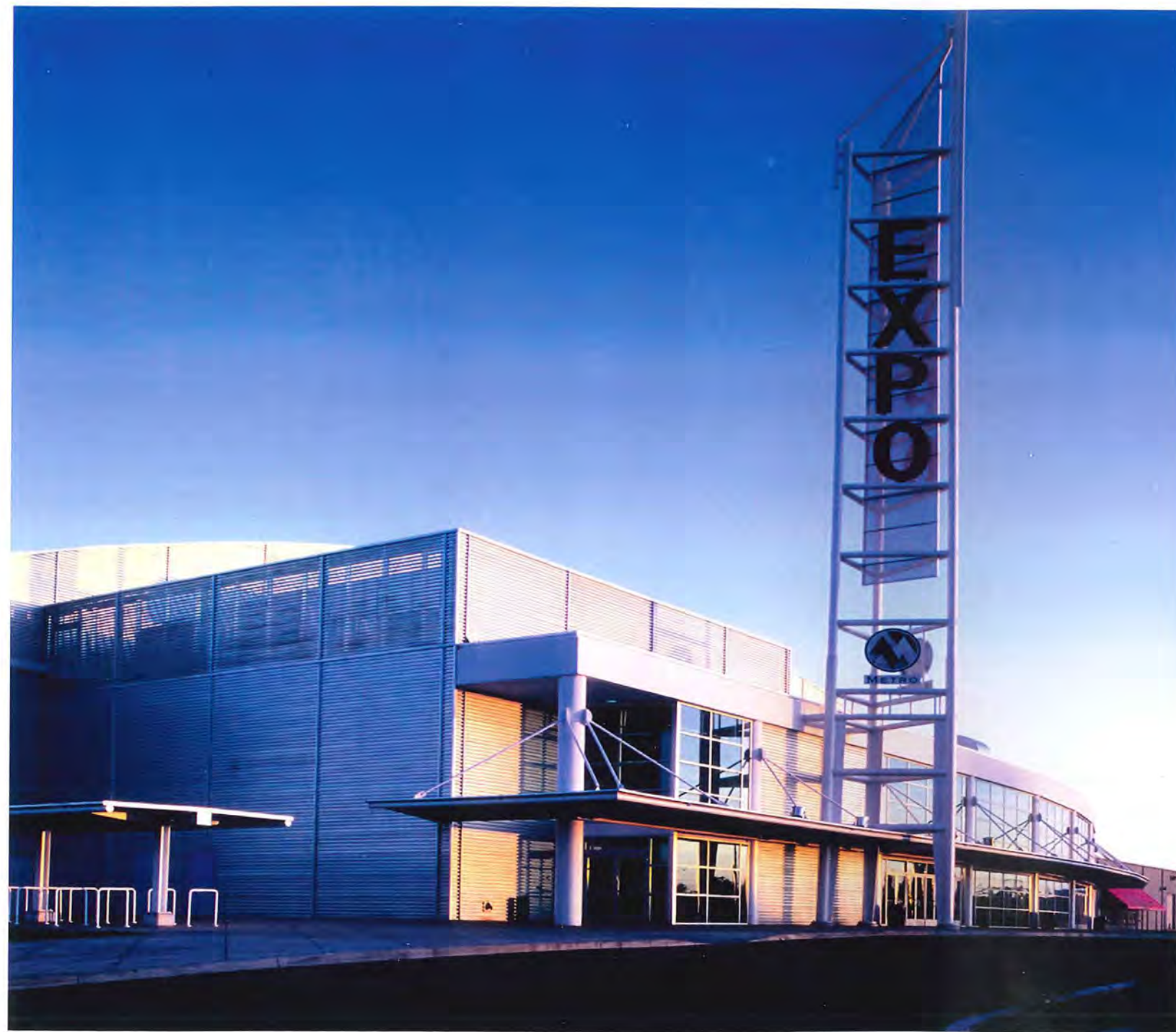


June, 2003



EXPO: A Vision for the Future





EXPO: A VISION FOR THE FUTURE

The Portland Metropolitan Exposition Center is Oregon's largest consumer and trade show facility. The 60-acre Expo site, which borders the I-5 Freeway and the North Portland Harbor of the Columbia River, includes four interconnected buildings with total exhibition space of nearly 330,000 square feet and meeting room space exceeding 7,500 square feet.

