

KBRA Assigns AA- Rating to Metropolitan Pier and Exposition Authority McCormick Place Expansion Project Refunding Bonds Series 2024A and Series 2024B; Affirms Rating for Parity Bonds

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NEW YORK--(BUSINESS WIRE)-- KBRA assigns a long-term rating of AA- to the Metropolitan Pier and Exposition Authority McCormick Place Expansion Project Refunding Bonds, Series 2024A and McCormick Place Expansion Project Refunding Bonds, Series 2024B. KBRA additionally affirms the long-term rating of AA- for outstanding McCormick Place Expansion Project Bonds. The Outlook is Stable.

Key Credit Considerations

The rating actions reflect the following key credit considerations:

Credit Positives

- State sales tax revenue support for bond repayment offsets cyclical vulnerability of Authority tax revenues; bond security features strong State non-impairment language.
- Expansive state-wide sales tax base provides extraordinary coverage of more than 25x maximum permissible debt service.
- State appropriation actions in support of MPEA underscore the importance of McCormick Place to regional and state economy.

Credit Challenges

- Bonds are secured by restaurant, hotel, rental car, and sales taxes, which prior to rebounding had been adversely affected by COVID-19 related restrictions.
- Determination to match Authority tax revenues with annual debt service requirements, and minimize application of State sales tax revenues, may necessitate continued debt restructuring.
- Vulnerability of State appropriation dependent payment mechanism underscored by absence of timely action in 2015.

Rating Sensitivities

For Upgrade

- Authority tax revenues increase sharply and provide coverage of debt service requirements, obviating the need for debt restructuring.

For Downgrade

- State leverages Build Illinois Bond debt levels to the maximum permitted level in combination with a significant economic downturn that results in a sharp reduction in available State sales tax revenues for MPEA Bond debt service.

To access rating and relevant documents, click **here**.

Methodologies

- **Public Finance: U.S. Special Tax Revenue Bond Rating Methodology**
- **Public Finance: U.S. State Annual Appropriation Obligation Rating Methodology**
- **ESG Global Rating Methodology**

Disclosures

A description of all substantially material sources that were used to prepare the credit rating and information on the methodology(ies) (inclusive of any material models and sensitivity analyses of the relevant key rating assumptions, as applicable) used in determining the credit rating is available in the Information Disclosure Form(s) located **here**.

Information on the meaning of each rating category can be located **here**.

Further disclosures relating to this rating action are available in the Information Disclosure Form(s) referenced above. Additional information regarding KBRA policies, methodologies, rating scales and disclosures are available at

www.kbra.com.

About KBRA

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