

STATE OF THE LOOP

Chicago Loop Alliance's Quarterly Report



CHICAGO
LOOP
ALLIANCE



CHICAGO LOOP QUARTER FOUR HIGHLIGHTS

Notable recovery activity in the Loop during quarter four (October 1 - December 31, 2022) included:

- Theatre and performing arts drew nearly 700,000 visitors to the Loop and \$190,059,129 in direct economic impact
- Public transit reached a pandemic level recovery rate high of 73% of 2019 levels
- Major investment announcements in the downtown economy included Saks OFF 5th reopening, Vivid Seats headquarters, and Toys “R” Us opening inside Macy’s on State Street
- Abundant holiday programming and shopping helped influence strong pedestrian activity in the Loop and the active retail corridor along State Street, reaching 85% of 2019 levels
- Hotel occupancy reached 85% of 2019 level
- Parking rates continued to exceed pre-pandemic levels despite a slight dip, likely due to growth in public transportation ridership
- An active retail corridor for holiday shopping along State Street

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"The changing season and excitement of the holidays brought palpable vibrancy to the Loop this year, as well as a shift from viewing progress compared to pre-pandemic toward more intentionally projecting the current state of the Loop and its future," said Michael Edwards, President and CEO of Chicago Loop Alliance. "We look forward to showcasing the infinite sectors and industries that influence the Loop's economy and success. From theatre to retail, and real estate development to education, the Loop is a dynamic mix of people, organizations and attitudes that support the progression of downtown's future. We've shifted the format of our research to reflect and better serve that change as we intentionally report the current state of the Loop and project the district's future."



Michael Edwards
President and CEO of Chicago Loop Alliance

ARTS AND CULTURE

Arts and culture drive Loop economic revitalization.

As a primary driver of activity in the Loop, theaters have reported packed houses and excited crowds at shows throughout quarter four of 2022, despite an intense winter storm during the holiday season which caused a dip in show attendance. Theaters quickly recovered moving into the new year. Annual shows like Joffrey Ballet's *The Nutcracker* at the Lyric Opera House and Goodman Theatre's *A Christmas Carol*, as well as Broadway In Chicago's *The Lion King* and *Wicked* remained popular attractions throughout the holiday season.

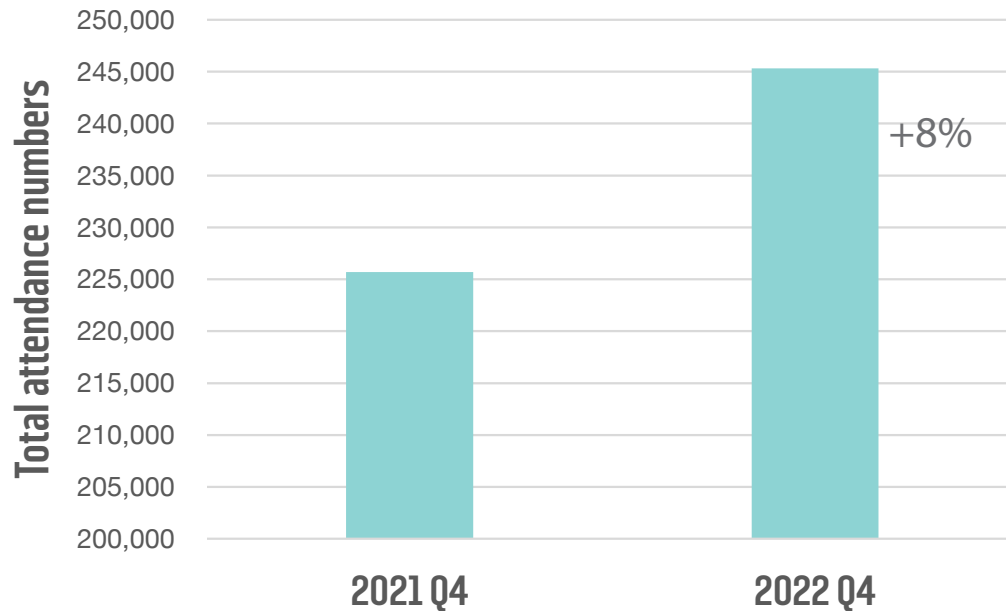
In addition to theaters, Art Institute of Chicago, the largest museum in the Loop, reported

significant crowds for their special exhibition shows including the "David Hockney" exhibit which drew over 128,000 visitors from the end of August through the start of the new year. Their "Language of Beauty" in African Art exhibit has already drawn over 33,000 visitors during the holiday season.

The Department of Cultural Affairs and Special Events' (DCASE) Millennium Park Christmas Tree lighting and ice skating also attracted major crowds to the Loop. During warmer quarter four months, events like LUMA8's Arts in the Dark parade on State Street attracted 50,000 people to the Loop.

128,000+ visitors to the Art Institute's special exhibition for David Hockney which ran for the duration of quarter four opening at the end of August and closing after the new year.

Attendance for Art Institute of Chicago grew 8% in quarter four



THEATRE ATTENDANCE

698,490

people attended a Loop theatre in Q4 2022

A major Loop theatre reported a

+47%

increase in attendance in Q4 2022 than Q4 2021

League of Chicago Theatres discount program Hot Tix reported 2022 year-end sales as

3x

higher than year-end sales in 2021

Methodology: Attendance data collected from eight major Loop performing arts organizations. Economic impact calculated based on Chicago Loop Alliance's Arts in the Loop study findings.

Loop theatres generated **\$190,059,129** in direct spending to the Loop in quarter four.

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"We loved welcoming so many returning and new guests back in the Loop at our beloved Christkindlmarket at Daley Plaza in 2022. It means so much to our team that locals and visitors from all over the country - even world - get to experience everything that our beautiful hometown has to offer,"



Maren Biester Priebe
CEO and General Manager of German American Events

"The excitement of our beloved holiday traditions like the Christmas Tree lighting ceremony in Millennium Park, ice skating, and holiday markets brought shoppers and visitors downtown to experience all that our great city has to offer."



Erin Harkey
Commissioner of DCASE

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Effective public transportation proves crucial to the Loop's economic recovery.

In quarter four of 2022, the Chicago Transit Authority (CTA) reported the highest ridership spike since the beginning of the pandemic. The spike in ridership coupled with the highest number of days with over 900,000 passengers since the beginning of the pandemic signals the importance of public transportation in the wider economic recovery of the Loop.

