PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 22, 2021

NEW ISSUE –COMPETITIVE
SALE DATE: MARCH 2, 2021

BOOK-ENTRY ONLY

City of Portland, Oregon

$51,815,000*
Limited Tax Revenue Refunding Bonds
2021 Series A
(Oregon Convention Center Completion Project)

$36,495,000*
Limited Tax Revenue Refunding Bonds
2021 Series B
(Public Improvement Projects)

BASE CUSIP: 736740

DATED: Date of Delivery **DUE:** June 1, as shown on inside cover

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

Ratings	Moody's Investors Service: Aaa
Tax Status	In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel ("Bond Counsel") to the City of Portland (the "City"), under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2021 Series A Bonds and the 2021 Series B Bonds (collectively, the "Bonds") is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In the opinion of Bond Counsel, interest on the Bonds is exempt from State of Oregon personal income tax under existing law. See "TAX MATTERS" herein.
Security	The City has pledged its full faith and credit and taxing power within the limits of Article XI, Section 11 and 11b of the Oregon Constitution to pay the Bonds, and the City is obligated to pay the Bonds from lawfully available funds. See "THE BONDS – SECURITY AND SOURCES OF PAYMENT" herein.
Purpose	Proceeds of the 2021 Series A Bonds will be used to: (a) currently refund all or a portion of the City's outstanding Limited Tax Revenue Refunding Bonds, 2011 Series A (Oregon Convention Center Completion Project); and (b) pay costs of issuance of the 2021 Series A Bonds. Proceeds of the 2021 Series B Bonds will be used to (a) repay the balance on a line of credit that financed the costs of carrying out the urban renewal plan for the City's River District Urban Renewal Area; (b) repay the balance on a line of credit that financed the reconstruction of and technology for the Portland Building; (c) currently refund all or a portion of the City's outstanding Limited Tax Revenue Bonds, 2011 Series B (Emergency Coordination Center Project); and (d) pay costs of issuance of the 2021 Series B Bonds. See "THE BONDS – AUTHORIZATION AND PURPOSE" herein.
Interest Payment Dates	June 1 and December 1, commencing June 1, 2021.
Principal Payment Dates	June 1, as shown on inside cover.
Denominations	$5,000 and any integral multiple thereof.
Optional Redemption	The 2021 Series A Bonds are not subject to redemption prior to maturity. The 2021 Series B Bonds maturing on or after June 1, 2032, are subject to redemption at the option of the City on June 1, 2031, or any date thereafter at a price of par.
Closing/Settlement	It is expected that delivery of the Bonds will be made on or about March 16, 2021.
Book-Entry System	The Depository Trust Company.
Bond Counsel	Hawkins Delafield & Wood LLP, Portland, Oregon.
Paying Agent	U.S. Bank National Association.

* Preliminary, subject to change.

MATURITY SCHEDULE

CITY OF PORTLAND, OREGON

$51,815,000*
Limited Tax Revenue Refunding Bonds
2021 Series A
(Oregon Convention Center Completion Project)

Due June 1	Principal Amount*	Interest Rate	Yield	Price	CUSIP No. Ψ 736740
2022	$1,505,000	%	%		
2023	4,565,000				
2024	5,590,000				
2025	5,875,000				
2026	6,175,000				
2027	6,470,000				
2028	6,800,000				
2029	7,235,000				
2030	7,600,000				

* Preliminary, subject to change.

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MATURITY SCHEDULE

CITY OF PORTLAND, OREGON

$36,495,000*
Limited Tax Revenue Refunding Bonds
2021 Series B
(Public Improvement Projects)

Due June 1	Principal Amount*	Interest Rate	Yield	Price	CUSIP No. Ψ 736740
2022	$555,000	%	%		
2023	1,530,000				
2024	1,605,000				
2025	1,685,000				
2026	1,770,000				
2027	1,410,000				
2028	1,475,000				
2029	1,555,000				
2030	1,630,000				
2031	1,710,000				
2032	1,800,000				
2033	1,865,000				
2034	1,945,000				
2035	2,025,000				
2036	2,100,000				
2037	2,185,000				
2038	2,275,000				
2039	2,365,000				
2040	2,455,000				
2041	2,555,000				

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OFFICIAL STATEMENT

OF THE

CITY OF PORTLAND, OREGON

MULTNOMAH, WASHINGTON AND CLACKAMAS COUNTIES

STATE OF OREGON

$51,815,000*
Limited Tax Revenue Refunding Bonds
2021 Series A
(Oregon Convention Center Completion Project)

$36,495,000*
Limited Tax Revenue Refunding Bonds
2021 Series B
(Public Improvement Projects)

CITY COUNCIL

Ted Wheeler,
Mayor and Commissioner of Office of Management and Finance

Carmen Rubio, Commissioner No. 1
Dan Ryan, Commissioner No. 2
Jo Ann Hardesty, Commissioner No. 3
Mingus Mapps, Commissioner No. 4

CITY OFFICIALS

Mary Hull Caballero, City Auditor
Brigid O'Callaghan, City Treasurer
Robert L. Taylor, Interim City Attorney
Tom Rinehart, Chief Administrative Officer
Michelle Kirby, Chief Financial Officer

DEBT MANAGEMENT

Matthew Gierach, Debt Manager
City of Portland
1120 SW Fifth Avenue, Room 1040
Portland, Oregon 97204
Phone: (503) 823-6822
Matthew.Gierach@portlandoregon.gov

BOND COUNSEL

Hawkins Delafield & Wood LLP
Portland, Oregon

FINANCIAL ADVISOR

PFM Financial Advisors LLC
Portland, Oregon

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* Preliminary, subject to change.

CITY OF PORTLAND, OREGON

1851

Information Concerning the Official Statement

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City.

This Preliminary Official Statement has been "deemed final" as of its date by the City, except for the omission of offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates and other terms of the Bonds depending on such matters, in accordance with Rule 15c2-12(b)(i) under the Securities Exchange Act of 1934, as amended.

This Official Statement speaks only as of its date, and the information contained herein is subject to change without notice. Certain statements contained in this Official Statement are projections, forecasts and other statements about future events. These statements ("Forward Looking Statements") are not statements of historical facts and no assurance can be given that the results shown in these Forward Looking Statements will be achieved. Any such Forward Looking Statements inherently are subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated or projected. Such risks and uncertainties include, among others, public health emergencies, such as the COVID-19 pandemic, changes in social and economic conditions, federal, state and local statutory and regulatory initiatives, litigation, population changes, seismic events and various other events, conditions and circumstances, many of which are beyond the control of the City. See "FORWARD LOOKING STATEMENTS." All estimates set forth herein have been made on the best information available and are believed to be reliable, but no representations whatsoever are made that such estimates are correct. So far as any statements herein involve any matters of opinion, whether or not expressly so stated, they are intended merely as such and are not representations of fact.

This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of, the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon a specific exemption contained in such act, nor have the Bonds been registered under the securities laws of any state.

In making an investment decision, potential investors must rely on their own examination of the City and the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

Any references to any website mentioned in this Official Statement are not hyperlinks and do not incorporate such websites by reference. The City maintains a website. However, the information presented on such website is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

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APPENDICES:

OFFICIAL NOTICE OF BOND SALE

$51,815,000*
City of Portland, Oregon
Limited Tax Revenue Refunding Bonds
2021 Series A
(Oregon Convention Center Completion Project)

NOTICE IS HEREBY GIVEN that the City of Portland, Oregon (the "City") is soliciting bids to purchase its Limited Tax Revenue Refunding Bonds, 2021 Series A (Oregon Convention Center Completion Project) (the "2021 Series A Bonds") until 8:00 a.m. Prevailing Pacific Time on:

March 2, 2021

Bids must be submitted electronically via ***PARITY*** in accordance with this Notice in the manner described below.

Potential bidders for the 2021 Series A Bonds should read the preliminary official statement for the 2021 Series A Bonds and this Notice in their entirety before submitting bids.

SECURITY: The 2021 Series A Bonds will be full faith and credit obligations of the City. The 2021 Series A Bonds are payable from the City's Available General Funds, as described in the preliminary official statement for the 2021 Series A Bonds.

RATING: Moody's Investors Service, Inc. has assigned a rating of Aaa on the 2021 Series A Bonds.

DATED DATE AND DELIVERY DATE: The 2021 Series A Bonds will be dated as of their date of delivery. Bidders should use March 16, 2021, the expected date of delivery of the 2021 Series A Bonds, for purposes of computing their bids.

INTEREST PAYMENTS AND MATURITIES: Interest on the 2021 Series A Bonds is payable semiannually on June 1 and December 1 of each year until maturity, commencing on June 1, 2021. The 2021 Series A Bonds will be issued in the principal amount of $51,815,000*, and will mature on the following dates in the following principal amounts (subject to adjustment as noted below):

* Preliminary, subject to change.

Bidding Maturity Schedule	
Due June 1	Principal Amount ($)
2022	1,505,000
2023	4,565,000
2024	5,590,000
2025	5,875,000
2026	6,175,000
2027	6,470,000
2028	6,800,000
2029	7,235,000
2030	7,600,000

The maturity schedule above assumes that the winning bidder will use five percent (5.000%) coupon interest rates. Principal amounts will be adjusted after the sale as described under the heading "ADJUSTMENT OF MATURITIES."

ADJUSTMENT OF MATURITIES: The City reserves the right to adjust the principal amounts specified in the bidding maturity schedule within 4 hours following receipt of bids to properly size the issue. The City will adjust maturities so that proceeds for the 2021 Series A Bonds are approximately $63,700,000. If the City adjusts the principal amount, the price to be paid to the City by the winning bidder will be adjusted in a manner that preserves the winning bidder's percentage net compensation. Notice of any adjustment will be given to the winning bidder promptly.

TERM BONDS: Bidders may designate one or more term bonds, which consist of two or more consecutive maturities with identical interest rates, which mature on the maturity date of the last of the consecutive maturities in an amount equal to the sum of the consecutive maturities, and which are subject to mandatory redemption at par and by lot in amounts equal to the consecutive maturities which were combined into term bonds. Each bidder should specify in its bid whether term bonds are desired.

OPTIONAL REDEMPTION: The 2021 Series A Bonds are not subject to optional redemption prior to maturity.

RIGHT TO CANCEL, CHANGE TIMING AND TERMS OF SALE: The City reserves the right to change the sale date, maturity date, amount, timing, terms under which the 2021 Series A Bonds are offered for sale, to postpone the sale to a later date, to cancel the sale based upon market conditions, or to otherwise amend this Notice. Notice of any changes will be communicated through i-Deal Prospectus, The Municipal Market Monitor (TM3), or Bloomberg News.

INTEREST RATE AND BID CONSTRAINTS: Bidders must specify the interest rate or rates which the 2021 Series A Bonds will bear. The bids must comply with the following conditions:

(1) the interest rate specified for each maturity must be a multiple of one-eighth or one-twentieth of one percent (i.e. 0.125% or 0.050%)

(2) the maximum interest rate per maturity of the 2021 Series A Bonds cannot exceed five percent (5.000%);

(3) each maturity must be reoffered at an interest rate and yield that will produce a price of not less than ninety-eight percent (98.000%) of the principal amount for that maturity;

(4) each 2021 Series A Bond that matures on the same date will bear interest from its date to its stated maturity date at a single, fixed interest rate;

(5) no bid will be considered that does not offer to purchase all of the maturities of the 2021 Series A Bonds;

(6) no bid will be accepted which results in a true interest cost of more than three percent (3.000%) per annum.

PURCHASE PRICE CONSTRAINTS: Bidders must specify a purchase price of not less than one hundred percent (100.00%) of the aggregate principal amount of the 2021 Series A Bonds.

BASIS OF AWARD: Except as provided in this Notice, the 2021 Series A Bonds will be awarded to the bidder whose bid produces the lowest overall true interest cost for the City. The true interest cost for the 2021 Series A Bonds will be determined by doubling the semi-annual interest rate necessary to discount the debt service on the 2021 Series A Bonds to March 16, 2021, the expected date of delivery of the 2021 Series A Bonds, and to the aggregate purchase price bid for the 2021 Series A Bonds. Each bidder is requested to supply the total interest cost and the true interest cost that the City will pay on the 2021 Series A Bonds if the bid is accepted. Bids will be publicly announced and will be considered and acted upon by the City within 4 hours after the sale.

BIDS MUST BE SUBMITTED ON "PARITY": Bids must be submitted electronically via ***PARITY***. Bids must be received by the ***PARITY*** system not later than the date and time indicated in the first paragraph of this Notice. No bid will be received after the time for receiving bids specified above. For further information about submitting a bid using ***PARITY***, potential bidders may contact ***PARITY*** at (212) 849-5021. To the extent any instructions or directions set forth in ***PARITY*** conflict with this Notice, the terms of this Notice will control. Bidders must obtain access to the ***PARITY*** system and bear all risks associated with using that system, including errors and delays in receipt of bids.

GOOD FAITH DEPOSIT: The winning bidder must provide a good faith deposit to the City in the amount of $518,150 (1.00% of the principal amount as shown in this Official Notice of Bond Sale for the 2021 Series A Bonds) not later than 1:00 p.m. Prevailing Pacific Time, March 2, 2021 (the sale date). The deposit must be provided in the form of (a) a wire transfer to the account of the City designated by the City at the time of award, or (b) a certified or cashier's check drawn on a bank doing business in the State of Oregon. If the good faith deposit is not provided in the manner and by the time indicated in this Notice, the City may award the sale to the next most favorable bidder or may cancel the sale. The good faith deposit will be forfeited to the City as liquidated damages if the bidder to whom the 2021 Series A Bonds are awarded withdraws its bids or fails to complete its purchase in accordance with the terms of its bid and this Notice. No interest will be allowed on the good faith deposit and the good faith deposit will be retained as part payment of the 2021 Series A Bonds or for liquidated damages as described in this Notice. The City will be entitled to retain for the sole and exclusive use and benefit of the City all investment earnings derived from each good faith deposit prior to the delivery of the 2021 Series A Bonds, and in no event will the winning bidder be entitled to any such investment earnings (whether by means of a credit or otherwise).

RIGHT OF REJECTION: The City reserves the right to reject any or all bids and to waive any irregularities.

BOOK-ENTRY-ONLY: The 2021 Series A Bonds will be issued in registered, book-entry-only form through DTC. Unless the book-entry system is discontinued, 2021 Series A Bond principal and interest payments will be made by the City to DTC through the City's paying agent and registrar, which is currently U.S. Bank National Association.

STANDARD FILINGS AND CHARGES: The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to Municipal Securities Rulemaking Board ("MSRB") Rules G-8, G-11, and G-36. The winning bidder will be required to pay the standard MSRB charge for the 2021 Series A Bonds purchased. In addition, if the winning bidder is a member of the Securities Industry and Financial Markets Association ("SIFMA") it will be required to pay SIFMA's standard charges.

PURPOSE: The 2021 Series A Bonds are being issued to currently refund all or a portion of the City's outstanding Limited Tax Revenue Refunding Bonds, 2011 Series A (Oregon Convention Center Completion Project), and to pay costs of issuance related to the 2021 Series A Bonds.

OBLIGATION OF WINNING BIDDER TO ASSIST IN ESTABLISHING ISSUE PRICE AND TO DELIVER AN ISSUE PRICE CERTIFICATE AT CLOSING: By submitting a bid, each bidder is certifying that it is an underwriter of municipal bonds who has an established industry reputation for underwriting new issuances of municipal bonds, and that its bid is a firm offer to purchase the 2021 Series A Bonds and is not a "courtesy bid" being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the "issue price" of the 2021 Series A Bonds pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirements"). Prior to the formal award of the sale, and promptly after bids for the 2021 Series A Bonds are due, the winning bidder will provide the City with the reoffering prices and yields (the "Initial Reoffering Prices"). The City will advise the winning bidder at that time if the Competitive Sale Requirements were met. Bids are not subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.

Hold-the-Offering-Price. If the City has informed the winning bidder that the Competitive Sale Requirements are not met, the winning bidder:

(a) will offer the 2021 Series A Bonds to the public at the Initial Reoffering Prices and provide Bond Counsel with reasonable supporting documentation prior to the delivery of the 2021 Series A Bonds, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(b) will neither offer nor sell to any person any 2021 Series A Bonds within any maturity for which less than ten percent (10%) of such maturity has been sold to the public at the Initial Reoffering Prices as of the date of award at a price that is higher, or a yield that is lower, than the Initial Reoffering Price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the 2021 Series A Bonds of such maturity at a price that is no higher, or a yield that is no lower, than the Initial Reoffering Price of such maturity or (ii) the close of business on the 5th business day after the date of the award of the 2021 Series A Bonds , and

(c) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement or any similar document (to which the winning bidder is a party) relating to the initial sale of the 2021 Series A Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the 2021 Series A Bonds as set forth in (a) and (b) above.

For purposes of this Notice, a "maturity" refers to 2021 Series A Bonds that have the same interest rate, credit and payment terms.

For purposes of this Notice, the "public" does not include (i) the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the 2021 Series A Bonds to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the 2021 Series A Bonds to the public), or (ii) any entity that is a "related party" to an entity identified in (i).

Two entities are "related parties" if the entities are subject, directly or indirectly, to more than fifty percent (50 %) common ownership of (i) the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Regardless of whether or not the Competitive Sale Requirements were met, the winning bidder will submit to the City a certificate (the "Issue Price Certificate"), satisfactory to

Bond Counsel and the winning bidder, prior to the delivery of the 2021 Series A Bonds substantially in the form attached to this Notice.

The City acknowledges that, in making any representations as set forth above regarding the Hold-the-Offering-Price rule, the winning bidder will rely on (i) the agreement of each underwriter to comply with the Hold-the-Offering-Price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2021 Series A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the 2021 Series A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter will be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price rule and that no underwriter will be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price rule as applicable to the 2021 Series A Bonds.

LEGAL OPINION: The approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel, of Portland, Oregon, will be provided in the form attached to the preliminary official statement at no cost to the purchasers.

TAX-EXEMPT STATUS**:** In the opinion of Bond Counsel, under existing law and conditioned on the City complying with certain covenants relating to the tax-exempt status of the 2021 Series A Bonds, interest on the 2021 Series A Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, as provided in greater detail under "TAX MATTERS" in the preliminary official statement for the 2021 Series A Bonds. In the opinion of Bond Counsel, interest on the 2021 Series A Bonds is exempt from Oregon personal income tax under existing law.

DELIVERY AND PAYMENT: The City will deliver the 2021 Series A Bonds through the facilities of DTC. The winning bidder must pay for the 2021 Series A Bonds in funds immediately available to the City on the date and at the time of closing. Delivery of the 2021 Series A Bonds will be made within 30 days after the sale and is expected to occur on March 16, 2021.

PRELIMINARY OFFICIAL STATEMENT AND QUESTIONS: The preliminary official statement for the 2021 Series A Bonds will be provided upon request by Matthew Gierach, the City's Debt Manager, or Patricia Tigue, the City's Principal Debt Analyst, at the City's Office of Management and Finance, 1120 SW Fifth Avenue, Room 1040, Portland, Oregon 97204, email matthew.gierach@portlandoregon.gov, telephone (503) 823-6822, or patricia.tigue@portlandoregon.gov, telephone (503) 823-5580. The preliminary official statement for the 2021 Series A Bonds may also be obtained from i-Deal Prospectus at www.i-dealprospectus.com. For more information on electronic delivery, please call i-Deal Prospectus at (212) 849-5024. Potential bidders should address any questions about the 2021 Series A Bonds and the City to Matthew Gierach. Any questions concerning ***PARITY*** should be directed to (212) 849-5021.

FINAL OFFICIAL STATEMENT; COMPLIANCE WITH SEC RULES: The City will distribute the final official statement for the 2021 Series A Bonds through i-Deal Prospectus. Bidders should expect that the final official statement will be published not later than five business days following the sale date and should not issue confirmations which request payment prior to that date. This paragraph will constitute a contract with the winning bidder upon acceptance of their bids by the City, in compliance with Section 240.15c2-12(b)(3) in Chapter II of Title 17 of the Code of Federal Regulations (the "Rule").

CONTINUING DISCLOSURE: The City will enter into an undertaking to provide ongoing disclosure for the benefit of the owners of the 2021 Series A Bonds as required by the Rule, in substantially the form shown in the preliminary official statement for the 2021 Series A Bonds.

BOND INSURANCE: The City prefers that bidders not purchase bond insurance for the 2021 Series A Bonds. The City has not qualified the 2021 Series A Bonds for bond insurance will not enter into additional agreements for the benefit of bond insurers. Failure to deliver a bond insurance policy will not excuse the winning bidder from purchasing the 2021 Series A Bonds.

CUSIP: It is anticipated that CUSIP identification numbers will be printed on the 2021 Series A Bonds; however, neither the failure to print CUSIP numbers on any 2021 Series A Bond nor any error with respect thereto will constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the 2021 Series A Bonds. The City's Financial Advisor will request CUSIP numbers prior to the sale date for the 2021 Series A Bonds. The charge of the CUSIP Service Bureau shall be paid by the winning bidder.

CLOSING CERTIFICATES: At the time of payment for the delivery of the 2021 Series A Bonds, the City will certify that no litigation is pending that may adversely affect the validity of the 2021 Series A Bonds, and that to the City's knowledge the final official statement for the 2021 Series A Bonds does not contain any material misstatements or omissions.

By order of the City of Portland, Oregon

FORM OF ISSUE PRICE CERTIFICATE

$[Series A Principal]
City of Portland, Oregon
Limited Tax Revenue Refunding Bonds
2021 Series A (Oregon Convention Center Completion Project)

[NAME OF WINNING BIDDER], as the [lead] underwriter and winning bidder (the "**Winning Bidder**") in connection with the competitive sale by the City of Portland, Oregon (the "**Issuer**") of its $[Series A Principal] aggregate principal amount General Obligation Bonds, 2021 Series A (Oregon Convention Center Completion Project) (the "**Bonds**") pursuant to the Official Notice of Bond Sale published on February 18, 2021 (the "**Notice of Bond Sale**"), hereby certifies as follows:

[the following (1)-(4) to be used if competitive sale requirements are met]

1. The Winning Bidder reasonably expected to reoffer the Bonds on March 2, 2021 to the Public at the prices or yields set forth in the Issuer's final Official Statement relating to the Bonds (the "**Official Statement**").

2. Schedule A is a true and correct copy of the bid provided by the Winning Bidder to purchase the Bonds.

3. The Winning Bidder was not given the opportunity to review other bids prior to submitting its bid.

4. The bid submitted by the Winning Bidder constituted a firm offer to purchase the Bonds.

[the following (1)-(4) to be used if competitive sale requirements are not met]

1. As of March 2, 2021 (the "**Sale Date**"), all of the Bonds have been the subject of an offering to the Public at the prices or yields set forth in the Issuer's Official Statement relating to the Bonds (the "**Official Statement**").

2. Attached to this Certificate as ATTACHMENT I is a copy of the pricing wire for the Bonds or an equivalent communication showing that each Maturity of the Bonds was offered to the Public on the Sale Date at the price or yield set forth in the Official Statement (the "Initial Offering Price").

3. As of the Sale Date, except for the [PLEASE IDENTIFY UN/UNDERSOLD MATURITIES] (the "Unsold Maturities"), the first price or yield at which at least ten percent (10%) of each Maturity of the Bonds was sold by the Underwriters to the Public was the Initial Offering Price for such Maturity.

4. Following the Sale Date, with respect to each Unsold Maturity, the Underwriters, as defined below, in compliance with the applicable provisions of the Notice of Bond Sale, have each agreed in writing not to, and have not, offered or sold the Bonds comprising any such

Unsold Maturity to the Public at a price that is higher or yield that is lower than the Initial Offering Price during the period starting on the Sale Date and ending on the earlier of the following: (a) the close of the fifth business day after the Sale Date, or (b) the date on which at least ten percent (10%) of the bonds of the Unsold Maturity has been sold to the Public.

5. For purposes of this Certificate, the following definitions will apply:

"**Public**" means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a Related Party, as defined below, to an Underwriter.

"**Underwriter**" means (i) the Winning Bidder, (ii) any person that agrees pursuant to a written contract with the Winning Bidder to form an underwriting syndicate to participate in the initial sale of the Bonds to the Public, and (iii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) or (ii) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

"**Related Party**" means any entity if an Underwriter and such entity are subject, directly or indirectly, to more than fifty percent (50%) common ownership of (i) the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

We understand that the representations contained herein may be relied upon by the Issuer in making certain of the representations contained in the Tax Certificate, and we further understand that Hawkins Delafield & Wood LLP, as bond counsel to the Issuer, may rely upon this Certificate, among other things, in providing an opinion with respect to the exclusion from gross income of interest on the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**"). The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws; in particular the regulations under the Code, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other purchasers who may be considered Related Parties to the Winning Bidder and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Dated as of this _____ day of __________, 2021.

[NAME OF WINNING BIDDER]

By:________________________________

Name:______________________________

Title:______________________________

[Issue Price Certificate]

OFFICIAL NOTICE OF BOND SALE

$36,495,000*
City of Portland, Oregon
Limited Tax Revenue Refunding Bonds
2021 Series B
(Public Improvement Projects)

NOTICE IS HEREBY GIVEN that the City of Portland, Oregon (the "City") is soliciting bids to purchase its Limited Tax Revenue Refunding Bonds, 2021 Series B (Public Improvement Projects) (the "2021 Series B Bonds") until 8:15 a.m. Prevailing Pacific Time on:

March 2, 2021

Bids must be submitted electronically via ***PARITY*** in accordance with this Notice in the manner described below.

Potential bidders for the 2021 Series B Bonds should read the preliminary official statement for the 2021 Series B Bonds and this Notice in their entirety before submitting bids.

SECURITY: The 2021 Series B Bonds will be full faith and credit obligations of the City. The 2021 Series B Bonds are payable from the City's Available General Funds, as described in the preliminary official statement for the 2021 Series B Bonds.

RATING: Moody's Investors Service, Inc. has assigned a rating of Aaa on the 2021 Series B Bonds.

DATED DATE AND DELIVERY DATE: The 2021 Series B Bonds will be dated as of their date of delivery. Bidders should use March 16, 2021, the expected date of delivery of the 2021 Series B Bonds, for purposes of computing their bids.

INTEREST PAYMENTS AND MATURITIES: Interest on the 2021 Series B Bonds is payable semiannually on June 1 and December 1 of each year until maturity, commencing on June 1, 2021. The 2021 Series B Bonds will be issued in the principal amount of $36,495,000*, and will mature on the following dates in the following principal amounts (subject to adjustment as noted below):

* Preliminary, subject to change.

Bidding Maturity Schedule	
Due June 1	Principal Amount ($)
2022	555,000
2023	1,530,000
2024	1,605,000
2025	1,685,000
2026	1,770,000
2027	1,410,000
2028	1,475,000
2029	1,555,000
2030	1,630,000
2031	1,710,000
2032	1,800,000
2033	1,865,000
2034	1,945,000
2035	2,025,000
2036	2,100,000
2037	2,185,000
2038	2,275,000
2039	2,365,000
2040	2,455,000
2041	2,555,000

The maturity schedule above assumes that the winning bidder will use five percent (5.000%) coupon interest rates for the 2021 Series B Bonds maturing through June 1, 2031, and four percent (4.000%) premium couponing for the 2021 Series B Bonds maturing after June 1, 2031. Principal amounts will be adjusted after the sale as described under the heading "ADJUSTMENT OF MATURITIES."

ADJUSTMENT OF MATURITIES: The City reserves the right to adjust the principal amounts specified in the bidding maturity schedule within 4 hours following receipt of bids to properly size the issue. The City will adjust maturities so that proceeds for the 2021 Series B Bonds are approximately $43,800,000. If the City adjusts the principal amount, the price to be paid to the City by the winning bidder will be adjusted in a manner that preserves the winning bidder's percentage net compensation. Notice of any adjustment will be given to the winning bidder promptly.

TERM BONDS: Bidders may designate one or more term bonds only including maturities subject to optional redemption as described below. Terms bonds may consist of two or more consecutive maturities with identical interest rates, which mature on the maturity date of the last of the consecutive maturities in an amount equal to the sum of the consecutive maturities, and which are subject to mandatory redemption at par and by lot in amounts equal to the consecutive maturities which were combined into term bonds. Each bidder should specify in its bid whether term bonds are desired.

OPTIONAL REDEMPTION: The 2021 Series B Bonds maturing on or after June 1, 2032, are subject to redemption prior to maturity in whole or in part at the option of the City on June 1, 2031, and on any date thereafter, by lot, at a price of par, plus interest accrued to the date fixed for redemption.

RIGHT TO CANCEL, CHANGE TIMING AND TERMS OF SALE: The City reserves the right to change the sale date, maturity date, amount, timing, terms under which the 2021 Series B Bonds are offered for sale, to postpone the sale to a later date, to cancel the sale based upon market conditions, or to otherwise amend this Notice. Notice of any changes will be communicated through i-Deal Prospectus, The Municipal Market Monitor (TM3), or Bloomberg News.

INTEREST RATE AND BID CONSTRAINTS: Bidders must specify the interest rate or rates which the 2021 Series B Bonds will bear. The bids must comply with the following conditions:

(1) the interest rate specified for each maturity must be a multiple of one-eighth or one-twentieth of one percent (i.e. 0.125% or 0.050%)

(2) the maximum interest rate per maturity of the 2021 Series B Bonds cannot exceed five percent (5.000%);

(3) each maturity must be reoffered at an interest rate and yield that will produce a price of not less than ninety-eight percent (98.000%) of the principal amount for that maturity;

(4) each 2021 Series B Bond that matures on the same date will bear interest from its date to its stated maturity date at a single, fixed interest rate;

(5) no bid will be considered that does not offer to purchase all of the maturities of the 2021 Series B Bonds;

(6) no bid will be accepted which results in a true interest cost of more than three percent (3.000%) per annum.

PURCHASE PRICE CONSTRAINTS: Bidders must specify a purchase price of not less than one hundred percent (100.00%) of the aggregate principal amount of the 2021 Series B Bonds.

BASIS OF AWARD: Except as provided in this Notice, the 2021 Series B Bonds will be awarded to the bidder whose bid produces the lowest overall true interest cost for the City. The true interest cost for the 2021 Series B Bonds will be determined by doubling the semi-annual interest rate necessary to discount the debt service on the 2021 Series B Bonds to March 16, 2021, the expected date of delivery of the 2021 Series B Bonds, and to the aggregate purchase price bid for the 2021 Series B Bonds. Each bidder is requested to supply the total interest cost and the true interest cost that the City will pay on the 2021 Series B Bonds if the bid is accepted. Bids will be publicly announced and will be considered and acted upon by the City within 4 hours after the sale.

BIDS MUST BE SUBMITTED ON "PARITY": Bids must be submitted electronically via ***PARITY***. Bids must be received by the ***PARITY*** system not later than the date and time indicated in the first paragraph of this Notice. No bid will be received after the time for receiving bids specified above. For further information about submitting a bid using ***PARITY***, potential bidders may contact ***PARITY*** at (212) 849-5021. To the extent any instructions or directions set forth in ***PARITY*** conflict with this Notice, the terms of this Notice will control. Bidders must obtain access to the ***PARITY*** system and bear all risks associated with using that system, including errors and delays in receipt of bids.

GOOD FAITH DEPOSIT: The winning bidder must provide a good faith deposit to the City in the amount of $364,950 (1.00% of the principal amount as shown in this Official Notice of Bond Sale for the 2021 Series B Bonds) not later than 1:00 p.m. Prevailing Pacific Time, March 2, 2021 (the sale date). The deposit must be provided in the form of (a) a wire transfer to the account of the City designated by the City at the time of award, or (b) a certified or cashier's check drawn on a bank doing business in the State of Oregon. If the good faith deposit is not provided in the manner and by the time indicated in this Notice, the City may award the sale to the next most favorable bidder or may cancel the sale. The good faith deposit will be forfeited to the City as liquidated damages if the bidder to whom the 2021 Series B Bonds are awarded withdraws its bids or fails to complete its purchase in accordance with the terms of its bid and this Notice. No interest will be allowed on the good faith deposit and the good faith deposit will be retained as part payment of the 2021 Series B Bonds or for liquidated damages as described in this Notice. The City will be entitled to retain for the sole and exclusive use and benefit of the City all investment earnings derived from each good faith deposit prior to the delivery of the 2021 Series B Bonds, and in no event will the winning bidder be entitled to any such investment earnings (whether by means of a credit or otherwise).

RIGHT OF REJECTION: The City reserves the right to reject any or all bids and to waive any irregularities.

BOOK-ENTRY-ONLY: The 2021 Series B Bonds will be issued in registered, book-entry-only form through DTC. Unless the book-entry system is discontinued, 2021 Series B Bond principal and interest payments will be made by the City to DTC through the City's paying agent and registrar, which is currently U.S. Bank National Association.

STANDARD FILINGS AND CHARGES: The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to Municipal Securities Rulemaking Board ("MSRB") Rules G-8, G-11, and G-36. The winning bidder will be required to pay the standard MSRB charge for the 2021 Series B Bonds purchased. In addition, if the winning bidder is a member of the Securities Industry and Financial Markets Association ("SIFMA") it will be required to pay SIFMA's standard charges.

PURPOSE: The 2021 Series B Bonds are being issued to (a) repay the balance on a line of credit that financed the costs of carrying out the urban renewal plan for the City's River

District Urban Renewal Area; (b) repay the balance on a line of credit that financed the reconstruction of and technology for the Portland Building; (c) currently refund all or a portion of the City's outstanding Limited Tax Revenue Bonds, 2011 Series B (Emergency Coordination Center Project); and (d) pay costs of issuance related to the 2021 Series B Bonds.

OBLIGATION OF WINNING BIDDER TO ASSIST IN ESTABLISHING ISSUE PRICE AND TO DELIVER AN ISSUE PRICE CERTIFICATE AT CLOSING: By submitting a bid, each bidder is certifying that it is an underwriter of municipal bonds who has an established industry reputation for underwriting new issuances of municipal bonds, and that its bid is a firm offer to purchase the 2021 Series B Bonds and is not a "courtesy bid" being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the "issue price" of the 2021 Series B Bonds pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirements"). Prior to the formal award of the sale, and promptly after bids for the 2021 Series B Bonds are due, the winning bidder will provide the City with the reoffering prices and yields (the "Initial Reoffering Prices"). The City will advise the winning bidder at that time if the Competitive Sale Requirements were met. Bids are not subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.

Hold-the-Offering-Price. If the City has informed the winning bidder that the Competitive Sale Requirements are not met, the winning bidder:

(a) will offer the 2021 Series B Bonds to the public at the Initial Reoffering Prices and provide Bond Counsel with reasonable supporting documentation prior to the delivery of the 2021 Series B Bonds, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(b) will neither offer nor sell to any person any 2021 Series B Bonds within any maturity for which less than ten percent (10%) of such maturity has been sold to the public at the Initial Reoffering Prices as of the date of award at a price that is higher, or a yield that is lower, than the Initial Reoffering Price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the 2021 Series B Bonds of such maturity at a price that is no higher, or a yield that is no lower, than the Initial Reoffering Price of such maturity or (ii) the close of business on the 5th business day after the date of the award of the 2021 Series B Bonds , and

(c) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement or any similar document (to which the winning bidder is a party) relating to the initial sale of the 2021 Series B Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the 2021 Series B Bonds as set forth in (a) and (b) above.

For purposes of this Notice, a "maturity" refers to 2021 Series B Bonds that have the same interest rate, credit and payment terms.

For purposes of this Notice, the “public” does not include (i) the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the 2021 Series B Bonds to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the 2021 Series B Bonds to the public), or (ii) any entity that is a “related party” to an entity identified in (i).

Two entities are “related parties” if the entities are subject, directly or indirectly, to more than fifty percent (50 %) common ownership of (i) the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Regardless of whether or not the Competitive Sale Requirements were met, the winning bidder will submit to the City a certificate (the “Issue Price Certificate”), satisfactory to Bond Counsel and the winning bidder, prior to the delivery of the 2021 Series B Bonds substantially in the form attached to this Notice.

