

DEBT SERVICE

The city has four types of debt currently outstanding.

Two general obligation bonds secured by the city's authority to levy property taxes;

A Build America Bond (BAB) for transportation projects that will be repaid with gas tax, city gas tax, transportation impact fees, and transportation development tax;

Assessment bonds secured by installment payment contracts with property owners; and

Water revenue debt used to pay for the city's water agreement with the City of Lake Oswego. The water revenue debt is in three pieces: a \$97.7 million water revenue bond, a \$30.8 million water revenue bond and \$2.4 million ARRA loan. Also, the city has the authority to issue short term bond anticipation notes secured by the city's full faith and credit and the ability to assess property owners when the related project is complete.

The city's current outstanding debt payments (principal plus interest) are as follows:

| Fiscal Year | General Obligation | Build America Bonds | Assessments | Water Revenue Debt | Total |
|--------------|----------------------|---------------------|-------------------|-----------------------|--------------------|
| FY 16-17 | \$ 2,193,100 | \$ 892,460 | \$ 103,107 | \$ 8,393,283 | \$ 11,581,950 |
| FY 17-18 | 2,195,425 | 884,618 | 103,088 | 8,390,833 | 11,573,964 |
| FY 18-19 | 2,197,625 | 870,688 | 103,133 | 8,390,133 | 11,561,579 |
| FY 19-20 | 2,196,825 | 860,888 | 80,663 | 8,390,933 | 11,529,309 |
| FY 20-21 | 2,193,625 | — | — | 8,393,033 | 10,586,658 |
| FY 21-46 | 14,740,275 | — | — | 207,490,814 | 222,231,089 |
| Total | \$ 25,716,875 | \$ 3,508,653 | \$ 389,991 | \$ 249,449,029 | 279,064,549 |

The portion of the Build America Bonds that are repaid with Gas Tax revenues will compete with operational needs for road maintenance. Otherwise, existing debt levels have no direct impact on current or future city operations.

The most recent general obligation bond rating occurred in 2010 and the rating given by Moody's was Aa2 and AA by Standard and Poor's. This is a two-step increase over the city's prior bond rating.

In 2012, the city received its first revenue bond ratings for its water revenue bond. The city received ratings of A1 by Moody's and AA- by Standard and Poor's. For the 2015 Water Revenue Bond, the city's AA-rating from Standard & Poor's was affirmed and Moody's upgraded Tigard to A1 with a positive outlook.

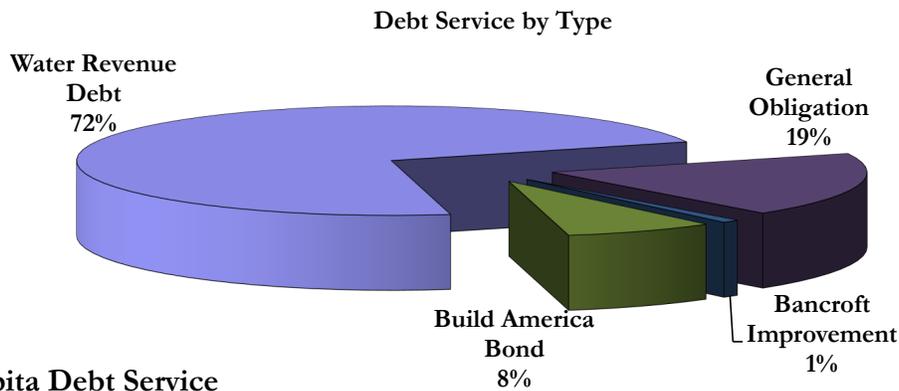
Legal Debt Limit

Oregon statutes ORS 287A.050 limits general obligation debt to a maximum of 3% of the city's total real market property value. The limit for FY 2016-17 will be \$216,765,677 based upon the estimated market value of \$8,082,751,732.