While the agency continues to address concerns of safety, cleanliness, and punctuality of its services, passengers report crowded and packed trains during rush hour. In an effort to tackle this issue, the CTA has been continuing its roll out of a new fleet of train cars, in addition to increased security and cleanings.

Although slower to recover, Metra has also seen increased consistency of its ridership with recovery rates hovering around 37% of 2019 ridership.

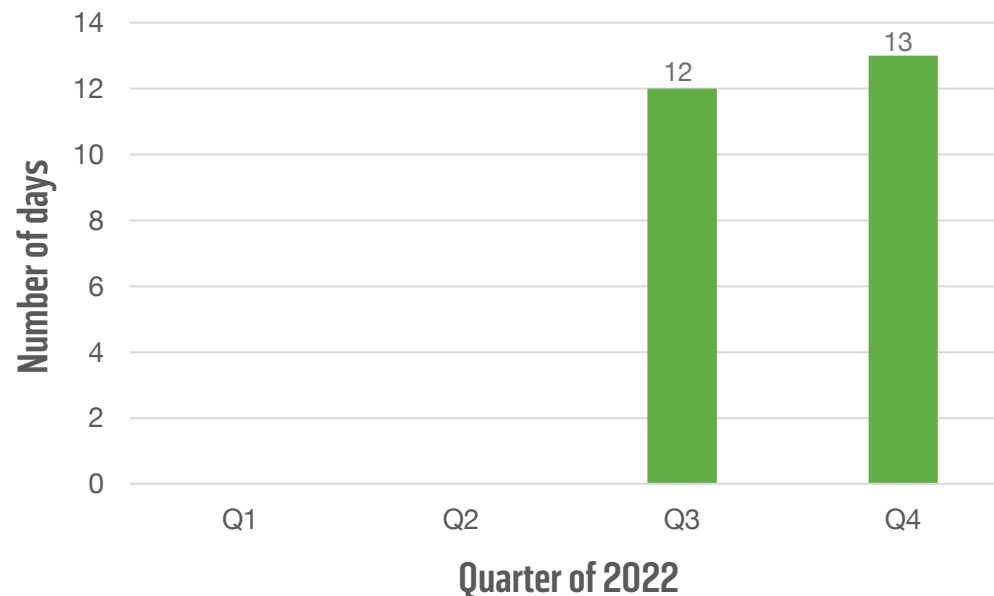
In further news, City Council recently announced its planned renovation of the Van Buren Street Metra station to modernize and update the station.

Key improvements will include platform accessibility, signage and way-finding, and ADA improvements.

Methodology:
Ridership is calculated as the percentage of rides on both CTA trains and buses each week compared to the same week in 2019. Figures are subject to change as the Chicago Transit Authority and Regional Transportation Authority confirm ridership numbers and is usually one month behind.



Number of days with over 900,000 CTA passengers



39 days with over 800,000 passenger trips on CTA in quarter four.

CTA AND METRA

CTA RIDERSHIP

928,166

highest Q4 ridership day
November 10, 2022

23,576,296 CTA passenger trips in October, the highest ridership levels since 2019.

METRA RIDERSHIP

+42%

percent increase from October 2021 to 2022

2,386,000 estimated Metra passenger trips in October, the second-highest ridership levels in 2022.