The City acknowledges that, in making any representations as set forth above regarding the Hold-the-Offering-Price rule, the winning bidder will rely on (i) the agreement of each underwriter to comply with the Hold-the-Offering-Price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2021 Series B Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the 2021 Series B Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter will be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price rule and that no underwriter will be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price rule as applicable to the 2021 Series B Bonds.

LEGAL OPINION: The approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel, of Portland, Oregon, will be provided in the form attached to the preliminary official statement at no cost to the purchasers.

TAX-EXEMPT STATUS**:** In the opinion of Bond Counsel, under existing law and conditioned on the City complying with certain covenants relating to the tax-exempt status of the 2021 Series B Bonds, interest on the 2021 Series B Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, as provided in greater detail under “TAX MATTERS” in the preliminary official statement for the 2021 Series B Bonds. In the opinion of Bond Counsel, interest on the 2021 Series B Bonds is exempt from Oregon personal income tax under existing law.

DELIVERY AND PAYMENT: The City will deliver the 2021 Series B Bonds through the facilities of DTC. The winning bidder must pay for the 2021 Series B Bonds in funds immediately available to the City on the date and at the time of closing. Delivery of the 2021 Series B Bonds will be made within 30 days after the sale and is expected to occur on March 16, 2021.

PRELIMINARY OFFICIAL STATEMENT AND QUESTIONS: The preliminary official statement for the 2021 Series B Bonds will be provided upon request by Matthew Gierach, the City’s Debt Manager, or Patricia Tigue, the City’s Principal Debt Analyst, at the City’s Office of Management and Finance, 1120 SW Fifth Avenue, Room 1040, Portland, Oregon 97204, email matthew.gierach@portlandoregon.gov, telephone (503) 823-6822, or patricia.tigue@portlandoregon.gov, telephone (503) 823-5580. The preliminary official statement for the 2021 Series B Bonds may also be obtained from i-Deal Prospectus at www.i-dealprospectus.com. For more information on electronic delivery, please call i-Deal Prospectus at (212) 849-5024. Potential bidders should address any questions about the 2021 Series B Bonds and the City to Matthew Gierach. Any questions concerning ***PARITY*** should be directed to (212) 849-5021.

FINAL OFFICIAL STATEMENT; COMPLIANCE WITH SEC RULES: The City will distribute the final official statement for the 2021 Series B Bonds through i-Deal Prospectus. Bidders should expect that the final official statement will be published not later than five business days following the sale date and should not issue confirmations which request payment prior to that date. This paragraph will constitute a contract with the winning bidder upon acceptance of their bids by the City, in compliance with Section 240.15c2-12(b)(3) in Chapter II of Title 17 of the Code of Federal Regulations (the “Rule”).

CONTINUING DISCLOSURE: The City will enter into an undertaking to provide ongoing disclosure for the benefit of the owners of the 2021 Series B Bonds as required by the Rule, in substantially the form shown in the preliminary official statement for the 2021 Series B Bonds.

BOND INSURANCE: The City prefers that bidders not purchase bond insurance for the 2021 Series B Bonds. The City has not qualified the 2021 Series B Bonds for bond insurance will not enter into additional agreements for the benefit of bond insurers. Failure to deliver a bond insurance policy will not excuse the winning bidder from purchasing the 2021 Series B Bonds.

CUSIP: It is anticipated that CUSIP identification numbers will be printed on the 2021 Series B Bonds; however, neither the failure to print CUSIP numbers on any 2021 Series B Bond nor any error with respect thereto will constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the 2021 Series B Bonds. The City’s

Financial Advisor will request CUSIP numbers prior to the sale date for the 2021 Series B Bonds. The charge of the CUSIP Service Bureau shall be paid by the winning bidder.

CLOSING CERTIFICATES: At the time of payment for the delivery of the 2021 Series B Bonds, the City will certify that no litigation is pending that may adversely affect the validity of the 2021 Series B Bonds, and that to the City's knowledge the final official statement for the 2021 Series B Bonds does not contain any material misstatements or omissions.

By order of the City of Portland, Oregon

FORM OF ISSUE PRICE CERTIFICATE

$[Series B Principal]
City of Portland, Oregon
Limited Tax Revenue Refunding Bonds
2021 Series B (Public Improvement Projects)

[NAME OF WINNING BIDDER], as the [lead] underwriter and winning bidder (the "**Winning Bidder**") in connection with the competitive sale by the City of Portland, Oregon (the "**Issuer**") of its $[Series B Principal] aggregate principal amount Limited Tax Revenue Refunding Bonds, 2021 Series B (Public Improvement Projects) (the "**Bonds**") pursuant to the Official Notice of Bond Sale published on February 18, 2021 (the "**Notice of Bond Sale**"), hereby certifies as follows:

[the following (1)-(4) to be used if competitive sale requirements are met]

1. The Winning Bidder reasonably expected to reoffer the Bonds on March 2, 2021 to the Public at the prices or yields set forth in the Issuer's final Official Statement relating to the Bonds (the "**Official Statement**").

2. Schedule A is a true and correct copy of the bid provided by the Winning Bidder to purchase the Bonds.

3. The Winning Bidder was not given the opportunity to review other bids prior to submitting its bid.

4. The bid submitted by the Winning Bidder constituted a firm offer to purchase the Bonds.

[the following (1)-(4) to be used if competitive sale requirements are not met]

1. As of March 2, 2021 (the "**Sale Date**"), all of the Bonds have been the subject of an offering to the Public at the prices or yields set forth in the Issuer's Official Statement relating to the Bonds (the "**Official Statement**").

2. Attached to this Certificate as ATTACHMENT I is a copy of the pricing wire for the Bonds or an equivalent communication showing that each Maturity of the Bonds was offered to the Public on the Sale Date at the price or yield set forth in the Official Statement (the "Initial Offering Price").

3. As of the Sale Date, except for the [PLEASE IDENTIFY UN/UNDERSOLD MATURITIES] (the "Unsold Maturities"), the first price or yield at which at least ten percent (10%) of each Maturity of the Bonds was sold by the Underwriters to the Public was the Initial Offering Price for such Maturity.

4. Following the Sale Date, with respect to each Unsold Maturity, the Underwriters, as defined below, in compliance with the applicable provisions of the Notice of Bond Sale, have each agreed in writing not to, and have not, offered or sold the Bonds comprising any such

Unsold Maturity to the Public at a price that is higher or yield that is lower than the Initial Offering Price during the period starting on the Sale Date and ending on the earlier of the following: (a) the close of the fifth business day after the Sale Date, or (b) the date on which at least ten percent (10%) of the bonds of the Unsold Maturity has been sold to the Public.

5. For purposes of this Certificate, the following definitions will apply:

"**Public**" means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a Related Party, as defined below, to an Underwriter.

"**Underwriter**" means (i) the Winning Bidder, (ii) any person that agrees pursuant to a written contract with the Winning Bidder to form an underwriting syndicate to participate in the initial sale of the Bonds to the Public, and (iii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) or (ii) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

"**Related Party**" means any entity if an Underwriter and such entity are subject, directly or indirectly, to more than fifty percent (50%) common ownership of (i) the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

We understand that the representations contained herein may be relied upon by the Issuer in making certain of the representations contained in the Tax Certificate, and we further understand that Hawkins Delafield & Wood LLP, as bond counsel to the Issuer, may rely upon this Certificate, among other things, in providing an opinion with respect to the exclusion from gross income of interest on the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**"). The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws; in particular the regulations under the Code, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other purchasers who may be considered Related Parties to the Winning Bidder and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Dated as of this ______ day of ___________, 2021.

[NAME OF WINNING BIDDER]

By:_________________________________

Name:______________________________

Title:_______________________________

[Issue Price Certificate]

OFFICIAL STATEMENT
OF THE
CITY OF PORTLAND, OREGON
RELATED TO

$51,815,000*
Limited Tax Revenue Refunding Bonds
2021 Series A
(Oregon Convention Center Completion Project)

$36,495,000*
Limited Tax Revenue Refunding Bonds
2021 Series B
(Public Improvement Projects)

INTRODUCTION

This Official Statement sets forth certain information concerning the City of Portland, Oregon (the "City"), its Limited Tax Revenue Refunding Bonds, 2021 Series A (Oregon Convention Center Completion Project) (the "2021 Series A Bonds") and its Limited Tax Revenue Refunding Bonds, 2021 Series B (Public Improvement Projects) (the "2021 Series B Bonds" and together with the 2021 Series A Bonds, the "Bonds").

RECENT ECONOMIC AND HEALTH DEVELOPMENTS

The paragraphs herein include forward-looking statements which represent the City's best estimates and current understanding of the economic effects of the COVID-19 pandemic on the City. The City does not guarantee the accuracy of such forward-looking statements which are subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, and are subject to change at any time based on the receipt of new information from global, national and state health authorities. Additionally, the following paragraphs include statements of interim financial information which have not been audited.

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus ("COVID-19"), has been declared a global pandemic by the World Health Organization. The U.S. Department of State and the Centers for Disease Control, as well as other governmental authorities, including the State of Oregon (the "State"), have issued travel restrictions and warnings. To slow the spread of COVID-19, Oregon Governor Kate Brown has enacted a number of executive orders that have instituted social distancing guidelines and stay-at-home orders for various periods of time, with certain exceptions for essential infrastructure and essential governmental functions. These guidelines and orders have included avoiding discretionary travel, working or engaging in school from home, cancelling numerous events, avoiding social groups and limiting the operations of restaurants, bars, gyms/fitness facilities and other gathering establishments. The City cannot predict the scope or duration of these preventative measures, nor when or whether stay-at-home orders may be in effect, modified or rescinded; however, the orders and guidelines have been and continue to be modified and updated as conditions of the outbreak warrant, including tiered categories and phased reopening periods followed by returns to various restrictions.

The first doses of a COVID-19 vaccine were administered in Oregon on December 16, 2020, and as of February 17, 2021, approximately 707,241 doses had been administered and approximately 205,901 people were fully vaccinated in Oregon. The Oregon Health Authority ("OHA") has prepared a phased approach to prioritize who receives the available doses, with initial priority going to frontline health care workers, long-term care residents and employees, childcare providers and educators. There can be no assurance of either the effectiveness of the vaccine, the timeliness of administering the vaccine within Oregon, or the percentage of Oregon residents ultimately receiving the vaccine.

Numerous legal challenges have been filed in state and federal courts alleging that the Governor's executive orders exceed her statutory authority and are in violation of various constitutional rights, including freedom of religion and assembly. Plaintiffs generally seek injunctive relief and, in some cases, monetary damages. The City cannot predict the number of additional suits that may be filed or the timing and resolution of such suits.

* Preliminary, subject to change.

Pursuant to the Governor's current COVID-19 risk level framework, Multnomah, Washington and Clackamas Counties are all categorized at the "High Risk" level as of February 17, 2021, which is the second-highest risk level, and permits indoor dining, entertainment and retail at limited capacities. As of February 16, 2021, the Oregon Health Authority estimated 150,875 positive cases of COVID-19 in Oregon, with approximately 65,156 positive cases in Multnomah, Washington and Clackamas Counties.

CITY OF PORTLAND RESPONSE TO COVID-19

On March 12, 2020, the City declared a state of emergency, which instated restrictions on gatherings in excess of 25 people, including all non-essential in-person gatherings of City employees. All City bureaus and divisions have been directed to activate their respective continuity of operations plans. In addition, the Bureau of Emergency Management coordinates regular meetings between City bureaus to discuss impacts of and responses to the COVID-19 pandemic. All meetings, including City Council meetings, have since been facilitated virtually via internet video conferencing. Many of the City's walk-in services, including the Revenue Division and Bureau of Development Services, have been disrupted, however public safety, water and sewer services continue uninterrupted.

Infrastructure bureaus, including the Portland Bureau of Transportation ("PBOT"), Portland Water Bureau ("PWB") and Bureau of Environmental Services ("BES"), have continued critical maintenance and repair work while incorporating social distancing precautionary measures for engineering and construction staff. Additionally, the Bureau of Development Services continues to accept permitting applications via scheduled appointment and now facilitates permitting via a tiered intake system to prioritize critical projects such as hospitals and clinics fighting the COVID-19 pandemic.

Portland Parks and Recreation closed facilities through June 6, 2020 and laid-off approximately 900 temporary and seasonal employees. Portland Parks and Recreation subsequently reopened certain outdoor facilities that provide for socially distanced recreational activities.

Extensive community stabilization efforts have been undertaken to address the impacts of COVID-19 within the City, including:

- On March 18, 2020, the City, in coordination with Multnomah County, declared a local eviction moratorium as a result of job loss, reduction of work hours because of job closure, school closures or individual/family illness; the State subsequently enacted a state-wide eviction moratorium that currently extends through June 30, 2021.

- The City, through Prosper Portland, launched a task force dedicated to supporting local businesses to prevent commercial evictions and support property ownership.

- On April 29, 2020, Prosper Portland created the Portland Small Business Relief Fund, which was funded with \$2 million of City General Fund and Prosper Portland resources, and an additional \$11 million of federal CARES Act funds, which funds have been disbursed to over 900 local businesses.

- The Portland Housing Bureau established an Emergency Stabilization Fund in the amount of \$1,000,000 in response to the COVID-19 pandemic. The Portland Housing Bureau distributed \$200,000 from the Emergency Housing Stabilization Fund to households experiencing a loss of income due to COVID-19 for needs such as groceries, utilities, and medical expenses. The remaining funds are expected to be provided to the Multnomah County/City of Portland Joint Office of Homeless Services for subsequent disbursement to local social service providers.

- The City in coordination with Multnomah County and Home Forward (formerly the Housing Authority of Portland) established the COVID-19 Rent Relief Program with \$25 million of CARES Act funds in an effort to prevent evictions caused by health and financial effects of the pandemic.

The City has received approximately \$114 million of federal grant funding under the Coronavirus Aid, Relief and Economic Security Act (CARES Act). Per guidance from the United States Treasury, such funds are restricted to expenditures which are necessary in response to the public health emergency, including medical expenses, public health and safety expenses, compliance costs of COVID-19 public health measures, and economic support to small businesses. State and Local Coronavirus Relief Fund allocations are not allowed to replace lost revenues due to the COVID-19 pandemic. The City Council determined to use this funding to develop a "PDX-CARES" relief package to support individuals, families, businesses and nonprofits facing extreme hardships as a result of the COVID-19 pandemic and the resulting economic downturn. All CARES Act funds are required to be spent by December 31, 2021.

Additionally, to date, the City has received funding aimed at COVID-19 response from other federal sources, including an award of $1.0 million from the US Department of Justice Byrne/JAG Program, $5.1 million through the Community Development Block Grant program (which can be used for housing assistance and economic development needs), $17.0 million through the Emergency Solutions Grant program to address sheltering and homeless assistance, and approximately $250,000 through the Housing Opportunities for People With AIDS program.

IMPACT ON CITY OF PORTLAND

Many aspects of the City's finances and operations, as well as the local economy, have been and are expected to be materially adversely impacted by the COVID-19 pandemic. Accordingly, any historical information or budgets and projections described in this Official Statement, which predate the COVID-19 pandemic or do not include information regarding its impact, should be considered in light of a possible or probable negative impact from the COVID-19 pandemic.

General Fund Impacts

The City Budget Office updated its General Fund forecast in February 2021 based on currently available information on economic activity, as well as understanding of executive and legislative actions at both the federal and state-level. Potential legislation around additional stimulus and direct aid to state and local governments have not been taken into consideration.

Fiscal Year ("FY") 2019-20 General Fund results tracked the adopted budget within 5% largely due to (1) revenue receipts related to prior economic activity and (2) immediate implementation of cost reduction measures. FY 2020-21 General Fund revenues through December 31, 2020 are currently below FY 2019-20 General Fund revenues by approximately 6.2% for the same period.

The table below provides a comparison of revenues by major category for the six months ended December 31, 2019 and December 31, 2020.

Table 1
General Fund Interim Statement of Revenues
Comparison of Six-Months Ended December 31[1]

	2019	2020
REVENUES		
Taxes		
Current/prior year property taxes	$244,386,070	$253,379,042
Lodging taxes[2]	21,467,595	3,772,853
Miscellaneous	1,310,078	-
Payment in lieu of taxes	396,465	856,213
Total taxes	267,560,208	258,008,108
Licenses and permits:		
Business licenses, net	54,625,983	46,484,362
Public utility licenses	21,407,976	20,293,584
Other	3,141,240	2,103,166
Total licenses and permits	79,175,199	68,881,112
Intergovernmental		
Federal cost sharing	36,068	85,851
State sources	6,461,691	9,956,399
County sources	958,273	777,904
Local sources	3,578,984	2,014,169
Total intergovernmental	11,034,987	12,834,323
Charges for services:		
Rents and reimbursements	2,636,758	741,578
Parks and recreation facilities fees	5,872,939	969,055
Other	4,309,834	2,938,046
Total charges for services	12,819,532	4,658,037
Billings to other funds for services	13,614,284	12,934,338
Billings to other funds for General & overhead charges[1]	14,189,202	16,242,120
TOTAL REVENUES	**$398,393,412**	**$373,558,038**

(1) Unaudited.
(2) Lodging taxes shown in the table are actual collections during the respective six-month periods.
Source: City of Portland

For further discussion of the City's General Fund revenue sources and projected General Fund revenues, see "ANNUAL DISCLOSURE INFORMATION – General Fund Revenues" and "SUPPLEMENTAL INFORMATION: GENERAL FUND BUDGET AND FINANCIAL PLAN – GENERAL FUND DISCRETIONARY REVENUE OUTLOOK" herein.

The unaudited General Fund Reserve balance is $61.4 million as of December 31, 2020 (vs. $69.1 million as of December 31, 2019). Given the level of uncertainty of the duration of the pandemic and the timing of economic recovery, the City Budget Office does not currently anticipate drawdowns of the General Fund Reserve until more information is known and financial planning can be completed at a higher confidence level.

Other Governmental Fund Revenues

As a result of the COVID-19 pandemic and social distancing requirements, there have been declines in certain non-General Fund revenues, including marked declines in local and regional travel, leading to decreases in revenues linked to transportation activity, including gas tax revenues and on-street parking meter revenues. These two revenues are two of the most significantly affected non-General Fund revenues by the COVID-19 pandemic and associated restrictions, and they comprise the largest portion of discretionary (unrestricted) revenues for the Portland Bureau of Transportation

("PBOT") Operating Fund. Unaudited FY 2020-21 Transportation Operating Fund revenues through December 31, 2020 are $77.9 million, approximately 27.3% below FY 2019-20 Transportation Operating Fund revenues for the same time period.

PBOT is continuing to evaluate a variety of cost-saving measures and programmatic reductions. Unaudited FY 2020-21 Transportation Operating Fund expenditures through December 31, 2020 were $123.8 million, approximately 6.0% below FY 2019-20 Transportation Operating Fund expenditures for the same time period. For FY 2021-22, PBOT will prepare a balanced budget over its five-year forecast. PBOT's budget will reflect expected revenue losses in addition to the implementation of reductions totaling $8.8 million in savings per year. These reductions include various programmatic reductions and the elimination of 39.5 full-time equivalent positions.

As of December 31, 2020, the unaudited Transportation Operating Fund balance was $182.6 million vs. total FY 2020-21 budgeted expenditures of $385.2 million, including both capital and operating expenditures.

Expenditures Related to COVID-19

In addition to reductions in revenues, the City has incurred and may in the future incur significant expenditures associated with its response to the COVID-19 pandemic. However, the amount of and related impact of these expenditures are currently unknown. The City has received federal funding to assist with certain COVID-19 related expenditures and may receive further federal or State aid in the future. See "City of Portland Response to COVID-19" above.

Initial City Budgetary Actions

The City Budget Office has recommended various budgetary actions to solve for the projected General Fund revenue shortfall resulting from the pandemic. In the near-term, the City has taken action to maximize savings through a variety of budgetary measures, including limiting all non-essential services and personnel cost reductions. See above for a discussion of impacts of the COVID-19 pandemic to the City's General Fund revenues and expenditures.

For a discussion of impacts related to the FY 2020-21 budget and development of the FY 2021-22 budget, see "ANNUAL DISCLOSURE INFORMATION – CITY BUDGET PROCESS" and "SUPPLEMENTAL INFORMATION: GENERAL FUND BUDGET AND FINANCIAL PLAN – RECENT BUDGET ACTIONS" herein.

Pension Plan Investment Performance Risk

Due to the effects of the COVID-19 pandemic, U.S. and international capital markets have experienced increased volatility. Since the start of the COVID-19 outbreak, equity markets experienced steep losses, followed by a recovery beyond those losses. Equity market value may decline again in the future as a result of further developments of COVID-19 and resulting long-term changes to the U.S. economy. The Oregon Public Employees Retirement System ("PERS") provides statewide defined benefit retirement plans for units of state government, political subdivisions, community colleges, and school districts, including the City. Benefits provided through PERS are paid from the Oregon Public Employees' Retirement Fund, which has incurred losses as of the date of this Official Statement and may face further future losses that could negatively impact the City's future contribution requirements. See "ANNUAL DISCLOSURE INFORMATION PENSION PLANS: OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM – Employer Asset Valuation and Liabilities" herein.

OTHER RECENT DEVELOPMENTS

Beginning in May 2020, the City has experienced a high level of social justice demonstrations. In some cases, peaceful demonstrations have been marred by incidents of looting, vandalism and arson that resulted in damage and loss to public and private property. While it is possible that these events have had or may in the future have an impact on the regional economy and, by extension, City revenues, the City is not currently able to quantify what, if any, impacts these events have had on the economy, separate and apart from the impacts of the COVID-19 pandemic. The City has incurred expenses in connection with these events; however, to date, these expenses have not had a material impact on the City's finances.

THE BONDS

SECURITY AND SOURCES OF PAYMENT

Pursuant to Oregon Revised Statues ("ORS") Section 287A.315, the City has pledged its full faith and credit and taxing power within the limits of Article XI, Section 11 and 11b of the Oregon Constitution to pay the Bonds, and the City is obligated to pay the Bonds from Available General Funds as provided and defined in the Bond Declaration pursuant to which the Bonds will be issued (the "Bond Declaration"). The City is not authorized to levy additional taxes to pay the Bonds. The Bonds are not secured by a lien on, or a pledge of, any specific revenues of the City.

Revenues from the City's permanent tax rate property tax levy are legally available to pay the Bonds. In FY 2019-20, revenues from that levy (including current year collections net of delinquencies and prior year collections) were approximately $265.9 million. See "ANNUAL DISCLOSURE INFORMATION – GENERAL FUND – Table 5" herein.

The 2021 Series A Bonds are expected to be paid from amounts due to the City for payment of the 2021 Series A Bonds pursuant to the Second Amended and Restated Visitor Facilities Intergovernmental Agreement dated as of December 5, 2019 between the City, Multnomah County, and Metro (a metropolitan service district in the Portland metropolitan area).

AUTHORIZATION AND PURPOSE

The 2021 Series A Bonds are authorized by ORS 287A.360, the other applicable provisions of ORS Chapter 287A, City Ordinance No. 189341 enacted on January 9, 2019 (the "LTRB Refunding Ordinance"). The 2021 Series B Bonds are authorized by the applicable provisions of ORS Chapter 287A and the LTRB Refunding Ordinance, City Ordinance No. 187449 enacted on November 18, 2015, City Ordinance No. 187924 enacted on August 3, 2016, and Ordinance No. 189262 enacted on November 28, 2018. The Bonds are being issued pursuant to the Bond Declaration. The form of the Bond Declaration is provided in Appendix A.

Proceeds of the 2021 Series A Bonds will be used to: (a) currently refund all or a portion of the City's outstanding Limited Tax Revenue Refunding Bonds, 2011 Series A (Oregon Convention Center Completion Project) (the "2011 Series A Refunded Bonds"); and (b) pay costs of issuance of the 2021 Series A Bonds.

In May 2016, the City entered into a line of credit to pay for costs of carrying out the urban renewal plan for the City's River District Urban Renewal Area (the "River District Line"), which is expected to have an outstanding balance of $33.77 million* as of the date of delivery of the 2021 Series B Bonds. In January 2019, the City entered into an amended line of credit to pay for the costs of reconstruction of and technology for the Portland Building (the "Portland Building Line"), which is expected to have an outstanding balance of $7.61 million* as of the date of delivery of the 2021 Series B Bonds.

Proceeds of the 2021 Series B Bonds will be used to: (a) repay the balance on the River District Line; (b) repay the balance on the Portland Building Line; (c) currently refund all or a portion of the City's outstanding Limited Tax Revenue Bonds, 2011 Series B (Emergency Coordination Center Project) (the "2011 Series B Refunded Bonds" and together with the 2011 Series A Refunded Bonds, the "Refunded Bonds"); and (d) pay costs of issuance of the Series 2021 B Bonds.

DESCRIPTION

The Bonds will be issued in book-entry only ("BEO") form, in registered form in denominations of $5,000 or integral multiples thereof. The Bonds, when executed and delivered, will be registered in the name of Cede & Co., as the registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). While the Bonds are in BEO form, principal of and interest on the Bonds will be paid through DTC. See "BOOK-ENTRY ONLY (BEO) SYSTEM" in Appendix E. The City will treat DTC as the owner of the Bonds for all purposes.

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* Preliminary, subject to change.

The Bonds will be dated as of the date of delivery, and will bear interest at the rates and mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. Interest on the Bonds is payable semi-annually on June 1 and December 1 of each year beginning June 1, 2021, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Per the Bond Declaration, the Record Date for the Bonds is the close of business on the fifteenth day of the month preceding the month in which the applicable payment date occurs.

FORM

In accordance with the BEO System, the Bonds, when executed and delivered, will be registered in the name of Cede & Co., as registered owner and nominee for DTC. Purchasers of the Bonds who are the Beneficial Owners thereof will not receive certificates evidencing their ownership interests in the Bonds. While Cede & Co. is the registered Owner of the Bonds (in such capacity, the "Owner") as nominee of DTC, it shall be treated in all respects as the sole Owner of the Bonds and shall have the right to exercise (in lieu of the Beneficial Owners of the Bonds) all rights as Owner, including but not limited to the right to give consents, the right to receive notices (including notices of redemption), and other rights conferred on owners of the Bonds under the Bond Declaration or applicable law. So long as the Bonds are subject to the BEO System, all registrations and transfers of Beneficial Ownership of the Bonds will be made only through the BEO System. See "BOOK-ENTRY ONLY (BEO) SYSTEM" in Appendix E herein.

PAYMENT OF THE BONDS WHILE IN THE BEO SYSTEM

So long as the Bonds are subject to the BEO System, all payments of the principal of and interest on the Bonds shall be remitted by the Registrar and Paying Agent, currently U.S. Bank National Association (the "Paying Agent") directly to DTC. DTC, in turn, will be required to distribute such payments to DTC Participants, and the DTC Participants will be responsible for ultimate distribution of such payments to the Beneficial Owners of the Bonds. The City has no responsibility for the distribution of any payments on the Bonds by DTC to any DTC Participant or by any DTC Participant to any Beneficial Owner, and shall have no liability whatsoever in the event of any failure by DTC or a DTC Participant to make any such distribution. See "BOOK-ENTRY ONLY (BEO) SYSTEM" in Appendix E herein.

REDEMPTION OF THE BONDS

Optional Redemption

2021 Series A Bonds – The 2021 Series A Bonds are not subject to redemption prior to maturity.

2021 Series B Bonds – The 2021 Series B Bonds maturing on or after June 1, 2032, are subject to redemption prior to maturity in whole or in part at the option of the City on June 1, 2031, and on any date thereafter, by lot, at a price of par, plus interest accrued to the date fixed for redemption.

[Mandatory Redemption]

[The 2021 Series A Bonds maturing on [June 1, ____] are subject to mandatory redemption in part and by lot in integral multiples of $5,000, at a redemption price equal to 100 percent of the principal amount thereof, plus accrued but unpaid interest to the date fixed for redemption on [June 1] of the years shown in the table below:

[TO BE PROVIDED IN FINAL OFFICIAL STATEMENT IF APPLICABLE]

[The 2021 Series B Bonds maturing on [June 1, ____] are subject to mandatory redemption in part and by lot in integral multiples of $5,000, at a redemption price equal to 100 percent of the principal amount thereof, plus accrued but unpaid interest to the date fixed for redemption on [June 1] of the years shown in the table below:

[TO BE PROVIDED IN FINAL OFFICIAL STATEMENT IF APPLICABLE]

The City may reduce any mandatory redemption requirement for any Bonds by the amount of Bonds of the same series and maturity that the City has optionally redeemed or purchased for cancellation.]

Notice of Redemption

While the Bonds are subject to the BEO System, notice of any redemption shall be given by the Paying Agent only to DTC in accordance with the Bond Declaration. It shall be the sole responsibility of DTC to give all notices of redemption to DTC Participants, and the DTC Participants, in turn, shall be responsible for giving such notices to the Beneficial Owners. Neither the City nor the Paying Agent will be responsible for giving any notice of redemption to any Beneficial Owner or any DTC Participant, nor shall the City or the Paying Agent be liable for any failure of DTC or any DTC Participant to give any such notice as described above.

Conditional Notice of Redemption

Any notice of optional redemption to the Paying Agent or to the Owners may state that the optional redemption is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price of such Bonds or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and the Bond Declaration provides that any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. The Bond Declaration requires notice of such rescission or of the failure of any such condition to be given by the Paying Agent to affected Owners of Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Effect of Notice of Redemption

The Bond Declaration provides that official notice of redemption having been given (other than conditional notices of optional redemption as described above), the Bonds or portions of Bonds so to be redeemed shall, on the date fixed for redemption, become due and payable at the redemption price therein specified, and from and after such date (unless the City fails to pay the redemption price) such Bonds or portion of Bonds shall cease to bear interest.

REFUNDING PLAN

Subject to market conditions, to achieve debt service savings, the City intends to place a portion of the proceeds of the 2021 Series A Bonds and the 2021 Series B Bonds in irrevocable escrow funds held by U.S. Bank National Association, acting as escrow agent (the "Escrow Agent") either (a) as uninvested cash, or (b) to be used to purchase certain government obligations (referred to herein as "Government Obligations"). The initial deposit of uninvested cash, or the maturing principal of the Government Obligations, interest earned thereon, and necessary cash balance, if any, will provide funds that are sufficient to pay the principal of, interest on, and any redemption premium on the Refunded Bonds and will irrevocably be pledged to and held in escrow for the benefit of the Owners of the Refunded Bonds by the Escrow Agent, pursuant to an Escrow Deposit Agreement dated as of the Date of Delivery.

Table 2 below shows the Refunded Bonds expected to be paid or refunded under the Refunding Plan.

Table 2
CITY OF PORTLAND, OREGON
Refunded Bonds(1)

Series	CUSIP No. (736740)	Maturity (June 1)	Principal Amount	Optional Redemption Date	Redemption Price
2011 Series A(2)	LS8	2022	$3,005,000	06/01/2021	100.00%
	LT6	2023	6,140,000	06/01/2021	100.00
	LU3	2024	6,445,000	06/01/2021	100.00
	LV1	2025	6,770,000	06/01/2021	100.00
	LW9	2026	7,115,000	06/01/2021	100.00
	LX7	2027	7,465,000	06/01/2021	100.00
	LY5	2028	7,840,000	06/01/2021	100.00
	LZ2	2029	8,330,000	06/01/2021	100.00
	MA6	2030	8,750,000	06/01/2021	100.00
2011 Series B(3)	ML2	2022	415,000	06/01/2021	100.00
	MM0	2023	425,000	06/01/2021	100.00
	MN8	2024	435,000	06/01/2021	100.00
	MP3	2025	450,000	06/01/2021	100.00
	MQ1	2026	460,000	06/01/2021	100.00

(1) Preliminary, subject to change. See Table 21, "Debt Statement as of December 31, 2020" for a description of the City's outstanding borrowings, including the Refunded Bonds.
(2) The 2011 Series A Refunded Bonds to be refunded by the 2021 Series A Bonds under the Refunding Plan.
(3) The 2011 Series B Refunded Bonds to be refunded by the 2021 Series B Bonds under the Refunding Plan.
Source: City of Portland

Verification of Mathematical Calculations

Causey Demgen & Moore P.C., a firm of independent public accountants (the "Verification Agent"), will deliver to the City, on or before the date of delivery of the Bonds, its verification report indicating that it has verified, in accordance with attestation standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Government Obligations, to pay, when due, the maturing principal of, interest on and related call premium requirements of the Refunded Bonds.

The verification performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by the City and its representatives. The Verification Agent has restricted its procedures to recalculating the computations provided by the City and its representatives and has not evaluated or examined the assumptions or information used in the computations.

ESTIMATED SOURCES AND USES OF FUNDS

The anticipated uses of proceeds from the Bonds are itemized in the following table:

Table 3
CITY OF PORTLAND, OREGON
Estimated Sources and Uses of Funds

	2021 Series A	2021 Series B
SOURCES OF FUNDS		
Par amount of bonds(1)	$51,815,000.00	$36,495,000.00
Net original issue premium/(discount)		
Cash contribution		
Total sources of funds		
USES OF FUNDS		
Deposit to refunding escrow		
Repayment of lines of credit		
Underwriter's discount		
Issuance costs		
Total uses of funds		

(1) Preliminary, subject to change. Remainder of table to be completed in the final Official Statement.
Source: City of Portland

DEBT SERVICE SCHEDULE FOR THE BONDS

The following table presents an estimated debt service schedule for the Bonds.

Table 4
CITY OF PORTLAND, OREGON
Debt Service on the Bonds

	2021 Series A Bonds		2021 Series B Bonds		
Fiscal Year	Principal(1)	Interest(2)	Principal(1)	Interest(2)	Total(2)
2021	-		-		
2022	$1,505,000		$555,000		
2023	4,565,000		1,530,000		
2024	5,590,000		1,605,000		
2025	5,875,000		1,685,000		
2026	6,175,000		1,770,000		
2027	6,470,000		1,410,000		
2028	6,800,000		1,475,000		
2029	7,235,000		1,555,000		
2030	7,600,000		1,630,000		
2031			1,710,000		
2032			1,800,000		
2033			1,865,000		
2034			1,945,000		
2035			2,025,000		
2036			2,100,000		
2037			2,185,000		
2038			2,275,000		
2039			2,365,000		
2040			2,455,000		
2041			2,555,000		
	$51,815,000		$36,495,000		

(1) Preliminary, subject to change.
(2) Interest and Total Bond Debt Service will be completed in the final Official Statement.
Source: City of Portland

ANNUAL DISCLOSURE INFORMATION

In conformance with SEC Rule 15c2-12, as amended (17 CFR Part 240, §.15c2-12), the City will provide annually the updated historical financial information and operating data of the type presented in this section titled "ANNUAL DISCLOSURE INFORMATION" to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, so long as the MSRB approves of its use. See Appendix D, "FORM OF CONTINUING DISCLOSURE CERTIFICATE" herein.

FISCAL YEAR

July 1 to June 30 (the "FY").

BASIS OF ACCOUNTING

The governmental fund types are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The economic resources measurement focus and the accrual basis of accounting is used for all proprietary fund and fiduciary fund financial statements. The City's accounting practices conform to generally accepted accounting principles ("GAAP") as interpreted by the Governmental Accounting Standards Board (the "GASB").

AUDITS

The Oregon Municipal Audit Law (ORS 297.405 - 297.555) requires an audit and examination be made of the accounts and financial affairs of every municipal corporation at least once each year. The audit shall be made by accountants whose names are included on the roster prepared by the State Board of Accountancy. Moss Adams LLP has performed auditing services for the City for FY 2002-03 through FY 2019-20.

A complete copy of the City's FY 2019-20 audit is available on the EMMA system for municipal securities disclosure established by the MSRB and accessible at http://emma.msrb.org. Excerpts of the City's audited financial statements for the General Fund on a GAAP basis are found in Appendix B.