Expo Center is owned by Metro and managed by the Metropolitan Exposition-Recreation Commission (MERC), a commission of Metro, which also manages the Metro-owned Oregon Convention Center and the City-owned Portland Center for the Performing Arts. Expo Center was owned and operated by Multnomah County until 1994, when management was transferred to MERC, with ownership transferred to Metro in 1996.

The original buildings were constructed to house West Coast livestock expositions and were home to auctions and top regional rodeos. In 1965, Multnomah County purchased the property, remodeled and renamed the facilities the "Multnomah County Exposition Center." In 1969, the Expo Center site became the home of the County Fair and other events.

In the late 1970's, the County demolished a number of barns and refurbished the complex. These improvements, combined with a favorable rent structure and plentiful parking, generated growth of consumer and trade show bookings - the Expo Center's core business. Public expositions hosted by Expo Center include antiques, autos, boats, collectibles, home and garden, recreation, sports, trade shows and special events.

In 1997, Metro and MERC took the first steps in revitalizing the aging complex of buildings it inherited from Multnomah County. A series of fortuitous circumstances enabled Metro to fund and construct a new 108,000 square foot exhibition facility, Hall E, which opened in the spring of 1997. During the construction of Hall E, it became evident that a long-term vision for the Expo Center was needed. A vision planning document, *Expo: a Vision for the Future*, was created, calling for complete replacement of the remaining four older buildings: Halls A, B, C, and D, with modern facilities similar to Hall E. The planning concept proposed replacing the old buildings in phases, with Hall E being the first of three phases.

In 2000, Expo Center simultaneously undertook a conditional use master planning process and started construction on Phase 2, the replacement of Hall D. In March 2001, Hall D was completed as a new 112,000 square foot building comprised of 72,000 square feet of column-free exhibit space, a 5,000 square foot commercial kitchen and 8 meeting rooms. The conditional use master plan was approved by the City of Portland in June 2001, and it identifies future improvements related to Phase 3: the replacement of Halls A, B, and C and related enhancements.

The following pages provide an overview of the existing complex and a proposal for the replacement of Halls A, B and C in a long-term redevelopment vision. This vision was prepared by the Metropolitan Exposition-Recreation Commission with assistance from Yost Grube Hall Architecture. It anticipates up to a 500,000 square foot multi-use exposition facility with a direct connection to light rail.



Major expositions include the semi-annual RV show with over 100 vehicles and 20,000 visitors.



As the inaugural event for Hall E in 1997, the prestigious "America's Smithsonian" exhibition attracted over 420,000 visitors to Expo Center.