CTA highest recovery rate measured

73%

week of November 28, 2022 compared to 2019 Levels

Average CTA ridership increased

+29%

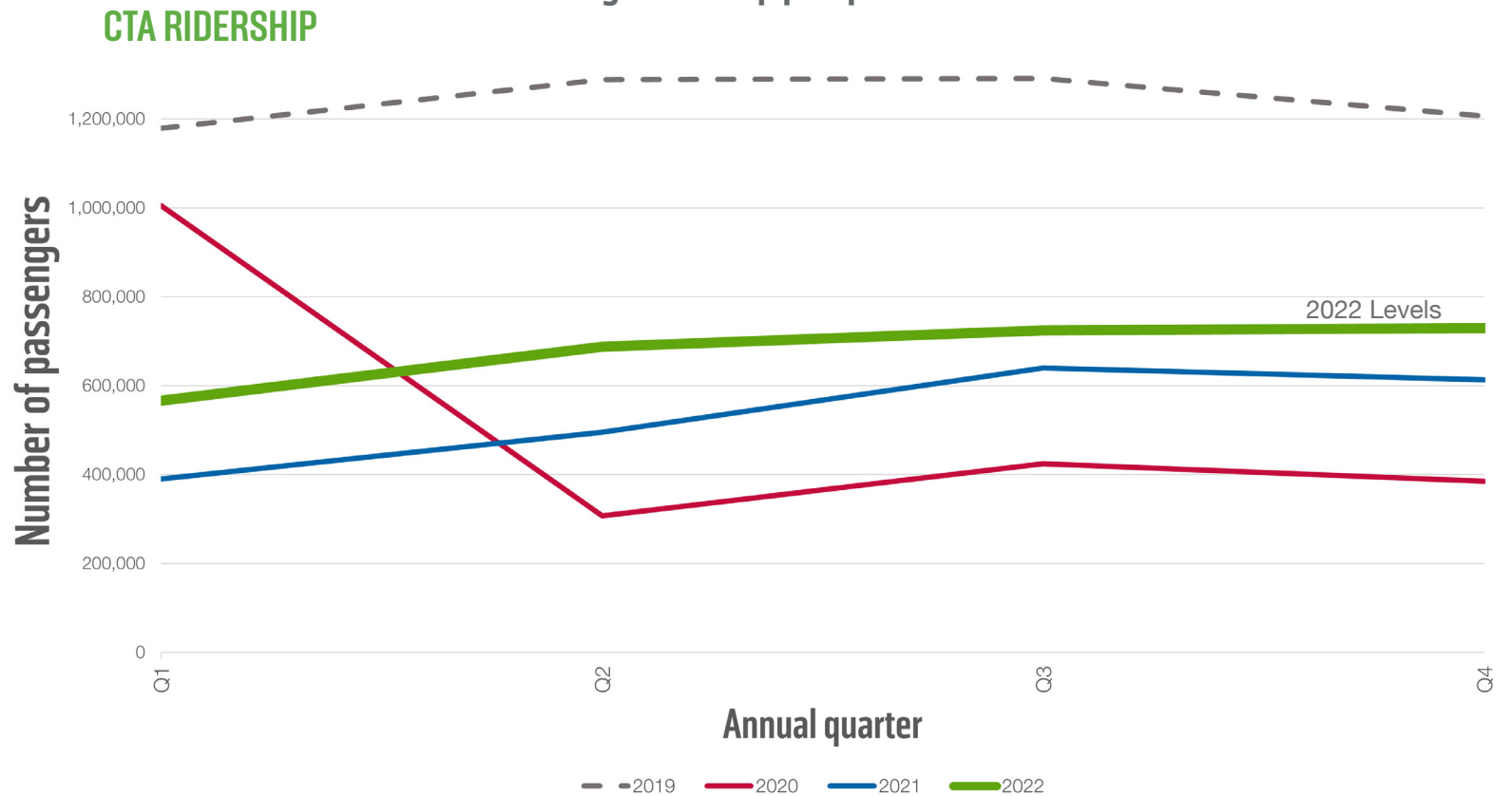
from Q1 to Q4 in 2022

CTA bus ridership levels were

+33%

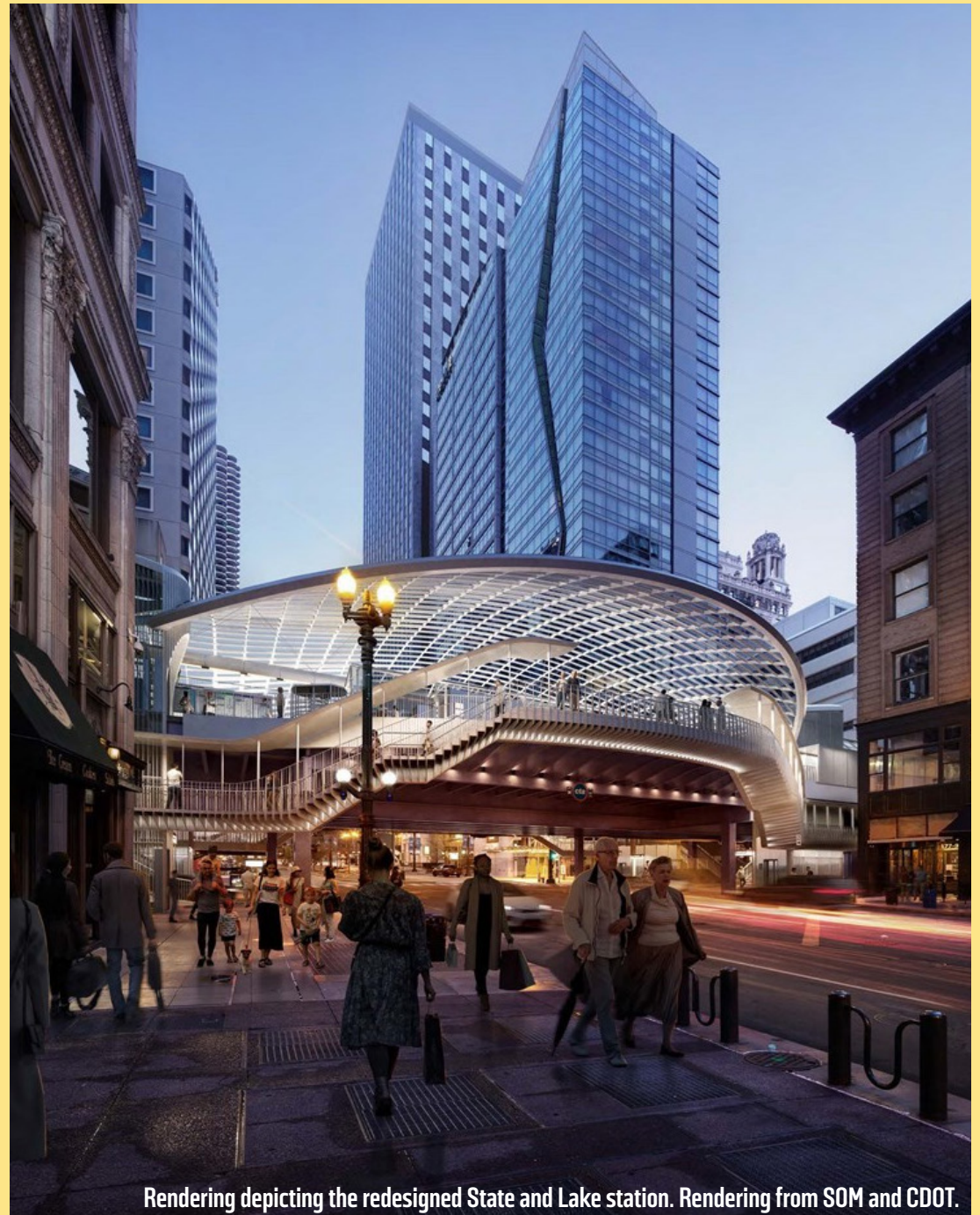
higher than CTA rail ridership in Q4 2022

Average ridership per quarter



TRANSPORTATION SPOTLIGHT

In an exciting move for the Loop and CTA, the Chicago Department of Transportation (CDOT) has begun work on the redevelopment and renovation of the State and Lake L station in the Loop. In collaboration with the architecture firm Skidmore, Owings & Merrill as well as other city agencies and contractors, the project is expected to increase accessibility, safety, and appeal to riders. The project aims to increase the amount of light that comes into not only the station, but also the street below to enhance transparency and visual interest. The station will also include public viewing platforms that provide a free-of-charge view of State Street below. This project hopes to better serve one of the busiest train stations in Chicago by ensuring ADA compliance as well as enhancing comfort and safety within and around the station. Construction of the new and improved station is estimated to take about three years and signal investment and renewed attention to the built environment for Chicago's Loop.



Rendering depicting the redesigned State and Lake station. Rendering from SOM and CDOT.

Parking in the Loop reflects continued demand for driving.

Parking in the Loop continues to see a high demand as office workers, residents, and tourists visit the Loop for work and play. Holiday events, such as the State Street Holiday Market and Christkindlmarket, drew crowds to the Loop during quarter four. Single reservation style parking offers flexibility for Loop visitors in advance of and during the holiday season.

Still well above pre-pandemic levels, parking saw a dip in demand while other models of transportation, such as CTA and Metra, saw an increase. However, parking and driving remains a popular way for residents and tourists alike to get around the Loop.

