1]	31,379,741	5	51,160	0	31,430,906	2,619,242	3,588
FY 2023 [1,2]	26,145,293	4	53,510	0	26,198,807	2,619,881	3,591

[1] Includes meter correction adjustments
[2] For 10 months ended April 30, 2023

Please see the below tables for operating results for FY21 through FY23. Note there are two tables to present the impact of the meter correction. The first table reflects the actual results for FY21-FY23 assuming the full $4.1 million correction is realized in FY23. The second table adjusts revenues from FY21-FY23 to reflect the actual amount of the meter correction in each of those fiscal years.

MPEA Energy Center Revenues and Expenses (in $ thousands)

Net Revenues of Energy Center	FY21 Actual	FY22 Actual	10 mo. Actual/ 2 mo. Budget FY23	FY23 Budget	FY24 Budget	FY25 Budget	FY26 Budget
Revenue	9,455	15,171	14,086	12,797	11,800	11,983	12,137
Less: Meter Correction Adjustment	-	-	(4,069)	-	-	-	-
Adjusted Revenue	**9,455**	**15,171**	**10,017**	**12,797**	**11,800**	**11,983**	**12,137**
Expense	(13,388)	(14,163)	(14,942)	(19,519)	(18,915)	(19,986)	(21,152)
Less: Internal Allocation of Expenses	10,937	12,820	12,226	17,463	16,589	16,354	17,161
Total Net Revenues	**7,004**	**13,828**	**7,301**	**10,741**	**9,474**	**8,351**	**8,146**

Net Revenues of Energy Center	FY21 Actual	FY22 Actual	10 mo. Actual/ 2 mo. Budget FY23	FY23 Budget	FY24 Budget	FY25 Budget	FY26 Budget
Revenue	9,455	15,171	14,086	12,797	11,800	11,983	12,137
Less: Meter Correction Adjustment	(229)	(2,769)	(1,071)	-	-	-	-
Adjusted Revenue	**9,226**	**12,402**	**13,015**	**12,797**	**11,800**	**11,983**	**12,137**
Expense	(13,388)	(14,163)	(14,942)	(19,519)	(18,915)	(19,986)	(21,152)
Less: Internal Allocation of Expenses	10,937	12,820	12,226	17,463	16,589	16,354	17,161
Total Net Revenues	**6,775**	**11,059**	**10,299**	**10,741**	**9,474**	**8,351**	**8,146**

Below are the factors contributing to the budgeted decline in net revenues at the Energy Center over the 3-year budget period:

1. The future capacity charge is projected to increase slightly year over year due to CPI. CPI is estimated at 2.5% in FY24, 2% in FY25, and 2% in FY26
2. Projections for natural gas commodity costs are conservative compared to years past (based on current trends), which is a factor in usage revenues since it impacts the rate charged. Ton per hour usage projections are constant year over year.
3. We anticipate electric bills to increase due to the reduction in the Carbon-Free Energy Resource Adjustment that was in effect for much of FY23. In FY23, thru March 31, credits totaled $2.8M. Future expense projections do not include such credits. FY24 assumes less electricity will be consumed at the Energy Center due to chillers being offline due to the project.
4. Expenses include a 3% increase per year in payroll costs and a 5% increase for insurance costs.

2. To the extent additional commentary can be provided above and beyond what has been detailed in the Plan, what do you believe are the remaining challenges that exist as a result of COVID and the reduced activity at the convention center over the past two years? When do you believe you will have recovered from these effects?