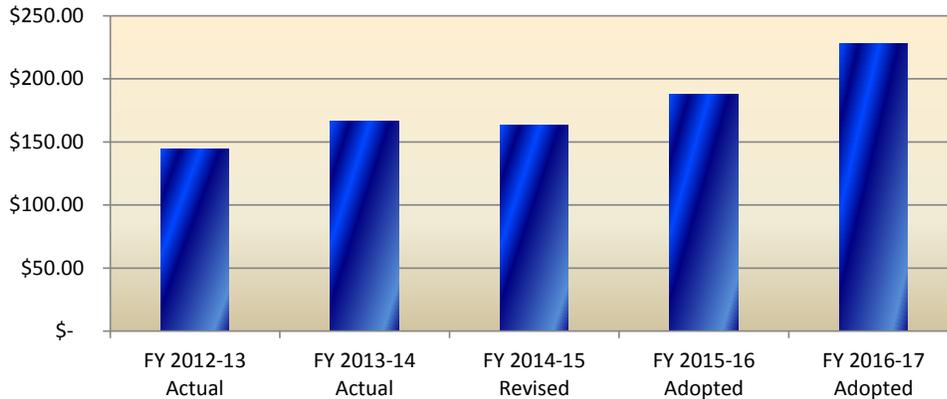
DEBT SERVICE SUMMARY

The following tables and graphs depict future debt service requirements in total and by debt service type. These figures also present schedules detailing required debt service expenditures for FY 2016-17

| | | <u>FY 2016-17</u> |
|---|------------------------------------|-----------------------------|
| | | <u>Debt Service</u> |
| GENERAL OBLIGATION BONDS- | | |
| Paid from property taxes | Parks Bond | \$ 1,292,025 |
| | Library Bond | <u>901,075</u> |
| | Total General Obligation Bonds | <u>\$ 2,193,100</u> |
| BUILD AMERICA BOND | | |
| Paid primarily from Gas Tax and City Gas Tax | 2010 Transportation Bond | \$ 892,460 |
| | Total Build America Bond | <u>\$ 892,460</u> |
| ASSESSMENTS - BANCROFT IMPROVEMENT BONDS | | |
| Paid primarily from special assessments | 2002 69th Avenue LID | \$ 103,107 |
| | Additional Bond Calls | <u>-</u> |
| | Total Assessments / Bancroft Bonds | <u>\$ 103,107</u> |
| WATER REVENUE BONDS | | |
| Paid primarily from Water Rates & SDCs | 2012 Water Revenue Bond | \$ 6,561,800 |
| Paid primarily from Water Rates & SDCs | 2015 Water Revenue Bond | 1,670,300 |
| | ARRA Loan | <u>161,183</u> |
| | Total Water Revenue Bonds | <u>\$ 8,393,283</u> |
| TOTAL 2016-17 DEBT SERVICE | | <u>\$ 11,581,950</u> |



Per Capita Debt Service



OUTSTANDING DEBT ISSUES

| Issue | Original Amount | Interest Rate | Original Issue Date | Principal Outstanding | Final Maturity | Source of Payment |
|--|--------------------|------------------|------------------------|--------------------------|-------------------|--------------------------------------|
| GENERAL OBLIGATION BONDS | | | | | | |
| Library Bond | \$8,655,000 | 2.92% | 02/03/11 | \$ 5,525,000 | 12/01/22 | Property Taxes |
| Parks Bond | \$17,000,000 | 4.15% | 02/03/11 | \$ 13,985,000 | 06/01/31 | Property Taxes |
| TOTAL GENERAL OBLIGATION BONDS OUTSTANDING | | | | \$ 19,510,000 | | |
| SPECIAL ASSESSMENT BONDS | | | | | | |
| 69th Avenue Local Improvement District Series 2002 | \$1,307,969 | 7.25% | 06/27/02 | \$ 335,656 | 07/01/17 | Special Assessments |
| TOTAL SPECIAL ASSESSMENT BONDS | | | | \$ 335,656 | | |
| BUILD AMERICA BOND | | | | | | |
| 2010 Transportation Bonds | \$7,250,000 | 4.35% | 06/21/10 | \$ 3,160,000 | 06/01/20 | Gas Tax, City Gas Tax, TIF, & TDT |
| TOTAL BUILD AMERICA BONDS | | | | \$ 3,160,000 | | |
| WATER REVENUE DEBT | | | | | | |
| 2012 Water Revenue Bond | \$97,720,000 | 4.04% | 05/01/12 | \$ 97,720,000 | 08/01/42 | Water User Fees & Water SDC's |
| 2015 Water Revenue Bond | \$30,810,000 | 4.09% | 03/03/15 | \$ 30,810,000 | 08/01/45 | Water User Fees & Water SDC's |
| ARRA Loan | \$2,398,000 | 3.00% | 03/06/12 | \$ 2,007,953 | 12/01/31 | Water User Fees & Water SDC's |
| TOTAL WATER REVENUE DEBT OUTSTANDING | | | | \$ 130,537,953 | | |
| GRAND TOTAL - CITY OF TIGARD DEBT OUTSTANDING | | | | \$ 153,543,609 | | |