Methodology:

Parking reservations identifies on-demand parking services and is calculated as the percentage of parking spots occupied in the Loop compared to the same week in 2019. The data is aggregated based on all Loop parking spots from two anonymous Loop-wide parking operators. This dataset differentiates between parking reservations booked through digital applications and the monthly pass holders at parking garages.

PARKING RESERVATIONS
124%
average rate for Q4 compared to 2019

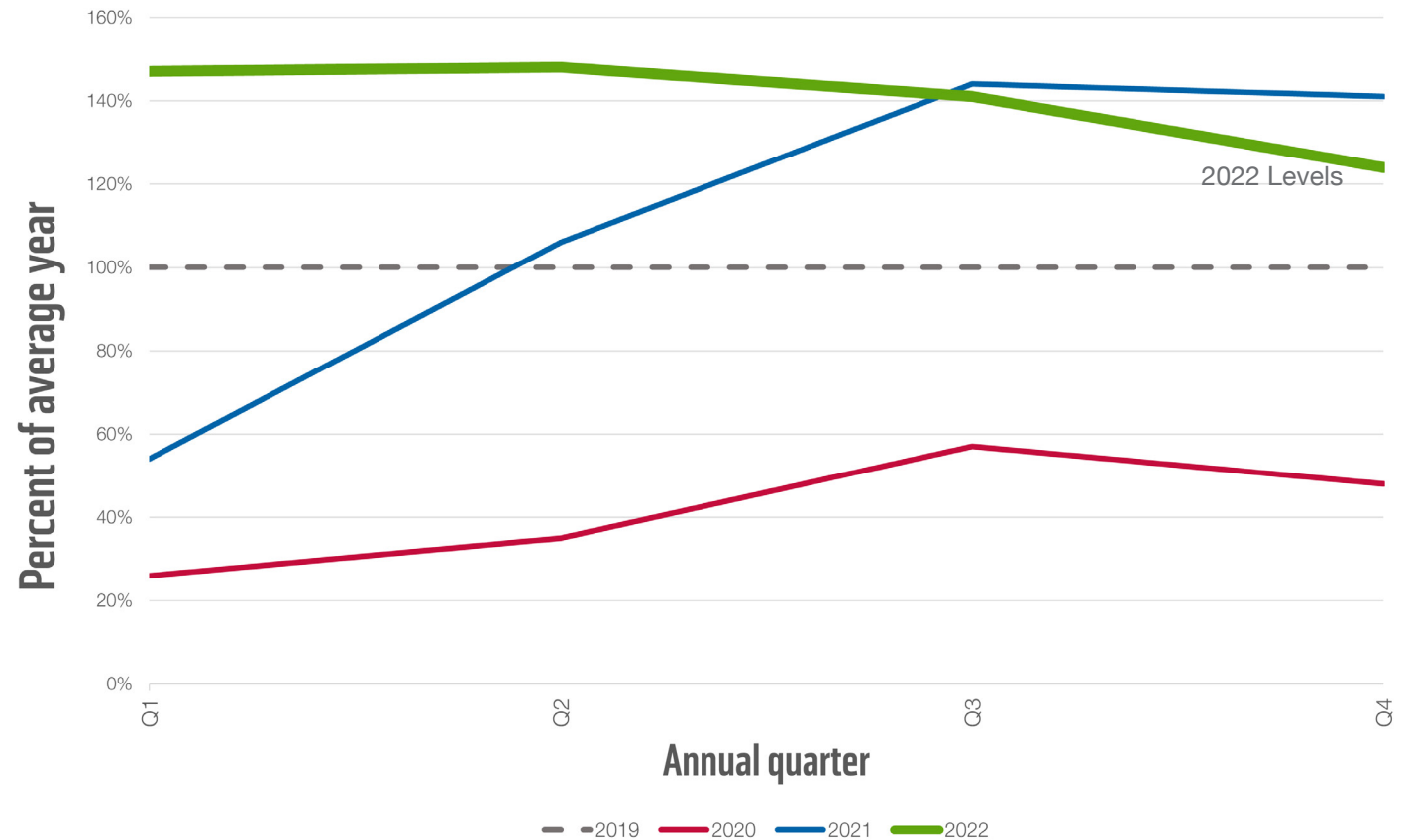
COMPARE TO:

Quarter's highest measured rate
151%
week of November 21, 2022 compared to 2019

Quarter's lowest measured rate
72%
week of December 19, 2022 compared to 2019

Previous year's quarterly rate
141%
for Q4 2021 compared to 2019

Average reservation rates still exceed pre-pandemic levels



Investment announcements energize the Loop.

Following the exciting quarter three Google Thompson Center announcement, crucial investment in the Loop continued to drive economic revitalization for Chicago's central business district during quarter four. While several companies announced large investment decisions, business license data also reveals continued growth for the area. Quarter four was the second highest quarter for new business licenses in 2022. While one business can have multiple business licenses, the number of new licenses issued can speak to the amount of activity occurring at those businesses over a period of time.

Additionally, the pedestrian data highlighted in the following section of this report highlights activity levels on State Street in the Loop, a main retail corridor. On average, afternoons saw the highest recovery levels of pedestrian activity during quarter four, insinuating that impressions are led by more than office workers.

The holiday season attracted shoppers to the Loop as holiday themed pop-ups, like Christkindlmarket and the State Street Holiday Market. These pop-ups showcased small

business owners from a wide array of backgrounds. The opportunity for diverse sellers and business owners to participate in the Loop economy is a key strength to the future of the area's economic development.

Methodology:

Business license data is collected from a third party data tracking host. Business licensees do not represent total number of businesses, a single business can have multiple business licenses.