MPEA operations have recovered nicely from the COVID-19 pandemic as evidenced by the strong operating performance year-to-date. MPEA's current 10-month Actual / 2-month Budget operating results suggest operating revenue will be $323 million, which will be a record result for MPEA. Additionally, adjusted operating income including capital reserve contributions is expected to be $28 million. This amount is expected to exceed the FY19 amount of nearly $21 million. While some events are experiencing attendance that is at or even in some instances above pre-COVID levels, there are many events where attendance is lagging pre-pandemic attendance. Of the 44 events that held events at McCormick Place both pre-pandemic and post-pandemic, 5 of those events had attendance that exceeded pre-pandemic attendance. Event attendance is also continuing to trend upward. Since re-opening, 21 events held at McCormick Place before COVID have held multiple events on campus post-pandemic. Of these events, the most recent event on campus had average attendance that was roughly 77% of attendance for the last pre-pandemic event while the 2nd most recent event had attendance that was 66% of pre-pandemic attendance.

3. Of the 322 events scheduled between July 1, 2022 and December 31, 2024, how many are committed for FY 2023? How does this compare to pre-COVID activity?

From the full re-opening in July 2021 through end of May 2023, the Authority has hosted 367 campus-wide events, with an estimated attendance of 3.18 million, including approximately 177 convention center only events with over 2.6 million attendees. With respect to the Authority's planned convention and event activity, 225 future events are currently booked at McCormick Place and Wintrust Arena, with an estimated attendance of over 2.1 million attendees for FY2024.

4. Has the contract with SMG been extended beyond June 30, 2022?

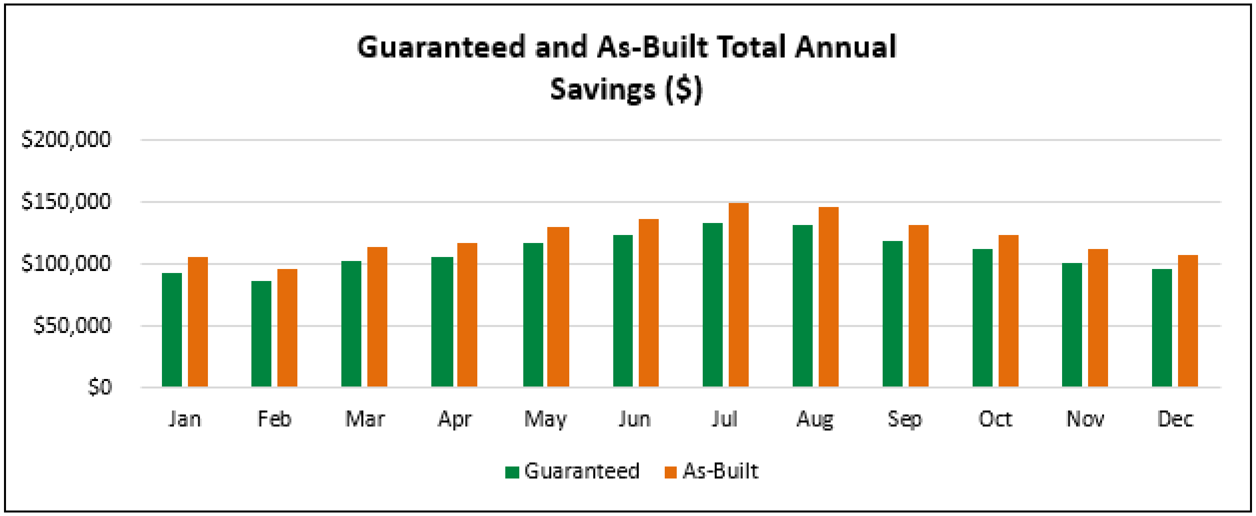
The contract with ASM Global has been extended to September 30, 2023. The RFP committee for the McCormick Place private manager intends to recommend the private manager for McCormick Place following the September 30th expiration of the current contract to the MPEA Board for its approval in June.

Ameresco / Project Specific Questions

1. How do actual savings from the Series 2019 project compare to the projected / guaranteed savings? Are there updated estimates to expected savings?

Based upon Ameresco's measurement and verification report dated August 18, 2022. Post installation measurements were taken in accordance with the lighting measurement and verification plan. The verified savings exceeded the guaranteed savings amount by about 11%. Summary tables from the report are provided below.