FINANCIAL REPORTING

The City has been awarded the Government Finance Officers Association ("GFOA") Certificate of Achievement for Excellence in Financial Reporting every year since 1982. According to the GFOA, the Certificate of Achievement is the "highest form of recognition in the area of governmental financial reporting." To be awarded the certificate, a governmental unit must publish an easily readable and efficiently organized comprehensive financial report whose content conforms to program requirements and satisfies both generally accepted accounting principles and applicable legal requirements.

GENERAL FUND

Overview

The General Fund includes all activities of the City that are supported by property taxes and other non-dedicated revenues, including utility license fees, business license fees (i.e. business income taxes), transient lodging taxes, state shared revenues (from cigarette and liquor taxes), interest income, and miscellaneous revenues and beginning cash balances. General Fund resources are used to support such City services as police, fire and parks, as well as planning, community development and administrative support services.

The following subsections provide additional detail on the historical composition of the General Fund revenues. The City's General Fund revenue is experiencing a period of uncertainty as a result of the COVID-19 pandemic. Current and future revenues described below may vary significantly from historical trends. See SUPPLEMENTAL INFORMATION: GENERAL FUND BUDGET AND FINANCIAL PLAN – RECENT BUDGET ACTIONS" and "RECENT ECONOMIC AND HEALTH DEVELOPMENTS –IMPACT ON CITY OF PORTLAND" herein for a forecast of certain revenues sources and discussion of potential impacts to these revenue sources as a result of the COVID-19 pandemic.

No Material Liens

The City has not granted any material liens on amounts in the General Fund. The limited tax bonds of the City and the salaries and other expenses of the City that are paid from the General Fund all have an unsecured claim to amounts in the General Fund.

General Fund Revenues

Major categories of revenues that are accounted for in the General Fund are described below. Table 5, excerpted from the City's annual financial statements, presents a Schedule of Revenues and Expenditures on a budgetary basis.

Taxes. Taxes consist of two categories: property taxes and transient lodging taxes. Property taxes constitute the largest revenue source, representing 39.9 percent of total General Fund revenues in FY 2019-20. Property taxes consist of current year and prior years' property taxes collected from the City's $4.5770/$1,000 permanent rate levy ($265.9 million). See "PROPERTY TAX INFORMATION" herein.

The transient lodging tax is a tax on transient lodgers, which are daily or weekly renters at hotels, motels and other lodging establishments. The tax rate within Multnomah County currently is 11.5 percent. Of the 11.5 percent transient lodging tax collected within the City, 6.0 percent is allocated to the City, with 5.0 percent going to the City's General Fund and 1.0 percent going to Travel Portland (formerly the Portland Visitors Association). The remaining 5.5 percent is allocated to Metro and to Multnomah County. Transient lodging taxes were 4.6 percent of General Fund revenues in FY 2019-20, or $30.8 million.

Licenses and Permits. Licenses and permits represented $262.3 million, or 39.3 percent of the General Fund revenues, in FY 2019-20. Within this category are business license fee (i.e. business income tax) revenues collected from firms doing business within the City. The City's business license fee is based upon net apportioned income, and must be paid in advance for each year of business. Utility license fees, which are paid by public utilities such as electric, natural gas, communications, and cable providers, doing business in Portland, are another major revenue source. Additionally, utility license fee revenues are derived from fees charged to their customers by the City's water and sewer utilities.

Intergovernmental Revenues. Intergovernmental revenues (5.3 percent of the FY 2019-20 General Fund revenues, or about $35.0 million) consist largely of State-shared revenues (including taxes on cigarettes and liquor), and also include revenues from Multnomah County and other local governments for their shares of expenses of specific programs or activities that are administered by the City. The City (along with the State and Multnomah County) also receives a share of revenues from traffic court fines, classified as local shared revenues.

Charges for Services. Charges for services were $18.4 million, or 2.8 percent of General Fund revenues in FY 2019-20. This category includes rents and reimbursements received for use of City-owned property such as City Hall and other facilities, and parks and recreation facilities fees. Collection of parks and recreation fees in FY 2019-20 was down by half of the prior year collections, due largely to the impact of the pandemic.

Other Sources. The General Fund receives revenues from a variety of other sources. Approximately 6.9 percent of its revenues are received from City bureaus and agencies related to specific services that are paid from these other sources. Other sources include investment earnings and interfund revenue.

The FY 2019-20 revenues described above and the historical financial information in the tables below should be considered in light of the possible or probable negative effects arising out of the COVID-19 pandemic. See SUPPLEMENTAL INFORMATION: GENERAL FUND BUDGET AND FINANCIAL PLAN – RECENT BUDGET ACTIONS" and "—GENERAL FUND DISCRETIONARY REVENUE OUTLOOK," and "RECENT ECONOMIC AND HEALTH DEVELOPMENTS –IMPACT ON CITY OF PORTLAND" herein for a discussion of potential impacts to these revenue sources as a result of the COVID-19 pandemic.

Table 5
CITY OF PORTLAND, OREGON
General Fund Statement of Revenues and Expenditures
(Actual Results Reported on a Budgetary Basis)

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
REVENUES					
Taxes					
Current/prior year property taxes	$224,778,855	$235,913,405	$245,416,138	$263,445,070	$265,867,496
Lodging taxes	33,070,664	32,849,121	34,768,146	39,187,629	30,778,450
Payment in lieu of taxes		925,534	1,420,541	856,213	1,139,779
Total taxes	257,849,519	269,688,060	281,604,825	303,488,912	297,785,725
Licenses and permits:					
Business licenses, net	109,191,833	117,864,765	134,322,893	148,543,294	172,007,557
Public utility licenses	84,551,294	89,935,334	83,525,983	89,214,435	84,534,026
Other	5,235,519	5,577,313	5,215,313	4,632,230	5,710,624
Total licenses and permits	198,978,646	213,377,412	223,064,189	242,389,959	262,252,207
Intergovernmental					
Federal cost sharing	176,437	236,325	150,216	19,078	98,214
State sources	16,509,707	17,380,938	24,737,256	24,728,361	24,027,093
County sources	2,267,527	2,393,143	2,311,929	2,369,193	1,912,468
Local sources	10,854,187	8,756,516	8,660,737	9,221,411	8,993,395
Total intergovernmental	29,807,858	28,766,922	35,860,138	36,338,043	35,031,170
Charges for services:					
Rents and reimbursements	4,831,542	4,866,766	4,892,848	4,905,884	4,046,758
Parks and recreation facilities fees	12,367,535	11,946,886	12,937,070	13,503,372	6,678,198
Other	6,339,729	8,815,781	9,329,902	8,426,171	7,644,086
Total charges for services	23,538,806	25,629,433	27,159,820	26,835,427	18,369,042
Billings to other funds for services	26,099,803	28,438,210	34,536,614	37,052,235	46,278,005
Billings to other funds for General & overhead charges[(1)]	24,212,401	-	-	-	-
Other	4,666,567	4,515,443	5,500,205	5,204,232	7,276,285
TOTAL REVENUES	**$565,153,600**	**$570,415,480**	**$607,725,791**	**$651,308,808**	**$666,992,434**

(1) Beginning in FY 2016-17, General Fund overhead is reported in the category "OTHER FINANCING SOURCES/(USES)—Transfers from other funds" to align the financial statements presented in the Comprehensive Annual Financial Report with the City's budgetary presentation.

(table continued next page)

Table 5 (continued)
CITY OF PORTLAND, OREGON
General Fund Statement of Revenues and Expenditures
(Actual Results Reported on a Budgetary Basis)

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
EXPENDITURES					
Public Safety	$296,280,704	$307,805,057	$331,798,800	$349,395,745	$362,276,843
Parks, Recreation and Culture	77,334,972	81,809,345	87,631,347	90,944,028	89,938,850
Community Development	45,307,344	52,748,842	56,742,601	65,576,529	70,312,425
Legislative/Admin. Support Services	78,308,815	81,481,873	88,403,391	87,191,690	101,602,894
Debt service and related costs	8,190,788	8,991,917	9,856,184	10,718,770	11,378,583
TOTAL EXPENDITURES	505,422,623	532,837,034	574,432,323	603,826,762	635,509,595
Revenues Over/(Under) Expenditures	59,730,977	37,578,446	33,293,468	47,482,046	31,482,839
OTHER FINANCING SOURCES/(USES)					
Transfers from other funds[1]	1,466,330	30,386,589	29,574,815	35,143,806	31,420,451
Transfers to other funds	(63,100,264)	(59,517,702)	(56,704,740)	(64,148,189)	(72,719,859)
Internal loan proceeds/remittances	-	-	-	-	3,333,500
Sale of capital asset	1,188	5,463	-	-	-
TOTAL OTHER FINANCING SOURCES/(USES)	(61,632,746)	(29,125,650)	(27,129,925)	(29,004,383)	(37,965,908)
Net Change in Fund Balance	(1,901,769)	8,452,796	6,163,543	18,477,663	(6,483,069)
Beginning Fund Balance, Budgetary Basis	46,057,741	44,155,972	52,608,768	58,772,311	77,249,974
Ending Fund Balance, Budgetary Basis	$44,155,972	$52,608,768	$58,772,311	$77,249,974	$70,766,905
Adjustments to GAAP basis:					
General Reserve Fund budgeted as separate fund	$56,495,175	$58,916,535	$60,757,082	$69,192,032	$61,336,100
Campaign finance budgeted as separate fund	-	-	242,441	1,179,266	923,157
Internal loans receivable	224,724	375,880	339,717	352,207	352,207
Unrealized gain (loss) on investments	408,673	(219,573)	(1,001,976)	609,379	1,422,302
Inventories	270,633	252,251	365,483	299,244	311,058
Internal loans payable	-	-	-	-	(3,333,500)
Ending Fund Balance, GAAP basis	$101,555,177	$111,933,861	$119,475,058	$148,882,102	$131,778,230

(1) Beginning in FY 2016-17, General Fund overhead is reported in the category "OTHER FINANCING SOURCES/(USES)—Transfers from other funds" to align the financial statements presented in the Comprehensive Annual Financial Report with the City's budgetary presentation.

Source: City of Portland

CITY BUDGET PROCESS

The City prepares annual budgets for all its bureaus and funds in accordance with provisions of Oregon Local Budget Law. The law provides standard procedures for the preparation, presentation, administration, and public notice for public sector budgets. At the outset of the process, the Mayor or the full City Council reviews overall goals, establishes priorities, and provides direction to bureaus.

The City Budget Office, which was created by the City Council in December 2012, coordinates the budget development process. Major City bureaus generally prepare and submit budget requests, five-year financial plans and capital improvement plans. The City Budget Office reviews this information and prepares budget analysis reports for the Mayor and City Council, which summarize the budget requests and highlight issues that may be of particular concern to the City Council, the relevant bureau, or the City Budget Office. A five-year General Fund financial forecast, which serves as the basis for determining resources available for budgeting, is also provided to the City Council.

Bureau budget requests are reviewed by the Mayor and Council members, as well as a panel of community advisors. The Mayor develops a Proposed Budget that addresses City Council priorities, public input, and balancing requirements. Following presentation of the Proposed Budget, a community hearing is scheduled wherein public testimony is taken. A budget summary and notice of hearing are published prior to the hearings. The City Council, sitting as the Budget Committee, considers the testimony from the community and can alter the budget proposal before voting to approve the budget.

The City Council transmits the Approved Budget to the Multnomah County Tax Supervising and Conservation Commission (the "TSCC"), an oversight board appointed by the governor, for public hearing and review for compliance with budget law. Upon certification by the TSCC, the City Council holds a final public hearing prior to adoption. Final adoption of the City's budget is required to be through a vote of the City Council no later than June 30. All committee meetings and budget hearings are open to the public.

The City Council conducts an extensive public information process to obtain direct public input on City service priorities, and most bureaus include key stakeholders in developing their budget requests. In addition to this public outreach process, in January 2014, the City Council approved a five-year contract with the Citizens' Utility Board of Oregon (the "CUB"), an independent consumer advocacy nonprofit organization, to provide input regarding the City's water and sewer bureaus on behalf of residential customers. The City Council renewed the partnership agreement with the CUB in 2019. The CUB provides recommendations to the City Council on capital spending, rates, and customer service issues. On June 10, 2015, the City Council approved creation of the Portland Utility Board, a new citizen oversight panel that replaced the Portland Utility Review Board and budget advisory committees for the Portland Water Bureau and Bureau of Environmental Services. The Portland Utility Board, which is staffed by a dedicated financial analyst, advises the City Council regarding operations of the two utility bureaus, including development of bureau budgets and financial plans, capital spending, and rate setting.

Changes after the budget is adopted are completed through the budget monitoring process ("BMP") and the over-expenditure ordinance ("OEO"). These processes provide City Council the opportunity to change the budget several times per year. The Fall BMP is designed to give the City Council and the public a summary of prior year activity and to make adjustments to the current fiscal year budget. The Spring BMP focuses on project spending and performance estimates for the remainder of the fiscal year and also provides an opportunity to make budget adjustments. The OEO occurs during the month of June and is narrowly focused on addressing fund and program over-expenditures and interfund loans to ensure that funds do not end the fiscal year with negative cash or fund balances.

For a discussion of the City's FY 2020-21 budget and FY 2021-22 budget process and potential impacts of the COVID-19 pandemic on the City's budget, see "SUPPLEMENTAL INFORMATION: GENERAL FUND BUDGET AND FINANCIAL PLAN" and "RECENT ECONOMIC AND HEALTH DEVELOPMENTS" herein.

INSURANCE

The City is exposed to various risks of loss related to theft, damage and destruction of assets, tort claims (general and fleet liability), injuries to employees, acts of terrorism, and natural disasters. The City is self-insured for workers' compensation, fleet and general liability claims and certain employees' medical coverage in internal service funds.

The City estimates liability for incurred losses for reported and unreported claims for workers' compensation, general and fleet liability and employee medical coverage (included in accrued self-insurance claims in the combined statement of net position). Workers' compensation, general and fleet liability estimates are primarily based on individual case estimates for reported claims and through historical data for unreported claims as determined by the City's Risk Management Division and independent actuarial studies. Liabilities are based on an estimated ultimate cost of settling claims, including effects of inflation and other societal and economic factors. The estimated liability is then discounted by the City's expected rate of return and anticipated timing of cash outlays to determine present value of the liability. For FY 2019-20, the expected rate of return used was 2.3 percent. For FY 2020-21, and subsequent years, the expected rate of return used was 2.35 percent. The Bureau of Human Resources and the employee benefits consultant determines relevant employees' medical coverage estimates.

The City provides insurance coverage deemed as adequate, appropriate, and actuarially sound. It meets all the City's anticipated settlements, obligations and outstanding liabilities. An excess liability coverage insurance policy covers individual claims in excess of $1 million to policy limits, police law enforcement claims in excess of $2.5 million for claims occurring after November 12, 2013, to policy limits and an excess workers' compensation coverage insurance policy covers claims in excess of $850,000 for occurrences after July 1, 2012. The City purchases commercial insurance for claims in excess of coverage provided by the self-insurance fund. The City's limits of coverage on the excess liability policy is $10 million per claim above the self-insurance retention for covered torts. Police Law Enforcement Liability retention increased to $2.5 million for claims occurring after November 12, 2013.

The City does not have any claims reserved above the current self-insurance retention and excess layer. In the City's last three excess renewals, there have been no material changes in retention, coverage or conditions. Furthermore, current levels of accrued claims and case reserve estimates are viewed as reasonable provisions for expected future losses.

Per Oregon Revised Statute ("ORS") 30.272 limitations on liability of public bodies for personal injury to any single claimant for causes of action arising on or after July 1, 2020, and before July 1, 2021, limitations are $769,200 for single claimant and $1.538 million for multiple claimants.

Per ORS 30.273 limitations on liability of public bodies for property damage arising on or after July 1, 2020 and before July 1, 2021, limitations are $126,200 for single claimant and 630,800 for multiple claimants.

Liabilities are reported in the applicable fund when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated for effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

The estimate of claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether any are allocated to specific claims. Estimated recoveries, from salvage or subrogation for example, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

	FY 2019-20	**FY 2018-19**
Balance, beginning of fiscal year	$32,420,911	$31,721,400
Incurred claims and adjustments	61,096,633	66,624,554
Claim cash payments	(63,880,167)	(65,925,043)
Unpaid claims, end of fiscal year	$29,637,377	$32,420,911

PENSION PLANS: OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Overview

The Oregon Public Employees Retirement System ("PERS" or "the Statewide PERS System") provides statewide defined benefit retirement plans for units of state government, political subdivisions, community colleges, and school districts. Most public employers in Oregon, including the City, participate in PERS. PERS is administered under ORS Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a) by the Public Employees Retirement Board (the "PERS Board"). The PERS Board is responsible for setting policies and for providing administrative direction to PERS. Benefits provided through PERS are paid from the Oregon Public Employees' Retirement Fund ("OPERF"). PERS is a cost-sharing, multiple-employer public employee retirement system.

City employees (other than certain fire and police personnel), after six months of employment, participate in one of three retirement pension benefit programs provided through PERS as described below. The three PERS pension programs include two closed defined benefit programs and one program that has features of both defined benefit and defined contribution plans. In a defined benefit plan, the investment risk for the plan assets is borne by the employer. In a defined contribution plan, the investment risk for the plan assets is borne by the employee. A combination of participating employer contributions (determined by the PERS Board based upon the results of actuarial valuations), investment earnings and employee-paid contributions (currently, for the City, six percent of salaries and nine percent for police and fire employees) fund these pension programs. See "—Employer Contribution Rates and Amounts" and "—PENSION PLANS: FIRE AND POLICE DISABILITY AND RETIREMENT PLAN" below.

Benefit Programs

Employees hired before January 1, 1996, are known as "Tier 1" participants. The retirement benefits applicable to Tier 1 participants are based on a defined benefit model. Tier 1 has a normal retirement age of 58 and, effective January 1, 2018, an assumed earnings rate guarantee of 7.20 percent. PERS maintains a "Tier One Rate Guarantee Reserve" which is credited with investment earnings in excess of the assumed earnings rate guarantee and used to offset the effects of investment earnings below the assumed earnings rate guarantee. As of June 30, 2020, the balance of this reserve was $448.8 million. As of June 30, 2020, there were 16,323 active plan members, 129,520 retired plan members or their beneficiaries currently receiving benefits, 7,149 inactive plan members entitled to but not yet receiving benefits, and 2,781 inactive plan members eligible for the refund value of their account only, for a total of 155,773 Tier One members in the Statewide PERS System.

Employees hired on or after January 1, 1996, and before August 29, 2003, are known as "Tier 2" participants. The Tier 2 program also provides a defined benefit but with lower expected costs to employers than under the Tier 1 benefit. There is no assumed earnings rate guarantee and Tier 2 has a higher normal retirement age of 60. As of June 30, 2020, there were 31,548 active plan members, 17,162 retired plan members or their beneficiaries currently receiving benefits, 5,420 inactive plan members entitled to but not yet receiving benefits, and 8,460 inactive plan members eligible for the refund value of their account only, for a total of 62,590 Tier 2 members in the Statewide PERS System.

Employees hired on or after August 29, 2003, are participants in a successor retirement program to the Tier 1 and Tier 2 retirement programs (the "T1/T2 Pension Programs") known as the Oregon Public Service Retirement Plan ("OPSRP"). OPSRP consists of a defined benefit plan and also offers the Individual Account Program ("IAP"), which offers a defined contribution benefit. As of June 30, 2020, there were 130,806 active plan members, 6,940 retired plan members or their beneficiaries currently receiving benefits, 6,281 inactive plan members entitled to but not yet receiving benefits, and 16,439 inactive plan members not eligible for refund or retirement, for a total of 160,466 OPSRP Pension Program members.

Effective January 1, 2004, all active Tier 1 and Tier 2 employees also became members of the IAP. Tier 1 and Tier 2 employees retain their existing T1/T2 Pension Program account, but member contributions are now deposited into the member's IAP account, not into the member's PERS account. Pursuant to Senate Bill 1049 adopted in the 2019 Legislative Session, 6 percent of the contributions currently made to the IAP will be redirected to an "Employee Pension Stability Account" for certain PERS employees. See "—Recent Developments Related to PERS" below.

Apportionment of City Assets and Liabilities

The City is pooled with the State of Oregon and other Oregon local government and community college public employers for its T1/T2 Pension Programs (the "State and Local Government Rate Pool" or "SLGRP"), and the SLGRP's assets and liabilities are pooled. These assets and liabilities are not tracked or calculated on an employer basis or allocated to individual employers. The City's portion of the SLGRP's assets and liabilities is based on the City's proportionate share of SLGRP's pooled covered payroll. OPSRP's assets and liabilities are pooled on a program-wide basis. These assets and liabilities are not tracked or calculated on an employer basis or allocated to individual employers. The City's share of OPSRP's assets and liabilities is based on the City's proportionate share of OPSRP's pooled covered payroll. The City's proportionate liability of the T1/T2 Pension Programs and OPSRP may increase if other pool participants fail to pay their full employer contributions.

Employer Asset Valuation and Liabilities

Oregon statutes require an actuarial valuation of the Statewide PERS System by a competent actuary at least once every two years. The current PERS actuary is Milliman, Inc. ("Milliman"). Under current practice, actuarial valuations are performed annually, but only valuations as of the end of each odd-numbered year are used to determine annual required employer contribution rates that employers will be required to pay to fund the obligations of T1/T2 Pension Programs, OPSRP and the PERS-sponsored Retirement Health Insurance Account Plan ("RHIA"). For a description of RHIA, see "OTHER POST-EMPLOYMENT RETIREMENT BENEFITS ("OPEB")" below. Valuations are released approximately one year after the valuation date.

An employer's unfunded actuarial liability ("UAL") is the excess of the actuarially determined present value of the employer's benefit obligations to employees over the existing actuarially determined assets available to pay those benefits. The following table shows certain methods and assumptions adopted by the PERS Board, which are the basis for the actuarial valuations.

Table 6
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Actuarial Assumptions and Methods

ASSUMPTION/METHOD	2016 & 2017 VALUATIONS(1)	2018 & 2019 VALUATIONS(2)
Actuarial Cost Method:	Entry Age Normal	Unchanged
UAL Method: T1/T2 Programs OPSRP	 Level Percentage of Payroll over 20 years (fixed) Level Percentage of Payroll over 16 years (fixed)	 Unchanged(3) Unchanged
Asset Valuation Method:	Market Value(4)	Unchanged
Investment Rate of Return:	7.20%	Unchanged
Payroll Growth Rate:	3.50%	Unchanged
Inflation Level:	2.50%	Unchanged
Contribution Rate Stabilization Method:	Contribution rate may increase or decrease by 3% of payroll or by 20% of the previous rate; whichever is greater, when an employer's funded status is between 70% and 130%. At a funded status of 60% or less, or 140% or more, the limitation doubles to 6% of payroll or 40% of the previous rate, whichever is greater. At a funded status between 60% and 70% or 130% and 140%, the limitation increases in increments between 3%-6% of payroll or 20%-40% of the previous rate, whichever is greater.	Unchanged

(1) Assumptions and methods adopted by the PERS Board on July 28, 2017, that apply to actuarial valuations as of December 31, 2016, and December 31, 2017.
(2) Assumptions and methods adopted by the PERS Board on October 4, 2019 that apply to actuarial valuations as of December 31, 2018 and as of December 31, 2019.
(3) See information regarding the one-time amortization of the unfunded actuarial liability as of December 31, 2019 as described in "—PENSION PLANS: OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM – Recent Developments Related to PERS."
(4) Market value of assets reduced by value of assets in statutory reserves (contingency, capital preservation and rate guarantee reserves).

Source: Oregon Public Employees Retirement System

Milliman released its 2016 valuation for the Statewide PERS System as of December 31, 2016 (the "2016 System Valuation") on December 6, 2017, its 2017 valuation for the Statewide PERS System as of December 31, 2017 (the "2017 System Valuation") on September 28, 2018, its 2018 valuation for the Statewide PERS System as of December 31, 2018 (the "2018 System Valuation") on December 12, 2019, and its 2019 valuation for the Statewide PERS System as of December 31, 2019 (the "2019 System Valuation") on September 17, 2020. These reports include system-wide actuarial valuations for the T1/T2 Pension Programs and OPSRP.

Milliman released the City's individual 2016 valuation as of December 31, 2016, (the "2016 City Valuation") on December 7, 2017, the City's 2017 valuation as of December 31, 2017, (the "2017 City Valuation") on October 17, 2018, the City's individual 2018 valuation as of December 31, 2018 (the "2018 City Valuation") on December 12, 2019, and the City's individual 2019 valuation as of December 31, 2019 (the "2019 City Valuation") in October 2020. These valuation reports provide the City's portion of (a) the SLGRP based on the City's proportionate share of the total SLGRP covered payroll as of the valuation date, (b) OPSRP based on the City's proportionate share of total OPSRP covered payroll as of the valuation date, and (c) the RHIA based on the City's proportionate share of the total RHIA covered payroll as of the valuation date.

The tables below provide historical summary valuation information for the Statewide PERS System and for the City.

Table 7
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Summary of Statewide PERS System Funding Levels
($ in Millions)(1)

STATEWIDE PERS SYSTEM				
Calendar Year	**Actuarial Value of Assets(2)**	**Actuarial Liability**	**Unfunded Actuarial Liability**	**Funded Ratio (%)**
2010	$46,004.4	$59,329.5	$13,325.1	77.5%
2011	43,238.8	61,198.4	17,959.6	76.1
2012(3)	49,265.9	60,405.2	11,139.3	81.6
2013(3)	54,090.1	62,593.6	8,503.5	86.4
2014(4)	55,518.2	73,458.9	17,940.7	75.6
2015	54,365.8	76,196.6	21,830.8	71.3
2016	55,670.2	80,970.3	25,300.1	68.8
2017	61,764.9	84,056.1	22,291.2	73.5
2018	59,593.0	86,574.7	26,981.7	68.8
2019	64,842.2	89,445.7	24,603.5	72.5

(1) Composed of Tier 1/Tier 2 and OPSRP pensions but excluding retiree healthcare subsidies of RHIA.
(2) Does not take into account offsets for deposits made by individual employers from bond proceeds or cash on hand in side accounts
(3) Reflects the legislative changes enacted by the Oregon Legislative Assembly in 2013 (the "2013 PERS Bills") to reduce future benefit payments, resulting in a reduction of the PERS unfunded actuarial liability by approximately $5 billion.
(4) In April 2015, the Oregon Supreme Court announced a decision on lawsuits challenging the provisions of the 2013 PERS Bills. The decision upheld the elimination of a benefit increase for out-of-state retirees but declared other benefit reductions unconstitutional as applied to benefits earned prior to the June 1, 2013 effective date of the 2013 PERS Bills.

Source: Oregon Public Employees Retirement System

Table 8
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Summary of City Funding Levels
($ in Millions)(1)

Calendar Year	Actuarial Value of Assets	Actuarial Liability	Unfunded Actuarial Liability	Funded Ratio (%)
2010	$1,499.8	$1,672.5	$172.7	89.7
2011	1,459.0	1,724.2	265.3	84.6
2012(2)	1,624.8	1,744.3	119.5	93.2
2013(2)	1,762.8	1,804.7	41.9	97.7
2014(3)	1,844.1	2,210.1	366.0	83.4
2015	1,820.6	2,335.5	514.9	78.0
2016	1,891.4	2,540.2	648.8	74.4
2017	2,171.1	2,776.3	605.2	78.2
2018	2,202.1	3,048.8	846.8	72.2
2019	2,468.6	3,286.6	818.0	75.1

(1) Composed of Tier 1/Tier 2 and OPSRP pensions but excluding retiree healthcare subsidies of RHIA. City information is calculated separately for the SLGRP and OPSRP using the City's payroll as a percentage of combined payroll of the respective rate pools. SLGRP values include pre-SLGRP and transition liabilities/surpluses created when the City joined the prior local government rate pool and the SLGRP.

(2) Reflects the legislative changes enacted by the Oregon Legislative Assembly in 2013 (the "2013 PERS Bills") to reduce future benefit payments, resulting in a reduction of the PERS unfunded actuarial liability by approximately $5 billion.

(3) In April 2015, the Oregon Supreme Court announced a decision on lawsuits challenging the provisions of the 2013 PERS Bills. The decision upheld the elimination of a benefit increase for out-of-state retirees but declared other benefit reductions unconstitutional as applied to benefits earned prior to the June 1, 2013 effective date of the 2013 PERS Bills.

Source: Oregon Public Employees Retirement System

The following table presents a history of the City's member payroll, unfunded actuarial liability and ratio of unfunded actuarial liability to payroll.

Table 9
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
City Payroll for PERS Members and Unfunded Actuarial Liability

Calendar Year	Payroll	Unfunded Actuarial Liability	Unfunded Liability to Payroll Ratio (%)
2010	$307,538,429	$172,726,579	56
2011	303,508,135	265,267,189	87
2012	311,688,601	119,477,128	38
2013	313,291,592	41,882,231	13
2014	335,113,826	365,964,877	109
2015	350,158,915	514,861,639	147
2016	362,850,562	648,861,639	179
2017	384,409,335	605,231,941	157
2018	434,168,788	846,761,641	195
2019	477,067,656	817,975,831	171

Source: Oregon Public Employees Retirement System

The funded status of the pension programs may change depending on the market performance of the securities that the OPERF is invested in, future changes in compensation and benefits of covered employees, demographic characteristics of members and methodologies and assumptions used by the actuary in estimating the assets and liabilities of PERS. Additionally, the market value of the investments held in the OPERF is determined using various sources. The COVID-19 pandemic initially caused significant declines in the value of PERS' investments, followed by a recovery beyond those losses; however, it is currently unknown how System-wide UAL and City UAL are affected or may be effected as a result of longer-term economic impact of the pandemic. For recent announcements regarding the effects of the COVID-19 pandemic on the System-wide UAL, see "—Recent Developments Related to PERS" below.

State Investment Policy

The Oregon State Treasury is the investment officer for the state of Oregon. Investment standards are established in ORS 293.726 and require funds to be managed as a prudent investor would do. The Oregon Investment Council ("OIC") establishes policies for the investment and reinvestment of moneys in PERS investment funds. Policies are established based on the primary investment asset class of each investment manager. The OIC has approved the following asset classes for the OPERF: Short-Term Investing, Fixed Income, Real Estate, Public and Private Equities, and Alternative Investments. In addition, OPERF invests in the Opportunity Portfolio, which may be populated with investment approaches across a wide range of investment opportunities with no limitation as to asset classes or strategies. The target investment portfolio mix at market value was revised at the OIC meeting of April 24, 2019, to 32.5 percent global equity, 17.5 percent private equity, 20 percent fixed income, 12.5 percent real estate, 7.5 percent alternatives – illiquid, 7.5 percent alternatives – diversifying strategies and 2.5 percent risk parity.

The following table presents a 10-year history of investment returns for the OPERF.

Table 10
OREGON PUBLIC EMPLOYEES RETIREMENT FUND
Oregon PERS Investment Returns[1]

Fiscal Year Ending June 30	Net Returns (%)
2011	22.3
2012	1.6
2013	12.7
2014	16.6
2015	4.3
2016	1.2
2017	11.9
2018	9.4
2019	6.5
2020	0.5

(1) Total fund performance, excluding variable account.
Source: Oregon Public Employees Retirement Fund System Comprehensive Annual Financial Report for FYs 2010-11 through 2019-20

The following table presents annualized investment returns over the most recent 1-year, 3-year and 5-year periods. Calculations were prepared using a time-weighted rate of return based on market rates in accordance with the Global Investment Performance Standards performance presentation standards.

Table 11
OREGON PUBLIC EMPLOYEES RETIREMENT FUND
Annualized Investment Results[1]

	Annualized		
Periods Ending June 30, 2020	1-Year	3-Year	5-Year
Total Portfolio, Excluding Variable	0.5%	5.4%	5.9%

(1) Total fund performance, regular account. Excludes variable account.
Source: Oregon Public Employees Retirement Fund System Comprehensive Annual Financial Report for FY 2019-20

Employer Contribution Rates and Amounts

At the end of each odd-numbered year, actuarial valuations determine the employer contribution rates that are officially set by the PERS Board. Pursuant to ORS 238.225, all employers participating in PERS are required to make their contribution to PERS based on the employer contribution rates set by the PERS Board.

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates are based upon the current and projected cost of benefits and the anticipated level of funding available from the OPERF, including known and anticipated investment performance of the OPERF.

The City's employer contribution rates were derived using a rate stabilization methodology (the "Rate Collar") designed to cap rate increases and reduce large fluctuations in employer contribution rates. Such rate increases are shifted to future biennia. See Table 6 for a summary of the Rate Collar in effect. Because of the Rate Collar, the PERS Board-approved employer contribution rates for some employers, including the City, are currently less than the actuarially required contribution ("ARC").

T1/T2 Pension Programs employees and OPSRP employees are required by state statute to contribute six percent of their annual salary to the respective programs. Employers are allowed to pay the employees' contribution in addition to the required employers' contribution. The City has elected to make the employee contribution. An employer also may elect via written employment policy or agreement to make additional employer contributions to its employees' IAP accounts in an amount that can range from not less than one percent of salary to no more than six percent of salary and must be a whole percentage. Employers may make this policy or agreement for specific groups of their employees. The City has elected to make an optional contribution to the IAP accounts of public safety employees hired after January 1, 2007, of an additional three percent of their annual salary.

The table below shows the City's employer contribution rates for the 2017-19 biennium that ended on June 30, 2019. The table also shows the City's current employer contribution rates for the 2019-21 biennium that began on July 1, 2019, as reported in the 2017 City Valuation and the City's employer contribution rates for the 2021-23 biennium as reported in the 2019 City Valuation. The rates reported in the table do not include the six percent and nine percent employee contribution rates for contributions to the IAP paid by the City.

Table 12
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Employer Contribution Rates for the City
Percentage of Covered Payroll(1)(2)

Payrolls Paid	Past Rates 2017-2019	Current Rates 2019-21	Future Rates 2021-2023
T1/T2	17.62%	21.86%	22.35%
OPSRP General Services	10.69	15.53	18.36
OPSRP Police and Fire	15.46	20.16	22.72

(1) Includes contribution rates to fund RHIA. See "OTHER POST-EMPLOYMENT RETIREMENT BENEFITS ("OPEB") – PERS Program." For FY 2019-20, one percent of the City's covered payroll for the three pension benefit programs was approximately: $1,274,874 for T1/T2 Pension Programs; $725,733 for OPSRP general services; and $2,767,561 for OPSRP police and fire.
(2) Includes adjustments for side accounts and pre-SLGRP liabilities.
Source: City of Portland, Oregon Public Employees Retirement System

The City's contribution rates may increase or decrease due to a variety of factors, including the investment performance of the OPERF, the use of pension-related reserves, further changes to system valuation methodology and assumptions and decisions by the PERS Board, and changes in benefits resulting from legislative modifications. The City cannot predict whether any legislation or related actions will attempt to further modify the PERS System or whether such attempts would withstand legal challenge.

The City's financial plan has been updated to incorporate higher growth assumptions for PERS employer rates. For each of the next two biennia (FYs 2021-22 and 2022-23 and FYs 2023-24 and 2024-25), the financial plan assumes increases in rates for both T1/T2 and OPSRP of approximately 5.0%.

City Funding Policy

In August 2014, the City Council approved a policy regarding funding of its PERS pension liability. The policy requires the City to make contributions at no less than the rate established by the PERS Board and required by ORS 238.225. The City has always funded its full employer contribution as required by ORS 238.225. See "—Employer Contribution Rates and Amounts" above.