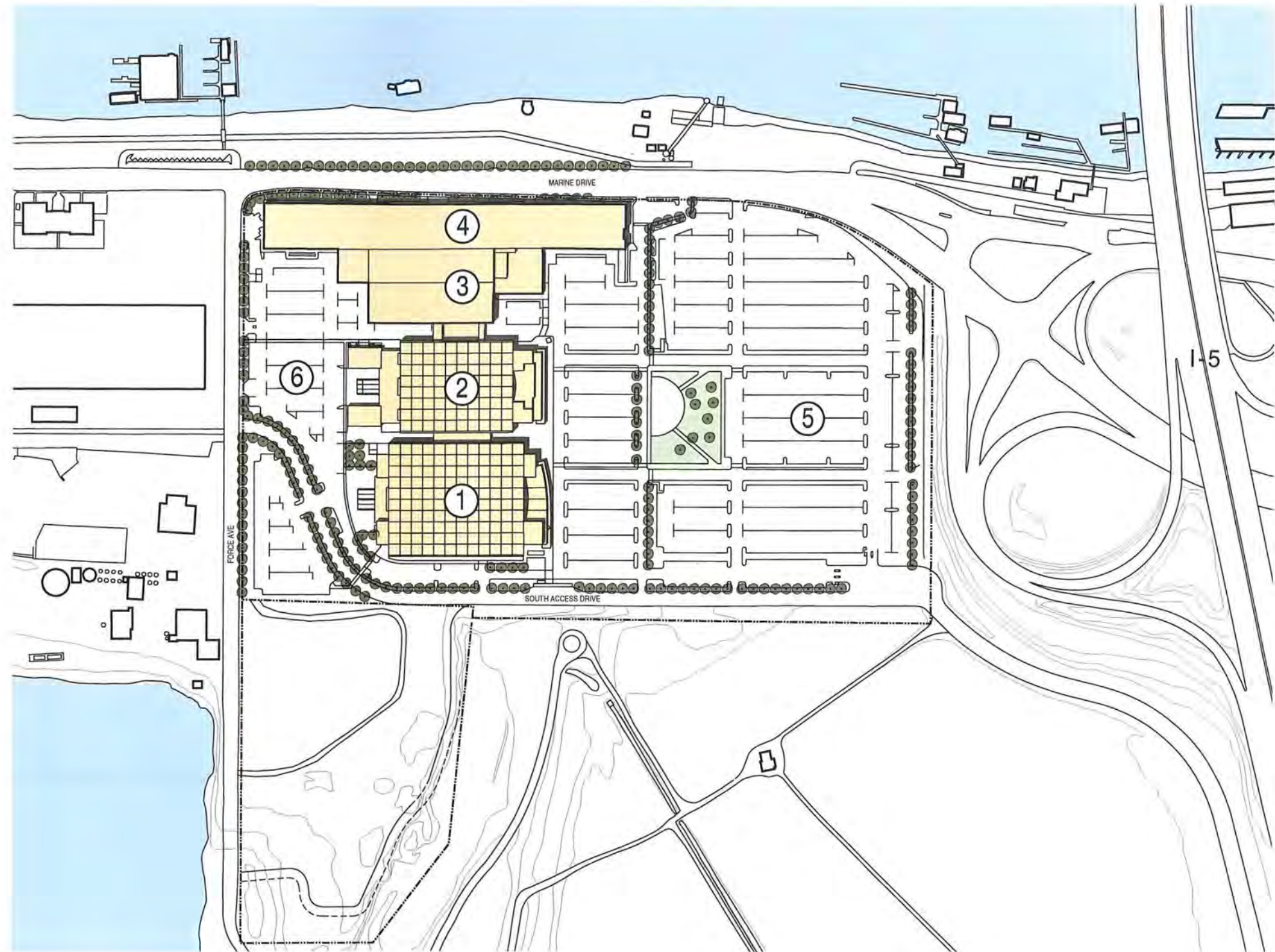
Halls D and E can serve a wide variety of functions from exhibitions to major events, including the Nike World Reunion which provided a sit-down dinner for over 2,500 guests in a "Track and Field" setting.