Guaranteed Annual Energy Savings				As-Built Annual Energy Savings			
kWh	kW	Heating MMBtu	Cooling MMBtu	kWh	kW	Heating MMBtu	Cooling MMBtu
29,578,830	20,863	-19,721	15,821	32,459,558	25,911	-20,851	17,978



Guaranteed Total Annual Utility Savings	As-Built Total Annual Utility Savings
$1,326,436	$1,477,406

a. Has MPEA collected on the Ameresco savings guaranty over the past couple of years while COVID was active (related to 2019 Financing)? If not, was it related to a) savings being accomplished or b) not qualifying for monies under the guaranty agreement?

There have been no savings shortfall payments made since savings have been achieved per the measurement and verification ("M&V") plan. This is due to savings being accomplished.

2. Please detail all of the scheduled improvements associated with the Series 2023 project. What economic impact will the project create for MPEA, above and beyond additional Energy Center capacity?

Please see below the details of the scheduled improvements.

Scope of Improvements:

- Demolish three existing ammonia chillers, associated condensers, ammonia pumps, ammonia storage tanks, and associated systems in energy center
- Build a new chiller/boiler plant control room on the first floor of the Energy Center building
- Furnish and install four new chillers, four new cooling towers, five condenser water pumps, five brine pumps, and all associated piping, insulation, valves, actuators, sensors and hangers/supports in Energy Center
- Utility electrical service upgrade to increase capacity for Energy Center
- New water treatment system in Energy Center
- Integrate the new Energy Center chillers, cooling towers, condenser water pumps, and brine water pumps to the existing DeltaV control system.
- Integrate the following existing equipment to the existing DeltaV control system
    - Boilers (B-71, B-72 & B-73)

    - Integrate existing boiler deaerator, water treatment and other associated components utilizing the existing Honeywell points
    - Integrate the existing chilled glycol pumps, chilled brine pumps, and chilled water/brine heat exchangers in Pumphouse 1 serving the North and East buildings
    - Integrate the existing Corporate Center chilled water heat exchanger, chilled glycol pumps, brine pumps, steam to hot water heating converter, and heating hot water pumps in the Corporate Center mechanical room. Includes integration of the steam and chilled water meters
    - Integrate the existing North and East building chilled water and steam meters
    - Integrate the existing West Plant boilers to the DeltaV system. Control points within the Teletrol system will be migrated to the DeltaV system
- (7) New DeltaV custom panels to be installed at the following locations:
    - Energy Center Chiller/Boiler room
    - Energy Center 2nd floor for cooling towers
    - Energy Center Pumphouse 1
    - Energy Center Annex for DRT
    - Corporate Center pump room
    - North Building (to be located near existing HW pumps)
    - East Building control room

Additional Impacts of Project:

- The new, warrantied equipment will reduce maintenance costs to MPEA
- Potentially hazardous ammonia will be removed from the Energy Center
- The new Energy Center will have increased resiliency and redundancy, with less risk of downtime

3. Does MPEA plan on contributing any equity towards this project or will it be entirely debt financed? If equity will be contributed, will it be expended prior to or simultaneous with the Series 2023 Closing?

MPEA plans to contribute $15-$25 million in equity to the project.

4. We understand that you are hoping to have the Ameresco agreement (covering improvements / savings) approved during your July board meeting. Is there a draft of the agreement you are able to share?

Phase 1 of the Guaranteed Energy Performance Contract ("GEPC") between MPEA and Ameresco was approved at the August 30, 2022 Board meeting. The original agreement gave Ameresco the option to terminate the agreement if MPEA did not issue a notice to proceed to the next phase of the Project by December 31, 2022. We have since entered into extensions that extended that date to June 30, 2023. Phase 1 authorizes MPEA and Ameresco to finalize the design of the project and authorizes Ameresco to begin ordering certain long lead time equipment for a not to exceed contract value of $9,638,000. Upon completion of design, MPEA staff will return to the Board for their consideration of an amended and restated GEPC. The amended and restated GEPC will include updates to all related Exhibits in the GEPC and will finalize the scope, price, and performance guarantees.

    a. In particular, we would like to understand how Ameresco is going to guaranty "savings" if the primary driver is additional capacity at the energy center.