Pension Obligation Bonds

In addition to their PERS contribution, City bureaus in existence as of November 10, 1999, (the issue date of the bonds) are required to make a contribution to pay debt service on outstanding Limited Tax Pension Obligation Revenue Bonds (the "Pension Obligation Bonds"), which were issued to fund the City's share of the unfunded actuarial liabilities of PERS as of December 31, 1997. The Pension Obligation Bonds were issued in three series: one series of fixed rate bonds in an amount of $150,848,346 and two series of auction rate securities in an aggregate amount of $150,000,000. The final maturity of the Pension Obligation Bonds is June 1, 2029 and are currently outstanding in the amount of $106,568,346. Proceeds of the Pension Obligation Bonds were deposited with PERS. Table 13 below shows the debt service paid by the City on its Pension Obligation Bonds.

Total City Pension Contribution

The following table shows the amount of City contributions paid to PERS for the three pension programs including amounts paid by the City for the employee contribution. Contributions include the payments from the Fire and Police Disability and Retirement Fund for pensions of police and firefighters participating in the T1/T2 Pension Programs and OPSRP. Fire and Police Disability and Retirement Fund contributions are funded from a dedicated Citywide property tax levy (the "FPDR levy"). See "—PENSION PLANS: FIRE AND POLICE DISABILITY AND RETIREMENT PLAN" below. In FY 2019-20, approximately 73 percent of the total cash contribution was for the employer share and 27 percent was for the employee share. The City made its required contribution for its pension obligation in all years. See "—Employer Contribution Rates and Amounts" above.

Table 13
CITY OF PORTLAND, OREGON
City Contribution Related to PERS

Fiscal Year Ending June 30	City's Required Cash Contribution to PERS(1)	Debt Service on Pension Obligation Bonds	Total Cash Contribution for Pension Costs
2011	$33,622,080	$16,416,215	$50,038,295
2012	45,229,731	17,740,796	62,970,527
2013	45,278,556	19,433,725	64,712,281
2014	45,868,558	21,129,361	66,997,919
2015	46,969,145	23,074,692	70,043,837
2016	55,530,023	25,350,317	80,880,340
2017	58,637,409	27,853,142	86,490,551
2018	76,185,383	30,540,190	106,725,574
2019	86,437,805	33,027,629	119,465,434
2020	113,491,659	35,237,088	148,728,747

(1) Includes City's statutorily required employer contribution for T1/T2 and OPSRP pension program and its pension contribution on behalf of employees. Includes contributions from the FPDR levy and other non-General Fund bureaus such as the Water Bureau and the Bureau of Environmental Services. Cash contribution to PERS excludes amount paid by Prosper Portland.

Source: Oregon Public Employees Retirement System and City of Portland; Oregon

Recent Developments Related to PERS

In 2019, the Legislature adopted and the Governor signed Senate Bill 1049 ("SB 1049"), which makes certain modifications to the amortization of the UAL and benefits provided to employees retiring after December 31, 2019. Such modifications include: a one-time re-amortization of the UAL associated with Tier 1 and Tier 2 benefits that is measured as of December 31, 2019 and extending that amortization to 22 years; redirecting a portion of the 6 percent contributions currently made to the IAP to an "Employee Pension Stability Account" ("EPSA") within the PERS fund when an employee's salary exceeds $2,500 per month (indexed annually); removing all current hourly limitations on retirees who work for a PERS employer after retirement, while mandating that such employer shall continue to make pension contributions at the previous employer rate; and capping the annual salary used in the calculation of certain retirement packages for all tiers to $195,000 (indexed annually).

According to the Legislative Fiscal Office, the re-amortization of the T1/T2 UAL from 20 years to 22 years is expected, under current actuarial assumptions, to extend the retirement of the UAL by approximately six years. The City cannot predict whether SB 1049 will be subject to legal challenges that could affect some or all of its provisions.

The COVID-19 pandemic and resulting long-term economic effects may cause future declines in the value of PERS' investments which could lead to increases in the System-wide UAL and City UAL.

PENSION PLANS: FIRE AND POLICE DISABILITY AND RETIREMENT PLAN

Overview

The following discussion pertains to the City's Fire and Police Disability, Retirement and Death Benefit Plan (the "FPDR Plan"). The FPDR Plan was established in 1942 to provide disability, retirement and death benefits for sworn members of the City's Bureaus of Fire and Police and their survivors. The FPDR Plan is governed by a Board of Trustees (the "FPDR Board"), composed of the Mayor or Mayor's designee, two active members of the Fire and Police Bureaus and two citizens appointed by the Mayor and confirmed by the City Council. The Fire and Police member trustees are elected by the active members of the Fire Bureau and Police Bureau, respectively. The citizen trustees must have relevant experience in pension or disability matters. The FPDR Plan is administered by the Bureau of Fire and Police Disability and Retirement, led by the Fund Administrator.

The FPDR Plan's authority for vesting and benefit provisions is provided by Chapter 5 of the City Charter. Most amendments require majority approval of the voters in the City. Ten revisions have been passed by the voters since the creation of the plan. The most recent voter revision, comprised of eleven different plan amendments, was passed November 6, 2012. City Council may provide by ordinance any additional benefits that the City is required by law to extend to the members and may also change benefits by ordinance to maintain the FPDR Plan's tax-qualified status. The most recent amendments by the City Council occurred in 2020.

Benefit Programs

The FPDR Plan consists of three tiers, two of which are now closed to new employees. The retirement plans for FPDR One, the original plan, and FPDR Two, a second plan created in 1990, are single-employer, defined-benefit plans administered by the FPDR Board. In addition to retirement benefits for FPDR One and FPDR Two members, the FPDR Plan provides service-connected, nonservice-connected, and occupational disability benefits for FPDR One, FPDR Two and FPDR Three members. FPDR Plan members do not participate in Social Security and do not receive Social Security benefits for their years of service.

FPDR One. Sworn members of the Police and Fire Bureaus subject to the FPDR Plan as constituted prior to July 1, 1990, are included in the FPDR One tier. All FPDR One members are now retired or receiving long-term disability benefits. Under FPDR One, retirement benefits are provided upon termination of employment on or after attaining age 50 (with 25 or more years of service) or 55 (with 20 years or more of service). Retirement benefits are paid to members at two percent of current top-step pay for a police officer or firefighter for each year of service (up to 60 percent); therefore, FPDR One members receive postretirement benefit increases equal to increases in current top-step police officer or firefighter pay.

FPDR Two. Sworn members of the Police and Fire Bureaus subject to the FPDR Plan as constituted after June 30, 1990, and first sworn before January 1, 2007, are included in the FPDR Two tier. Under FPDR Two, retirement benefits are provided upon termination of employment on or after attaining age 55, or on or after attaining age 50 if the member has 25 or more years of service. Members become 100 percent vested after five years of service. Benefits are paid using a formula tied to years of service and the highest one-year base pay the member received during the final three years of employment. The FPDR Board has the authority to grant postretirement benefit increases to FPDR Two members, so long as the increases do not exceed increases awarded to sworn retirees of PERS. Members enrolled in the FPDR Plan and still working prior to July 1, 1990, were required to make an election as to whether they wished to fall under the provisions of the FPDR Plan as constituted prior to July 1, 1990 (now called FPDR One) or become subject to the new FPDR Two provisions after June 30, 1990.

FPDR Three. Sworn members of the Police and Fire Bureaus hired on or after January 1, 2007, are included in the FPDR Three tier; those sworn on or after January 1, 2013, become FPDR Three members after six months of service. These participants are part of OPSRP for retirement benefits and are under the FPDR Plan for disability and pre-retirement death benefits, offset by any benefits received on account of disability or death under OPSRP. Retirement benefits for these participants are pre-funded, and the FPDR levy pays the employee and employer portions of the OPSRP contribution. For information regarding OPSRP and the employee and employer contribution rates for OPSRP, see "—PENSION PLANS: OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM," above.

Funding

The FPDR levy is a special property tax levy which cannot exceed two and eight-tenth mills on each dollar of valuation of property ($2.80 per $1,000 of Real Market Value) that is not exempt from such levy. The FPDR levy has been sufficient in all years to meet required annual benefit payments. In the event that collections from this special property tax levy are less than the amount required for payment of benefits in any particular year, the FPDR Fund could receive advances from the FPDR Reserve Fund first and then from other legally available City funds to make up the difference. While the FPDR Fund has not experienced any funding shortfalls to date, future funding is dependent on the availability of property tax revenues and, in the absence of sufficient property tax revenues, other legally available City funds.

Although the City Charter provides the FPDR Plan with dedicated property tax levy authority, the Oregon state constitution caps each property's general government taxes at $10 per $1,000 of Real Market Value. After reaching this point, all levies, including the FPDR levy, are subject to compression under the State Constitution ("Measure 5 compression") to fit within the $10 limit. For this reason, it is unlikely that FPDR could collect the full $2.80 per $1,000 of Real Market Value on each property. In FY 2020-21, the tax loss due to Measure 5 compression was $9.1 million, or 5.0 percent of the FPDR levy.

Retirement Plan Asset Valuation and Liabilities

The table below shows key assumptions for the most recent valuation of the FPDR Plan. Mortality and other assumptions are regularly reviewed and updated as needed. The discount rate is equal to the June 30 value of the Bond Buyer General Obligation 20-Bond Municipal Bond Index each year, in accordance with the requirement of Governmental Accounting Standards Board Statement No. 67 ("GASB 67") that plans use a risk-free discount rate for the portion of the plan's liability that is not prefunded.

Table 14
CITY OF PORTLAND, OREGON
FPDR Plan -- Actuarial Assumptions and Methods
For the June 30, 2020 Valuation

Actuarial Cost Method	Entry Age Normal
Actuarial Value of Assets	Market Value
Funding Policy	Pay-As-You-Go
Discount Rate	2.21%
Payroll Growth Rate	3.25%

Source: Milliman Inc., City of Portland Fire & Police Disability & Retirement (FPDR) Fund, Pension Actuarial Valuation Report as of June 30, 2020, dated January 14, 2021

As distinguished from the pension plan for FPDR Three members, assets generally are not accumulated in the current year to pay for benefit payments in future years for the FPDR Plan. The table below shows funding levels for the FPDR Plan over the past ten fiscal years. In accordance with the Charter's provisions, there are no requirements to fund the FPDR Plan using actuarial techniques. The FPDR Plan is funded on a pay-as-you-go basis. Each year's benefits and expenses are paid for with employer contributions derived from dedicated property tax revenue received during that year. Because of the FPDR Plan's pay-as-you-go funding basis, the unfunded actuarial accrued pension liability and net pension liability (the new terminology per GASB 67 implemented by the City effective June 30, 2014), do not reflect the value of dedicated future revenues from the property tax levy. See "—FPDR Fund and Levy Adequacy" below. As reflected in the City's CAFR for FY 2019-20, and required by GASB 68, the net pension liability for the FPDR Plan is a primary factor in the City's unrestricted net position deficit for governmental activities for FY 2019-20, and contributed to the City's total net position decrease from FY 2012-13 to FY 2013-14, when GASB 68 was implemented. See table entitled "Net Position by Component Last Ten Fiscal Years (accrual basis of accounting)" on page 383 of the City's CAFR for FY 2019-20.

Table 15
CITY OF PORTLAND, OREGON
FPDR Plan --Summary of Funding Levels(1)

Fiscal Year Ending June 30	Actuarial Value of Assets	Actuarial Liability	Unfunded Actuarial Liability(1)	Funded Ratio(2)
2009(3)	$11,571,074	$2,279,923,000	$2,268,351,926	0.51%
2010	16,542,896	2,549,479,088	2,532,936,192	0.65
2011(3)	25,648,253	2,610,360,794	2,584,712,541	0.98
2012(3)	20,287,803	2,674,072,175	2,653,784,372	0.76
Fiscal Year Ending June 30(3)	**Plan Net Position, Ending**	**Total Pension Liability**	**Net Pension Liability(2)**	**Net Position as Percent of Total Liability(2)**
2013	$17,155,015	$2,517,096,534	$2,499,941,519	0.68%
2014	20,532,924	2,473,970,866	2,453,437,942	0.83
2015	21,876,942	2,896,894,767	2,875,017,825	0.76
2016	17,425,353	3,391,461,315	3,374,035,962	0.51
2017	14,150,087	3,367,105,729	3,352,955,642	0.42
2018	17,790,774	3,295,142,974	3,277,352,200	0.54
2019	20,001,298	3,568,635,904	3,548,634,606	0.56
2020	18,638,401	4,407,176,740	4,388,538,339	0.42

(1) Table reflects transition to new accounting classifications as required by the Governmental Accounting Standards Board beginning with FY 2012-13.
(2) Does not include value of future dedicated FPDR property tax collections.
(3) Amounts are calculated by rolling forward prior actuarial valuations. See Table 16 below for a summary of the June 30, 2018, and June 30, 2020, valuations.
Source: City of Portland audited financial statements

Overall the net pension liability increased from $3.31 billion on June 30, 2018, to $4.44 billion on June 30, 2020, as shown in Table 16 below. Note that these valuations differ from results shown in Table 15 above because they are based on actual results prepared by Milliman and are not roll-forward amounts of prior valuations.

Table 16
CITY OF PORTLAND, OREGON
FPDR Plan--Summary of Most Recent Actuarial Valuations

Fiscal Year Ending June 30	Plan Assets	Total Pension Liability	Net Pension Liability
2018	17,790,776	3,323,733,057	3,305,942,281
2020	18,638,401	4,456,071,006	4,437,432,605

Source: Milliman Inc., City of Portland Fire & Police Disability & Retirement (FPDR) Fund, Pension Actuarial Valuation Report as of June 30, 2020, dated January 14, 2021

The primary reason for the growth in the plan's pension liability from June 30, 2018 to June 30, 2020 is the decrease in the discount rate (the June 30 value of the Bond Buyer General Obligation 20-Bond Municipal Bond Index each year). The rate dropped from 3.87 percent on June 30, 2018 to 2.21 percent on June 30, 2020, increasing the pension liability by $974 million. By comparison, other changes had small impacts on the liability. Higher assumed annual cost-of-living adjustments for FPDR Two retirees added $79 million to the pension liability. On the other hand, longevity declined by approximately one year for all male retirees, reducing the pension liability by $104 million. Mortality assumptions are routinely updated to reflect the experience of the larger and more statistically valid Oregon PERS sworn population. The June 30, 2020 valuation also reflects a variety of updated assumptions based on a new experience study of the FPDR Plan for the period July 1, 2014 to June 30, 2019, conducted by an independent actuarial firm. Adjustments were made to marriage rates, retirement probabilities at various ages and years of service, levels of pre-retirement withdrawal, and other areas. However, these changes had a small impact on the pension liability calculation. The actuaries estimated the new assumptions would have reduced the June 30, 2018 pension liability by $60 million.

FPDR Fund and Levy Adequacy

A critical measure of the FPDR Fund's financial health is whether the dedicated property tax will ever be insufficient to fully cover benefit expenditures both for the pay-as-you-go FPDR Plan and contributions to the pre-funded OPSRP plan. The table below compares the certified tax levy for FPDR Plan contributions (for FPDR One and FPDR Two participants) and OPSRP contributions (for FPDR Three participants) with the amount authorized based on the $2.80/$1,000 Charter limitation. Between FY 2011-12 and FY 2020-21, Real Market Value of property subject to taxation has grown by a compounded annual rate of approximately 7.8 percent.

Table 17
CITY OF PORTLAND, OREGON
FPDR Fund--Certified Levies Compared with Maximum Levies Authorized

FYE June 30	Tax Levy per $1,000 RMV	Certified Tax Levy[(1)]	Maximum Levy Authorized ($2.80/1,000 RMV)	Amount Available to be Certified from Authorized Levy
2012	$1.41	$114,264,711	$227,257,618	$112,992,907
2013	1.55	123,564,952	223,709,460	100,144,508
2014	1.62	136,383,540	235,325,707	98,942,167
2015	1.48	136,883,230	259,331,341	122,448,111
2016	1.30	133,795,013	287,358,793	153,563,780
2017	1.15	138,900,728	338,199,473	199,298,745
2018	1.13	155,553,793	384,951,394	229,397,601
2019	1.09	163,748,627	419,138,031	255,389,407
2020	1.10	168,768,476	427,766,153	258,997,677
2021	1.15	182,356,015	445,250,065	262,904,050

(1) Before Measure 5 Compression, delinquencies and discounts.
Source: City of Portland

The table below shows historical taxes imposed (after Measure 5 compression) and historical expenditures for retirement benefits and death and disability benefits. As fire and police retirement benefits transition from a pay-as-you-go system to a pre-funded system through OPSRP, the FPDR levy will be funding pensions for two generations of FPDR members simultaneously: FPDR One and FPDR Two members who are funded on a pay-as-you-go basis during their retirement years and FPDR Three members whose retirement benefits are pre-funded through OPSRP during their working careers. Costs for disability benefits will continue to be paid on a pay-as-you go basis. As described below, higher costs are expected over approximately the next 20 years, with the potential for higher tax levy rates.

Table 18
CITY OF PORTLAND, OREGON
FPDR Fund--Imposed Levies and Expenditures for
FPDR Fund--Imposed Levies and Expenditures for Pension Benefits and Death/Disability Benefits

Fiscal Year Ending June 30	Imposed Tax Levy[(1)]	FPDR One & Two Pension Benefits	FPDR Three OPSRP Contributions	Disability & Funeral Benefits	Total FPDR Benefit Contributions
2011	$114,217,070	$90,464,611	$2,865,737	$7,938,636	$101,268,984
2012	108,666,428	94,708,986	4,735,637	7,064,187	106,508,810
2013	115,752,880	99,417,595	5,265,815	6,725,710	111,409,120
2014	123,304,615	103,506,696	5,998,321	7,410,977	116,915,994
2015	126,777,805	103,355,638	6,952,685	6,219,646	116,527,969
2016	126,376,817	107,074,899	8,699,501	6,420,506	122,194,906
2017	132,477,613	113,826,622	9,672,695	6,525,351	130,024,668
2018	148,214,877	119,616,359	13,318,516	6,050,635	138,985,510
2019	156,454,895	124,145,879	15,515,328	6,587,313	146,248,520
2020	161,017,652	129,180,669	20,699,942	5,990,880	155,871,491

(1) Amount after Measure 5 Compression but not adjusted for delinquencies and discounts.
Source: City of Portland

The FPDR Board assesses the FPDR Plan's long-term financial condition in part by projecting the future availability of revenues from the dedicated property tax (the "Levy Adequacy Analysis"), which are the source of employer contributions under the Charter. The most recent Levy Adequacy Analysis, completed by an independent actuary in connection with the actuarial valuation of the fund, was as of June 30, 2020. The Levy Adequacy Analysis found that, under a wide range of simulated economic scenarios over the next 20 years, the future FPDR levy would remain under $2.80 per $1,000 of Real Market Value, but the levy exceeded the $2.80 threshold in at least one year in fewer than one percent of modeled scenarios. This represents a slight decline from approximately one percent of modeled scenarios in the prior analysis as of June 30, 2018. As illustrated by the Levy Adequacy Analysis, growth in real market values in the City's tax base over the last decade has made it unlikely the FPDR levy will ever be insufficient to fund benefits and expenses. Under the Levy Adequacy Analysis, plan costs are expected to peak in FY 2038-39 in nominal terms; the peak on an inflation-adjusted basis is in FY 2034-35.

The table below shows projected levy rates and taxes levied at the 50th and 5th percentiles of scenarios for FY 2020-21 through FY 2039-40 as included in the 2020 Levy Adequacy Analysis. Note that the actual levy rate per $1,000 of Real Market Value was $1.15 for FY 2020-21.

Table 19
CITY OF PORTLAND, OREGON
FPDR Fund--Projected Levy Rate, Taxes and Requirements[(1)]

Fiscal Year Ending June 30	Levy Rate at 50th Percentile	Taxes Levied at 50th Percentile	Levy Rate at 5th Percentile	Taxes Levied at 5th Percentile
2021	$1.16	$184,700,000	$1.16	$184,700,000
2022	1.23	196,300,000	1.24	197,100,000
2023	1.25	206,000,000	1.38	208,400,000
2024	1.26	217,000,000	1.46	225,300,000
2025	1.29	229,300,000	1.53	238,600,000
2026	1.32	244,700,000	1.63	261,700,000
2027	1.35	259,500,000	1.70	279,100,000
2028	1.37	275,300,000	1.79	302,600,000
2029	1.39	290,600,000	1.85	321,100,000
2030	1.45	316,200,000	1.99	355,400,000
2031	1.46	330,900,000	2.04	373,900,000
2032	1.46	345,900,000	2.10	397,500,000
2033	1.46	360,500,000	2.13	415,800,000
2034	1.44	370,600,000	2.16	434,900,000
2035	1.42	380,900,000	2.17	449,200,000
2036	1.38	388,200,000	2.17	463,600,000
2037	1.36	395,300,000	2.15	474,300,000
2038	1.31	398,400,000	2.12	485,700,000
2039	1.27	403,100,000	2.10	493,600,000
2040	1.22	400,900,000	2.08	505,400,000

(1) Results are expressed as a probability distribution. Amounts shown in table are median values within percentile categories. Actual rates for FY 2020-21 are found in the table titled "FPDR Fund—Certified Levies Compared with Maximum Levies Authorized."

Source: Milliman, Inc., FPDR Levy Adequacy Analysis as of June 30, 2020, dated January 26, 2021

The current analysis extends through FY 2039-40 and encompasses all facts, decisions and conditions pertaining to the FPDR Plan known at the time the analysis was completed. Future actuarial measurements may differ significantly from the measurements presented herein due to factors such as changes in economic or demographic assumptions (including changes in Real Market Value); changes related to PERS, performance of investments, and changes in FPDR Plan benefit provisions or applicable law.

OTHER POST-EMPLOYMENT RETIREMENT BENEFITS ("OPEB")

The City's OPEB liability includes two separate plans. The City provides a contribution to the State of Oregon PERS cost-sharing multiple-employer defined benefit plan and an implicit rate subsidy for retiree Health Insurance Continuation premiums.

PERS Program

Retirees who receive pension benefits through the T1/T2 Pension Programs and are enrolled in certain PERS-administered health insurance programs may also receive a subsidy towards the payment of health insurance premiums. Under ORS 238.420, retirees may receive a subsidy for Medicare supplemental health insurance of up to $60 per month towards the cost of their health insurance premiums under the RHIA program. RHIA's assets and liabilities are pooled on a system-wide basis. These assets and liabilities are not tracked or calculated on an employer basis. The City's allocated share of the RHIA program's assets and liabilities is based on the City's proportionate share of the program's pooled covered payroll. According to the 2019 City Valuation, the City's allocated share of the RHIA program's UAL was ($9,937,422) as of December 31, 2019.

The City's current employer contribution rates to fund RHIA benefits during the 2019-21 biennium for T1/T2 employees is 0.06 percent and for OPSRP general services and police and fire employees is 0.00 percent. According to the 2019 City Valuation, the rates to fund RHIA benefits during the 2021-23 biennium for T1/T2 employees is 0.05 percent and for OPSRP general services and police and fire employees is 0.00 percent. These employer contribution rates to fund RHIA are included in the rates described in Table 12 above.

Health Insurance Continuation Option

Distinct from the PERS program, Oregon municipalities, including the City, are required to allow retirees and their dependents to continue to receive health insurance by paying the premiums themselves at a rate that is blended with the rate for current employees until retirees and spouses are eligible for federal Medicare coverage and until children reach the age of 18 (the "Health Insurance Continuation Option" or "HIC"). GASB 75 refers to this as an implicit subsidy and therefore requires the corresponding liability to be determined and reported.

The OPEB liability associated with the Health Insurance Continuation Option is an actuarially-determined amount calculated in accordance with the parameters of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The City's annual OPEB cost is calculated based on the actuarially-determined service cost, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded liability over a period of 30 years. The City's estimated unfunded actuarial accrued liability for OPEB as of July 1, 2019 was $99,167,682. The valuation was prepared using the Entry Age Normal actuarial cost method and amortized over an open period of 30 years using the level percentage of projected pay. Other assumptions include a discount rate of 3.50 percent, 2.1 percent inflation rate, annual healthcare cost trend rates of 4.5 to 6.9 percent, and retirees' share of benefit-related costs of 26 percent of estimated program costs.

For FY 2019-20, the changes to the total OPEB liability is calculated as follows:

Balance at 7/1/2019	$99,167,682
Changes for the year:	
Service cost	3,597,015
Interest	3,898,352
Actual experience	6,051,864
Changes of assumptions	(22,748,251)
Benefit payments	(5,668,141)
Net Changes	(14,869,161)
Balance at 6/30/20	$84,298,521

Actuarial valuations for the Health Insurance Continuation Option are undertaken every two years. A new valuation study will be undertaken for reporting the OPEB liability as of July 1, 2021.

The City expects to use a pay-as-you-go approach to fund its actuarial accrued liability and OPEB obligation, but will monitor its OPEB liability and assess whether a different approach is needed in future years.

Implementation of Governmental Accounting Standards Board Statement No. 75

Beginning in its CAFR for FY 2017-18, the City implemented Governmental Accounting Standards Board Statement No. 75, which changed employer reporting of OPEB for state and local governments. Under this new standard, for FY 2019-20, the City has reported in its CAFR the following balances:

	Deferred Outflow/(Inflow) of Resources	Net OPEB Liability/(Asset)	OPEB Expense (Income)
RHIA	($1,557,471)	($7,679,943)	($410,434)
HIC	($15,327,097)	$84,298,521	$5,979,579
Total	($16,884,568)	$76,618,578	$5,569,145

OVERVIEW OF CITY INDEBTEDNESS

Debt Management Policy

In April 1984, the City Council adopted Resolution No. 33661, which places centralized responsibility for Debt Management in the Office of Management and Finance and establishes standards and procedures for the issuance of debt. The City's debt policy, which is included as FIN 2.12 in the Comprehensive Financial Management Policies of the City, includes more restrictive limits on City debt issuance than required by State law. This policy has subsequently been updated and expanded. The most recent updates to the debt policy were included in Resolution 37475, which was adopted as binding City policy by the City Council on January 15, 2020. Among the general provisions in the debt policy are types of debt that may be issued and limitations on their use, selection of finance professionals, methods of sale, structure and term of City indebtedness, issuance of conduit debt, and refunding outstanding debt.

Debt Payment History

To the best of the City's knowledge, the City has met all principal and interest payments on its borrowings in a timely manner.

Debt Limitation

ORS 287A.050 limits the general obligation debt that an Oregon city may have outstanding at any time to three percent of the real market value of that city. Self-supporting debt, revenue bonds, general obligation bonds issued to finance the costs of local improvements assessed and paid for in installments under statutory or charter authority, bonds issued for water, sanitary or storm sewers, sewage disposal plants, hospitals, infirmaries, gas, power or lighting purposes, and certain parking facility bonds are legally exempt from this debt limitation. The City Charter does not further limit the amount of general obligation bonds that the City may issue.

The City is in compliance with the statutory debt limitation pertaining to general obligation bonds as shown in the table below.

Table 20
CITY OF PORTLAND, OREGON
Compliance with Statutory Debt Limitation on General Obligation Bonds

Real Market Value (FY 2020-2021)	$159,017,803,180
Debt Limit (3% of Real Market Value)	$4,770,534,095
General Obligation Bonds Outstanding[(1)]	306,540,000
Remaining Statutory Debt Capacity	$4,463,994,095

(1) Principal amount of unlimited tax general obligation bonds outstanding, see "—Unlimited Tax General Obligation Bonds" below.

Source: City of Portland as of December 31, 2020

Outstanding Debt

The City issues a variety of debt types for the purpose of carrying out its capital financing activities. These various debt types are shown in the table below entitled "Debt Statement." Outstanding debt amounts in this Official Statement are as of December 31, 2020 except where noted.

Table 21
CITY OF PORTLAND, OREGON
Debt Statement as of December 31, 2020[1]

Type of Obligation	Amount Outstanding
I. UNLIMITED TAX GENERAL OBLIGATION BONDS	
General Obligation Parks Bonds	$46,805,000
General Obligation Public Safety Bonds	38,115,000
General Obligation Emergency Facilities Bonds	10,720,000
General Obligation Housing Bonds	210,900,000
Total Unlimited Tax General Obligation Bonds	$306,540,000
II. BONDS PAID AND/OR SECURED BY THE GENERAL FUND	
A. Non-Self-Supporting	
Limited Tax Revenue Bonds	$144,765,000
Limited Tax Pension Obligation Revenue Bonds (General Fund share)	39,563,179
General Fund-Secured Lines of Credit	49,161,113
Total Bonds Secured and Paid from the General Fund[1]	$233,489,291
B. Self-Supporting	
Limited Tax Pension Obligation Revenue Bonds (Non-General Fund share)	$67,005,167
Limited Tax Revenue Bonds (Streetcar)	6,255,000
Limited Tax Revenue Bonds (Convention Center)	65,948,422
Limited Tax Revenue Bonds (Stadium Project)	7,855,000
Limited Tax Revenue Bonds (JELD-WEN Field Project)	12,000,000
Limited Tax Revenue Bonds (Portland-Milwaukie Light Rail Project)	25,180,000
Limited Tax Revenue Bonds (Sellwood Bridge I & II Projects)	63,075,000
Limited Tax Housing Revenue Bonds	11,268,103
Limited Tax Improvement Bonds	27,475,000
State Loan (Columbia River Levee Project)	508,133
FPDR TANs[2]	31,290,000
General Fund-Secured Lines of Credit	56,116,493
Total Self-Supporting Bonds Secured by the General Fund	$373,976,318
III. REVENUE BONDS	
First Lien Sewer Revenue Bonds	$304,275,000
Second Lien Sewer Revenue Bonds[3]	1,167,000,000
Sewer SRF Loans	8,663,736
First Lien Water Revenue Bonds	326,565,000
Second Lien Water Revenue Bonds	322,725,000
Urban Renewal Bonds	276,554,802
Urban Renewal Lines of Credit (Non-General Fund secured)	48,140,339
Gas Tax Revenue Bonds[4]	4,925,000
Total Revenue Bonds	$2,458,848,877
TOTAL – ALL OUTSTANDING DEBT	$3,372,854,486

(1) Excludes contingent loan agreements, which are described in "—BONDS PAID OR SECURED BY THE GENERAL FUND, Non-Self Supporting General Fund Obligations—Contingent Loan Agreements," below. Includes the Refunded Bonds and excludes the Bonds.
(2) The TANs were repaid on January 6, 2021 and are no longer outstanding.
(3) On February 2, 2021 the City entered into a water revenue bond in the maximum principal amount of $726,600,000 under the City's Master Second Lien Water System Revenue Bond Declaration dated May 2, 2013. The water revenue bond is structured as a draw down borrowing and issued under the United States Environmental Protection Agency's Water Infrastructure Finance and Innovation Act lending program. The amount outstanding in this table does not include that borrowing.
(4) These bonds were repaid on February 1, 2021 and are no longer outstanding.
Source: City of Portland

Unlimited Tax General Obligation Bonds

The City has approximately $306.5 million of outstanding tax-supported general obligation bonds, not including the Bonds. The outstanding tax-supported general obligation bonds were originally issued for the purpose of funding emergency facilities, public safety improvements, parks improvements, and affordable housing projects. The City is authorized to levy unlimited ad valorem property taxes outside the limitations of Article XI, Sections 11 and 11b of the Oregon Constitution to pay these bonds.

Bonds Paid and/or Secured by the General Fund

The following obligations are secured by the full faith and credit of the City. The City is obligated to pay these obligations from any taxes or other revenues available to the City that may legally be applied to pay them. The City is not authorized to levy ad valorem property taxes outside the limitations of Article XI, Sections 11 and 11b of the Oregon Constitution to pay these obligations.

Non-Self-Supporting General Fund Obligations

Non-self-supporting General Fund obligations are either paid from lawfully available funds or are otherwise considered to be non-self-supporting based upon factors including, but not limited to, length of history of the payment revenue source, debt service coverage, revenue volatility and classification of such debt by bond rating agencies. Outstanding obligations that have been determined to be non-self-supporting are as follows.

Limited Tax Revenue Bonds. As of December 31, 2020, the City has $144.8 million of outstanding Limited Tax Revenue Bonds that are paid primarily from General Fund resources, including the 2011 Series B Refunded Bonds which are expected to be refunded with proceeds of the 2021 Series B Bonds. The City has issued limited tax revenue bonds to finance a variety of capital projects. The 2021 Series B Bonds are non-self-supporting Limited Tax Revenue Bonds.

Limited Tax Pension Obligation Revenue Bonds. The City issued $300.8 million of Limited Tax Pension Obligation Revenue Bonds in November 1999 to finance the City's December 31, 1997, unfunded actuarial accrued pension liability with the State Public Employees Retirement System. Approximately forty percent of the debt service on these bonds is expected to be paid from resources of the General Fund. The remaining sixty percent is expected to be paid by non-General Fund bureaus of the City. (See "Self-Supporting General Fund Obligations" below.) Approximately $39.6 million of outstanding principal remains on the portion of the bonds projected to be repaid with General Fund resources. See "—PENSION PLANS: OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM – Pension Obligation Bonds" above.

Non-Self-Supporting Lines of Credit. The City has a total of $49.2 million of principal outstanding on various non-self-supporting lines of credit, which includes approximately $7.6 million on the Portland Building Line and $33.8 million on the River District Line, both of which are expected to be refunded with proceeds of the 2021 Series B Bonds. See "THE BONDS – AUTHORIZATION AND PURPOSE" and Table 3 "Estimated Sources and Uses of Funds" herein.

In addition, a total of $3.9 million is outstanding on a dual-purpose $31.9 million line of credit to pay for projects related to the City's Build Portland program and for fueling stations. A $10 million line of credit for the City's Integrated Tax System project has an outstanding balance of $3.8 million. The City also has two $50 million lines of credit for emergency purposes, for a combined total of $100 million available to be drawn, of which $65,000 was outstanding as of December 31, 2020.

Contingent Loan Agreements. The City has made a limited, subject-to-appropriation, pledge of its General Fund to restore reserve fund balances on six conduit housing revenue bond issues. As of December 31, 2020, the City had not received any requests to appropriate funds to restore the reserve fund balances of these issues. The original par amount of these issues is $29.695 million, of which $20.5 million remains outstanding.

Self-Supporting General Fund Obligations

Self-supporting General Fund obligations are secured by the General Fund, but paid from non-General Fund revenues that are considered to be stable and reliable. However, certain of these revenues have experienced a significant decrease as a result of the COVID-19 pandemic, as described herein. See also "RECENT ECONOMIC AND HEALTH DEVELOPMENTS" herein.

Currently, the City expects to pay debt service due on its self-supporting General Fund obligations from the non-General Fund revenues described below. However, the ongoing magnitude and duration of the impact on these revenues is currently unknown, and the City will continue to closely monitor the self-supporting obligations' respective revenue sources to determine whether these obligations will continue to be categorized as self-supporting General Fund obligations in the future. See Table 25, "Projected Debt Service on Outstanding General Fund Obligations" for projected debt service on the City's outstanding self-supporting General Fund obligations.

Outstanding self-supporting General Fund obligations are as follows.

Limited Tax Pension Obligation Revenue Bonds. Of the total outstanding Limited Tax Pension Obligation Revenue Bonds described above, approximately $67.0 million is expected to be fully self-supporting and paid from non-General Fund bureaus of the City.

Limited Tax Revenue Bonds (Visitor Development Initiative). The City has issued bonds pursuant to the Visitor Facilities Intergovernmental Agreement which has been amended and restated as the Second Amended and Restated Visitor Facilities Intergovernmental Agreement dated as of December 5, 2019 between the City, Multnomah County, and Metro (the "Agreement") for three projects: the completion of the Oregon Convention Center, improvements to the Portland Center for the Performing Arts (now known as the Portland '5 Centers for the Arts), and improvements to Civic Stadium (now known as Providence Park). While ultimately secured by the General Fund, these bonds have historically been and are expected to continue to be paid in whole or in part from funds of the Visitors Facilities Trust Account held by Multnomah County under the Agreement. The Visitors Facilities Trust Account had an unaudited fund balance of $21.4 million as of December 31, 2020. The City has approximately $65.9 million of outstanding limited tax revenue bonds for the Oregon Convention Center Completion Project, including the City's Limited Tax Revenue Bonds (Oregon Convention Center Completion Project), 2001 Series B Bonds, the 2011 Series A Refunded Bonds that are expected to be refunded with proceeds of the 2021 Series A Bonds, and $7.9 million of outstanding bonds for the Stadium Project. See "SUPPLEMENTAL INFORMATION: GENERAL FUND BUDGET AND FINANCIAL PLAN – GENERAL FUND DISCRETIONARY REVENUE OUTLOOK" for a discussion of the impact of the COVID-19 pandemic on transient lodging taxes, which comprise a portion of the amounts received by the City for payment of the bonds under the Agreement.