DEBT SERVICE SCHEDULE
GENERAL OBLIGATION BOND—LIBRARY

The Tigard Public Library general obligation bond was authorized by voters on May 21, 2002. The initial bond was purchased in whole by the State of Oregon through the Oregon Economic and Community Development Department. In 2011, the initial bond was refunded at the same time that Tigard sold the Parks bond. The new issue saved Tigard property tax payers \$863,289 over the remaining life of the bond. Bond proceeds were used to purchase a 14.7 acre parcel and construct a two-story 47,500 square foot library. The new library opened in August 2004.

| | |
|---|-------------|
| Amount Issued: | \$8,655,000 |
| Issue Date: | 2/3/2011 |
| Original Issue True Interest Rate (TIC): | 2.923% |
| Principal Outstanding as of July 1, 2016: | \$5,525,000 |

| <u>Fiscal Year</u> | <u>Payment Due</u> | <u>Interest Rate</u> | <u>Principal Due</u> | <u>Interest Due</u> | <u>Total Debt Service</u> |
|--------------------|--------------------|--------------------------|----------------------|---------------------|-------------------------------|
| FY 16-17 | 12/01/16 | 3.00% | 705,000 | 103,325 | 808,325 |
| | 06/01/17 | | | 92,750 | 92,750 |
| FY 17-18 | 12/01/17 | 3.00% | 730,000 | 92,750 | 822,750 |
| | 06/01/18 | | | 81,800 | 81,800 |
| FY 18-19 | 12/01/18 | 4.00% | 755,000 | 81,800 | 836,800 |
| | 06/01/19 | | | 66,700 | 66,700 |
| FY 19-20 | 12/01/19 | 4.00% | 785,000 | 66,700 | 851,700 |
| | 06/01/20 | | | 51,000 | 51,000 |
| FY 20-21 | 12/01/20 | 4.00% | 815,000 | 51,000 | 866,000 |
| | 06/01/21 | | | 34,700 | 34,700 |
| FY 21-22 | 12/01/21 | 4.00% | 850,000 | 34,700 | 884,700 |
| | 06/01/22 | | | 17,700 | 17,700 |
| FY 22-23 | 12/01/22 | 4.00% | 885,000 | 17,700 | 902,700 |
| Total | | | \$5,525,000 | \$792,625 | \$6,317,625 |