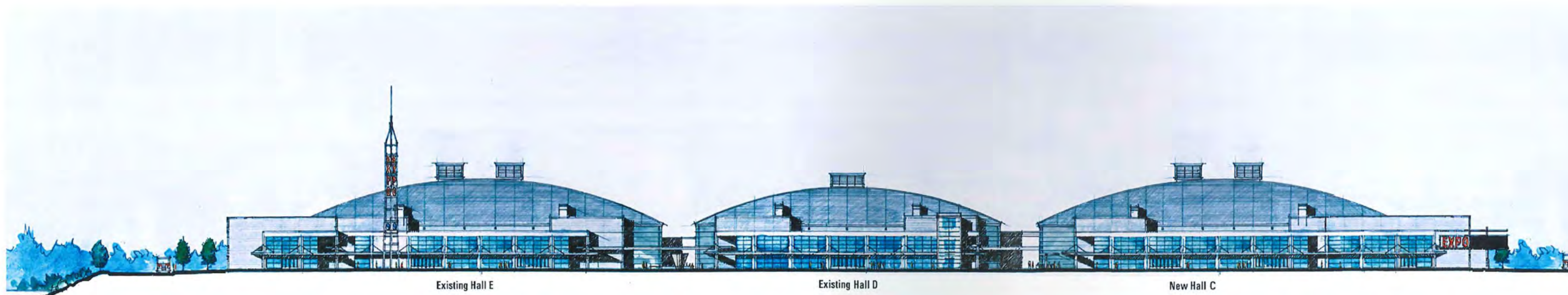
THE EXISTING FACILITY

Expo Center's recently completed Hall D joins Hall E to provide two state-of-the-art, column-free exhibition halls with conference, office and support facilities. These projects included extensive parking and site improvements. Earlier facilities were constructed between the 1920's and the early 1950's and are in need of upgrade or replacement to meet current building code and exhibition facility standards.

Existing Expo Center facilities include:

1. Hall E was completed in April, 1997. The divisible, column-free hall with floor utilities and HVAC includes an expansive lobby, ticket office, meeting rooms and a 4-bay loading dock with support space, totaling 138,000 square feet.
2. Hall D, completed in April, 2001, added 72,000 square feet of divisible column free exhibit hall with floor utilities and HVAC. Hall D includes 30,000 square feet housing a two-story lobby, a 5,000 square foot commercial kitchen, a ticket office, meeting rooms, and the centralized Expo Center administrative office. The support areas contain storage and a new loading dock.
3. Hall C, originally a rodeo arena, provides a 60,000 square foot wood framed exhibit area. This area lacks the utilities and climate control to meet current user requirements.
4. Hall A was the first structure on the site, built by the Pacific International Livestock Association in 1923. The addition of Halls B, C and East provide approximately 100,000 square feet of antiquated and deficient exhibit space. This portion of the facility also includes the Expo Center's operations office and related support space.
5. The east frontage visitor parking area currently accommodates approximately 1,600 vehicles. Pending completion of the Interstate Metropolitan Area Express (IMAX) in 2004, this area will be increased to accommodate approximately 1,800 vehicles.
6. The west frontage and service area provides loading areas and space for approximately 500 vehicles.





The main facade of the proposed development shows Halls C, D, and E flanked by Meeting Hall extensions on the north and south.



The proposed development will build on the success of Hall D by including seminar and meeting rooms in proximity to the main exhibit halls.