Limited Tax Revenue Bonds (JELD-WEN Field Project). In April 2012, the City issued limited tax revenue bonds to refinance improvements for major league soccer at Providence Park (formerly known as JELD-WEN Field). While secured by the City's General Fund, the City has historically paid and expects to continue to pay the debt service with revenues from its Spectator Facilities Fund. The City has $12.0 million of these bonds outstanding.

Limited Tax Revenue Bonds (Central City Streetcar Project). The City has $6.3 million of outstanding limited tax revenue bonds for the Central City Streetcar Project. These bonds are ultimately secured by the City's General Fund, but the City has historically paid and expects to continue to pay the debt service on these bonds with revenues from the City's parking facilities and meters.

Limited Tax Revenue Bonds (Portland-Milwaukie Light Rail Project). In September 2012, the City issued limited tax revenue bonds to finance a portion of the Portland-Milwaukie Light Rail Project. While secured by the City's General Fund, the City has historically paid and expects to continue to pay the debt service with transportation revenues, including parking revenues, gas tax revenues and system development charges. The City has $25.2 million of these bonds outstanding.

Limited Tax Revenue Bonds (Sellwood Bridge Project). In June 2014, the City issued limited tax revenue bonds to finance a portion of the costs of the Sellwood Bridge Project. While secured by the City's General Fund, the City has historically paid and expects to continue to pay the debt service with transportation revenues, including parking revenues, gas tax revenues and system development charges. The City has $35.0 million of these bonds outstanding. In June 2017, the City issued bonds to finance an additional portion of its contribution to the Sellwood Bridge Project, of which $28.1 million is outstanding.

As discussed in "RECENT ECONOMIC AND HEALTH DEVELOPMENTS –IMPACT ON CITY OF PORTLAND – Other Governmental Fund Revenues," the Transportation Operating Fund has experienced substantial declines in gas tax and parking revenues. On-street parking revenues have been among the most severely impacted by COVID-19. PBOT's current forecast assumes that parking demand will begin to recover in late FY 2020-21 as the vaccinated portion of the population continues to grow and social restrictions are loosened. Losses relative to the pre-pandemic baseline are projected to continue at low levels through FY 2024-25. The exact timing and rate of recovery will depend on factors that remain unknown, including the speed with which vaccines are distributed and restrictions are lifted. PBOT will reevaluate its assumptions in the FY 2020-21 Spring Budget Monitoring Process and update the forecast based on information at that time. (For a discussion of the City's Budget Monitoring Process and adjustments to the FY 2020-21 budget, see "ANNUAL DISCLOSURE INFORMATION – CITY BUDGET PROCESS" and "SUPPLEMENTAL INFORMATION: GENERAL FUND BUDGET AND FINANCIAL PLAN – RECENT BUDGET ACTIONS" herein.) Should the negative effects of the COVID-19 pandemic continue at more pronounced levels for a prolonged period beyond PBOT's forecast, the City's Debt Management Division will reevaluate the self-supporting classification of the Limited Tax Revenue Bonds related to the Central City Streetcar, Portland-Milwaukie Light Rail and Sellwood Bridge Projects.

Limited Tax Housing Revenue Bonds. The City issued Limited Tax Housing Revenue Bonds in August 2020 to refund outstanding bonds for the Headwaters Apartment Project and to provide new money for repairs. A total of $11.3 million is outstanding for this issue. The bonds have historically been and are expected to continue to be repaid with the net revenues of the Headwaters Apartment Project.

Limited Tax Improvement Bonds. The City had $27.4 million of outstanding limited tax improvement bonds. These bonds are issued for the purpose of financing local improvement projects. These bonds are expected to be fully self-supporting from assessment payments received from property owners benefiting from the improvement projects. In addition, the City has pledged its full faith and credit to pay the bonds, and the bonds are payable from all legally available revenues, taxes and other funds of the City.

Urban Renewal and Other Self-Supporting Lines of Credit. The City has established lines of credit for various programs that are secured in full or in part by the City's full faith and credit. Lines of credit have been established for five urban renewal areas. The City borrows on these lines of credit to provide interim financing for capital projects, then repays the debt with the proceeds of urban renewal and redevelopment bonds secured solely by the tax increment revenues of the districts for which the bonds are issued. The total balance on the urban renewal lines of credit is $40.6 million.

A line of credit secured by the City's full faith and credit has also been established to fund projects in local improvement districts, which had an outstanding balance of approximately $15.5 million as of December 31, 2020.

Other Obligations. The City has $508,133 outstanding on a State loan for the Columbia River Levee Project. The City has begun making annual payments on the loan, which are expected to continue through December 1, 2025.

Revenue Bonds

The City issues revenue bonds to satisfy a variety of capital financing requirements backed solely by the fees derived from the provision of certain services. Included among the purposes for which these types of revenue bonds have been issued are sewer system facilities, water system facilities, parking system facilities, golf facilities, environmental remediation activities, road improvements and hydroelectric generation facilities. In these cases, fees and charges are collected for the individual services provided, generally on the basis of usage. The types and amounts of outstanding revenue bonds are shown in the above Table 21 titled "Debt Statement."

Urban Renewal Bonds

A total of $276.6 million of Urban Renewal and Redevelopment Bonds are outstanding for eight urban renewal areas. All of these obligations are paid from tax increment revenues generated from the respective urban renewal areas. No additional City revenues are pledged to the repayment of these bonds.

Urban Renewal Lines of Credit

In April 2016, the City executed a line of credit secured by the tax increment revenues of the River District urban renewal area to provide interim financing for River District improvements. The outstanding balance is $32.1 million. The line of credit, which expires in June 2021, is expected to be repaid from cash in the River District Urban Renewal Area Debt Redemption Fund.

The City also has lines of credit for three other urban renewal areas secured only by the tax increment revenues of the areas benefitting from these lines. A total of $16.0 million is outstanding on these lines of credit, which expire in December 2022. No additional City revenues are pledged to the repayment of this debt.

Cash Flow Borrowings

The City may borrow for General Fund operating purposes through the issuance of short-term tax anticipation notes ("TANs"). State law limits the amount of TANs that a political subdivision may sell annually to no more than 80 percent of the amount of the annual tax levy, and all TANs must be retired within thirteen months after they were issued. In order to fund cash flow deficits in the FPDR Fund caused by the timing mismatch between when benefit payments are required to be made and when property tax collections are received. As of December 31, 2020, the City had $31.3 million of TANs outstanding to fund cash flow deficits in the FPDR Fund. These notes were repaid on January 6, 2021.

Conduit Financings

The City issues revenue bonds for certain private activities under specific statutory authority. This debt is payable solely from private sources and is not an obligation of the City. These bonds are not reported in this document.

Concurrent Debt Issues

The City is currently in the process of or planning for the issuance of additional debt over the next six months. The following table identifies issues that are presently under consideration, and includes the estimated issuance amounts, planned issue dates, and the expected type of issue.

Table 22
CITY OF PORTLAND, OREGON
Future Debt Issues

Purpose	Estimated Amount	Planned Issue Date	Type of Issue
Water System capital improvements	$141 million	Spring 2021	Water revenue bonds
Local Improvement District Projects	$15 million	Summer/Fall 2021	Limited tax improvement bonds
Integrated Tax System Project – Line of Credit Repayment	$10 million	Fall 2021	Limited tax revenue bonds

Source: City of Portland

The City may also obtain lines of credit for various facilities and equipment in amounts to be determined. These plans are subject to change.

The City periodically reviews its outstanding debt for refunding opportunities and may issue refunding bonds if market conditions warrant.

City General Obligation Debt

Tables 23-26 below set forth the City's general obligation capital debt ratios, the overlapping debt among various taxing districts in the City, and outstanding direct general obligation debt of the City incurred for capital purposes.

Table 23
CITY OF PORTLAND, OREGON
Debt Ratios as of December 31, 2020

	Amount	Per Capita	Percent of Market Value	Percent of Assessed Value
July 1, 2020 Population	664,605	--	--	
2020-21 Market Value (Measure 5)(1)	$159,017,803,180	$239,267	--	
2020-21 Assessed Value(2)	74,321,174,572	111,828	46.74%	
Gross Bonded Debt(3)	914,005,610	1,375	0.57	1.24%
Net Direct Debt(4)	571,319,291	860	0.36	0.77
Net Overlapping Debt (as of 6/30/2020)(5)	2,387,694,818	3,593	1.50	3.21
Net Direct and Overlapping Debt	2,959,014,109	4,405	1.84	3.94

(1) Market Value reported in this table encompasses City of Portland values within Multnomah, Washington, and Clackamas Counties, including estimated urban renewal incremental real market values. Market Value reported in this table and in the table titled "Historical Trends in Assessed and Market Values" are "Measure 5 Values," which represent the real market value of properties that are not specially assessed; and the value of specially assessed properties, including farm and forestland and exempt property which are less than full real market value. In FY 2020-21 the Measure 5 Market Value represented about 82 percent of full real market value. For information regarding historical Market Value, see Table 26 titled "Historical Trends in Assessed and Market Values" herein.

(2) Includes urban renewal incremental assessed value. For information regarding historical assessed values, see Table 26 titled "Historical Trends in Assessed and Market Values" herein.

(3) Includes City's outstanding general obligation bonds, limited tax improvement bonds, and limited tax revenue bonds. Also includes general fund-supported lines of credit and tax anticipation notes.

(4) Net direct debt includes non-self-supporting limited tax revenue bonds secured by the City's General Fund as well as general obligation bonds paid from a separate, unlimited *ad valorem* tax.

(5) See Table 24 titled "Overlapping Debt" below for information on overlapping debt.

Sources: Portland State University Population Research Center; Multnomah County Department of Assessment, Recording and Taxation; Municipal Debt Advisory Commission, Oregon State Treasury; City of Portland

Table 24
CITY OF PORTLAND, OREGON
Overlapping Debt
As of June 30, 2020

TAXING DISTRICT	Real Market Value	Percent Overlapping	Overlapping Debt: Gross Property Tax Backed[(1)]	Overlapping Debt: Net Property Tax Backed[(2)]
Multnomah Cty SD 1J (Portland)	$136,663,135,208	98.01%	$1,167,319,706	$1,167,319,706
Metro	343,477,186,246	45.26	443,443,364	436,355,476
Portland Community College	273,206,855,409	49.16	317,012,541	282,749,661
Multnomah County	179,585,686,475	86.31	278,076,076	278,076,076
Multnomah Cty SD 40 (David Douglas)	7,542,494,145	100.00	69,001,998	69,001,998
Multnomah Cty SD 3 (Parkrose)	8,241,853,412	98.47	72,281,598	72,281,598
Multnomah Cty SD 7 (Reynolds)	11,334,567,160	23.86	46,249,571	45,908,689
Multnomah Cty SD 28J (Centennial)	4,963,610,904	52.89	7,957,009	7,957,009
Mt. Hood Community College	50,497,985,205	41.62	21,776,775	8,537,103
Multnomah Cty Drainage District 1	325,897,866	100.00	9,641,000	9,641,000
Clackamas Cty SD 12 (North Clackamas)	24,319,827,436	0.50	3,407,144	3,396,402
Columbia Cty SD 1J (Scappoose)	2,801,735,058	6.51	1,504,303	1,504,303
Washington Cty SD 48J (Beaverton)	52,711,733,656	0.28	2,713,450	2,713,450
Multnomah Cty SD 51J (Riverdale)	1,085,960,842	4.94	843,761	843,761
Washington County	109,715,018,177	0.25	525,830	525,830
Washington Cty SD 23J (Tigard-Tualatin)	19,740,211,372	0.09	303,948	303,948
Clackamas County	84,100,937,879	0.23	282,298	282,298
Clackamas Community College	61,900,863,812	0.20	215,777	173,525
Clackamas Cty SD 7J (Lake Oswego)	14,031,915,275	0.02	58,198	58,198
Clackamas Cty ESD	80,185,336,270	0.15	31,966	31,966
Tualatin Hills Park & Rec District	44,902,720,889	0.03	17,696	17,696
Clackamas Soil & Water Conservation	84,100,953,949	0.23	15,125	15,125
Multnomah ESD	182,181,992,270	85.07	21,463,893	0
Northwest Regional ESD	135,549,715,725	0.26	6,828	0
Port of Portland	373,404,176,191	41.63	23,421,094	0
Rockwood Water PUD	7,229,738,405	30.37	1,328,714	0
			$2,488,899,663	$2,387,694,818

(1) Gross Property-Tax Backed Debt includes all unlimited-tax General Obligation bonds and bonds paid and/or secured by the taxing district's general fund.
(2) Net Property-Tax Backed Debt is Gross Property-Tax Backed Debt less self-supporting unlimited-tax General Obligation debt and less self-supporting General Fund obligations.
Source: Municipal Debt Advisory Commission, Oregon State Treasury

Table 25
CITY OF PORTLAND, OREGON
Projected Debt Service on Outstanding General Fund Obligations[1]

	PAID FROM GENERAL FUND					SELF-SUPPORTING BONDS SECURED BY GENERAL FUND					
Fiscal Year Ending June 30	**Limited Tax Revenue Bonds[2]**	**Less: Limited Tax Revenue Bond 2011B Debt Service**	**Plus: Limited Tax Rev Bond 2021B Debt Service[7]**	**Limited Tax Pension Obligation Revenue Bonds[3]**	**Total Non-Self Supporting Bonds/Gen. Fund[2][7]**	**Limited Tax Improve. Bonds[4]**	**Limited Tax Pension Obligation Revenue Bonds[5]**	**Other Limited Tax Revenue Bonds[6]**	**Less: Limited Tax Revenue Bond 2011A Debt Service**	**Plus: Limited Tax Rev Bond 2021A Debt Service[7]**	**Total Self Supporting Bonds/ Gen. Fund**
2021	$15,266,806	$30,669		$13,604,648		$1,901,664	$23,041,165	$22,347,795	$1,546,500		
2022	15,271,088	476,338		14,150,222		1,886,664	23,965,162	22,582,865	6,098,000		
2023	13,656,463	475,963		14,716,231		1,845,914	24,923,769	22,460,528	9,082,750		
2024	13,651,806	474,806		15,304,658		1,765,664	25,920,342	23,044,998	9,080,750		
2025	13,653,800	477,300		15,917,215		1,182,914	26,957,785	21,284,336	9,083,500		
2026	13,656,800	473,800		16,553,904		1,182,914	28,036,096	21,288,111	9,090,000		
2027	11,150,250	-		17,214,723		13,122,914	29,155,277	21,283,386	9,084,250		
2028	11,149,250	-		17,905,243		585,914	30,324,757	18,026,110	9,086,000		
2029	10,360,000	-		18,619,893		1,655,914	31,535,107	18,119,435	9,184,000		
2030	9,426,500	-		-		7,668,814	-	18,127,660	9,187,500		
2031	9,434,250	-		-		260,320	-	8,936,261	-		
2032	9,427,750	-		-		710,320	-	8,933,260	-		
2033	9,427,000	-		-		242,320	-	8,935,685	-		
2034	9,426,000	-		-		2,232,320	-	6,436,235	-		
2035	9,429,000	-		-		162,720	-	3,030,435	-		
2036	9,430,000	-		-		162,720	-	3,032,435	-		
2037	9,428,250	-		-		162,720	-	3,031,035	-		
2038	9,428,000	-		-		162,720	-	696,236	-		
2039	9,428,250	-		-		4,682,720	-	696,235	-		
2040	8,253,000	-		-		-	-	696,236	-		
Total	220,354,263	$2,408,876		$143,986,737		$41,578,170	$243,859,460	252,989,276	$80,523,250		

(1) Excludes debt service on the City's general obligation bonds, which are secured by, and payable from, ad valorem taxes on property within the City. Totals may not sum due to rounding. Preliminary, subject to change.
(2) Includes Limited Tax Revenue Bonds paid from General Fund sources (including the 2011 Series B Refunded Bonds).
(3) Reflects General Fund portion of the Limited Tax Pension Obligation Revenue Bonds, 1999 Series C.
(4) Actual debt service may differ substantially from schedule above due to periodic bond calls under the mandatory redemption provisions of the City's outstanding Limited Tax Improvement Bonds.
(5) Reflects non-General Fund portion of the Limited Tax Pension Obligation Revenue Bonds, 1999 Series C. A portion of the debt service on the bonds is expected to be paid from capitalized interest.
(6) Includes debt service on bonds for Convention Center Expansion Project (2011) (which includes the 2011 Series A Refunded Bonds), Civic Stadium (2001), JELD-WEN Field (2012), Portland-Milwaukie Light Rail Project (2012), the Sellwood Bridge Project (2014 and 2017), the Central City Streetcar Project (2019), and bonds issued for the Headwaters Apartments Project (2020). For a discussion of historical and prospective sources of payment for these bonds, see "—OVERVIEW OF CITY INDEBTEDNESS– Bonds Paid and/or Secured by the General Fund – Self-Supporting General Fund Obligations" herein.
(7) To be completed in Final Official Statement.
Source: City of Portland

TRENDS IN PROPERTY VALUATION AND TAXATION

The following tables present historical trends in property valuation and taxation for the City. Certain of this information that predates the COVID-19 pandemic does not reflect the impacts of the pandemic and should be considered in light of the possible or probable negative effects arising out of the pandemic. See "RECENT ECONOMIC AND HEALTH DEVELOPMENTS" and "PROPERTY TAX INFORMATION" herein for a discussion of potential impacts.

Table 26
CITY OF PORTLAND, OREGON
Historical Trends in Assessed and Market Values(1)
(000s)

Assessed Value

Fiscal Year Ending June 30	Inside Multnomah County	Outside Multnomah County	Urban Renewal Incremental Value	Total Assessed Value	Percent Change
2012	$43,543,881	$215,497	$7,493,903	$51,253,281	2.84%
2013	44,401,735	221,758	7,875,076	52,498,569	2.43
2014	45,913,168	228,953	8,210,399	54,352,520	3.53
2015	47,828,360	239,309	8,704,286	56,771,955	4.45
2016	49,745,000	245,505	9,362,187	59,352,691	4.55
2017	52,757,989	255,063	9,355,762	62,368,814	5.08
2018	54,835,805	264,657	10,586,196	65,686,658	5.32
2019	56,853,482	273,848	10,952,212	68,079,543	3.64
2020	58,893,357	288,034	11,945,467	71,126,858	4.48
2021	61,160,108	295,781	12,865,285	74,321,175	4.49

Market Value (Measure 5)(2)

Fiscal Year Ending June 30	Inside Multnomah County	Outside Multnomah County	Total Market Value	Percent Change
2012	$80,872,627	$290,808	$81,163,435	-6.03%
2013	79,611,406	284,830	79,896,236	-1.56
2014	83,745,200	299,696	84,044,896	5.19
2015	92,289,836	328,499	92,618,336	10.20
2016	102,284,607	343,534	102,628,140	10.81
2017	120,400,957	384,569	120,785,526	17.69
2018	137,071,252	411,389	137,482,641	13.82
2019	149,246,036	446,118	149,692,154	8.88
2020	152,307,186	466,440	152,773,626	2.06
2021	158,538,695	479,108	159,017,803	4.09

(1) Under the provisions of Ballot Measure 50, beginning with FY 1997-98, Real Market Value and Assessed Value are no longer the same. Measure 50 rolled back the Assessed Value of each property for tax year 1997-98 to its 1995-96 Real Market Value, less ten percent. The Measure further limits any increase in Assessed Value to three percent for tax years after 1997-98, except for property that is substantially improved, rezoned, or subdivided, or property which ceases to qualify for a property tax exemption. This property will be assigned a new Assessed Value equal to the Assessed Value of comparable property in the area.

(2) Measure 5 Market Values are not calculated separately for urban renewal incremental value by the county assessor. Market Value reported in this table is "Measure 5 Value," which represents the real market value of properties that are not specially assessed; and the value of specially assessed properties, including farm and forestland and exempt property which are less than full real market value. In FY 2020-21, the Measure 5 Market Value of City of Portland properties within Multnomah County represented about 82 percent of full real market value.

Sources: Multnomah County Division of Assessment, Recording and Taxation; City of Portland

Table 27
CITY OF PORTLAND, OREGON
Consolidated Tax Rate: Fiscal Year 2020-21
Levy Code 201[(1)]

Taxing District	Permanent Tax Rate Per $1,000 A.V.	Local Option and Other Tax Rates[(2)] Per $1,000 A.V.	General Obligation Debt Tax Rate Per $1,000 A.V.	Total Tax Rate Per $1,000 A.V.
City of Portland	$4.5770	$3.1606	$0.4270	$8.1646
Urban Renewal Special Levy	0.0000	0.2018	0.0000	0.2018
Multnomah County	4.3434	0.0500	0.0000	4.3934
Multnomah County Library	1.2200	0.0000	0.0000	1.2200
Metro	0.0966	0.0960	0.3974	0.5900
Port of Portland	0.0701	0.0000	0.0000	0.0701
East Multnomah Soil & Conservation	0.1000	0.0000	0.0000	0.1000
Subtotal - General Government	10.4071	3.5084	0.8244	14.7399
Portland School District	5.2781	1.9900	2.4017	9.6698
Portland Community College	0.2828	0.0000	0.3970	0.6798
Multnomah Co. Education Svc. Dist.	0.4576	0.0000	0.0000	0.4576
Subtotal - Schools	6.0185	1.9900	2.7987	10.8072
Totals	$16.4256	$5.4984	$3.6231	$25.5471

(1) Levy code area 201 includes approximately 37 percent of the City's assessed value, and is the largest levy code area within the City.
(2) Includes the FPDR levy, the City children's local option levy, the Metro natural areas local option levy, the Multnomah County historical society levy, and the Portland Public Schools local option levy. Does not include impact of urban renewal division of tax rates.

Source: Multnomah County Division of Assessment, Recording and Taxation

In November 2018, City voters renewed an existing five-year local option levy for the City's Children's Investment Fund at a rate of $0.4026 per $1,000 of Assessed Value. The renewal took effect for five years beginning in FY 2019-20.

In November 2020, City voters passed a new five-year local option levy for Portland Parks and Recreation. The local option levy takes effect beginning in FY 2021-22 at rate of $0.8000 per $1,000 of Assessed Value and is estimated to generate approximately $45 million per year in funding for the Portland Parks and Recreation bureau.

State statutes limit taxes on any property to $10 per $1,000 of real market value for general government and $5 per $1,000 of real market value for education. If the amount of taxes to be raised, calculated by multiplying tax rates in each category by the assessed value of a property, exceeds these limits, then the tax burden for that property is reduced to fit within the limits. This reduction is known as Measure 5 compression. See "PROPERTY TAX INFORMATION TAX RATE COMPRESSION" herein. The following table provides a ten-year history of Measure 5 compression for the City's general levy and FPDR levy.

Table 28
CITY OF PORTLAND, OREGON
Historical Trends in Measure 5 Compression[(1)]

Fiscal Year	Taxes to Raise[(2)(3)]	Loss due to Compression and Other Factors	Percent Loss	Taxes Imposed[(4)]
2011-12	$324,830,012	$(15,998,964)	4.9%	$308,831,048
2012-13	339,036,075	(21,536,768)	6.4	317,499,307
2013-14	359,304,753	(34,707,746)	9.7	324,597,007
2014-15	370,294,495	(27,485,079)	7.4	342,809,417
2015-16	377,363,933	(21,084,537)	5.6	356,279,396
2016-17	394,629,327	(18,270,182)	4.6	376,359,145
2017-18	421,756,068	(19,735,622)	4.7	402,020,446
2018-19	438,679,135	(19,350,654)	4.4	419,328,481
2019-20	458,344,771	(21,067,024)	4.6	437,277,747
2020-21	482,786,737	(23,834,793)	4.9	458,951,944

(1) Taxes shown are for the City's permanent rate levy and its FPDR levy. Results shown are taxes collected by the City from properties in Multnomah County only. The City also collects taxes from properties located in Washington and Clackamas Counties; historically, taxes from these counties represent less than one percent of total taxes.
(2) Before Measure 5 compression.
(3) Includes small losses due to miscellaneous adjustments made by the county assessor.
(4) Before losses due to delinquencies and discounts.
Source: Multnomah County Division of Assessment, Recording and Taxation

Table 29
CITY OF PORTLAND, OREGON
Tax Collection Record for the Last Ten Years

Fiscal Year Ending June 30	Total Levy (000)[1]	Collected Yr. of Levy[2]	Collected as of 12/31/2020[2]
2012	$445,044	96.8%	99.8%
2013	452,453	97.2	100.0
2014	467,516	97.3	100.0
2015	490,540	97.6	100.0
2016	516,334	97.8	100.0
2017	551,135	98.0	100.0
2018	600,155	98.4	99.7
2019	634,371	98.5	99.5
2020	654,447	98.5	99.2
2021	700,311	92.1	92.1

(1) Amount is tax levy imposed in all counties. The total levy includes all taxes levied by the City, including from its permanent rate, the FPDR levy, bond levies, and the Children's local option levy. Also includes urban renewal special levy and levy amounts allocated to urban renewal divide the taxes. Levy amounts shown are after Measure 5 compression. Also includes miscellaneous taxes, penalties, and corrections included in the fiscal year property tax receivable.

(2) Tax collection information is for Multnomah County, which represents approximately 99.6% of the City's Assessed Value. Small portions of Washington and Clackamas Counties are also included in the City's Assessed Value. Amounts to be collected are calculated as adjusted for cancellation of taxes and allowed discounts, plus taxes added to tax roll due to omissions and corrections. Discounts currently represent the largest adjustment to the tax levy. Discounts associated with the FY 2020-21 tax levy represented about 2.6% of that year's levy. See "PROPERTY TAX INFORMATION – COLLECTION" herein for more information on property tax collections.

Sources: Multnomah County Division of Assessment, Recording and Taxation and City of Portland

Table 30
CITY OF PORTLAND, OREGON
Assessed and Market Value of City Property in Multnomah County(1)
by Property Type (FY 2020-21)

Property Type	Assessed Value	Percent of Total	Market Value (Measure 5)	AV/RMV Ratio
Real Property				
Residential	$43,342,104,270	58.6%	$89,291,473,150	48.5%
Commercial/Industrial (County Assessed)	15,864,253,760	21.4	41,573,305,550	38.2
Industrial (State Assessed)	391,249,670	0.5	469,991,220	83.2
Multiple Family Housing	6,052,785,690	8.2	18,369,658,490	32.9
Other	63,031,960	0.1	102,376,000	61.6
Subtotal	65,713,425,350	88.8	149,806,804,410	
Personal Property	2,548,070,090	3.4	2,588,490,090	98.4
Machinery and Equipment	1,328,006,180	1.8	1,340,640,330	99.1
Manufactured Property	95,482,790	0.1	188,118,100	50.8
Utilities	4,340,409,190	5.9	4,614,642,560	94.1
Total	$74,025,393,600	100.0%	$158,538,695,490	

(1) Excludes Clackamas and Washington County resulting in differences from other tables reporting Assessed Value and Market Value in this Official Statement.
Source: Multnomah County Division of Assessment, Recording and Taxation

Table 31
CITY OF PORTLAND, OREGON
Top Ten Property Taxpayer Accounts(1)

Taxpayer Account	Type of Business	FY 2020-21 Assessed Value	Percent of Total Assessed Value
Total City Assessed Value		$74,321,174,572	100.00%
Pacificorp (PP&L)	Energy	534,430,000	0.72%
Portland General Electric Co.	Energy	512,915,480	0.69
Alaska Airlines Inc.	Airline	432,256,400	0.58
CenturyLink	Communications	345,884,000	0.47
Weston Investment Co. LLC	Real estate (office)	279,983,720	0.38
Delta Airlines Inc.	Airline	238,960,000	0.32
Southwest Airlines	Airline	227,000,000	0.31
AT&T Inc.	Communications	202,869,000	0.27
Comcast	Communications	197,262,000	0.27
Kaiser Foundation Health Plan of the NW	Health care	191,911,540	0.26
Total		$3,163,472,140	4.26%

(1) Excludes Assessed Value of various properties totaling approximately $672.4 million that are owned and leased by the Port of Portland to various tenants subject to property taxation.
Source: Multnomah County Division of Assessment, Recording and Taxation

(End of Annual Disclosure Information)

SUPPLEMENTAL INFORMATION: GENERAL FUND BUDGET AND FINANCIAL PLAN

INTRODUCTION

General Fund resources are categorized as either discretionary or nondiscretionary. Discretionary resources are those that the City Council can allocate to programs and services in any area. These resources have few restrictions on how they can be allocated. General Fund discretionary resources are typically used to support such basic City services as police, fire, and parks. Discretionary resources include property taxes, utility license fees, business license fees, transient lodging taxes, state shared revenues (from cigarette taxes, marijuana taxes and liquor sales), interest income, miscellaneous revenues, and cash transfers into the General Fund. Nondiscretionary resources include contract revenues, service reimbursements, and other revenues specifically dedicated to a particular purpose. Discretionary resources, which are the largest share of the General Fund budget, represent approximately 79% of the budgeted FY 2020-21 General Fund Resources.

RECENT BUDGET ACTIONS

Fiscal Year 2020-21 Adopted and Revised Budgets

On June 17, 2020, City Council adopted the FY 2020-21 budget. The total Adopted Budget is $5.6 billion, which reflects a 5.6% decrease from the FY 2019-20 revised budget and includes a total of $565.6 million of General Fund discretionary resources.

Actions towards achieving the FY 2020-21 budget reduction include a wage freeze, eliminating or delaying cost-of-living allowances ("COLA"), and furlough requirements. The FY 2020-21 Adopted Budget assumes both non-represented and represented employees will be affected by such measures. Additionally, the City has instituted a freeze on materials and services costs, reducing budgets for materials and contracted services by inflation, and eliminated or delayed programs that have not yet started.

On November 12, 2020, the City Council adopted the FY 2020-21 Fall Supplemental Budget (the "Revised Budget") to amend the Adopted Budget by making adjustments to "true-up" FY 2020-21 resources, including the beginning General Fund balance, which was adjusted from $53.4 million in the Adopted Budget to $70.8 million. Per City financial policy, a portion of the excess fund balance ($4.2 million) was allocated to General Fund contingency to be used for major maintenance of City infrastructure. The City ended the year in a slightly better financial position than anticipated: revenues came in somewhat higher than anticipated and bureaus also followed Mayoral guidance to limit non-essential spending. As a result of these and certain technical adjustments, the Revised Budget included an increase in FY 2020-21 General Fund expenses of $28.8 million. Of this amount, $12.8 million was allocated to accommodate new one-time requests, mostly to respond to homelessness and the impacts of COVID-19, including community response and economic support. To help accommodate the anticipated revenue decline in FY 2021-22 and to offset reductions in the FY 2021-22 budget, the revised budget allocates $6.3 million to a General Fund Stability Reserve.

The City's revised FY 2018-19, revised FY 2019-20 and revised FY 2020-21 General Fund Budget Resources and Requirements are shown in the table below.

Table 32
CITY OF PORTLAND, OREGON
General Fund Budget Resources and Requirements
Revised FY 2018-19, Revised FY 2019-20 and Adopted FY 2020-21 Budgets

Resources	**Revised FY 2018-19**(1)	**Revised FY 2019-20**(1)	**Revised FY 2020-21**(2)
Property Taxes	$264,689,118	$266,678,419	$274,084,114
Lodging Taxes	34,000,000	35,500,000	15,000,000
Business Licenses	129,767,436	144,200,000	114,000,000
Utility License Fees	87,389,377	87,625,160	87,952,059
Interagency Revenue	38,751,226	49,576,760	55,939,564
Overhead Recovery	30,883,542	28,644,115	32,481,567
Service Charges, Permits & Fees	31,530,375	29,027,309	14,802,483
Other Intergovernmental Revenues	12,583,667	12,018,950	27,937,304
State Shared Cigarette, Liquor, & Cannabis	20,031,436	22,466,522	25,024,268
Interest Income	1,660,173	1,727,890	1,833,189
Cash Transfers	4,197,017	3,275,260	11,356,391
Miscellaneous Revenues	2,244,251	5,576,836	1,558,514
Bond and Note Proceeds	0	3,333,500	9,053,215
Beginning Fund Balance	58,772,311	77,249,974	70,766,905
Total General Fund Resources	**$716,499,929**	**$766,900,695**	**$741,789,573**
Expenditures			
Bureau Expenditures	$613,638,818	$653,426,902	$660,945,034
Contingency	$35,098,764	$29,204,250	$20,191,952
Debt Service	$10,727,715	$11,378,702	$12,560,205
Transfers to Other Funds	$57,034,632	$72,890,841	$48,092,382
General Fund Requirements	**$716,499,929**	**$766,900,695**	**$741,789,573**

(1) Revised to reflect the Spring BMP. See discussion of the BMP process under "ANNUAL DISCLOSURE INFORMATION CITY BUDGET PROCESS."

(2) As required by Oregon Local Budget Law, the Tax Supervisory and Conservation Commission ("TSCC") held a public hearing to review the Approved Budget on June 9, 2020. Upon certification from TSCC, the City Council formally adopted the FY 2020-21 budget on June 17, 2020. The Adopted Budget was subsequently revised to reflect the Fall BMP. See discussion of the BMP process above and under "ANNUAL DISCLOSURE INFORMATION CITY BUDGET PROCESS" herein.

Source: City of Portland

Fiscal Year 2021-22 Budget Process and Mayor's Guidance

The City is currently in the budget formation process for FY 2021-22. The City's General Fund forecast continues to reflect negative revenue effects of the COVID-19 pandemic. Based on the revenue forecast completed in February 2021, a shortfall in General Fund discretionary resources will require a total of approximately $20 million in reductions to General Fund expenditures in FY 2021-22. See "—GENERAL FUND DISCRETIONARY REVENUE OUTLOOK" below.

On December 2, 2020 and January 13, 2021, the Mayor released initial and supplementary budget guidance for FY 2021-22, respectively. In light of COVID-19, the Mayor's budget guidance re-emphasized cost savings priorities, while balancing the continuity of delivering core City services to its residents. PERS contributions are conservatively forecasted to increase by approximately 5.0% annually. City-wide, bureaus have been directed to examine and reprioritize existing programs and assess viability of program cost reductions or discontinuation.

Additionally, the Mayor has continued prior directives to forego future merit increases for non-represented personnel, however inflationary cost of living adjustments (COLA) of 1.6% are scheduled to take place on July 1, 2021.

Bureaus with more than 30 employees and that receive General Fund allocations have been requested to reduce their requested General Fund allocations by 5% vs. baseline projections. Partial add-backs to 5% cuts will be awarded to bureaus on a selective basis within the overall discretionary resource constraints of the General Fund, which are to be determined prior to the formal adoption of the FY 2021-22 budget. On January 29th, City-wide bureaus submitted requested initial budget requests for FY 2021-22. Under the budget timeline, the City Budget Office will review bureaus' initial budget requests and provide recommendations to the City Council in March 2021, followed by City Council budget work sessions and the release of the Mayor's Proposed Budget in April 2021, with the formal adoption of the FY 2021-22 budget set to occur in June 2021.

GENERAL FUND DISCRETIONARY REVENUE OUTLOOK

Table 33 shows the February 2021 forecast of General Fund discretionary resources in FY 2020-21 through FY 2022-23. See also "SUPPLEMENTAL INFORMATION: GENERAL FUND BUDGET AND FINANCIAL PLAN RECENT BUDGET ACTIONS."