Ameresco will only guarantee the energy savings from operating the new equipment. Ameresco will not guarantee reductions in operating and maintenance expenses and they will not guarantee new revenues. Generating new revenues at the Energy Center will be contingent on Digital Lakeside either increasing their capacity commitments or using additional chilled water.

5. Does the Authority have any plans to issue additional debt on parity with 2019A and 2023 bonds? If yes, for what purpose?

Not at this time.

Energy Center Questions:

1. Does the Energy Center have any expansion plans above and beyond the improvements associated with the 2023 financing?

While MPEA does not currently have additional plans for future expansion, Digital Lakeside does have additional capacity options that it may seek to utilize in the future as further described below.

At its September 27, 2022, meeting, MPEA's Board approved a 2nd Amendment to the Energy Services Agreement with Digital Lakeside for the largest contract between MPEA and Digital Lakeside. The term of the contract was extended to June 30, 2044 with an additional 5-year mutual extension option. Under that contract, the current capacity was increased to 5,876.5 tons per hour from 4,376.5 tons per hour. Additionally, the 2nd Amendment includes an option by Digital Lakeside to increase the contract capacity by an additional 3,500 tons per hour following substantial completion of the Energy Center project. MPEA believes the current Energy Center project will provide for both these capacity increases.

Additionally, Digital Lakeside may exercise an additional 5,000 tons per hour option for chilled water capacity in whole or in part during the contract term provided that (i) the Authority is then reasonably able to provide such additional chilled water and meet all of its contractual obligations with all customers without installing additional boilers or chillers, (ii) the Authority's providing such additional chilled water will not result in any breach by the Authority of any obligation under the Energy Service Agreement between the Authority and Digital Lakeside or any obligations under current service agreements with other Digital Lakeside tenants and other customers, and (iii) the delivery system that delivers chilled water from the Energy Center to the Digital Lakeside facility and the equipment located in the Digital Lakeside facility can reasonably accommodate such additional capacity. MPEA will likely have to undertake additional investment in the Energy Center before Digital Lakeside can exercise any of this final 5,000 tons per hour capacity option.

The 2nd Amendment was executed on December 8, 2022.

2. Since the execution of the Energy Services Agreement (dated 3/1/2010, the "Agreement") with Digital Lakeside LLC ("DRT") has there been any new facilities purchased or leased by DRT where MPEA sells Hot or Chilled Water?

No.

   a. Is all of the capacity still being provided to 350 East Cermak Road (the "Premises")?

Yes.

   b. Will the improvements delivered pursuant to the Series 2023 bonds include additional equipment to be installed on the Premises or other property of DRT? Or will it all be on MPEA's property?

Most of the new equipment purchased with the Series 2023 Bonds will be installed in the Energy Center, which MPEA owns. There will also be some equipment purchased to integrate controls for all three MPEA campus wide heating and cooling plants. There will be some control equipment that will need to be installed in Digital Lakeside's facility, but these equipment costs are negligible.

3. What is the current capacity of the Hot Water and Chilled Water System (the “Services)?

    a. How much is DRT currently consuming each month?

The maximum capacity required to be supplied to Digital Lakeside under the largest contract is 5,876.5 tons per hour. For FY23 through April, Digital Lakeside has consumed on average 3,584 tons of chilled water per hour under this contract.

A second contract for chilled water with Digital Lakeside (“DRT2”) requires MPEA to supply 1,200 tons per hour to Digital Lakeside. During FY 2022, DRT2 used 5.4 tons of chilled water the entire fiscal year. For FY23 through April, DRT2 had used 4.4 tons of chilled water.