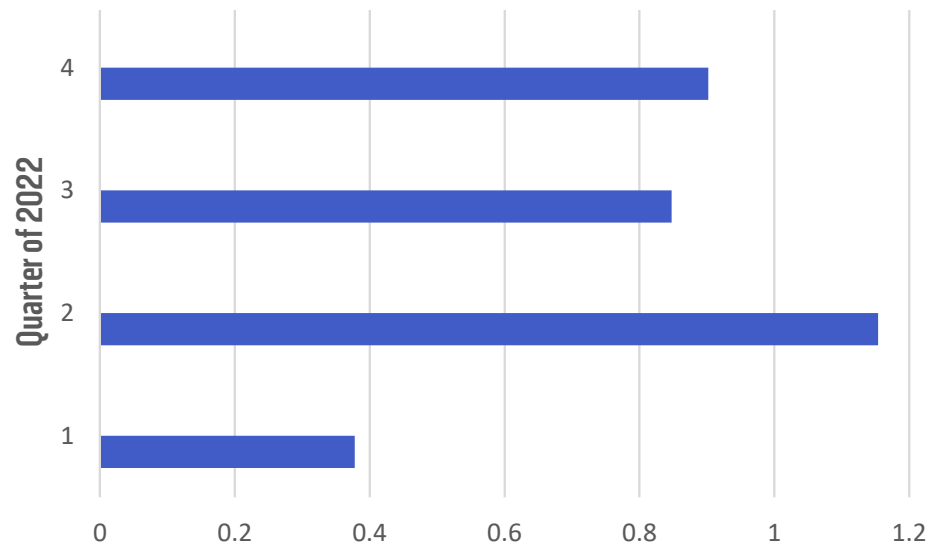


"This is a clear testament to the boundless potential and unparalleled opportunities that Chicago offers to businesses. Our consistent, diligent focus on working with companies to help them understand and capitalize on the tremendous value that Chicago offers has resulted in the exciting news of these companies expanding and relocating in the city, and we anticipate many more similar announcements in the coming year 2023."



Michael Fassnacht
President & CEO, World Business Chicago

Average new business licenses per day spike in quarter four



■ Average Business License per Day per Quarter

INVESTMENT SPOTLIGHT

Saks OFF 5th has announced it will reopen their State Street store. While the brand closed several stores in 2019, the news to reopen the store in the Loop highlights the importance of in-person shopping within the central business district of Chicago. This news also highlights the role of pedestrian activity in supporting and driving economic revitalization.

Vivid Seats Inc., announced that they would be opening their new corporate headquarters in the historic Marshall Field building. A newly renovated 48,000 square foot office space showcases the importance of investment in office amenities for the return of workers to downtown offices.

The City of Chicago's **LaSalle Street Reimagined** initiative concluded its invitation for proposals period at the end of December. Proposals were required to showcase mixed-use development, affordable housing and adaptive reuse. This initiative has sparked renewed attention to the opportunities of the Loop as a place where people of all backgrounds live, work, and play.

Retail still drives an important component of the Loop's economy and day-to-day flow. In an exciting move, Macy's WHP Global partnership expansion opened a **Toys "R" Us** in every American Macy's store, including the flagship State Street location. The new addition bustled with shoppers during the holiday season in conjunction with their Santaland experience.



Saks OFF 5th State Street store



LaSalle Street



Vivid Seats Inc. new headquarters



PEDESTRIANS

Quarter's highest measured rate

85%

week of November 7, 2022
compared to 2019 Levels

72%

average rate for Q4
compared to 2019 Levels

Highest weekly pedestrian impressions reported in Q4 on State Street in the Loop

1,310,995

week of October 3, 2022

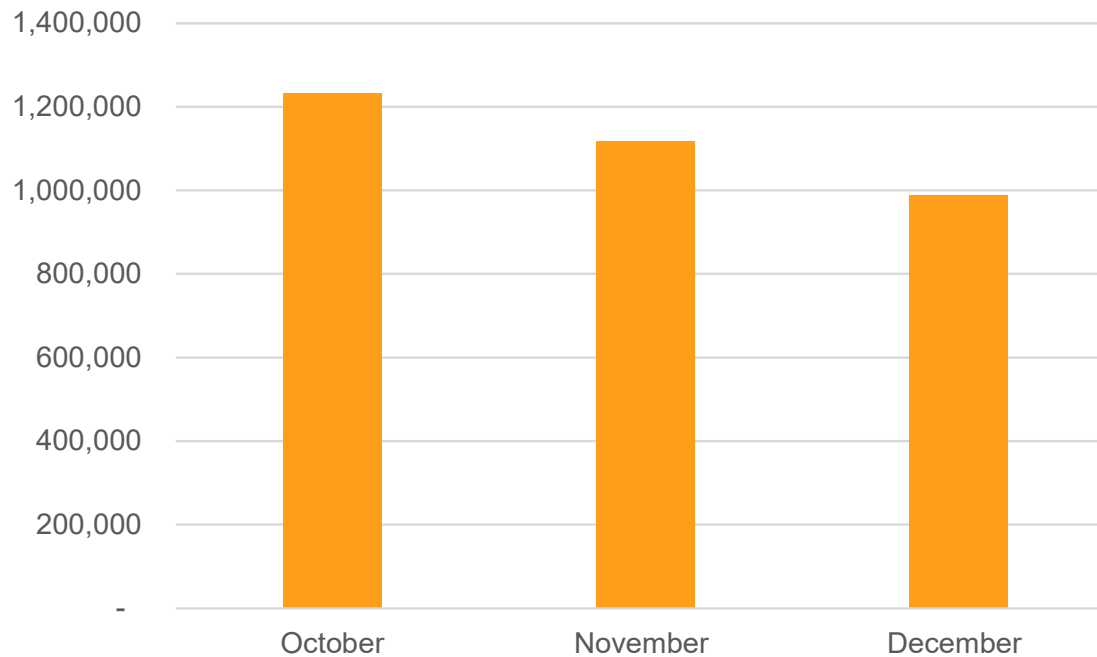
Previous year's average rate

61%

for Q4 2021

compared to 2019 Levels

Weekly average pedestrian impressions for State Street in the Loop remained strong despite cold weather downturn in December



Holiday season drives strong pedestrian activity in Q4.

Pedestrian activity was crucial to the economic wellbeing of the Loop during quarter four of 2022. While an intense winter storm kept people off the streets toward the end of the year, the holiday season still saw spikes in pedestrian activity on State Street in the Loop.

Most notably, October saw the highest weekly averages for pedestrian activity on State Street in the Loop, but the week of November 7 saw the greatest pandemic recovery rate at 85% of 2019 levels.

Additionally, pedestrian activity on State Street in

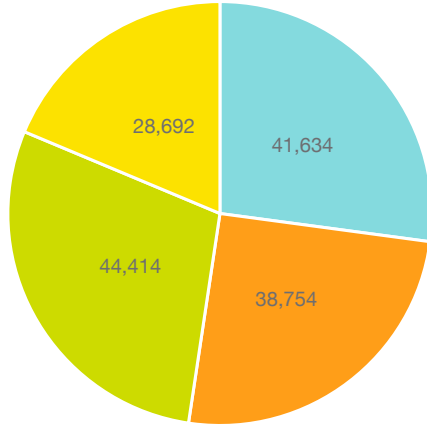
the Loop peaked on average during the afternoon from 2:00 p.m. to 4:59 p.m. This may signal that in addition to office workers, Loop shoppers, tourists, and other visitors are driving the Loop's economic recovery.