The City Budget Office updated its General Fund forecast in February 2021 for FY 2020-21 based on currently available information on economic activity, as well as an understanding of executive and legislative actions at both the federal and State level. However, the projections described herein do not take into account any federal funding the City has received or may receive in connection with the COVID-19 pandemic.

The City is planning for increased delinquency rates for certain revenue streams, though the timing and magnitude are difficult to ascertain. Historically, property taxes comprise the largest and most stable source of revenue for the General Fund, although these taxes may also experience higher delinquencies, particularly for commercial accounts, and may experience a higher number of appeals of assessed values. Business license taxes, which had been growing in recent years as a percentage of General Fund revenue and making up about 25% of these revenues in FY 2019-20, are expected to decrease to approximately 75% of pre-pandemic levels. Additionally, given the lack of travel and tourism during the COVID-19 pandemic and the recent social justice demonstrations in Portland, transient lodging taxes, historically about 6% of General Fund revenues, have decreased to approximately 25% of pre-pandemic levels. The City Budget Office currently projects that transient lodging taxes will remain lower than its previous peak level throughout the forecast period. For FY 2020-21, the City currently projects that General Fund revenue will decline relative to the December 2019 forecast by approximately 2.4% (or $13.8 million). Given the cyclical timing of revenue receipts, actual performance will become clearer upon the collection of a substantial portion of business license taxes in April 2021.

For FY 2021-22 and beyond, there is substantial uncertainty regarding projected revenue growth given the impact of the pandemic on local economic activity and financial consequences to businesses and individuals. Positively, the retirement of some mature urban renewal areas and returning of associated assessed value to the City's tax rolls is expected to increase property taxes in FY 2021-22 through and including FY 2025-26, as reflected in Table 33. However, the timing of return is dependent on actual assessed value growth in each respective urban renewal area. For FY 2021-22, the City currently projects that General Fund discretionary revenue will decline 6.3% ($38.2 million) vs. the December 2019 forecast.

In November 2020, City voters passed a new five-year local option levy for Portland Parks and Recreation. The local option levy takes effect beginning in FY 2021-22 at rate of $0.8000 per $1,000 of Assessed Value and is estimated to generate approximately $45 million per year in funding for the Portland Parks and Recreation bureau. Future local option levy revenues are excluded from the most recent forecast of General Fund Discretionary Resources as shown in Table 33.

Table 33
CITY OF PORTLAND, OREGON
February 2021 Forecast of General Fund Discretionary Resources[1]

Resources	FY 2020-21 Annual Forecasted Revenues (millions of $)	FY 2021-22 Annual Forecasted Revenues (millions of $)	FY 2022-23 Annual Forecast Revenues (millions of $)
Beginning Fund Balance[2]	$53.4	$11.0	$14.0
Property Taxes[3]	274.1	291.1	302.8
Transient Lodging	15.0	15.0	30.0
Business Licenses	114.0	139.7	148.0
Utility License/Franchise	88.0	83.0	84.4
State Revenues	24.8	24.8	25.7
Transfers	0.3	0.3	0.4
Miscellaneous	1.2	1.3	1.2
Discretionary Resources	$570.9	$566.2	$606.5

(1) Totals may not foot due to rounding.
(2) FY 2020-21 reflects Adopted Budget and does not incorporate true-up under Fall BMP. Beginning Fund Balance for FY 2021-22 and FY 2022-23 represents baseline for bureau budgetary planning.
(3) Excludes property tax revenues dedicated to payment of unlimited tax general obligation bonds and FPDR levy.

Source: City of Portland

PROPERTY TAX INFORMATION

Oregon's property tax system is established by statewide statutes and limited by two constitutional amendments created by citizen initiatives. Voter approval is required to authorize new property taxes. Taxes are levied by individual local governments, but are imposed, collected and distributed by the counties in which the local governments are located.

PROPERTY VALUATION

Oregon law requires property to be assessed at its "Assessed Value." Assessed Values are calculated by the county assessor and are based on 90 percent of the Real Market Value of property in FY 1997-1998. New and changed property is assigned an Assessed Value based on the Assessed Value of comparable property in the area. Assessed Values cannot increase by more than three percent each year unless the property changes because it is substantially improved, rezoned, subdivided, annexed, or ceases to qualify for a property tax exemption. In addition, Assessed Value cannot exceed Real Market Value.

Permanent tax rate levies and rate-based local option levies are imposed on Assessed Value. If Assessed Values increase, collections from those levies will increase, and if Assessed Values decrease collections from those levies will decrease. Local governments instruct the county assessor to collect a dollar amount for general obligation bond levies and fixed-dollar local option levies; for those levies changes in Assessed Value has little effect on collections. See "—TYPES OF PROPERTY TAXES Local Option Levies" below.

"Real Market Value" is the county assessor's estimate of the current market value of property. Real Market Value limits Assessed Value and is often used in Oregon law to set debt limits. However, the primary use of Real Market Value is to determine whether there is Tax Rate Compression. See PROPERTY TAX INFORMATION TAX RATE COMPRESSION below. Some properties such as farm and forestland are assigned special assessments in lieu of Real Market Value that are below Real Market Value to reduce their taxes. In this Official Statement "Market Value" refers to the Real Market Value of properties that are not specially assessed, and to the special assessment value of properties that are specially assessed.

Assessed Value and Real Market Value of certain transportation, communication and utility properties is determined centrally by the State. The Assessed Value and Real Market Value of other property is determined locally by the county assessors.

The Real Market Value of property may be affected by the current spread of the COVID-19 virus, which may increase compression and therefore adversely affect the financial condition of the City, either directly or indirectly. Historical information regarding Real Market and Assessed Value presented in this Official Statement does not reflect the impact of the COVID-19 pandemic and should be considered in light of the possible or probable negative effects arising out of the COVID-19 pandemic. See "RECENT ECONOMIC AND HEALTH DEVELOPMENTS" herein.

TYPES OF PROPERTY TAXES

Permanent Tax Rate Levies

The City and other local governments levying taxes for operations in FY 1997-1998 received permanent tax rates in connection with the approval of Article XI, Section 11 of the Oregon Constitution. The City has a permanent tax rate of $4.5770/$1,000 of Assessed Value. Revenues from imposing the permanent tax rate can be spent for any lawful purpose. Permanent tax rates cannot be increased. Governments that have not levied property taxes in the past may be authorized by their voters to impose new permanent tax rate levies. Permanent tax rate levies are subject to Tax Rate Compression. See "PROPERTY TAX INFORMATION TAX RATE COMPRESSION" below.

Local Option Levies

Oregon law allows voters of local governments to authorize "local option levies." Local option levies are limited term levies. Local option levies that only finance capital costs can have a term of up to ten years. Local option levies cannot have a term of more five years if levy revenues are used to finance operating costs. Voters can approve "fixed-rate levies" that permit the government to impose a tax rate each year of the levy, or "fixed-dollar levies" that allow the government to levy a specified dollar amount each year. Local option levies are subject to Special Tax Rate Compression.

In 2013, the Oregon State Legislature approved and the Governor signed a bill that excludes local option taxes approved after January 1, 2013, from the consolidated billing tax rate for purposes of computing urban renewal division of taxes for certain urban renewal plans. The legislation authorizes inclusion of local option taxes if the City files a certificate with the county assessor stating that exclusion of local option taxes would impair contracts between the City and Bond holders. The legislation became effective beginning on July 1, 2014.

For a description of the City's local option levies, see "ANNUAL DISCLOSURE INFORMATION TRENDS IN PROPERTY VALUATION AND TAXATION" herein.

The FPDR Levy

The Oregon Constitution allows the City to impose the FPDR levy described in the Charter in addition to other City levies authorized by Oregon law. Other local governments are not authorized to impose similar, additional levies. The FPDR levy is subject to Tax Rate Compression as described below. The FPDR levy is not subject to Special Tax Rate Compression, described further below.

General Obligation Bond Levies

Oregon law allows voters of local governments to authorize general obligation bonds to finance capital costs. General obligation bond levies are not subject to Tax Rate Compression. See "PROPERTY TAX INFORMATION TAX RATE COMPRESSION" below.

Special Levies for Urban Renewal Areas

Some urban renewal areas that existed when Measure 50 was adopted are authorized to impose taxes throughout the boundaries of their creating city or county. Special urban renewal levies are subject to Tax Rate Compression. The City has five urban renewal areas with this taxing authority.

TAX RATE COMPRESSION

Article XI, Section 11b of the Oregon Constitution requires that property taxes (other than taxes for general obligation bonds) be divided into two categories: "non-school taxes," which fund the operations of local governments other than schools, and "school taxes," which fund operations of the public school system and community colleges. Total non-school taxes on a parcel are not permitted to exceed \$10 per \$1,000 of Real Market Value and total school taxes on a parcel are not permitted to exceed \$5 per \$1,000 of Real Market Value.

If the combined tax rates within a category exceed the rate limit for the category, taxes within the category are reduced until total taxes for the category do not exceed the rate limit for the category. This reduction is called "Tax Rate Compression." All local option levies are reduced first and proportionally, to zero if required. This reduction of local option levies is called "Special Tax Rate Compression." If there are no local option levies, or local option levies have been reduced to zero, the remaining taxes in the category are reduced proportionally until total taxes in the category do not exceed the category limit.

Taxes levied to pay general obligation bonds are not subject to Tax Rate Compression.

Article XI, Section 11b of the Oregon Constitution also limits the ability of the City and other local governments to impose certain other charges on property and property ownership.

VOTER APPROVAL

New local option levies, levies for new general obligation bonds (but not refunding bonds), and permanent rate limits for governments that have not previously levied operating taxes must be approved by simple majority at an election that is held in May or November, or at another election in which not less than 50 percent of the eligible registered voters cast ballots.

COLLECTION

The county tax collectors extend authorized levies, compute tax rates, bill and collect all taxes and make periodic remittances of collections to the city and other taxing districts. County tax collectors also calculate Tax Rate Compression.

Tax collections are segregated into two pools, one for school taxes and one for non-school taxes. Each taxing body shares in its pool on the basis of its tax rate and the Assessed Value of property in its boundaries (after adjustment for Tax Rate Compression), regardless of the actual collection experience for property taxes imposed within each taxing body's boundaries. This causes each taxing body to have the same tax collection rate as other taxing bodies within the county. For example, if the county tax collector collects 90 percent of the property taxes imposed on property in the county, each taxing body will receive 90 percent of the taxes it imposed (after adjustment for Tax Rate Compression).

Taxes are levied and become a lien on July 1 and tax payments are due November 15 of the same calendar year. Under the partial payment schedule the first third of taxes are due November 15, the second third on February 15 and the remaining third on May 15. A three-percent discount is allowed if full payment is made by November 15, two-percent for a two-thirds payment. Late payment interest accrues at a rate of 1.33 percent per month. Property is subject to foreclosure three years after the taxes become delinquent. The current spread of the COVID-19 virus may increase property tax delinquencies and therefore adversely affect property tax collections and the financial condition of the City, either directly or indirectly. The property tax collection information presented herein does not reflect the impact the COVID-19 pandemic may have on collections. See "RECENT ECONOMIC AND HEALTH DEVELOPMENTS" herein.

The State of Oregon operates a property tax deferral program for certain senior or disabled taxpayers. The State pays the deferred taxes to the county assessors when they are due, and the program does not adversely affect city tax collections.

PROPERTY TAX EXEMPTION PROGRAMS

The Oregon Enterprise Zone program is a State of Oregon economic development program that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by State statues and the local sponsor. The Portland Development Commission (now known as "Prosper Portland") is the local sponsor for the Portland Enterprise Zone program.

Oregon statutes authorize a wide variety of full and partial property tax exemptions, including exemptions for property owned or used by cities, counties, schools and other local governments, property of the federal government, property used by religious and charitable entities, property used for low income housing, historical property, property located in enterprise zones, and transit oriented property. The City promotes and administers some of these property tax exemptions, but many exemptions are available to property owners without the consent of the City.

THE CITY GENERALLY

The City, incorporated in 1851, is a home rule charter city. The Charter is the basic law under which the City operates and can be amended only by a vote of the people. The City operates under the provisions of the Charter and City Code.

In 1913, a modified commission form of government was created. The Charter provides for five non-partisan Council members, called Commissioners, including the Mayor. They are elected at-large to four-year terms. The positions are full-time and salaried. The City Auditor is also elected and required by Charter to be professionally certified. The Auditor is not part of the Council and has no formal voting authority. A proposal to amend the City Charter was approved by City voters on May 16, 2017, which provides the Auditor's office administrative independence from City bureaus and offices. This amendment also added the City Ombudsman as an official responsibility of the Auditor.

The Mayor is the formal representative of the City and is responsible for assigning each of the Commissioners responsibility for one of five areas: Finance Management and Administration, Public Affairs, Public Safety, Public Utilities, and Public Works. The Mayor decides which bureaus the Commissioners will manage. The Mayor can change these assignments at any time. Traditionally, the Mayor has been the Commissioner of Finance Management and Administration. The Mayor and Commissioners act as legislators and administrators. Thus, Council members are responsible for both enacting and enforcing City laws, as well as administering bureaus under their supervision. The Auditor provides oversight of the use of public resources, as well as receiving and maintaining all documents relating to the accounts and contracts of the City, including its debts, revenues, and financial affairs. The position is responsible for conducting financial and performance audits of City bureaus and their functions. In addition, the Auditor's Office serves as the Council Clerk, responsible for the processing and filing of all official Council actions.

INVESTMENT POLICY AND PERFORMANCE

Oregon law pertaining to the investment of public funds (ORS 294.135) requires the City to adopt an Investment Policy annually since the City makes investments that exceed 18 months in maturity. The Investment Policy outlines the framework and criteria for managing the City's investment program.

The City's investment policy is reviewed annually by the Office of Management and Finance, after consulting with the City's Investment Advisory Committee ("IAC"). Material changes to the policy require submission to the Oregon Short-Term Fund Board for review. Once completed, it is submitted annually for adoption by the Council.

The following investments are permitted under the City's investment current policy as well as by ORS 294.035 and ORS 294.810:

- United States Treasury debt obligations;
- United States Agency debt obligations;

- Interest-bearing deposits in State of Oregon financial institutions collateralized with securities as required by Oregon Revised Statutes Chapter 295;
- State of Oregon Local Government Investment Pool;
- Repurchase agreements secured by United States Treasury and United States Agency debt obligations;
- Bankers acceptances;
- Municipal debt obligations issued by Oregon state or local governments;
- Securities lending; and
- Commercial paper and debt obligations of corporations meeting specified policy guidelines and ratings.

The City does not invest in any form of derivatives or reverse repurchase agreements and does not leverage its investment portfolio in any manner. The City purchases investments through designated Primary Government Securities Dealers approved by the Federal Reserve Bank of New York, and certain broker/dealers approved by the Chief Financial Officer or designee in consultation with the City Treasurer and the IAC.

The City maintains a cash and investment pool that is available for use by all funds including its component units. Cash and investments are presented on the balance sheet in the basic financial statements at fair value. The following table presents a five-year history of average earnings rates for the City's investment portfolio.

Table 34
CITY OF PORTLAND, OREGON
Average Annual Interest Earning Rates
for City Investment Portfolio (Book Value)

Fiscal Year Ending	Average Earnings Rate
2016	0.82%
2017	1.14
2018	1.46
2019	2.19
2020	2.05

Source: City of Portland

The COVID-19 pandemic has in the past caused declines in the value of the City's investments and may cause further declines going forward. The City currently forecasts that the average earnings rates for FY 2020-21, FY 2021-22 and will progressively decline to 0.75%, 0.50%, and 0.40% respectively. See "RECENT ECONOMIC AND HEALTH DEVELOPMENTS" herein.

NATURAL AND OTHER DISASTERS

Portland is located in an area of seismic activity. The scientific consensus is that Portland and the Pacific Northwest region are subject to periodic earthquakes along the Cascadia Subduction Zone, a large fault that runs offshore from Northern California to British Columbia. Geologists are predicting that the Pacific Northwest is due for a major earthquake. Such an earthquake may cause widespread damage to structures and infrastructure in western Oregon, including the City, and total damage in coastal areas inundated by a possible accompanying tsunami. It is likely the infrastructure damage would be sufficient to disrupt transportation, communication, water and sewer systems, power and gas delivery and fuel supplies for weeks to months for much of western Oregon. This kind of regional disaster is unprecedented and could result in a significant permanent loss of population and business.

Portland is also subject to smaller-scale seismic activity caused by local faults. Such activity may result in damage to structures and infrastructure in the region.

In addition to unpredictable seismic activity, Portland may be subject to fires, wind storms, floods, the outbreak of diseases, or other disasters caused by any number of factors including climate change, terrorism, or human error. Such events could result in substantial damage to both property and infrastructure, which could impact the City's ability to provide services. The City cannot predict the potential effect of such events the City's finances or operations or the likelihood of such events.

The City has made efforts to prepare for such events. The City Bureau of Emergency Management is responsible for coordinating Citywide plans that prepare for, mitigate, respond to, and recover from any emergency. Hazard risk assessments and detailed hazard maps are used to inform the City's comprehensive plan, zoning, and guidance documents. Hazard maps and data also inform public and private projects that reduce vulnerabilities in hazard-prone areas of Portland.

The City's Mitigation Action Plan ("MAP"), most recently updated in October 2016, addresses eight main hazards of concern, including risk of earthquake, landslide, wildfire, flood, and severe weather, and several compounding factors relevant to adverse impacts from natural hazards. The MAP includes an action plan with mitigation actions to reduce losses from natural hazards. A state- and federally-approved hazard mitigation plan, such as MAP is required under federal Stafford Act regulations for the City to be eligible for certain types of federal pre- and post-disaster mitigation funding. The MAP was accepted by FEMA in December 2016. To remain in compliance, a federally approved plan must undergo a comprehensive update every five years. The City is in the process of updating the MAP and expects to have it completed by November 2021.

The City also has other plans for dealing with emergencies or disasters, including the Basic Emergency Operations Plan, which provides the basis for decision-making during an emergency and its immediate aftermath, as well as functionally specific plans to address evacuations, debris management, damage assessment, public alerts and warnings, and communication problems. The City has prepared special plans to address earthquakes and floods, including the Earthquake Response Plan adopted in 2012 and the Flood Response Plan adopted in 2018. These plans are intended to provide a consistent and flexible framework for the City, regional partners, and private entities to work in a coordinated manner for effective incident management.

In November 2019, voters approved a ballot measure to amend the City Charter to authorize the City Council to enter into and fund mutual aid agreements using rate payer funds to provide and receive emergency assistance between the City and other government entities, tribes or utilities following a significant natural disaster or other major disruption to water-related services.

CYBERSECURITY

The City, like other large public and private entities, relies on a large and complex technology environment to conduct its operations, and consequently faces the threat of cybersecurity incidents. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City's information technology systems to misappropriate assets or information or to cause operational disruption and damage.

To reduce and mitigate the risk of business operations impact and/or damage from cybersecurity incidents the City has invested in multiple forms of cybersecurity and operational safeguards, including adopting the National Institute of Standards and Technology Cybersecurity Framework to support, maintain, and prioritize securing critical infrastructure and data systems, manage risk, and improve cybersecurity incident detection and remediation. Under the leadership of the City's Senior Information Security Officer, the City's Bureau of Technology Services has established a cybersecurity team which is responsible for identifying, evaluating, responding, and reporting on information security risks in a manner that meets compliance and regulatory requirements, and which aligns with and supports the cybersecurity risk posture of the City. Additionally, all information security related standards, policies and administrative rules are reviewed annually.

As a recipient and provider of personal and confidential information, the City has been the subject of cybersecurity incidents that have resulted in, or could have resulted in, adverse consequences to the City's confidential information and technologies and that required a response action to mitigate potential consequences. The City has not experienced a reportable compromise of its network security in the past two years. Low-level distributed denial of service attacks are commonplace and not a threat to the City, but during 2020 the City experienced two notable distributed denial of service attacks that did not disrupt City essential services or compromise City information but did require activation of the internal incident response teams. The City leverages multiple defense capabilities to protect against such attacks which greatly reduces the likelihood of a successful attack. With the adoption of multi-factor authentication in January 2019 the City has substantially reduced the potential compromise of City confidential information.

The City's cybersecurity and operational safeguards are periodically internally and externally tested and assessed by external auditors; however the City cannot assure that these measures will prevent all potential cybersecurity attacks, and accompanying disruptions and costs. To offset some of the potential financial costs and risks associated with a breach, the City's Risk Management Division obtained a cyber-liability insurance policy. The policy provides coverage for privacy liability, data breaches, network security liability and internet media liability to the extent the City is liable. Certain business expenses related to cybersecurity incidents are covered, such as business interruption expenses and costs to recover, restore or replace lost data. The policy provides limited coverage for "social engineering losses", such as losses resulting from bad actors manipulating employees into performing actions such as wiring finances to banks. Additional limited social engineering coverage is provided separately under the City's Crime Policy.

LABOR RELATIONS

The City employs approximately 6,028 full-time equivalent personnel. Of these, approximately 4,300 are represented by collective bargaining units. The City's initial response to the COVID-19 pandemic included implementing a hiring freeze, stoppage of upward pay changes, and mandated furlough days for certain employees. The City has entered into a phased hiring approach, focused on priority areas that address the critical needs. See "RECENT ECONOMIC AND HEALTH DEVELOPMENTS – Initial City Budgetary Actions" herein for further discussion of these actions.

Table 35
CITY OF PORTLAND, OREGON
Bargaining Units and Contract Status

Collective Bargaining Unit	Number of Employees[1]	Contracts & MOUs Expire
District Council of Trade Unions (DCTU)[2]	1,132	December 31, 2020
Portland Police Association	791	June 30, 2021
Professional and Technical Employees Local 17	837	December 31, 2021
Portland Fire Fighters Association	654	June 30, 2023
Laborers' International Union of North America Local 483 - Portland City Laborers	618	June 30, 2021
Laborers' International Union of North America Local 483 - Parks and Recreation	103	June 30, 2021
Bureau of Emergency Communications - AFSCME Local 189-2	108	June 30, 2023
Laborers' International Union of North America Local 483 - Seasonal Maintenance Workers	32	June 30, 2022
Portland Police Commanding Officers Association (PPCOA)	25	June 30, 2023

(1) Number of employees refers to number of filled full-time equivalent positions.
(2) DCTU includes DCTU IBEW Local 48; DCTU- Auto Mechanics, District Lodge 24; DCTU-Operating Engineers Local 701; DCTU-Painters and Allied Trades, District Council 5; and DCTU Plumbers Local 290. This contract is currently under negotiation.

Source: City of Portland

CITY ECONOMIC CHARACTERISTICS

This section presents certain historical information concerning the City. The current spread of the COVID-19 virus is altering the behavior of businesses and people in a manner that has negative effects on local, state, national and global economic activity, and therefore adversely affects the financial condition of the City, both directly and indirectly. To the extent certain of the historical economic and demographic information presented predates the COVID-19 pandemic, it does not reflect the impacts of the pandemic and should be considered in light of the possible or probable negative effects arising out of the COVID-19 pandemic. See "RECENT ECONOMIC AND HEALTH DEVELOPMENTS" herein.

The City of Portland, with an estimated population of 664,605 as of July 1, 2020, comprises an area of approximately 145 square miles in northwestern Oregon. Located astride the Willamette River at its confluence with the Columbia River, Portland is the center of commerce, industry, transportation, finance and services for a metropolitan area with an estimated population of approximately 2.55 million people as of July 1, 2020. Portland is the county seat of Multnomah County, the largest city in Oregon, and the second largest city in the Pacific Northwest.

PORTLAND-VANCOUVER-BEAVERTON METROPOLITAN STATISTICAL AREA

The Portland-Vancouver-Hillsboro Metropolitan Statistical Area (the "MSA") consists of Multnomah, Clackamas, Washington, Yamhill, and Columbia counties in Oregon, and Clark and Skamania counties in Washington. Metropolitan statistical areas are based on commuting patterns within a metropolitan area, and are used primarily for labor, employment and unemployment statistics.

The City of Portland is located primarily in Multnomah County, with small portions in Washington and Clackamas counties. Multnomah County also encompasses the cities of Gresham, Troutdale, Fairview and Wood Village. Washington County contains the cities of Beaverton, Hillsboro, Tigard, and Tualatin. Clackamas County includes the cities of Milwaukie, Oregon City, Lake Oswego, West Linn and Happy Valley. The cities of St. Helens and Scappoose are located in Columbia County. Yamhill County includes the cities of McMinnville and Newberg. Clark County contains the cities of Vancouver and Camas, while Skamania County includes the cities of Stevenson, Carson, and Skamania.

POPULATION

The population of Portland has increased steadily over the past decade, as shown in the table below.

Table 36
CITY OF PORTLAND, OREGON
Population Estimate for the Last Ten Years

As of July 1	State of Oregon	City of Portland	MSA	Multnomah County	Washington County	Clackamas County
2011	3,857,625	585,845	2,245,400	741,925	536,370	378,480
2012	3,883,735	587,865	2,265,725	748,445	542,845	381,680
2013	3,919,020	592,120	2,291,650	756,530	550,990	386,080
2014	3,962,710	601,510	2,324,535	765,775	560,465	391,525
2015	4,013,845	613,355	2,364,954	777,490	570,510	397,385
2016	4,076,350	627,395	2,407,540	790,670	583,595	404,980
2017	4,141,100	639,100	2,452,195	803,000	595,860	413,000
2018	4,195,300	648,740	2,489,710	813,300	606,280	419,425
2019	4,236,400	657,100	2,519,930	821,730	613,410	423,420
2020	4,268,055	664,605	2,549,460	829,560	620,080	426,515
2011-2020 Compounded Annual Rate of Change	1.1%	1.4%	1.4%	1.2%	1.6%	1.3%
2016-2020 Compounded Annual Rate of Change	1.2%	1.5%	1.4%	1.2%	1.5%	1.3%

Note: The federal Census figures, as of April 1 of the stated year, are as follows:

	1980	1990	2000	2010
State of Oregon	2,633,156	2,842,321	3,421,399	3,831,074
Multnomah County	562,647	583,887	660,486	735,334
City of Portland	368,139	438,802	529,121	583,776
Washington County	245,860	311,554	445,342	529,710
Clackamas County	241,911	278,850	338,391	375,992

Source: Washington State Office of Financial Management; Portland State University, Center for Population Research. Under Oregon State law, the State Board of Higher Education must estimate annually the population of Oregon cities and counties so that shared revenues may be properly apportioned. The Center for Population Research and Census at Portland State University performs this statutory duty. Under Washington State law, the Washington State Office of Financial Management must annually estimate the population of Washington cities and towns

INCOME

Table 37 below shows personal income and per capita income for the MSA compared to similar data for the State and nation.

Table 37
CITY OF PORTLAND, OREGON
Total Personal Income and Per Capita Income
MSA, Oregon, and the United States

		Per Capita Income		
Year	**Total Personal Income MSA (millions)**	**MSA**	**Oregon**	**USA**
2010	$89,154	$39,940	$36,122	$40,547
2011	95,118	42,035	37,818	42,739
2012	101,587	44,391	39,602	44,605
2013	103,018	44,577	40,020	44,860
2014	110,792	47,266	42,493	47,071
2015	119,237	50,065	45,163	49,019
2016	125,457	51,672	46,586	50,015
2017	132,393	54,339	48,762	52,118
2018	143,215	57,903	51,500	54,606
2019	149,347	59,921	53,191	56,490
2010-2019 Compounded Annual Rate of Change	5.9%	4.6%	4.4%	3.8%

Source: U.S. Department of Commerce, Bureau of Economic Analysis, as of November 17, 2020

LABOR FORCE AND UNEMPLOYMENT

Table 38 below shows the annual average civilian labor force, employment level and unemployment level data that is available for the MSA for the period 2012 through 2020. Table 39 below shows the seasonally-unadjusted, average annual unemployment rates for the MSA, the State and the United States for the period 2012 through 2020. As a result of the COVID-19 pandemic, the unemployment rate has increased significantly in the MSA, the State and the United States in recent months. See “RECENT ECONOMIC AND HEALTH DEVELOPMENTS” herein.

Table 38
CITY OF PORTLAND, OREGON
MSA Labor Force and Unemployment Rates[(1)]

Year	Resident Civilian Labor Force	Unemployment Number	Unemployment Percent of Labor Force	Total Employment
2012	1,198,820	95,636	8.0	1,103,184
2013	1,180,637	83,899	7.1	1,096,738
2014	1,199,176	73,586	6.1	1,125,590
2015	1,228,889	64,468	5.2	1,164,421
2016	1,271,959	58,521	4.6	1,213,438
2017	1,302,425	51,010	3.9	1,251,415
2018	1,310,588	50,188	3.8	1,260,400
2019	1,326,395	47,037	3.5	1,279,358
2020	1,329,507	107,722	8.1	1,221,785

(1) Includes non-agricultural wage and salary, self-employed, unpaid family workers, domestics, agricultural workers and labor disputants. Not seasonally adjusted.
Source: State of Oregon, Employment Department as of January 26, 2021

Table 39
CITY OF PORTLAND, OREGON
Average Annual Unemployment
MSA, Oregon, and the United States
(Not Seasonally Adjusted)

Year	MSA	State of Oregon	USA
2012	8.0%	8.8%	8.1%
2013	7.1	7.9	7.4
2014	6.1	6.8	6.2
2015	5.2	5.6	5.3
2016	4.6	4.8	4.9
2017	3.9	4.1	4.4
2018	3.8	4.1	3.9
2019	3.5	3.7	3.7
2020	8.1	8.0	8.1

(1) Preliminary, subject to change.
Source: State of Oregon, Employment Department as of January 26, 2021

EMPLOYMENT BY INDUSTRY

Non-manufacturing employment (including government) accounts for about 89 percent of non-farm employment in the Portland area. The MSA's manufacturing employment, accounting for the remaining 11 percent of area employment, is largely based in the metals and computer and electronic equipment sectors.

Table 40
CITY OF PORTLAND, OREGON
Portland-Vancouver-Hillsboro, OR-WA MSA
Non-Farm Wage and Salary Employment(1)

Industry	2016	2017	2018	2019	2020
Total nonfarm employment	**1,146,200**	**1,176,000**	**1,199,900**	**1,222,900**	**1,130,600**
Total private	**992,800**	**1,019,500**	**1,049,300**	**1,070,100**	**985,100**
Mining and logging	1,300	1,300	1,400	1,300	1,200
Construction	61,800	67,400	72,700	75,800	71,600
Manufacturing	123,000	123,600	127,500	129,300	120,200
Durable goods	91,000	90,800	94,000	95,300	89,000
Wood product manufacturing	3,900	4,000	4,100	4,000	3,800
Primary metal manufacturing	5,900	5,700	5,700	6,200	5,200
Fabricated metal product manufacturing	12,700	12,500	13,200	13,400	12,100
Machinery manufacturing	8,900	9,500	10,300	10,100	9,700
Computer/electronic product manufacturing	36,700	35,700	36,900	37,500	37,100
Transportation equipment manufacturing	7,300	6,800	6,900	7,400	6,100
Nondurable goods	32,000	32,800	33,600	34,100	31,200
Food manufacturing	13,100	13,500	13,700	13,600	12,700
Paper manufacturing	2,900	3,000	2,600	2,500	2,500
Trade, transportation, and utilities	210,500	215,600	218,100	221,600	214,800
Wholesale Trade	54,600	56,000	56,700	57,200	54,800
Retail trade	117,300	119,100	119,500	118,000	111,000
Utilities	2,300	2,400	2,500	2,500	2,500
Transportation and warehousing	36,300	38,100	39,400	43,800	46,500
Information	26,100	25,900	25,500	26,300	24,500
Financial activities	68,400	70,900	72,400	73,400	71,700
Professional and business services	177,400	181,700	184,700	189,600	182,000
Educational and health services	164,300	169,300	179,800	183,400	173,700
Leisure and hospitality	118,600	122,300	125,000	126,700	88,400
Other services	41,600	41,400	42,200	42,700	37,100
Government	**153,400**	**156,500**	**150,500**	**152,800**	**145,600**

(1) Not seasonally adjusted.
Source: State of Oregon, Employment Department QualityInfo.org as of January 26, 2021

Table 41
CITY OF PORTLAND, OREGON
Major Employers in the MSA

Employer	Product or Service	Estimated Metro Area Employment
Private Employers		
Intel Corporation	Computer and electronic products	21,394
Providence Health System	Health care & health insurance	19,326
Legacy Health System	Health care	12,896
Kaiser Permanente	Health care	12,074
Nike Inc.	Sports shoes and apparel	12,000
Fred Meyer Stores	Retail/grocery	8,163
PeaceHealth	Health care	4,482
Walmart Inc.	Retail/grocery	4,425
Wells Fargo	Bank	3,900
U.S. Bank	Bank & holding company	3,820
Precision Castparts Corp.	Metals manufacturing	3,300
Portland General Electric	Energy	2,500
Public Employers		
Oregon Health and Science University	Health care & education	17,441
City of Portland	Local government	7,409
Portland Public Schools	Education	7,005
Beaverton School District	Education	5,646
Multnomah County	Local government	5,070
Vancouver School District	Education	4,609
U.S. Postal Service	Federal Agency	3,818
U.S. Department of Veterans Affairs	Federal Agency	3,698
Portland Community College	Education	3,628
TriMet	Mass transit	3,304
Portland State University	Education	3,229
Oregon Department of Human Services	State Agency	2,427
Hillsboro School District	Education	2,426

Source: Portland Business Journal, June 19, 2020

REAL ESTATE

A diverse mix of industrial properties are located throughout the MSA for all types of industrial use, including more than 190 million square feet of industrial and business park space. On the east side of Portland, the Columbia Corridor is the largest industrial area in Oregon, containing approximately 22,600 acres or 28 square miles along an 18-mile stretch of land that runs along the southern shore of the Columbia River. The Columbia Corridor includes the Rivergate Industrial District, marine terminals, and Portland International Airport ("PDX"). The Rivergate Industrial Park ("Rivergate") is a 2,800-acre area owned by the Port of Portland (the "Port") in North Portland. In addition to Rivergate's access to the Columbia River and PDX, the area qualifies local businesses for participation in the Portland Enterprise Zone and related tax incentives.

Just west of Portland, the Sunset Corridor is the center for Oregon's high technology industry, including Intel's approximately 20,000-employee campuses. This area parallels a major east/west highway (U.S. Highway 26) in the western metropolitan area. Another large submarket for industrial and flex space is the Interstate 5 ("I-5") Corridor, which extends from southwest Portland to the City of Wilsonville along I-5.

In addition, the MSA office market is home to diverse architectural styles ranging from Class-A office space to unique historical buildings in downtown Portland.

The City expects that the COVID-19 pandemic will have a material adverse impact on industrial and commercial real estate in the MSA. However, the magnitude and extent of the impact is not currently known. On April 1, 2020, the Governor issued an executive order placing a temporary moratorium on certain evictions and terminations of rental agreements and leases in response to the COVID-19 pandemic. The order was recently extended through June 30, 2021. See "RECENT ECONOMIC AND HEALTH DEVELOPMENTS" herein.

Housing

The table below compares the median home sale price for the third quarter of 2019 and 2020 in the MSA and with the nation.

Table 42
CITY OF PORTLAND, OREGON
Median Single-Family Home Sale Price
(U.S. and MSA)

Region	3rd Quarter 2019	3rd Quarter 2020	Percent Change
U.S.	$280,000	$313,500	12.0%
Portland MSA	416,000	462,200	11.1

Source: "Median Sales Price of Existing Single-Family Homes for Metropolitan Areas," National Association of Realtors

The market sales price trends for condominiums is shown in the table below.

Table 43
CITY OF PORTLAND, OREGON
Median Condo/Coop Sale Price
(U.S. and MSA)

Region	3rd Quarter 2019	3rd Quarter 2020	Percent Change
U.S.	$251,900	$271,700	7.9%
Portland MSA	269,100	276,000	2.6

Source: "Median Sales Price of Existing Apartment Condo-Coops Homes for Metropolitan Areas," National Association of Realtors

Residential building permits are an indicator of growth in a region. The number and value of new single-family and multi-family residential building permits for the MSA are shown below.