MPEA has one additional chilled water contract outstanding with another external customer. MPEA is required to supply 30 tons per hour to this customer. During FY22, this customer consumed on average 5.8 tons of chilled water per hour under this contract. For FY23 through April, this customer consumed on average 7.3 tons of chilled water per hour under this contract.

MPEA’s largest contract with Digital Lakeside also includes hot water capacity and usage. During FY22, Digital Lakeside used 5,507 mmbtu of steam. The Authority also provides steam to one other external customer. That customer used 35 mmbtu of steam during FY22. By comparison, thru the end of ten months during FY 2023, Digital Lakeside used 1,015 mmbtu of steam and Equinix Operating Company used 658 mmbtu.

    b. What is the maximum amount currently guaranteed per the Agreement?

The maximum capacity required to be supplied to Digital Lakeside under the largest contract is 5,876.5 tons of chilled water per hour.

    c. How much capacity does MPEA have currently for hot and chilled water? What will it increase to after the pending improvements being delivered pursuant to the new financing? (NOTE: Agreement currently appears to limit capacity to 10k Tons)

Below is MPEA’s current campus wide chilled water capacity

- Energy Center: Three chillers in series capable of producing 4,500 tons at 30-degree brine
- West Building Plant: Eight Chillers capable of producing 11,200 tons combined at 34-degree chilled glycol and 8,800 tons at 26-degree chilled glycol
- Lakeside Center Plant: Five chillers capable of producing 8,400 tons per hour at 42-degree chilled glycol and 6,600 tons of chilled glycol at 28-degrees
- MPEA also has a 123,000-ton hour thermal storage tank

Following the upgrade, the new Energy Center plant will be able to produce 11,900 tons per hour of chilled water at 30-degree brine. The West Building plant and Lakeside Center plant capacities will remain the same and the thermal storage tank will remain at the same capacity.

Hot water usage at the Digital Lakeside facility is minimal and uses a small component of the Authority’s aggregate steam producing capacity. Under the two hot water contracts that MPEA has outstanding, MPEA has used 1,673 mmbtu during the first ten months of FY23 to supply the 350 East Cermak facility. MPEA’s Energy Center can produce 240,000 lbs. of steam and the West Building can produce 120,000 lbs. of steam.

4. Rate Setting Authority:
    a. What is MPEA’s rate setting process? Has MPEA raised rates in the past? Has MPEA changed the rates/charges for the DRT capacity since inception of the contract?

Rates are set by the contract and are charged according to the contract and billed to external customers monthly. Amounts charged to external customers include a charge for reserved capacity and a charge for usage. The reserved capacity charge is indexed to the Consumer Price Index. The charge related to usage is in part indexed to the Consumer Price Index and in part indexed to natural gas prices.

b. What mechanism does MPEA have to increase rates and charges, other than for taxes and other government imposed fees (which it is allowed to pass on pursuant to the Agreement) in order to comply with the rate covenant currently included in Section 7.09 of the Trust Indenture.

MPEA charges for chilled water and steam usage at the rates included in the contract.

5. Does MPEA intend to amend or modify the Agreement with DRT either before or after the proposed Improvements are installed by Ameresco? What changes does MPEA currently contemplate making (i.e. maximum capacity, price, term)

Please see response to question #1 of this section.

6. Can you please provide revenue and utilization breakdown of both hot and chilled water by customer?
    a. Does MPEA expect a change in the customer mix after completion of the improvements?

    No.

    b. What are contract expiry dates for any external customers above and beyond DRT?

    Outside of the two contracts with Digital Lakeside, MPEA has two additional contracts with external customers. These customers are located inside Digital Lakeside's 350 East Cermak facility. The contracts with the two other external customers make up less than 1% of MPEA's external customer base for the Energy Center.

    c. Do customers have access to an alternative provider or does MPEA have a captive customer base?