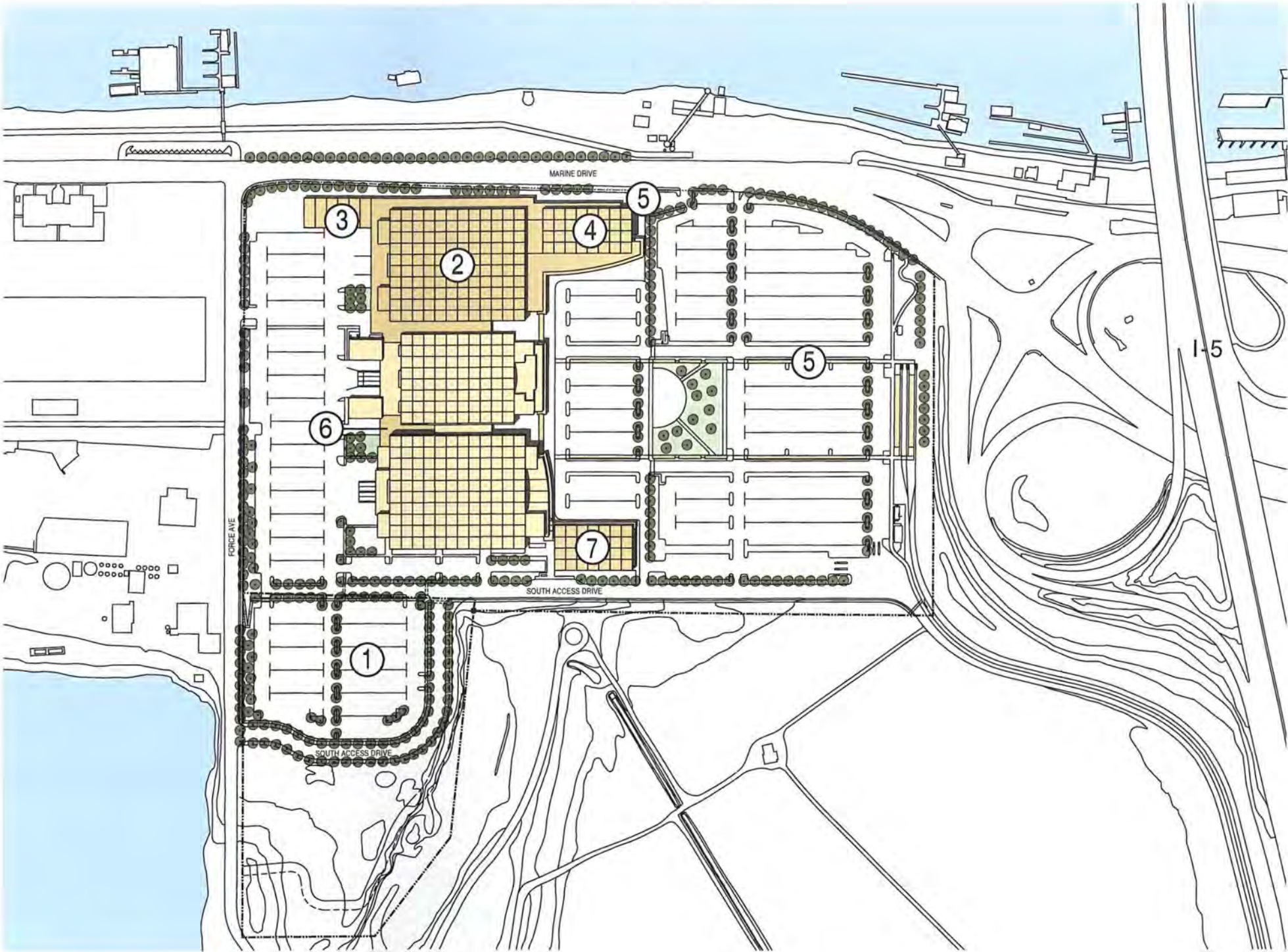


A two story lobby at the new hall will be similar to the Hall D lobby.

PROPOSED DEVELOPMENT

The current proposal will replace the outdated facilities of Halls A, B, C, and East and West Halls with 255,000 square feet of new facilities including an exhibit hall, meeting rooms, support facilities, landscaping and related improvements. The proposed Expo Center facilities and improvements to be developed include:

- 1. Development on the southwest portion of the site will provide new and replacement parking as well as the realignment of South Access Drive.
- 2. A new exhibit hall totalling 165,000 square feet will mirror Hall E. The main divisible exhibit hall will provide 108,000 square feet of column-free space with floor utilities, HVAC and 4,200 square feet of meeting rooms that are directly accessible from the exhibit hall floor. Additionally, a 9,000 square foot lobby and 5,700 square feet of meeting rooms will adjoin the main hall.
- 3. A new Northwest Support Building will replace West Hall and a portion of Hall B with 15,000 square feet for operations and concessions/catering offices as well as storage space.
- 4. New Northeast Meeting Rooms to the east of the new exhibition hall will add 28,800 square feet of divisible meeting rooms with 9,300 square feet of lobby space and 5,300 square feet of support space.
- 5. A second east/west canopy will complete the covered walkway project from the IMAX station to the facilities, and an electronic signage board on Marine Drive will be built.
- 6. A covered/enclosed connector will provide a continuous support spine connecting the new exhibit hall to Hall E with 6,100 square feet of circulation space.
- 7. New Southeast Meeting Rooms to the east of Hall E will add 16,200 square feet of divisible meeting rooms with 3,000 square feet of lobby and 5,700 square feet of support spaces.





Full development of the Expo Center will create a multi-use exhibition facility of as much as 500,000 square feet that will attract world class exhibitions and events to the metro region.