Table 44
CITY OF PORTLAND, OREGON
New Single-family and Multi-family
Residential Construction Permits
(MSA)

	New Single Family		New Multi-Family	
Year	No. of Permits	Value (000s)	No. of Permits	Value (000s)
2010	3,359	$814,570	1,117	$136,726
2011	3,132	806,212	2,081	210,024
2012	4,501	1,121,587	3,284	321,445
2013	5,717	1,498,249	6,013	558,235
2014	5,462	1,524,073	6,894	829,321
2015	7,102	1,887,703	6,865	825,331
2016	7,397	2,111,307	7,332	870,079
2017	6,211	1,862,798	9,772	1,259,625
2018	6,869	1,958,974	7,311	947,970
2019	7,688	2,240,127	9,127	1,132,785

Source: U.S. Census Bureau as of September 21, 2020

TRANSPORTATION AND DISTRIBUTION

Location and topography have established the MSA as a leading warehousing and distribution center for the Pacific Northwest. Portland's location at the head of deep-water navigation on the Columbia River system gives it geographic and, therefore, economic advantages for the shipment of freight.

The Columbia River ship channel extends from the Portland Harbor to the Pacific Ocean 110 miles downstream. The Columbia River provides the only water route through the Cascade Mountains to the agricultural regions of eastern Oregon, Washington, and northern Idaho. This region has been opened to slack-water barge navigation by means of locks installed in a series of federal hydroelectric projects on the lower Columbia River and its largest tributary, the Snake River. There are two primary barge lines providing service between the upriver ports and Portland. In addition, the Columbia River Gorge forms a corridor through the Cascade mountains which, because it is level, provides an economical rail and highway route between Portland and the region east of the Cascade mountains.

The Port is a port district encompassing Multnomah, Clackamas and Washington counties. The Port owns and maintains four marine terminals, three airports, and seven business parks. In tonnage of total waterborne commerce, the Port is currently ranked as the third largest volume port on the West Coast. The Port is the largest wheat export port in the United States and is the largest volume auto handling port and mineral bulks port on the West Coast. Leading exports include wheat, soda ash, potash and hay. Leading imports include automobiles, petroleum products, steel and limestone.

In 2019, 402 ocean-going vessels made calls at Port facilities. Total maritime tonnage in 2019 decreased to 9.7 million metric tons in 2019 compared to 11.2 million in 2018. Portland International Airport handled approximately 19.9 million airline passengers in 2019 as well as 305,251 short tons of cargo and 12,152 short tons of mail. Portland is also served by two publicly operated general aviation airports located in the suburban areas.

In recent months, airline passenger traffic has declined dramatically in response to the COVID-19 pandemic. Total airline passengers in December 2020 declined by 71.3% compared to December 2019, with an estimated 484,040 enplaned and deplaned passengers in December 2020. Year-to-date, passenger traffic dropped 64.4% in 2020 compared to 2019.

Two major railroads—the Burlington Northern Santa Fe and Union Pacific—plus the Amtrak passenger train system serve the MSA.

Transportation is facilitated by a highway system that includes I-5, the primary north-south highway artery of the West Coast, and two by-pass routes, Interstate 205 and Interstate 405, within and around Portland. The primary east-west highway system is Interstate 84, which begins at Portland and heads east along the Columbia River to Idaho and beyond. The MSA is also served by U.S. highways 26 and 30, Oregon highways 43, 213, 217, 224, 99E, 99W, the Tualatin Valley Highway, the historic Columbia River Highway, nine bridges across the Willamette River and two bridges across the Columbia River.

The Tri-County Metropolitan Transportation District of Oregon ("TriMet"), the regional public transit agency, provides rail and bus service throughout the MSA. During TriMet's fiscal year, from July 2019 through June 2020, passengers boarded a TriMet fixed-route bus or train approximately 78.5 million times, which represents a 18.8% decrease as compared to the prior fiscal year. However, since June 2019, TriMet passenger traffic has declined significantly in response to the COVID-19 pandemic. TriMet's light rail system ("MAX") connects downtown Portland with the cities of Gresham, Beaverton and Hillsboro, as well as North/Northeast Portland, Clackamas Town Center, and PDX. TriMet also provides commuter rail service between Beaverton and Wilsonville.

The Portland Streetcar connects South Waterfront area along the Willamette River, the Pearl District and Northwest Portland, the Lloyd District in northeast Portland and the Central Eastside district. The Portland Streetcar is owned and operated by the City, which has entered into contracts with TriMet for train operators and mechanics.

TOURISM, RECREATION AND CULTURAL ATTRACTIONS

Portland is Oregon's largest city and the center of business and transportation routes in the state, and therefore accommodates a large share of the state's tourist and business visitors. Portland is a destination for many tourists who are drawn to its diverse cultural and recreational facilities. These include the Oregon Symphony and associated musical organizations, Portland Center for the Performing Arts, Oregon Ballet, Portland Opera, Portland Center Stage, Portland Art Museum, Oregon Historical Society Museum, Children's Museum, Oregon Museum of Science and Industry, Forest Discovery Center, Japanese Gardens, International Rose Test Gardens, the Lan Su Chinese Garden and the Oregon Zoo. The metropolitan area includes more than 40 other local theater and performance art companies and ten additional gardens of special interest. Portland is the home of Forest Park, the largest urban park in the United States with a total of more than 5,000 acres. A prime tourist attraction for Portland, known as the City of Roses, is the three-week long Portland Rose Festival held each June since 1907. More than two million participants enjoy the festival annually.

A 90-minute drive from Portland in almost any direction provides access to numerous recreational, educational, and leisure activities. The Pacific Ocean and the Oregon Coast to the west, the Columbia Gorge and Mt. Hood, Mt. St. Helens and Mt. Adams in the Cascade Range to the east, and the Willamette Valley to the south offer opportunities for hiking, camping, swimming, fishing, sailboarding, skiing, wildlife watching, and numerous other outdoor activities.

The National Basketball Association ("NBA") Portland Trail Blazers play at the Rose Garden Arena complex (which includes the Veteran's Memorial Coliseum), as do the major-junior Western Hockey League ("WHL") Portland Winterhawks. Providence Park is the home of the Major League Soccer ("MLS") Portland Timbers and National Women's Soccer League ("NWSL") Portland Thorns FC.

The current spread of the COVID-19 virus is altering the behavior of businesses and people in a manner that has negative effects on local, state, national and global economic activity, including tourism and recreational activities. Many of the activities described above have closed or significantly altered their operations as a result of the pandemic. See "RECENT ECONOMIC AND HEALTH DEVELOPMENTS" herein.

HIGHER EDUCATION

Within the MSA are several post-secondary educational systems. Portland State University ("PSU") is located on a campus encompassing an area of over 28 blocks adjacent to the downtown business and commercial district of Portland. PSU offers over 200 undergraduate, masters, and doctoral programs. Enrollment for the Fall 2019 term was approximately 26,012 students. PSU is noted for the development of programs specifically designed to meet the needs of the urban center.

Oregon State University and the University of Oregon, have field offices and extension activities in the MSA.

OHSU's Marquam Hill campus sits on more than 100 acres overlooking downtown Portland. OHSU includes the schools of dentistry, medicine, nursing, and science and engineering. OHSU also includes Doernbecher Children's Hospital and OHSU Hospital, as well as primary care and specialty clinics, research institutes and centers, interdisciplinary centers, and community service programs.

Independent colleges in the MSA include Lewis & Clark College, University of Portland, Reed College, and Linfield College-Portland Campus; and several smaller church-affiliated schools, including Warner Pacific College, George Fox University, and Cascade College. Several community colleges serve the MSA including Portland Community College, Mt. Hood Community College, and Clackamas Community College.

The current spread of the COVID-19 virus is altering the behavior of businesses and people in a manner that has negative effects on local, state, national and global economic activity, including higher education. Institutions of higher education within the State have reduced or curtailed in-person classes and have transitioned toward online education. It is currently unknown when or if regular in-person education will resume. See "RECENT ECONOMIC AND HEALTH DEVELOPMENTS" herein.

UTILITIES

Electric Power and Natural Gas

Electricity is provided by Portland General Electric and Pacific Power. Low-cost hydroelectric power provides a substantial portion of the area's energy requirements. NW Natural distributes natural gas.

Communications

Telephone services are provided by CenturyLink and, in some areas, Frontier. The MSA is also served by three cable service providers, primarily Comcast within the Portland city limits, and Frontier and Reliance Connects in other parts of the region.

Water, Sewer, and Wastewater

The City operates the water supply system that delivers drinking water to residents of Portland. Approximately 950,000 people, almost one-quarter of the state's population, are served by the City's water system on a wholesale and retail basis within its 225 square mile service area. The primary water source is the Bull Run Watershed, located in the foothills of the Cascades west of Mt. Hood. The City also uses groundwater as a supplemental water supply.

The City also owns, operates, and maintains sanitary sewer and storm water collection, transportation, and treatment systems within its boundaries. The City provides sanitary sewer service to approximately 664,600 people, numerous commercial and industrial facilities, and several wholesale contract customers located adjacent to the City.

THE INITIATIVE PROCESS

The Oregon Constitution, Article IV, Section 1, reserves to the people of the State the initiative power to amend the State constitution or to enact State legislation by placing measures on the statewide general election ballot for consideration by the voters. Oregon law therefore permits any registered Oregon voter to file a proposed initiative with the Oregon Secretary of State's office without payment of fees or other burdensome requirements. Consequently, a large number of initiative measures are submitted to the Oregon Secretary of State's office, and a much smaller number of petitions obtain sufficient signatures to be placed on the ballot.

Because many proposed initiative measures are submitted that do not qualify for the ballot, the City does not formally or systematically monitor the impact of those measures or estimate their financial effect prior to the time the measures qualify for the ballot. Consequently, the City does not ordinarily disclose information about proposed initiative measures that have not qualified for the ballot.

PROCESS FOR QUALIFYING STATE-WIDE INITIATIVES TO BE PLACED ON THE BALLOT

To place a proposed state-wide initiative on a general election ballot, the proponents must submit to the Secretary of State initiative petitions signed by the number of qualified voters equal to a specified percentage of the total number of votes cast for all candidates for governor at the gubernatorial election at which a governor was elected for a term of four years next preceding the filing of the petition with the Secretary of State. Any elector may sign an initiative petition for any measure on which the elector is entitled to vote. State-wide initiatives may only be filed for general elections in even-numbered years.

A state-wide initiative petition must be submitted to the Secretary of State not less than four months prior to the general election at which the proposed measure is to be voted upon. As a practical matter, proponents of an initiative have approximately two years in which to gather the necessary number of signatures. State law permits persons circulating initiative petitions to pay money to persons obtaining signatures for the petition.

Once an initiative measure has gathered a sufficient number of signatures and qualified for placement on the ballot, the State is required to prepare a formal estimate of the measure's financial impact. Typically, this estimate is limited to an evaluation of the direct dollar impact.

Historically, a larger number of initiative measures have qualified for the ballot than have been approved by the electors. According to the Elections Division of the Secretary of State, the total number of initiative petitions that qualified for the ballot and the numbers that passed in recent general elections are as follows:

Table 45
CITY OF PORTLAND, OREGON
Statewide Initiative Petitions that Qualified and Passed
2010-2020

Year of General Election	Number of Initiatives that Qualified	Number of Initiatives that Passed
2010	4	2
2012	7	2
2014	4	2
2016	4	3
2018	4	0
2020	2	2

Source: Elections Division, Oregon Secretary of State

FUTURE STATE-WIDE INITIATIVE MEASURES

The next election at which citizen initiatives may be placed on the statewide ballot will be in November 2022.

The recent experience in Oregon is that many more initiative measures are proposed in some form than receive the number of signatures required to be placed on a ballot. Consequently, the City cannot accurately predict whether specific future initiative measures that may have an adverse effect on the City's financial operations will be proposed, obtain sufficient signatures, and be placed on a ballot for voter approval, or if placed on a ballot, will be approved by voters.

The Oregon Secretary of State's office maintains a list of all initiative petitions that have been submitted to that office. The office can be reached by telephone at (503) 986-1518.

LOCAL INITIATIVES

Article IV, Section 1 and Article XI, Section 2 of the Oregon Constitution and state statutes grant the voters in the City the initiative power to amend the City Charter or City ordinances, and to refer City ordinances. A petition to refer a

City measure must be signed by six percent of the registered voters in the City. A petition to initiate a City measure must be signed by nine percent of the registered voters in the City. No initiative or referendum petitions are currently being circulated that would limit the financial powers of the City. The City Council or a Charter Commission may also refer measures directly to voters. Under current law, local initiative and referendum elections may be held only in March, May, September and November, unless the City Council calls for a special election due to public interest in prompt resolution.

TAX MATTERS

OPINION OF BOND COUNSEL

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City in connection with the Bonds, and Bond Counsel has assumed compliance by the City with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the City, under existing statutes, interest on the Bonds is exempt from State of Oregon personal income tax.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

CERTAIN ONGOING FEDERAL TAX REQUIREMENTS AND COVENANTS

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The City has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

CERTAIN COLLATERAL FEDERAL TAX CONSEQUENCES

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

ORIGINAL ISSUE DISCOUNT

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Bonds. In general, the issue price for each maturity of Bonds is expected to be the initial public offering price set forth on the inside cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

BOND PREMIUM

In general, if an owner acquires a Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

MISCELLANEOUS

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

RATING

The Bonds have been rated "Aaa" by Moody's Investors Service. Such rating reflects only the view of that organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, Inc., 250 Greenwich Street, New York, New York, 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency concerned, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of any such ratings may have an adverse effect on the market price of the Bonds.

FORWARD LOOKING STATEMENTS

This Official Statement contains statements relating to future results that are "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement and its appendices, the words "estimate," "forecast," "intend," "expect," "projected," and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. Such risks and uncertainties include, among others, public health emergencies, such as the COVID-19 pandemic, changes in social and economic conditions, federal, state and local statutory and regulatory initiatives, litigation, population changes, seismic events and various other events, conditions and circumstances, many of which are beyond the control of the City. See "RECENT ECONOMIC AND HEALTH DEVELOPMENTS" herein. Any forecast is subject to such uncertainties. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

FINANCIAL ADVISOR

The City has retained PFM Financial Advisors LLC ("PFM") to serve as its financial advisor in conjunction with the issuance of the Bonds. PFM is expected to assist and advise the City on matters relating to the sale and structuring of the Bonds, disclosure, ratings, pre-marketing of the Bonds, post-sale analysis and other tasks at the discretion of the City. PFM has not audited, authenticated or otherwise verified the information set forth in this Official Statement with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty, or other representation is made by PFM respecting the accuracy and completeness of this Official Statement.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds by the City are subject to the approving opinions of Hawkins Delafield & Wood LLP, Portland, Oregon, Bond Counsel, substantially in the forms attached hereto as Appendix C. Hawkins Delafield & Wood LLP, Portland, Oregon, is also serving as Disclosure Counsel to the City in relation to this Official Statement.

LITIGATION

NO LITIGATION CHALLENGING THE BONDS

No litigation is pending against the City or, to the knowledge of the officers of the City charged with issuing the Bonds, threatened in any court or other tribunal of competent jurisdiction, state or federal, in any way (1) restraining or enjoining the issuance, sale, or delivery of the Bonds, (2) questioning or affecting the validity of the Bonds or (3) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution, or delivery of the Bonds.

LITIGATION GENERALLY

Members of the public and advocacy groups from time to time assert that they intend to file a legal action against the City challenging certain programs, laws or actions that the City, its officers or bureaus have taken. Because the City cannot be certain as to whether such actions will actually be filed, the legal assertions that may be made in a potential action or the remedy sought in terms of the amount of damages or performance requested of the City, the City includes as threatened litigation only situations in which the City is engaged in active settlement negotiations with a person or group in order to pre-empt filing of a lawsuit.

The City discloses only pending or threatened litigation that the City has determined may have a materially adverse impact on the City's financial position. The current level of materiality involves litigation where the damages or performance sought has a reasonable probability of imposing liability of $5 million or more against the City's General Fund. Except as noted in the following paragraphs, there is no litigation pending or threatened against the City which would materially and adversely affect the City's financial condition.

Portland Harbor Superfund Site. In 2000, Portland Harbor, a 10-mile industrial stretch of the Willamette River outside of the City's urban center, was listed by the EPA as a Superfund site.

The U.S. EPA has notified the City that it may have liability for releases of contaminants in the Willamette River. The City is participating in an out-of-court settlement process allocate cleanup costs among the more than 100 responsible parties. Total cleanup costs may exceed $2 billion. To preserve claims against potentially responsible parties who are not part of the settlement, the City and several others parties filed suit in U.S. District Court for the District of Oregon (Arkema Inc., vs. Anderson Roofing Co. Inc.) Defendants have counterclaimed against all plaintiffs. That litigation has been stayed since 2010 pending the outcome of the settlement.

In 2017, the Yakama Nation filed suit in U.S. District Court for the District of Oregon against the City and more than 20 other entities seeking compensation for natural resource damages. Most of the damages sought are not quantified. That litigation, the Confederated Tribes and Bands of Yakama Nation vs. Air Liquide America Corp., has also been stayed consistent with the Arkema litigation. The City and The City will defend against a significant allocation of liability to the City for cleanup and natural resource damages.

On July 12, 2019 a complaint was filed in Multnomah County Circuit Court challenging the City's use of ratepayer funds on expenditures related to partial settlement of City liabilities on the Portland Harbor Superfund site. Under the agreement authorizing this expenditure, the City is obligated to pay to the EPA up to $12,000,000 from both City General Fund and ratepayer sources. The complaint challenged only the City's authority to utilize ratepayer funds for this purpose. Based on the Circuit Court's prior rulings on this issue, the City is confident that the Charter of the City of Portland duly authorizes the City to expend ratepayer funds for this purpose.

CREEC Ramp Settlement Obligation. On July 22, 2016 the Civil Rights Enforcement and Education Center ("CREEC") on behalf of three named Plaintiffs and a class of similarly situated individuals who are residents of or visitors to the

City of Portland with mobility disabilities, including, but not limited to, those who use a wheelchair, scooter, or other assistive devices (collectively, the "Settlement Class"), notified the City that the City lacked adequate curb ramps in the pedestrian right of way that comply with applicable requirements of federal disability rights laws. As a result, the City and CREEC entered into a Negotiations Agreement to seek a settlement that uses more public dollars to construct an accessible city in a more manageable way over time in lieu of costly litigation and a court mandated order. The United States District Court for the District of Oregon entered its Final Judgment and Order Approving the Class Action Settlement and Consent Decree on September 27, 2018.

The Settlement Agreement will require significant increases in City funding for construction of Americans with Disabilities Act (ADA) compliant ramps throughout the City. PBOT estimates that complying with the terms of this twelve-year agreement will cost $113.5 million.

CERTIFICATE WITH RESPECT TO OFFICIAL STATEMENT

At the time of the original delivery of the Bonds, the City will deliver a certificate to the Underwriters to the effect that the City has examined this Official Statement and the financial and other data concerning the City contained herein and that, to the best of the City's knowledge and belief, this Official Statement, both as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided, however, the City makes no representation regarding information in this Official Statement related to the purchasers of the Bonds, the Financial Advisor, DTC or the book-entry system.

MISCELLANEOUS

All quotations from and summaries and explanations of provisions of law herein do not purport to be complete, and reference should be made to said laws for full and complete statements of their provisions. This Official Statement is not to be construed as a contract or agreement between the City and the owners of any of the Bonds. Any statements made in this Official Statement involving matters of opinion are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or its agencies, since the date hereof.

CONTINUING DISCLOSURE

Pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12) (the "Rule"), the City, as the "obligated person" within the meaning of the Rule, will execute and deliver a Continuing Disclosure Certificate substantially in the form attached hereto as Appendix D for the benefit of the Bond owners.

Except as provided herein, in the previous five years, the City believes it has complied in all material respects with any previous continuing disclosure undertakings executed in connection with the Rule. The City has failed to provide certain financial information related to continuing disclosure undertakings executed in connection with multifamily housing revenue bonds issued by Home Forward, formerly the Housing Authority of Portland, for which the City executed subject-to-annual-appropriation contingent loan agreements in support of those bonds. The City has incorporated the filing of such information for the applicable Home Forward bonds into its post-issuance policies and procedures in order to maintain compliance with these continuing disclosure undertakings.

The execution and delivery of this Official Statement has been duly approved by the City.

CITY OF PORTLAND, OREGON

By:_________________________________

Debt Manager
Office of Management and Finance

CITY OF PORTLAND, OREGON

1851

APPENDIX A
FORM OF BOND DECLARATION

CITY OF PORTLAND, OREGON
1851

BOND DECLARATION

City of Portland, Oregon

$[Series A Principal]
Limited Tax Revenue Refunding Bonds, 2021 Series A
(Oregon Convention Center Completion Project)
and
$[Series B Principal]
Limited Tax Revenue Refunding Bonds, 2021 Series B
(Public Improvement Projects)

Executed on behalf of the City of Portland, Oregon
as of [Issue Date], 2021

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This table of contents is not a part of the bond declaration but is provided for reference only.

BOND DECLARATION

THIS BOND DECLARATION is executed as of [Issue Date], 2021, on behalf of the City of Portland, Oregon (the "City") by its Debt Manager to establish the terms under which the City's Limited Tax Revenue Refunding Bonds, 2021 Series A (Oregon Convention Center Completion Project) and the City's Limited Tax Revenue Refunding Bonds, 2021 Series B (Public Improvement Projects) (collectively, the "2021 Bonds"), are issued.

Section 1. Findings.

(A) Oregon Revised Statutes ("ORS") Section 287A.360 and the related provisions of ORS Chapter 287A permit the City to authorize limited tax revenue bonds by non-emergency ordinance. The City Council enacted the 2021 Series A Ordinance and 2021 Series B Ordinance, each defined below, authorizing the City to issue limited tax revenue bonds to refund or purchase outstanding limited tax revenue bonds to achieve debt service savings, and to pay costs related to issuing those bonds.

(B) Each of the 2021 Series A Ordinance and the 2021 Series B Ordinance provides that the bonds authorized thereunder will be secured by the full faith and credit of the City, and authorizes the execution of a bond declaration to memorialize the terms of those bonds.

(C) The City executes this Bond Declaration to memorialize the terms of the 2021 Series A Bonds and the 2021 Series B Bonds.

Section 2. Definitions.

Unless the context clearly requires otherwise, the following terms shall have the following meanings:

"2021 Bonds" means, collectively, the 2021 Series A Bonds and the 2021 Series B Bonds.

"2021 Series A Bonds" means the City's Limited Tax Revenue Refunding Bonds, 2021 Series A (Oregon Convention Center Completion Project) that are described in Section 3 of this Bond Declaration.

"2021 Series B Bonds" means the City's Limited Tax Revenue Refunding Bonds, 2021 Series B (Public Improvement Projects) that are described in Section 4 of this Bond Declaration.

"2021A Ordinance" means City Ordinance No. 189341 enacted on January 9, 2019.

"2021B Ordinance" means, collectively, City Ordinance No. 187449 enacted on November 18, 2015, City Ordinance No. 187924 enacted on August 3, 2016, City Ordinance No. 189262 enacted on November 28, 2018, and City Ordinance No. 189341 enacted on January 9, 2019.

"Available General Funds" means revenues which are legally available to pay the 2021 Bonds and not prohibited for such use under the charter and ordinances of the City and Oregon laws, and includes all general taxes and other legally available general funds of the City.

“BEO” means “book-entry-only” and refers to a system for clearance and settlement of securities transactions through electronic book-entry changes, which eliminates the need for physical movement of securities.

“Bond Declaration” means this Bond Declaration, including any amendments made in accordance with Section 7 of this Bond Declaration.

“Business Day” means any day except a Saturday, a Sunday, a legal holiday, a day on which the Paying Agent or offices of banks in Oregon or New York are authorized or required by law or executive order to remain closed, or a day on which the New York Stock Exchange is closed.

“City” means the City of Portland, Oregon.

“Code” means the Internal Revenue Code of 1986, as amended.

“Debt Manager” means the City’s Debt Manager, the Chief Financial Officer and Director of the Bureau of Revenue and Financial Services, the Chief Administrative Officer of the Office of Management and Finance, or the person designated by the Chief Administrative Officer of the Office of Management and Finance to act as Debt Manager.

“DTC” means The Depository Trust Company, New York, New York, the initial securities depository for the 2021 Bonds.

“Event of Default” refers to an Event of Default listed in Section 8(A) of this Bond Declaration.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or as otherwise defined by Oregon law.

“Government Obligations” means direct noncallable obligations of the United States, or obligations the principal of and interest on which are fully and unconditionally guaranteed by the United States.

“Outstanding” refers to all 2021 Bonds authorized and delivered pursuant to this Bond Declaration except 2021 Bonds which have been paid, canceled, or defeased pursuant to Section 9 of this Bond Declaration, and 2021 Bonds which have matured but have not been presented for payment for the payment of which adequate money has been transferred to the Paying Agent.

“Owner” or “Owners” means the person shown on the 2021 Bond register maintained by the Paying Agent as the registered owner of a 2021 Bond.

“Paying Agent” means the registrar and paying agent for the 2021 Bonds, which, at the time of execution of this Bond Declaration, is U.S. Bank National Association, in Portland, Oregon.

“Payment Date” means any day on with principal, interest or premium on 2021 Bonds is required to be paid.

“Record Date” means the close of business on the fifteenth day of the month immediately preceding the applicable payment date.

Section 3. 2021 Series A Bonds Authorized.

(A) Pursuant to the relevant provisions of ORS Chapter 287A and the 2021A Ordinance, the City hereby authorizes the issuance, sale and delivery of its Limited Tax Revenue Refunding Bonds, 2021 Series A (Oregon Convention Center Completion Project) in accordance with this Bond Declaration and in a principal amount of $[Series A Principal]. The 2021 Series A Bonds shall be dated their date of delivery, shall bear interest which is payable on June 1 and December 1 of each year, commencing [June 1, 2021], and shall mature on June 1 of the following years in the following principal amounts:

Due June 1	**Principal Amount ($)**	**Interest Rate (%)**	**CUSIP Number (Base 736740)**

(B) The 2021 Series A Bonds are not subject to redemption prior to maturity.

(C) [The 2021 Series A Bonds maturing on June 1, ____ are subject to mandatory redemption in part and by lot in integral multiples of $5,000, at a redemption price equal to 100 percent of the principal amount thereof, plus accrued but unpaid interest to the date fixed for redemption on June 1 of the years shown in the table below:

June 1	**Principal Amount**
_____	$__________
*	__________
Total	$__________

*Final maturity.

(D) The City may reduce any mandatory redemption requirement for any 2021 Series A Bonds by the amount of 2021 Series A Bonds of the same maturity that the City has purchased for cancellation.]

(E) Proceeds of the 2021 Series A Bonds will be used to: (a) currently refund all or a portion of the City's outstanding Limited Tax Revenue Refunding Bonds, 2011 Series A (Oregon Convention Center Completion Project); and (b) pay costs of issuance of the 2021 Series A Bonds.

(F) The City reserves the right to purchase 2021 Series A Bonds in the open market.

Section 4. 2021 Series B Bonds Authorized.

(A) Pursuant to the relevant provisions of ORS Chapter 287A and the 2021B Ordinance, the City hereby authorizes the issuance, sale and delivery of its Limited Tax Revenue Refunding Bonds, 2021 Series B (Public Improvement Projects) in accordance with this Bond Declaration and in a principal amount of $[Series B Principal]. The 2021 Series B Bonds shall be dated with their date of delivery, shall bear interest which is payable on June 1 and December 1 of each year, commencing [June 1, 2021], and shall mature on June 1 of the following years in the following principal amounts:

Due June 1	Principal Amount ($)	Interest Rate (%)	CUSIP Number (Base 736740)

(B) The 2021 Series B Bonds maturing on or after June 1, 2032, are subject to redemption prior to maturity in whole or in part at the option of the City on June 1, 2031, and on any date thereafter, by lot, at a price of par, plus interest accrued to the date fixed for redemption.

(C) [The 2021 Series B Bonds maturing on June 1, ____ are subject to mandatory redemption in part and by lot in integral multiples of $5,000, at a redemption price equal to 100 percent of the principal amount thereof, plus accrued but unpaid interest to the date fixed for redemption on June 1 of the years shown in the table below:

June 1	Principal Amount
_____	$__________
*	__________
Total	$__________

*Final maturity.

(D) The City may reduce any mandatory redemption requirement for any 2021 Series B Bonds by the amount of 2021 Series B Bonds of the same maturity that the City has optionally redeemed or purchased for cancellation.]

(E) Proceeds of the 2021 Series B Bonds will be used to (a) repay the balance on a line of credit that financed the costs of carrying out the urban renewal plan for the City's River District Urban Renewal Area; (b) repay the balance on a line of credit that financed the reconstruction of and technology for the Portland Building; (c) currently refund all or a portion of the City's outstanding Limited Tax Revenue Bonds, 2011 Series B

(Emergency Coordination Center Project); and (d) pay costs of issuance of the 2021 Series B Bonds.

(F) The City reserves the right to purchase 2021 Series B Bonds in the open market.

Section 5. Security for 2021 Bonds.

(A) Pursuant to ORS Section 287A.315, the City hereby pledges its full faith and credit and taxing power within the limits of Article XI, Section 11 and 11b of the Oregon Constitution, to pay the 2021 Bonds, and the City is obligated to pay the 2021 Bonds from its Available General Funds as provided in the 2021 Series A Ordinance and the 2021 Series B Ordinance. The City is not authorized to levy additional taxes to pay the 2021 Bonds. The 2021 Bonds are not secured by a lien on, or a pledge of, any specific revenues of the City.

(B) This Bond Declaration shall constitute a contract with the Owners.

Section 6. Administrative Provisions for the 2021 Bonds.

(A) Payment of 2021 Bonds. Principal of and interest on the 2021 Bonds shall be payable through the principal office of the Paying Agent.

(B) Book-Entry System. The 2021 Bonds shall be initially issued as a BEO security issue, with no 2021 Bonds being made available to the beneficial owners, in accordance with the applicable Letter of Representations of DTC. Ownership of the 2021 Bonds shall be recorded through entries on the books of banks and broker-dealer participants and correspondents that are related to entries on DTC's book-entry system. The 2021 Bonds shall be initially issued in the form of separate single fully registered typewritten bonds for each series and maturity of the 2021 Bonds (the "Global Bonds") in substantially the form attached hereto as Appendix A. Each Global Bond shall be registered in the name of Cede & Co. as nominee (the "Nominee") of DTC (DTC and any other qualified securities depository designated by the City as a successor to DTC, collectively the "Depository") as the "Owner," and such Global Bonds shall remain in the Paying Agent's custody, subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Paying Agent and the Depository, until early redemption or maturity of the 2021 Bond. The Paying Agent shall remit payment for the maturing principal or redemption price and interest on the 2021 Bonds to the Owner for distribution by the Nominee for the benefit of the beneficial owners (the "Beneficial Owners") by recorded entry on the books of the Depository participants and correspondents. While the 2021 Bonds are in book-entry form, the 2021 Bonds will be available in denominations of $5,000 and any integral multiple thereof.

(1) In the event the Depository determines not to continue to act as securities depository for the 2021 Bonds, or the City determines that the Depository shall no longer so act, then the City will discontinue the book-entry system with the Depository. If the City fails to designate another qualified securities depository to replace the Depository or elects to discontinue use of a book-entry system, the 2021 Bonds shall no longer be a BEO issue and the 2021 Bonds shall be printed and delivered and shall be registered as

directed by DTC and thereafter shall be registered, transferred and exchanged as provided in Section 6(C) of this Bond Declaration.

(2) With respect to 2021 Bonds registered in the registration books maintained by the Paying Agent in the name of the Nominee of the Depository, the City, and the Paying Agent shall have no responsibility or obligation to any participant or correspondent of the Depository or to any Beneficial Owner on behalf of which such participants or correspondents act as agent for the Beneficial Owner with respect to:

(a) the accuracy of the records of the Depository, the Nominee or any participant or correspondent with respect to any ownership interest in the 2021 Bonds;

(b) the delivery to any participant or correspondent or any other person, other than an Owner, of any notice with respect to the 2021 Bonds, including any notice of redemption;

(c) the selection by the Depository of the beneficial ownership interest in 2021 Bonds to be redeemed prior to maturity; or

(d) the payment to any participant, correspondent, or any other person other than the Owner of the 2021 Bonds, of any amount with respect to principal of or interest on the 2021 Bonds.

(3) Notwithstanding the book-entry system, the City may treat and consider the Owner in whose name each 2021 Bond is registered in the registration books maintained by the Paying Agent as the Owner and absolute owner of such 2021 Bond for the purpose of payment of principal and interest with respect to such 2021 Bond, or for the purpose of giving notices of redemption and other matters with respect to such 2021 Bond, or for the purpose of registering transfers with respect to such 2021 Bond, or for all other purposes whatsoever. The City shall pay or cause to be paid all principal of and interest on the 2021 Bonds only to or upon the order of the Owner or such Owner’s respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligation with respect to payment thereof to the extent of the sum or sums so paid.

(4) Upon delivery by the Depository to the City of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, then the word “Nominee” in this Bond Declaration shall refer to such new nominee of the Depository, and upon receipt of such notice, the City shall promptly deliver a copy thereof to the Paying Agent. The Depository shall tender the 2021 Bonds it holds to the Paying Agent for re-registration.

(C) Notice of Redemption.

(1) Unless DTC consents to a shorter period, for any 2021 Bonds which are in book-entry form the Paying Agent shall notify DTC not less than 20 days prior to the date fixed for redemption of the maturity to be redeemed in the manner required in the City's Letter of Representations to DTC. No other notice shall be required.

(2) For any 2021 Bonds which are not in book-entry form, unless waived by the Owner of such a 2021 Bond, official notice of any redemption shall be given by the Paying Agent on behalf of the City by mailing a copy of an official redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Owner of the 2021 Bond or 2021 Bonds to be redeemed at the address shown on the 2021 Bond register or at such other address as is furnished in writing by such Owner to the Paying Agent.

(3) All official notices of redemption under Section 6(C)(2) of this Bond Declaration shall be dated and shall state:

(a) the date fixed for redemption;

(b) the redemption price;

(c) if less than all outstanding 2021 Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the 2021 Bonds to be redeemed,

(d) except for calls described in Section 6(C)(5), below, that on the date fixed for redemption the redemption price will become due and payable upon each such 2021 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(e) the place where such 2021 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be an office of the Paying Agent.

(4) Except as described in Section 6(C)(5) of this Bond Declaration, official notice of redemption having been given as aforesaid, the 2021 Bonds or portions of 2021 Bonds so to be redeemed shall, on the date fixed for redemption, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such 2021 Bonds or portions of 2021 Bonds shall cease to bear interest. Upon surrender of such 2021 Bonds for redemption in accordance with said notice, such 2021 Bonds shall be paid by the Paying Agent at the redemption price. Upon surrender for any partial redemption of any 2021 Bond, there shall be prepared for the Owner a new 2021 Bond or 2021 Bonds of the same maturity in the amount of the unpaid principal. All 2021 Bonds which have been redeemed shall be canceled and destroyed by the Paying Agent and shall not be reissued.

(5) Conditional Notice. Any notice of optional redemption to the Paying Agent or to the Owners pursuant to this Section 6 may state that the optional redemption is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price of such 2021 Bonds or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be

given by the Paying Agent to affected Owners of 2021 Bonds as promptly as practicable upon the failure of such condition or the occurrence of such other event.

(6) Upon the payment of the redemption price of the 2021 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the 2021 Bonds being redeemed with the proceeds of such check or other transfer.

(D) Authentication, Registration and Transfer. (No Book-Entry). The provisions of this Section 6(D) apply only when the 2021 Bonds are not in book-entry form.