    Besides existing customers who already are on a dedicated chilled water system, there is no alternative third party provider nor is there a path to self-supply without spending significant amounts of CAPEX. Dedicated chilled water systems are located on the roof. Due to expected continued demand, DRT is planning to construct a new facility across the street from the existing facility. DRT does not intend to provide service to the 350 East Cermak facility from its newly planned facility and has not designed the new facility to provide service to the 350 East Cermak facility. Given the landlocked nature of the area, it will likely be challenging to make a meaningful investment in a new facility in the area.

    d. Will any of the improvements enable MPEA to provide additional capacity to any customers above and beyond DRT? (i.e. are there going to be Improvements designed specifically to deliver Services to customers other than DRT)

    While there will be additional capacity in the Energy Center, MPEA is not currently expecting to deliver to any external customers outside of the 350 East Cermak facility.

7. Is MPEA currently set up to provide Services to anyone beyond DRT without additional infrastructure investment?

    No.

    a. Does MPEA have alternative customers that could replace DRT at similar utilization?

No.

8. Does MPEA employ any hedging strategies in conjunction with either the hot or chilled water operations?

MPEA occasionally uses futures contracts to lock in the price of natural gas for its campus wide operations. A portion of the rate charged to Digital Lakeside is based on MPEA's natural gas prices so if the price of natural gas increases, the rate MPEA will charge to Digital Lakeside also increases.

9. Please speak to the importance of the energy center location in relation to existing customers, particularly DRT.

The proximity of MPEA's Energy Center to the 350 East Cermak facility has played an important role in defining the relationship between MPEA and its external customers. The Energy Center is directly across the street from the 350 East Cermak facility and the equipment in both facilities are interconnected with each other. MPEA installed and owns equipment in the basement of the 350 East Cermak facility. Two pipes were installed under the road between the two facilities to supply water to the facility. Digital Lakeside purchased three generators for installation in the Authority's Energy Center to ensure power redundancy. Many of the building's tenants would suffer significant business impact if MPEA's feed was disrupted. This is a mission critical facility where even if the customers wanted to cut over the feed, it would introduce significant business impact if there was an outage, and thus likely not worth the risk to switch even if there was a viable option to do so.

<u>Parking Operations:</u>

1. What was the average occupancy of the pledged parking facilities in fiscal year 2022?

Capacity and cars parked per lot for fiscal 2022 are included in the table below.

Parking Lot	Capacity	Cars Parked	Spaces Available	Occupancy
Lot A - MLK	2,057	238,885	750,805	31.8%
Lot B - 31st Street	2,066	51,580	754,090	6.8%
Lot C - Lakeside	1,947	68,412	710,655	9.6%
Total	6,070	358,877	2,215,550	16.2%

Capacity and cars parked per lot for the first ten months of fiscal 2023 are included in the table below.

Parking Lot	Capacity	Cars Parked	Spaces Available	Occupancy
Lot A - MLK	2,057	252,803	625,328	40.4%
Lot B - 31st Street	2,066	50,974	628,064	8.1%
Lot C - Lakeside	1,947	84,962	591,888	14.4%
Total	6,070	388,739	1,845,280	21.1%

Average occupancy for the pledged parking facilities for FY19 was 24% (526,854 total cars parked).

2. How do parking rates compare to competing facilities?

MPEA charges $25 for Lot A, $16 for Lot B, and $25 for Lot C. The Authority offers discounted parking rates for certain events including DePaul events and Chicago Sky games. Event employees and contractors also receive discounts for parking in lot B and lot C.

There are few competing parking facilities in the area. There is a surface lot with approximately 100 parking spaces to the West of the West Building. Parking at that facility starts at $13 for up to 2 hours and increases to $42 for an entire day.

3. Does MPEA have sole rate setting authority? When were rates last increased?

Yes. MPEA last increased rates from $23 to $25 in January 2020.