Methodology:

Chicago Loop Alliance's pedestrian counters track pedestrian activity on State Street. 18 counters are located on both sides of State Street from Wacker Drive to Ida B. Wells Drive and count each time a person enters onto State Street. These pedestrians could be employees, visitors, shoppers, residents, students, etc.

PEDESTRIANS

Afternoons had the highest quarterly average for weekday pedestrian impressions



■ Morning ■ Lunch ■ Afternoon ■ Evening

1,200,000+ average weekly pedestrian impressions on State Street in the Loop during the month of October.

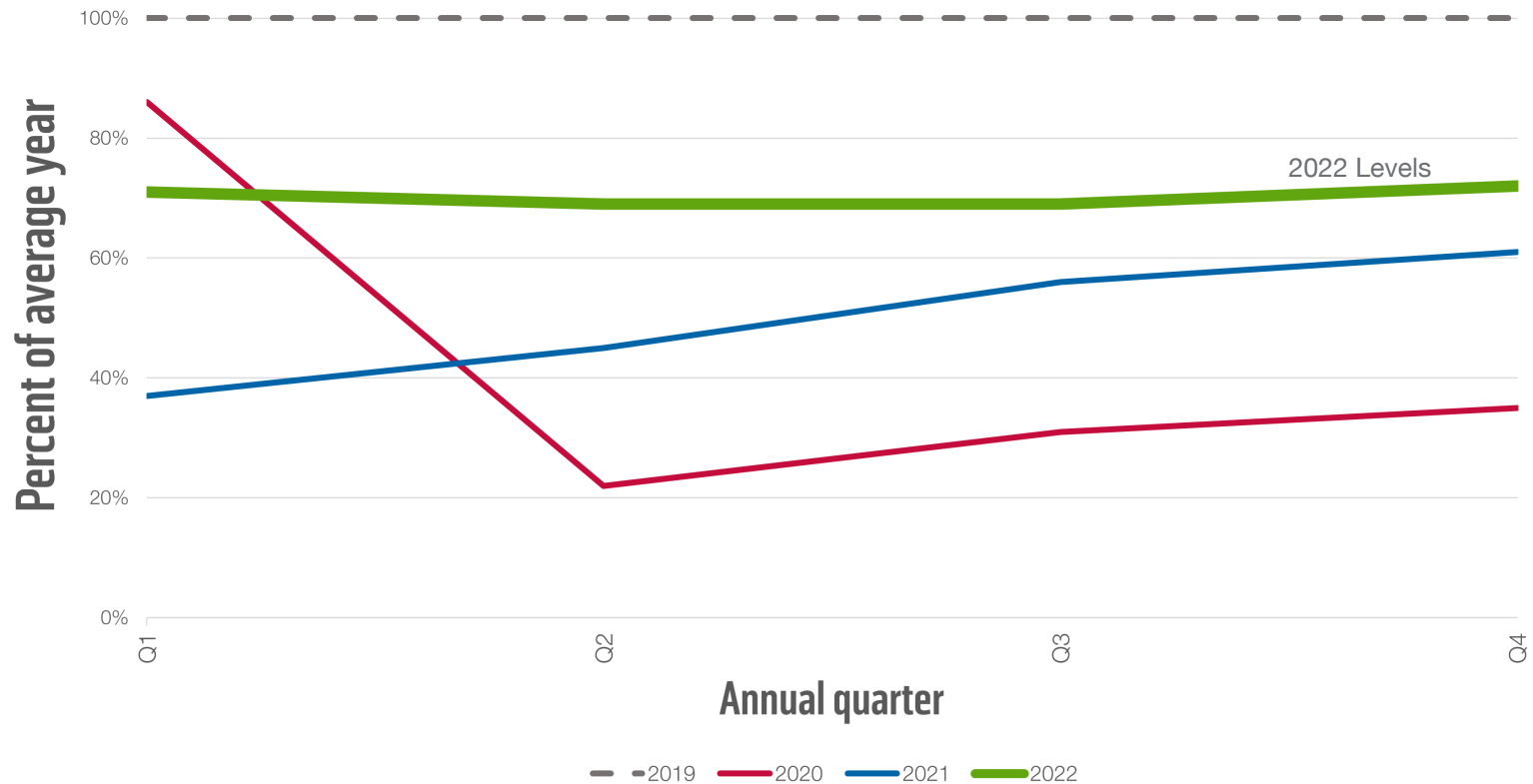


"Coming out of the holidays, we were excited to see a 30% increase in traffic from both tourists and returning business professionals. In this coming quarter, we look forward to remaining the convenient destination point for commuters, students, visitors, and families in the Loop to bring joy to everyday life."



Rachel Phipps
Store Director of Target on State Street

Pedestrian impressions continued to exceed 2021 levels



HOTEL OCCUPANCY

HOTEL OCCUPANCY

85%

average rate for Q4
compared to 2019 Levels

COMPARE TO:

Average occupancy rate

74%

for Q4 2019

Average occupancy rate

62%

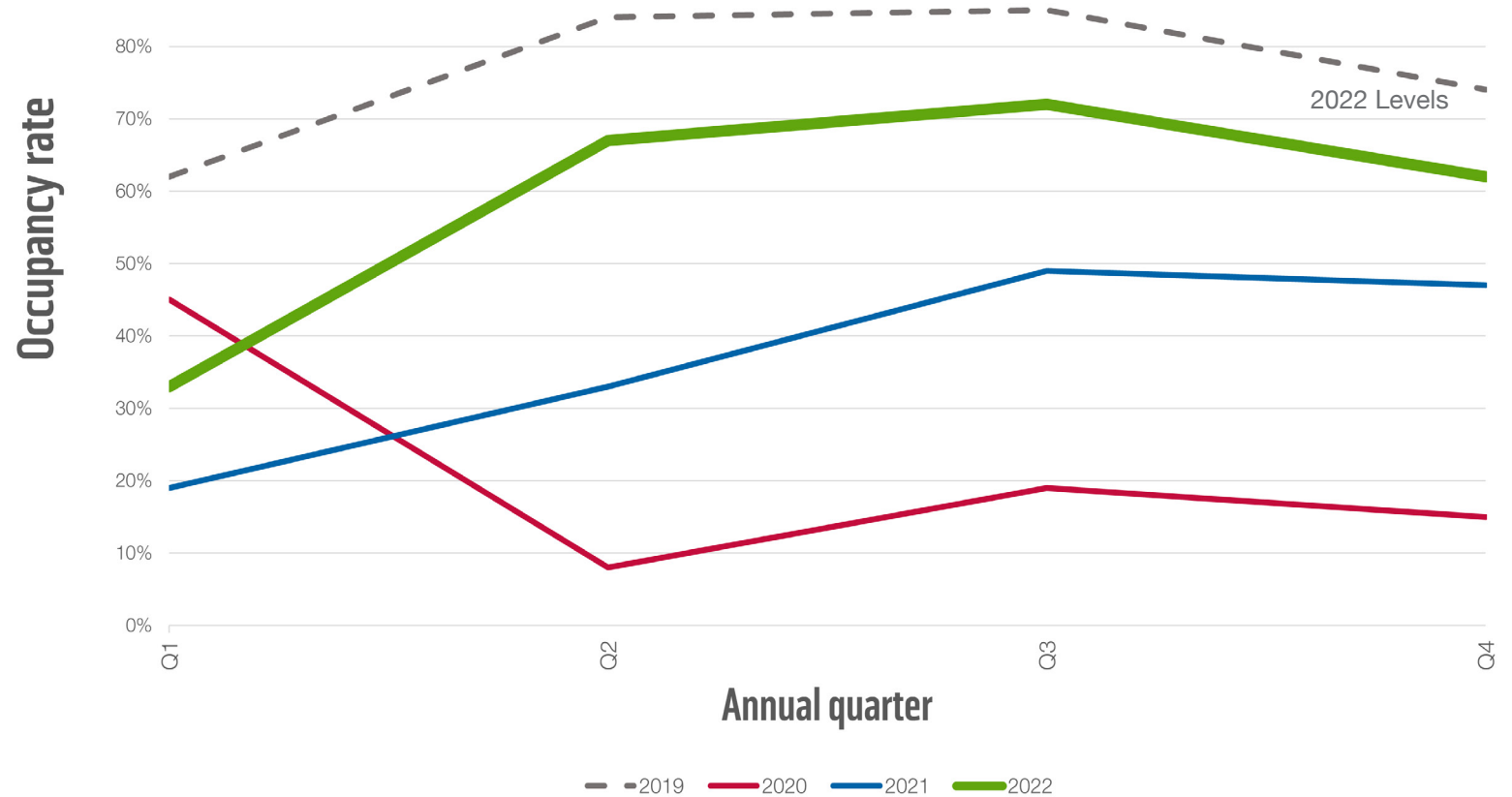
for Q4 2022

Previous year's average
quarterly rate

47%

for Q4 2021

Average 2022 occupancy rates follow pre-pandemic trends



Hotel occupancy continued to drive the Loop economy in quarter four of 2022.

Hotel occupancy in quarter four of 2022 remained high as the holiday season and downtown events brought Chicago residents and tourists to the Loop. The average occupancy rate for quarter four was 85% of 2019 levels which signify the sector's strength and importance in the Loop economy. While bitter cold and snowy weather may have caused some interruption to holiday travel and stays, the hotel sector has anecdotally reported consistent occupancy throughout the end of 2022.

Moving into the new year, the hotel sector will continue to be a leader in the economic well-being of the Loop economy attracting tourists and residents alike to come experience a slice of downtown Chicago.

Methodology:

Hotel data figures are based on the hotel room occupancy of fifteen hotels in the Chicago Loop. Figures are calculated and provided by STR, Inc.

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"The year ended well at our property after a strong leisure summer; we returned to a more business and corporate fall/winter, with average daily rates continuing to grow closer to 2019 levels,"



Pierre Giacotto
General Manager of The Blackstone Hotel, Autograph Collection

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OFFICE OCCUPANCY

OFFICE OCCUPANCY

Highest recovery rate measured

54%

week of December 12, 2022 compared to 2019 Levels

48%

average rate for Q4 compared to 2019 Levels

COMPARE TO:

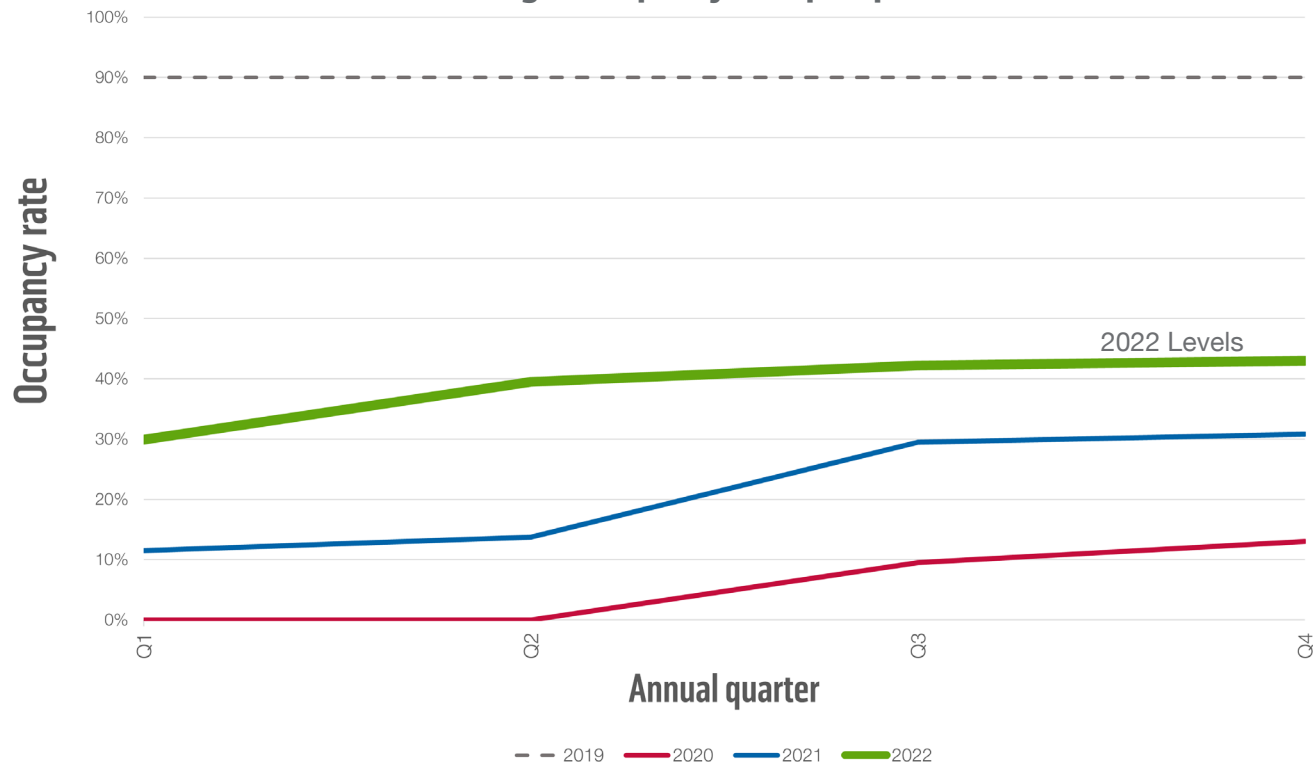
Previous quarter's average rate

42%
for Q3 2022

Previous year's average rate

31%
for Q4 2021

Average occupancy rate per quarter



Office occupancy on par with other major US cities and remained steady in Q4.

Office occupancy remained on track with other large metros like New York and Los Angeles during quarter four of 2022.

Hybrid work schedules and increased flexibility makes this data point confusing at times. Actual individuals going into offices is higher than office occupancy data suggests, due to more inconsistency for in-person days as many workers come in less days per week than pre-pandemic.

With pedestrian activity in the Loop reaching 85% of 2019 levels during quarter four, it remains

clear that other Loop industries are playing an increasingly critical part in the downtown recovery while office recovers more slowly at around 50%.

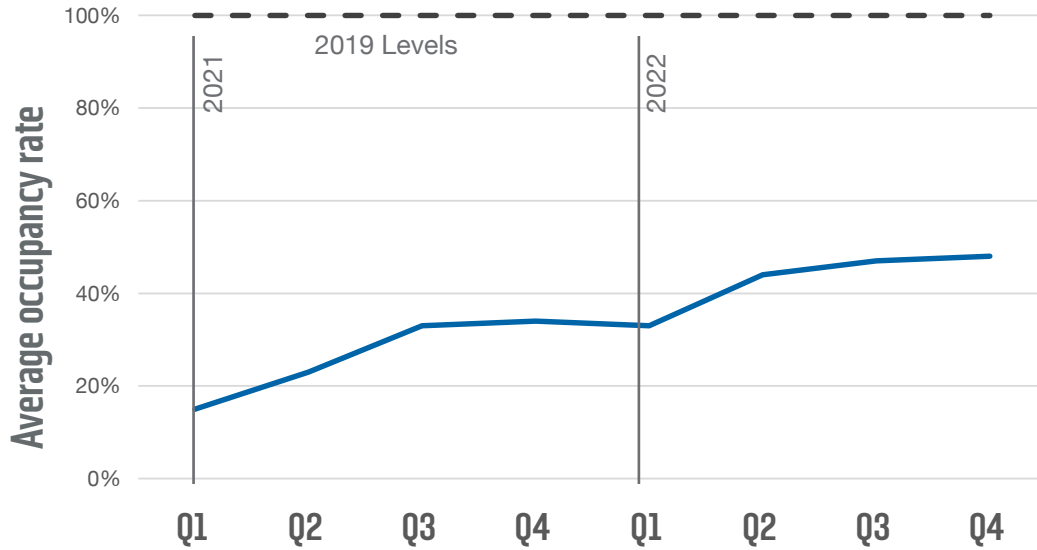
Additionally, the holiday season at the end of 2022 may have meant that many office workers spent less days in the office than during other quarters.

Methodology:

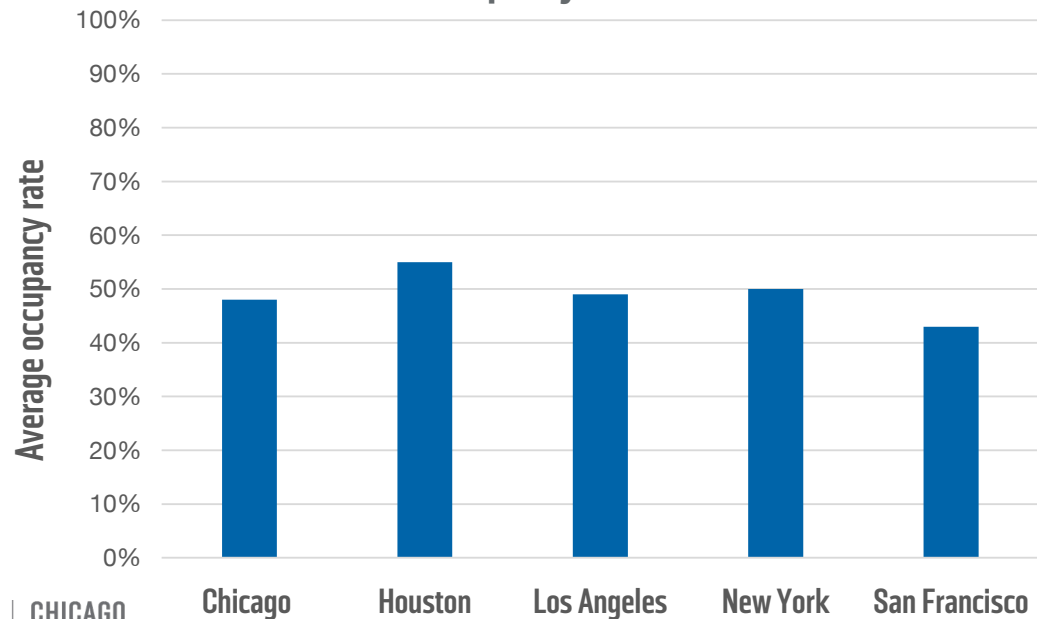
Occupancy data is for all of Chicagoland and comes from Kastle Systems International. It is calculated as the percentage of people physically in office buildings compared to the same week in 2019.

OFFICE OCCUPANCY

Average quarterly occupancy rate of 2019 grew in Q4 2022



Chicago on par with other major US cities for Q4 average office occupancy rate





Chicago Loop Alliance creates, manages,
and promotes positive and inclusive
programs that attract people to the Loop
and accelerate economic recovery.

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[Learn more at LoopChicago.com](http://LoopChicago.com)