THE PROPOSED DEVELOPMENT AND COST

The proposed development primarily includes replacement of eighty-year old structures with a new exhibit hall, meeting rooms, support facilities, landscaping and related improvements. The replacement is centered upon a large exhibition hall similar to Hall E and meeting room features similar to Hall D. Two new meeting room "wings" will offer divisible meeting space in a variety of sizes and a Northwest Support Building will provide service offices and storage.

Proposed Development Items and Estimated Construction Cost:

1.	Southwest Parking Lot and road realignment	\$ 1,568,000
2.	Exhibit Hall, lobby, meeting rooms and support	\$ 18,995,000
3.	Northwest Support Building	\$ 1,376,000
4.	Northeast Meeting Rooms	\$ 6,006,000
5.	IMAX walkway canopy and electronic signage	\$ 345,000
6.	Covered/enclosed exhibit halls connector	\$ 628,000
7.	Southeast Meeting Rooms	\$ 3,518,000

Estimated Construction Cost \$ 32,436,000*

* Individual item estimates include as appropriate demolition, utilities, site work and landscaping, etc.



The proposed development will build on the recent successes of Hall E and Hall D

DEVELOPMENT ITEM PRIORITY AND PHASING

It is anticipated that the development items shown on the preceding page will be completed in prioritized groups as illustrated in the table below. The Southwest Parking Lot would be the first item to be developed, followed the Exhibit Hall and its related items, etc. Soft costs (fees, permits, surveys, inspections, testing, 1% art and contingency, etc.) have been allocated as a percentage of the estimated construction costs.

The lower table illustrates the estimated costs of the prioritized groups through 2010 based on a 3% per year escalation.

Prioritized Group Development Items and Soft Costs

Priority	Development Item No.	Description	Building Area Square Feet	Construction Costs	Soft Cost	Total
1	Development Item 1	Southwest Parking Lot and road realignment		\$ 1,568,000	\$ 202,000	\$ 1,770,000
2	Development Item 2	Exhibition Hall, lobby, and meeting rooms	165,418	\$ 18,995,000	\$ 2,450,000	\$ 21,445,000
	Development Item 3	Northwest Support Building	15,000	\$ 1,376,000	\$ 178,000	\$ 1,554,000
	Development Item 4	Northeast Meeting Rooms	43,440	\$ 6,006,000	\$ 77,500	\$ 6,083,500
		Subtotal	223,858	\$ 26,377,000	\$ 3,403,000	\$ 29,780,000
3	Development Item 5	IMAX walkway canopy and electronic sign		\$ 345,000	\$ 45,000	\$ 390,000
4	Development Item 6	Covered/enclosed exhibit hall connector	6,100	\$ 628,000	\$ 81,000	\$ 709,000
5	Development Item 7	Southeast Meeting Rooms	24,900	\$ 3,518,000	\$ 454,000	\$ 3,972,000
		Totals	254,858	\$ 32,436,000	\$ 4,185,000	\$ 36,621,000

Estimated Priority Group Costs Over Time

Priority	2003	2004	2005	2006	2007	2008	2009	2010
1	\$ 1,770,000	\$ 1,823,100	\$ 1,877,793	\$ 1,934,127	\$ 1,992,151	\$ 2,051,915	\$ 2,113,473	\$ 2,176,877
2	\$ 29,780,000	\$ 30,673,400	\$ 31,593,602	\$ 32,541,410	\$ 33,517,652	\$ 34,523,182	\$ 35,558,877	\$ 36,625,644
3	\$ 390,000	\$ 401,700	\$ 413,751	\$ 426,164	\$ 438,948	\$ 452,117	\$ 465,680	\$ 479,651
4	\$ 709,000	\$ 730,270	\$ 752,178	\$ 774,743	\$ 797,986	\$ 821,925	\$ 846,583	\$ 871,981
5	\$ 3,972,000	\$ 4,091,160	\$ 4,213,895	\$ 4,340,312	\$ 4,470,521	\$ 4,604,637	\$ 4,742,776	\$ 4,885,059
Totals	\$ 36,621,000	\$ 37,719,630	\$ 38,851,219	\$ 40,016,755	\$ 41,217,258	\$ 42,453,776	\$ 43,727,389	\$ 45,039,211