(1) No 2021 Bond shall be entitled to any right or benefit under this Bond Declaration unless it shall have been authenticated by an authorized officer of the Paying Agent. The Paying Agent shall authenticate all 2021 Bonds properly surrendered for exchange or transfer pursuant to this Bond Declaration.

(2) The ownership of all 2021 Bonds shall be entered in the 2021 Bond register maintained by the Paying Agent, and the City and the Paying Agent may treat the person listed as owner in the 2021 Bond register as the owner of the 2021 Bond for all purposes.

(3) The Paying Agent shall mail each interest payment on the interest payment date (or the next Business Day if the payment date is not a Business Day) to the name and address of the 2021 Bond Owner, as that name and address appear on the 2021 Bond register as of the Record Date. If payment is so mailed, neither the City nor the Paying Agent shall have any further liability to any party for such payment.

(4) 2021 Bonds may be exchanged for an equal principal amount of 2021 Bonds of the same series and maturity which are in different authorized denominations, and 2021 Bonds may be transferred to other owners if the 2021 Bond Owner submits the following to the Paying Agent:

(a) written instructions for exchange or transfer satisfactory to the Paying Agent, signed by the 2021 Bond Owner or such Owner's legal representative or attorney in fact and guaranteed or witnessed in a manner satisfactory to the Paying Agent; and

(b) the 2021 Bonds to be exchanged or transferred.

(5) The Paying Agent shall not be required to exchange or transfer any 2021 Bonds submitted to it during any period beginning with a Record Date and ending on the next following interest payment date; however, such 2021 Bonds shall be exchanged or transferred promptly following the interest payment date.

(6) The Paying Agent shall not be required to exchange or transfer any 2021 Bonds which have been designated for redemption if such 2021 Bonds are submitted to it during the fifteen-day period preceding the designated date fixed for redemption.

(7) For purposes of this Section 6(D)(7), 2021 Bonds shall be considered submitted to the Paying Agent on the date the Paying Agent actually receives the materials described in Section 6(D)(4) of this Bond Declaration.

(8) The City may alter these provisions regarding registration and transfer by mailing notification of the altered provisions to all 2021 Bond Owners. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

Section 7. Amendment of Bond Declaration.

(A) The City may amend this Bond Declaration without the consent of any Owner for any one or more of the following purposes:

(1) To cure any ambiguity or formal defect or omission in this Bond Declaration;

(2) To add to the covenants and agreements of the City in this Bond Declaration other covenants and agreements to be observed by the City which are not contrary to or inconsistent with this Bond Declaration as theretofore in effect;

(3) To confirm, as further assurance, any security interest or pledge created under this Bond Declaration or any Supplemental Bond Declaration;

(4) To make any change which, in the reasonable judgment of the City, does not materially and adversely affect the rights of the Owners.

(B) This Bond Declaration may be amended for any other purpose only upon consent of Owners representing not less than fifty-one percent (51%) in aggregate principal amount of the adversely affected 2021 Bonds then Outstanding. However, no amendment shall be valid which:

(1) Extends the maturity of any 2021 Bonds, reduces the rate of interest upon any 2021 Bonds, extends the time of payment of interest on any 2021 Bonds, reduces the amount of principal payable on any 2021 Bonds, or reduces any premium payable on any 2021 Bonds, without the consent of the affected Owner; or

(2) Reduces the percent of Owners required to approve amendments to this Bond Declaration.

Section 8. Default and Remedies.

(A) The occurrence of one or more of the following shall constitute an Event of Default under this Bond Declaration:

(1) Failure by the City to pay 2021 Bond principal, interest or premium when due (whether at maturity, or upon redemption after a 2021 Bond has been properly called for redemption);

(2) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed for the benefit of Owners of 2021 Bonds, for a period of 60 days after written notice to the City by the Owners of ten percent or more of the principal amount of 2021 Bonds then Outstanding specifying such failure and requesting that it be remedied; provided however, that if the failure stated in the notice cannot be corrected within such 60 day period, it shall not constitute an Event of Default so long as corrective action is instituted by the City within the 60 day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice referred to in this Section 8(A)(2); or,

(3) The City is adjudged insolvent by a court of competent jurisdiction, admits in writing its inability to pay its debts generally as they become due, files a petition in bankruptcy, or consents to the appointment of a receiver for the installment payments.

(B) The Owners of ten percent or more of the principal amount of 2021 Bonds then Outstanding may waive any Event of Default and its consequences, except an Event of Default described in Section 8(A)(1) of this Bond Declaration.

(C) Upon the occurrence and continuance of any Event of Default hereunder the Owners of ten percent or more of the principal amount of 2021 Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of 2021 Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Bond Declaration or in aid of the exercise of any power granted in this Bond Declaration or for the enforcement of any other legal or equitable right vested in the Owners of 2021 Bonds by this Bond Declaration or by law. However, the 2021 Bonds shall not be subject to acceleration.

(D) No remedy in this Bond Declaration conferred upon or reserved to Owners of 2021 Bonds is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Bond Declaration or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Owners of 2021 Bonds to exercise any remedy reserved to them, it shall not be necessary to give any notice other than such notice as may be required by this Bond Declaration or by law.

Section 9. Defeasance.

The City shall be obligated to pay 2021 Bonds which are defeased pursuant to this Section 9 solely from the money and Government Obligations deposited in escrow in accordance with this Section 9 with an escrow agent or independent trustee as provided in this section, and the City shall have no further obligation to pay the defeased 2021 Bonds from any source except the amounts deposited in the escrow. 2021 Bonds shall be deemed defeased if the City:

(A) irrevocably deposits money or noncallable Government Obligations in escrow with an independent trustee or escrow agent which are calculated to be sufficient for the payment of the 2021 Bonds which are to be defeased without reinvestment; and

(B) files with the escrow agent or trustee a verification from an independent, certified public accountant to the effect that calculation, described above, is correct; and

(C) files with the escrow agent or trustee an opinion of nationally recognized bond counsel that the proposed defeasance will not cause the interest component of the 2021 Series A Bonds to be includable in gross income under the Code.

Section 10. Tax Covenants.

The City covenants for the benefit of the Owners of the 2021 Bonds to comply with all provisions of the Code that are required for 2021 Bond interest to be excluded from gross income for federal income tax purposes. The City also covenants for the benefit of the Owners of the 2021 Bonds that it will comply with all of the covenants and agreements that the City makes in the "Tax Certificate" prepared in connection with the closing of the 2021 Bonds.

Section 11. Form.

The 2021 Bonds shall be issued in substantially the form attached to hereto as Appendix A, with any changes that are approved by the Debt Manager. The 2021 Bonds shall be executed on behalf of the City with the facsimile signatures of the Mayor and City Auditor.

Section 12. Rules of Construction.

In determining the meaning of provisions of this Bond Declaration, the following rules shall apply unless the context clearly requires application of a different meaning:

(A) References to section numbers shall be construed as references to sections of this Bond Declaration.

(B) References to one gender shall include all genders.

(C) References to the singular shall include the plural, and references to the plural shall include the singular.

[The remainder of this page is intentionally left blank.]

Dated as of [Issue Date], 2021.

City of Portland, Oregon

By: ____
Debt Manager

Appendix A

Form of Bond

No. R-«BondNumber» $«PrincipalAmtNumber»

UNITED STATES OF AMERICA
STATE OF OREGON
COUNTIES OF MULTNOMAH, WASHINGTON AND CLACKAMAS
CITY OF PORTLAND
[A:LIMITED TAX REVENUE REFUNDING BOND, 2021 SERIES A (OREGON CONVENTION CENTER COMPLETION PROJECT)/B:LIMITED TAX REVENUE REFUNDING BOND, 2021 SERIES B (PUBLIC IMPROVEMENT PROJECTS)]

Dated Date: [Issue Date], 2021
Interest Rate Per Annum: «CouponRate»%
Maturity Date: June 1, «MaturityYear»
CUSIP Number: 736740«CUSIPNumbr»
Registered Owner: -----Cede & Co.-----
Principal Amount: -----«PrincipalAmtSpelled» Dollars-----

The City of Portland, Oregon (the "City"), for value received, acknowledges itself indebted and hereby promises to pay to the Registered Owner hereof, or registered assigns, the Principal Amount indicated above on the Maturity Date indicated above together with interest thereon from the date hereof at the Interest Rate Per Annum indicated above, computed on the basis of a 360-day year of twelve 30-day months. Interest is payable semiannually on June 1 and December 1 in each year until maturity or prior redemption, commencing [June 1, 2021]. For so long as this Bond is subject to a book-entry system, principal and interest payments shall be paid on each payment date, as of the close of business on the fifteenth day of the month immediately preceding the applicable payment date, to the nominee of the securities depository for this Bond. On the date of issuance of this Bond, the securities depository for this Bond is The Depository Trust Company, New York, New York, and Cede & Co. is the nominee of The Depository Trust Company. Such payments shall be made payable to the order of "Cede & Co."

This Bond is one of a duly authorized series of bonds of the City aggregating $[Series A Principal/[Series B Principal] in principal amount designated as [A:Limited Tax Revenue Refunding Bonds, 2021 Series A (Oregon Convention Center Completion Project)/B:Limited Tax Revenue Refunding Bonds, 2021 Series B (Public Improvement Projects)] (the "Bonds"). The Bonds are issued to [A:refund certain of the City's outstanding Limited Tax Revenue Refunding Bonds, 2011 Series A (Oregon Convention Center Completion Project) / B:repay lines of credit that financed projects in the City's River District Urban Renewal Area and the City's Portland Building, and refund certain of the City's outstanding Limited Tax Revenue Bonds, 2011 Series B (Emergency Coordination Center Project)], and to pay costs related to the Bonds. The Bonds are authorized by City Ordinance No. [A:189341 enacted January 9, 2019 / B:187449 enacted November 18, 2015, City Ordinance No. 187924 enacted August 3, 2016, and City Ordinance No. 189262 enacted November 28, 2018] (the "Ordinance"), and relevant provisions of ORS Chapter 287A, in full and strict accordance and compliance with all of the provisions of the Constitution and Statutes of the State of Oregon and the Charter of the City. The terms of the Bonds are described in the Bond Declaration dated as of [Issue Date], 2021 (the "Bond Declaration").

The Bonds constitute valid and legally binding obligations of the City. Pursuant to ORS 287A.315, the City has pledged its full faith and credit and taxing power within the limits of Article XI, Section 11 and 11b of the Oregon Constitution to pay the Bonds when due, and the City is obligated to pay the Bonds from Available General Funds as provided and defined in the Bond Declaration. The City is not authorized to levy additional taxes to pay the Bonds. The Bonds are not secured by a lien on, or a pledge of, any specific revenues of the City.

The Bonds do not constitute a debt or indebtedness of Multnomah, Washington, or Clackamas Counties, the State of Oregon, or any political subdivision thereof other than the City. The Bonds are initially issued in book-entry form with no certificates provided to the beneficial owners of the Bonds. The Depository Trust Company and its participants will maintain records of ownership of beneficial interests in the Bonds. Should the book-entry system be discontinued, the City shall cause the Paying Agent to authenticate and deliver replacement

Bonds in fully registered form in authorized denominations in the names of the beneficial owners or their nominees, as provided in the Bond Declaration.

The Bonds shall mature and be subject to redemption as described in the Bond Declaration and in the Official Statement for the Bonds.

Unless the book-entry system is discontinued, notice of any call for redemption shall be given as required by the Blanket Issuer Letter of Representations to The Depository Trust Company, as referenced in the Bond Declaration. The Bonds are subject to conditional notice of redemption as provided in the Bond Declaration. Unless conditional notice was given, interest on any Bond or Bonds so called for redemption shall cease on the redemption date designated in the notice. If the book-entry system is discontinued, notice of redemption shall be given by first-class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the Bond register; however, any failure to give notice shall not invalidate the redemption of the Bonds.

Any exchange or transfer of this Bond must be registered, as provided in the Bond Declaration, upon the Bond register kept for that purpose by the Paying Agent. The exchange or transfer of this Bond may be registered only by surrendering it, together with a written instrument of exchange or transfer which is satisfactory to the Paying Agent and which is executed by the registered owner or duly authorized attorney. Upon registration, a new registered Bond or Bonds, of the same maturity and in the same aggregate principal amount, shall be issued to the transferee as provided in the Bond Declaration. The City and the Paying Agent may treat the person in whose name this Bond is registered on the Bond register as its absolute owner for all purposes, as provided in the Bond Declaration.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to Issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entry as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This Bond shall remain in the Paying Agent's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Paying Agent and DTC.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all conditions, acts, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form, and manner as required by the Constitution and Statutes of the State of Oregon; and that the issue of which this Bond is a part, and all other obligations of the City, are within every debt limitation and other limit prescribed by such Constitution and Statutes and City Charter.

IN WITNESS WHEREOF, the Council of the City of Portland, Oregon, by ordinances duly enacted, has caused this Bond to be signed by facsimile signature of its Mayor and countersigned by facsimile signature of its Auditor, and has caused a facsimile of the corporate seal of the City to be imprinted hereon, all as of the date first above written.

City of Portland, Oregon

Ted Wheeler, Mayor

Mary Hull Caballero, Auditor

THIS BOND SHALL NOT BE VALID UNLESS PROPERLY AUTHENTICATED BY THE PAYING AGENT IN THE SPACE INDICATED BELOW.

CERTIFICATE OF AUTHENTICATION

This Bond is one of a series of $[Series A Principal/[Series B Principal] aggregate principal amount of City of Portland, Oregon, [A:Limited Tax Revenue Refunding Bonds, 2021 Series A (Oregon Convention Center Completion Project)/B:Limited Tax Revenue Refunding Bonds, 2021 Series B (Public Improvement Projects)] issued pursuant to the Ordinance described herein.

Date of authentication: [Issue Date], 2021.

U.S. Bank National Association, as Paying Agent

____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto __________________
____

(Please insert social security or other identifying number of assignee)

this Bond and does hereby irrevocably constitute and appoint ____
as attorney to transfer this Bond on the books kept for registration thereof with the full power of substitution in the premises.

Dated:____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of this Bond in every particular, without alteration or enlargement or any change whatever.

NOTICE: Signature(s) must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company	Signature Guaranteed ____________________________________ (Bank, Trust Company or Brokerage Firm) ____________________________________ Authorized Officer

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM -- tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right of survivorship
and not as tenants in common
OREGON CUSTODIANS use the following
_________________ CUST UL OREG __________________ MIN
as custodian for (name of minor)
OR UNIF TRANS MIN ACT
under the Oregon Uniform Transfer to Minors Act

Additional abbreviations may also be used though not in the list above.

CITY OF PORTLAND, OREGON

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APPENDIX B
EXCERPTS OF AUDITED FINANCIAL STATEMENTS

CITY OF PORTLAND, OREGON

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INTRODUCTION TO EXCERPTS OF FINANCIAL STATEMENTS

The financial statements of the City have been audited by independent certified public accountants for FY 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20. Copies of these financial statements containing the reports of the independent certified public accountants are available on the City's website at:

https://www.portlandoregon.gov/omf/26053

The following pages in this Appendix B are excerpted from the City's Comprehensive Annual Financial Reports of the City for FY 2015-16 through FY 2019-20. The notes that follow the tabular data have been prepared by the City and have not been reviewed by the independent auditor.

A CONSENT OF THE INDEPENDENT AUDITOR WAS NOT REQUESTED. THE AUDITOR WAS NOT REQUESTED TO PERFORM AND HAS NOT PERFORMED ANY SERVICE IN CONNECTION WITH THIS OFFICIAL STATEMENT AND IS THEREFORE NOT ASSOCIATED WITH THIS OFFICIAL STATEMENT.

CITY OF PORTLAND, OREGON
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Generally Accepted Accounting Principles Basis
for Fiscal Year Ended June 30

	2016	2017	2018	2019	2020
Revenues					
Taxes	380,144,273	396,842,948	422,674,507	453,148,009	450,408,565
Payments in lieu of taxes	698,417	925,534	1,420,541	856,213	1,139,779
Rents and reimbursements	4,831,542	4,866,766	4,892,848	4,905,886	4,046,758
Licenses and fees	198,978,646	213,377,412	223,064,189	242,389,960	262,252,207
Intergovernmental revenues	29,807,858	28,923,286	35,860,138	36,338,043	35,031,170
Charges for services	13,825,116	13,159,071	15,122,570	16,328,122	9,735,038
Interagency	49,045,819	55,062,892	61,076,933	65,582,367	72,082,629
Miscellaneous service charges	4,473,354	7,215,001	6,694,994	5,120,178	4,371,499
Investment earnings	1,996,603	1,533,230	1,801,332	5,068,853	4,567,158
Other miscellaneous revenues	3,120,724	3,344,321	4,166,242	3,532,007	5,192,494
Total revenues	686,922,352	725,250,461	776,774,294	833,269,638	848,827,297
Expenditures					
Public safety	421,507,535	432,959,906	470,912,771	494,586,945	510,785,004
Parks/recreation/cultural	77,497,187	86,828,104	92,537,178	95,394,514	94,888,847
Community development	51,901,948	55,334,799	59,329,122	66,995,163	79,708,249
Support svcs./legis./admin.	68,033,585	71,197,778	81,344,595	76,223,793	82,853,788
Environmental services	-	-	-	-	-
Water	0	0	0	620,000	-
Capital outlay	1,544,189	3,441,946	2,461,790	6,763,651	14,616,332
Debt service and related costs	8,190,788	8,991,917	9,856,184	10,718,770	11,378,583
Total expenditures	628,675,232	658,754,450	716,441,640	751,302,836	794,230,803
Revenues over (under) expenditures	58,247,120	66,496,011	60,332,654	81,966,802	54,596,494
Other Financing Sources (Uses)					
Transfers in	1,064,081	2,164,446	1,293,264	12,601,574	9,517,535
Transfers out	(63,837,143)	(58,287,236)	(54,084,721)	(65,161,332)	(81,217,901)
Proceeds from sale of capital assets	1,188	5,463	0	0	0
Total other sources (uses)	(62,771,874)	(56,117,327)	(52,791,457)	(52,559,758)	(71,700,366)
Net change in fund balances	(4,524,754)	10,378,684	7,541,197	29,407,044	(17,103,872)
Fund balance, beginning	106,079,931	101,555,177	111,933,861	119,475,058	148,882,102
Fund balances, ending	$101,555,177	$111,933,861	$119,475,058	$148,882,102	$131,778,230

Source: City of Portland. Information presented for FY 2015-16 through 2019-20 are derived from City of Portland audited annual financial statements.

CITY OF PORTLAND, OREGON
General Fund
Consecutive Balance Sheets as of June 30

	2016	2017	2018	2019	2020
Assets:					
Unrestricted:					
Cash and investments	$80,667,323	$93,431,942	$98,872,008	$128,146,357	$144,634,478
Receivables:					
Taxes	14,276,702	16,046,561	18,570,996	9,373,254	10,977,160
Accounts, net	32,298,959	32,494,604	34,622,036	35,745,715	29,916,735
Accrued interest, advances	903,891	1,551,589	2,336,910	2,287,947	689,650
Notes and loans, net	224,724	375,880	339,717	352,207	352,207
Assessments	6,621	2,178	3,162	18,073	33,612
Due from component units	0	124,901	154,686	406,826	316,676
Internal loans	86,433	0	0	0	0
Inventories	270,633	252,251	365,483	299,244	311,058
Prepaid Items	182,389	152,359	176,614	147,564	162,109
Restricted:					
Cash and investments	6,778,179	7,204,523	8,845,991	10,879,787	10,201,190
Receivables:					
Taxes	6,437,733	7,330,174	9,155,346	4,106,229	4,984,522
Total assets	$142,133,587	$158,966,962	$173,442,949	$191,763,203	$202,579,397
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities payable from unrestricted assets:					
Accounts payable	$12,968,489	$15,716,359	$16,176,237	$17,666,106	$40,572,083
Unearned revenue	166,276	209,186	291,040	82,074	19,499
Internal loans payable	-	-	-	-	3,333,500
Due to component unit	1,483,531	1,905,251	1,932,029	2,344,962	1,877,285
Other liabilities	32,866	-	-	-	-
Liabilities payable from restricted assets:					
Due to fiduciary fund	6,437,733	7,330,174	9,155,346	4,106,229	4,984,522
Other liabilities	6,778,179	7,204,523	8,845,991	10,879,787	10,201,190
Total liabilities	27,867,074	32,365,493	36,400,643	35,079,158	60,988,079
Deferred inflows of resources					
Unavailable revenue - unrestricted	12,711,336	14,667,608	17,567,248	7,801,943	9,813,088
Total deferrred inflows of resources	12,711,336	14,667,608	17,567,248	7,801,943	9,813,088
Fund balance					
Nonspendable	453,022	404,610	542,097	446,808	473,167
Committed	56,495,175	58,916,535	60,999,524	70,371,302	62,259,262
Assigned	17,351,152	13,028,310	-	14,828,983	45,462,450
Unassigned	27,255,828	39,584,406	57,933,437	63,235,009	23,583,351
Total fund balance	101,555,177	111,933,861	119,475,058	148,882,102	131,778,230
Total liabilities, deferred inflows of resources and fund balances	$142,133,587	$158,966,962	$173,442,949	$191,763,203	$202,579,397

Source: City of Portland. Information presented for FY 2015-16 through 2019-20 are derived from City of Portland audited annual financial statements.

CITY OF PORTLAND, OREGON

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APPENDIX C
FORMS OF LEGAL OPINIONS

CITY OF PORTLAND, OREGON 1851

On the date of issuance of the 2021 Series A Bonds, Hawkins Delafield & Wood LLP, Bond Counsel, proposes to issue its approving opinion in substantially the following form:

[Issue Date]

City of Portland
1120 SW Fifth Avenue, Room 1040
Portland, Oregon 97204

Subject: $[Series A Principal] City of Portland, Oregon, Limited Tax Revenue Refunding Bonds 2021 Series A (Oregon Convention Center Completion Project)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Portland, Oregon (the "City") of its Limited Tax Revenue Refunding Bonds, 2021 Series A (Oregon Convention Center Completion Project) (the "2021 Series A Bonds"), that are dated as of their date of issuance and are in the aggregate principal amount of $[Series A Principal]. The 2021 Series A Bonds are authorized by ORS Section 287A.360 and the other applicable provisions of ORS Chapter 287A, City Ordinance No. 189341 enacted January 9, 2019 (the "Ordinance"), and a Bond Declaration that is dated as of the date of issuance of the 2021 Series A Bonds (the "Bond Declaration").

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on representations of the City in the Ordinance, in the Bond Declaration, and in the certified proceedings and on other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The 2021 Series A Bonds have been legally authorized, sold and issued under and pursuant to the Constitution and Statutes of the State of Oregon, the City Charter, the Ordinance, and the Bond Declaration. The 2021 Series A Bonds constitute valid and legally binding obligations of the City that are enforceable in accordance with their terms.

2. Pursuant to ORS 287A.315, the City has pledged its full faith and credit and taxing power within the limits of Article XI, Section 11 and 11b of the Oregon Constitution to the payment of the 2021 Series A Bonds. The 2021 Series A Bonds are payable from all legally available funds of the City, including its Available General Funds as described in the Bond Declaration.

3. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the 2021 Series A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the 2021 Series A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. [Bond counsel further is of the opinion that, for any 2021 Series A Bonds having original issue discount (a "Discount Bond"), original issue discount that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the 2021 Series A Bonds.] In rendering our opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City and others in connection with the 2021 Series A Bonds, and we have assumed compliance by the City and others with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2021 Series A Bonds from gross income under Section 103 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the 2021 Series A Bonds in order that, for federal income tax purposes, interest on the 2021 Series A Bonds not be included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the 2021 Series A Bonds, restrictions on the investment of proceeds of the 2021 Series A Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause interest on the 2021 Series A Bonds to become subject to federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the 2021 Series A Bonds, the City will execute a Tax Certificate (the "Tax Certificate") containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the City covenants that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things required by the Code to assure that interest paid on the 2021 Series A Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in paragraph 3 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of interest paid on the 2021 Series A Bonds, and (ii) compliance by the City with the procedures and covenants set forth in the Tax Certificate as to such tax matters.

4. Interest on the 2021 Series A Bonds is exempt from Oregon personal income tax.

We express no opinion as to any federal, state or local tax consequences arising with respect to the 2021 Series A Bonds, or the ownership or disposition thereof, except as stated in paragraphs 3 and 4 above. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion of interest from gross income for federal income tax purposes on the 2021 Series A Bonds.

The portion of this opinion that is set forth in paragraph 1, above, is qualified only to the extent that enforceability of the 2021 Series A Bonds may be limited by or rendered ineffective by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the City.

This opinion is limited to matters of Oregon law and applicable federal law, and we assume no responsibility as to the applicability of laws of other jurisdictions.

This opinion is provided to you as a legal opinion only, and not as a guaranty or warranty of the matters discussed herein. No opinions may be inferred or implied beyond the matters expressly stated herein. No qualification, limitation or exception contained herein shall be construed in any way to limit the scope of the other qualifications, limitations and exceptions. For purposes of this opinion, the terms "law" and "laws" do not include unpublished judicial decisions, and we disclaim the effect of any such decision on this opinion.

We have served as bond counsel only to the City in connection with the 2021 Series A Bonds and have not represented and are not representing any other party in connection with the 2021 Series A Bonds. This opinion is given solely for the benefit of the City in connection with the 2021 Series A Bonds and may not be relied on in any manner or for any purpose by any person or entity other than the City and any person to whom we may send a formal reliance letter indicating that the recipient is entitled to rely on this opinion.

Very truly yours,

On the date of issuance of the 2021 Series B Bonds, Hawkins Delafield & Wood LLP, Bond Counsel, proposes to issue its approving opinion in substantially the following form:

[Issue Date]

City of Portland
1120 SW Fifth Avenue, Room 1040
Portland, Oregon 97204

Subject: $[Series B Principal] City of Portland, Oregon, Limited Tax Revenue Refunding Bonds 2021 Series B (Public Improvement Projects)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Portland, Oregon (the "City") of its Limited Tax Revenue Refunding Bonds, 2021 Series B (Public Improvement Projects) (the "2021 Series B Bonds"), that are dated as of their date of issuance and are in the aggregate principal amount of $[Series B Principal]. The 2021 Series B Bonds are authorized by ORS Section 287A.360 and the other applicable provisions of ORS Chapter 287A, and collectively, City Ordinance No. 187449 enacted on November 18, 2015, City Ordinance No. 187924 enacted on August 3, 2016, City Ordinance No. 189262 enacted on November 28, 2018, and City Ordinance No. 189341 enacted January 9, 2019 (collectively, the "Ordinance"), and a Bond Declaration that is dated as of the date of issuance of the 2021 Series B Bonds (the "Bond Declaration").

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on representations of the City in the Ordinance, in the Bond Declaration, and in the certified proceedings and on other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The 2021 Series B Bonds have been legally authorized, sold and issued under and pursuant to the Constitution and Statutes of the State of Oregon, the City Charter, the Ordinance, and the Bond Declaration. The 2021 Series B Bonds constitute valid and legally binding obligations of the City that are enforceable in accordance with their terms.

2. Pursuant to ORS 287A.315, the City has pledged its full faith and credit and taxing power within the limits of Article XI, Section 11 and 11b of the Oregon Constitution to the payment of the 2021 Series B Bonds. The 2021 Series B Bonds are payable from all legally available funds of the City, including its Available General Funds as described in the Bond Declaration.

3. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the 2021 Series B Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the 2021 Series B Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. [Bond counsel further is of the opinion that, for any 2021 Series B Bonds having original issue discount (a "Discount Bond"), original issue discount that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the 2021 Series B Bonds.] In rendering our opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City and others in connection with the 2021 Series B Bonds, and we have assumed compliance by the City and others

with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2021 Series B Bonds from gross income under Section 103 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the 2021 Series B Bonds in order that, for federal income tax purposes, interest on the 2021 Series B Bonds not be included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the 2021 Series B Bonds, restrictions on the investment of proceeds of the 2021 Series B Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause interest on the 2021 Series B Bonds to become subject to federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the 2021 Series B Bonds, the City will execute a Tax Certificate (the "Tax Certificate") containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the City covenants that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things required by the Code to assure that interest paid on the 2021 Series B Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in paragraph 3 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of interest paid on the 2021 Series B Bonds, and (ii) compliance by the City with the procedures and covenants set forth in the Tax Certificate as to such tax matters.

4. Interest on the 2021 Series B Bonds is exempt from Oregon personal income tax.

We express no opinion as to any federal, state or local tax consequences arising with respect to the 2021 Series B Bonds, or the ownership or disposition thereof, except as stated in paragraphs 3 and 4 above. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion of interest from gross income for federal income tax purposes on the 2021 Series B Bonds.

The portion of this opinion that is set forth in paragraph 1, above, is qualified only to the extent that enforceability of the 2021 Series B Bonds may be limited by or rendered ineffective by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the City.

This opinion is limited to matters of Oregon law and applicable federal law, and we assume no responsibility as to the applicability of laws of other jurisdictions.

This opinion is provided to you as a legal opinion only, and not as a guaranty or warranty of the matters discussed herein. No opinions may be inferred or implied beyond the matters expressly stated herein. No qualification, limitation or exception contained herein shall be construed in any way to limit the scope of the other qualifications, limitations and exceptions. For purposes of this opinion, the terms "law" and "laws" do not include unpublished judicial decisions, and we disclaim the effect of any such decision on this opinion.

We have served as bond counsel only to the City in connection with the 2021 Series B Bonds and have not represented and are not representing any other party in connection with the 2021 Series B Bonds. This opinion is given solely for the benefit of the City in connection with the 2021 Series B Bonds and may not be relied on in any manner or for any purpose by any person or entity other than the City and any person to whom we may send a formal reliance letter indicating that the recipient is entitled to rely on this opinion.

Very truly yours,

CITY OF PORTLAND, OREGON

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APPENDIX D
FORM OF CONTINUING DISCLOSURE CERTIFICATE

CITY OF PORTLAND, OREGON

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CONTINUING DISCLOSURE CERTIFICATE

City of Portland, Oregon

$__________ **Limited Tax Revenue Refunding Bonds** **2021 Series A** **(Oregon Convention Center Completion Project)**	**$__________** **Limited Tax Revenue Refunding Bonds** **2021 Series B** **(Public Improvement Projects)**

This Continuing Disclosure Certificate (the "Certificate") is executed and delivered by the City of Portland, Oregon (the "Issuer") in connection with the issuance of the above-captioned bonds (collectively, the "Bonds").

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by the Issuer, and constitutes the Issuer's written undertaking for the benefit of the Bondowners, and to assist the underwriters of the Bonds in complying with paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) as amended (the "Rule").

Section 2. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for purposes of this Certificate, have the meanings herein specified.

"Beneficial Owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories.

"Bondowners" means the registered owners of the Bonds, as shown on the bond register maintained by the paying agent and registrar for the Bonds, and any Beneficial Owners.

"Commission" means the U.S. Securities and Exchange Commission.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosure established by the MSRB and accessible at http://emma.msrb.org/.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor to its functions.

"Official Statement" means the final official statement for the Bonds dated __________, 2021.

"Rule" means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as it has been and may be amended.

Section 3. Financial Information. The Issuer, as the "obligated person," agrees to provide or cause to be provided to the MSRB, the following annual financial information and operating data:

A. The Issuer's previous fiscal year annual financial statements prepared in accordance with the Oregon Local Budget Law (or any successor statute) and in accordance with generally accepted accounting principles so prescribed by the Governmental Accounting Standards Board (or its successors); and

B. To the extent not included in those annual financial statements, historical financial information and operating data generally of the type included in the Official Statement under the heading “Annual Disclosure Information.”

Section 4. Timing. The information described in Section 3 of this Certificate shall be provided by the Issuer for each of its fiscal years in which the Bonds are outstanding. The Issuer shall provide that information not later than nine months after the end of each fiscal year, commencing no later than March 31, 2022, for the fiscal year ended June 30, 2021. The information described in Section 3 of this Certificate shall be provided in the form of audited financial statements if they are then available, and otherwise shall be provided in the form of unaudited financial statements. If the information described in Section 3 of this Certificate is initially provided in the form of unaudited financial statements, the Issuer shall provide audited financial statements promptly after they become publicly available. The Issuer's current fiscal year ends June 30. The Issuer may adjust its fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing such annual financial information and operating data, the Issuer may cross-reference to other documents provided to the MSRB.

Section 5. Material Events. The Issuer agrees to provide or cause to be provided to the MSRB in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

(a) Principal and interest payment delinquencies;

(b) Non-payment related defaults, if material;

(c) Unscheduled draws on debt service reserves reflecting financial difficulties;

(d) Unscheduled draws on credit enhancements reflecting financial difficulties;

(e) Substitution of credit or liquidity providers or their failure to perform;

(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(g) Modifications to the rights of security holders, if material;

(h) Bond calls, if material, and tender offers;

(i) Defeasances;

(j) Release, substitution or sale of property securing repayment of the securities, if material;

(k) Rating changes;

(l) Bankruptcy, insolvency, receivership or similar event of the obligated person; (Note: For the purposes of the event identified in this paragraph (l), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.);

(m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) Incurrence of a financial obligation of the obligated person if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material. For the purposes of this paragraph (o) and paragraph (p) below, “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); the term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule;

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

The Issuer may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the Issuer, such other event is material with respect to the Bonds, but the Issuer does not undertake any commitment to provide such notice of any event except those events listed above.

Section 6. Failure to File Annual Financial Information. The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB, notice of a failure by the Issuer to provide the annual financial information described in Section 3 of this Certificate on or prior to the time set forth in Section 4 of this Certificate.

Section 7. Termination. The Issuer’s obligation to provide notices of material events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. This Certificate, or any provision hereof, shall be null and void if the Issuer (a) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Certificate, or any provision hereof, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and (b) notifies the MSRB of such opinion and the termination of its obligations under this Certificate.

Section 8. Amendment. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate provided that the following conditions are satisfied:

A. If the amendment relates to the provisions of Section 3 or Section 5 of this Certificate, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer with respect to the Bonds, or the type of business conducted;

B. If this Certificate, as amended, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

C. The amendment either (i) is approved by the Bondowners in the same manner as amendments to the Bond Declaration as it is in effect at the time of the amendment or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondowners.

In the event of any amendment of a provision of this Certificate, the Issuer shall describe such amendment in its next annual filing pursuant to Section 3 of this Certificate, and shall include, as applicable, a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of the amendment shall be given in the same manner as for a material event under Section 5 of this Certificate, and (ii) the annual filing pursuant to Section 3 of this Certificate for the first fiscal year that is affected by the change in accounting principles shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Bondowner's Remedies Under This Certificate. The right of any Bondowner to enforce the provisions of this Certificate shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder, and any failure by the Issuer to comply with the provisions of this Certificate shall not be an event of default with respect to the Bonds. Bondowners may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed a default or an event of default under the documents authorizing issuance of the Bonds, and no monetary damages shall arise or be payable hereunder, and the sole remedy under this Certificate in the event of any failure of the Issuer to comply with this Certificate shall be an action to compel performance.

Section 10. Form of Information. All information required to be provided under this certificate will be provided in an electronic format as prescribed by the MSRB.

Section 11. Filing Through EMMA. So long as the MSRB continues to approve the use of EMMA, any information required to be provided to the MSRB under this Certificate may be provided through EMMA. As of the date of this Certificate, the web portal for EMMA is emma.msrb.org.

Section 12. Dissemination Agent. The Issuer may, from time to time, engage or appoint an agent to assist the Issuer in disseminating information hereunder (the "Dissemination Agent"). The Issuer may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 13. Choice of Law. This Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Dated as [Issue Date], 2021.

City of Portland, Oregon

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Debt Manager

CITY OF PORTLAND, OREGON
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APPENDIX E
BOOK-ENTRY ONLY (BEO) SYSTEM

CITY OF PORTLAND, OREGON

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BEO SYSTEM

DTC LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

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