DEBT SERVICE SCHEDULE
GENERAL OBLIGATION BOND—PARKS

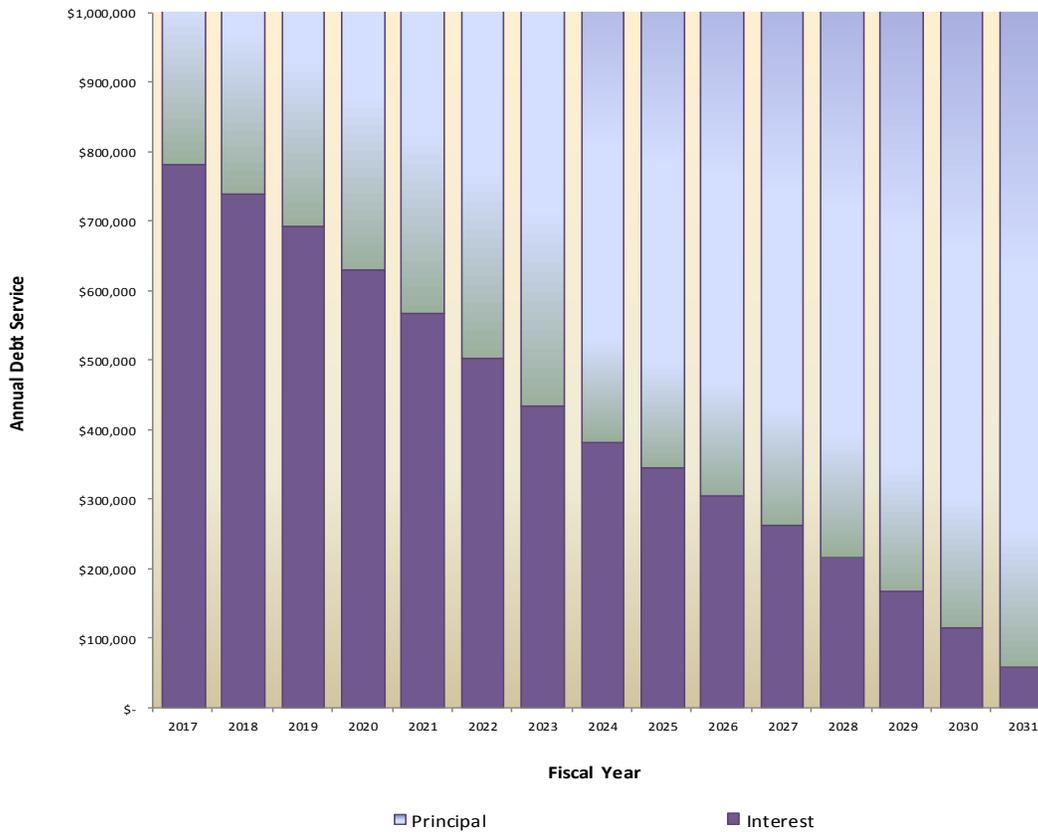
The Tigard Parks general obligation bond was authorized by voters on November 2, 2010. Bond proceeds are being used to purchase and develop parks in Tigard. At least 80 percent of the proceeds will be used to purchase land and the remainder can be used to develop parks. In addition, 10 percent can be used in Downtown Tigard in the same 80/20 split.

| | |
|---|--------------|
| Amount Issued: | \$17,000,000 |
| Issue Date: | 2/3/2011 |
| Original Issue True Interest Rate (IIC): | 4.148% |
| Principal Outstanding as of July 1, 2016: | \$13,985,000 |

| <u>Fiscal Year</u> | <u>Payment Due</u> | <u>Interest Rate</u> | <u>Principal Due</u> | <u>Interest Due</u> | <u>Total Debt Service</u> |
|--------------------|--------------------|--------------------------|----------------------|---------------------|-------------------------------|
| FY 16-17 | 12/01/16 | | | 293,513 | 293,513 |
| | 06/01/17 | 3.00% | 705,000 | 293,513 | 998,513 |
| FY 17-18 | 12/01/17 | | | 282,938 | 282,938 |
| | 06/01/18 | 3.00% | 725,000 | 282,938 | 1,007,938 |
| FY 18-19 | 12/01/18 | | | 272,063 | 272,063 |
| | 06/01/19 | 3.00% | 750,000 | 272,063 | 1,022,063 |
| FY 19-20 | 12/01/19 | | | 257,063 | 257,063 |
| | 06/01/20 | 4.00% | 780,000 | 257,063 | 1,037,063 |
| FY 20-21 | 12/01/20 | | | 241,463 | 241,463 |
| | 06/01/21 | 4.00% | 810,000 | 241,463 | 1,051,463 |
| FY 21-22 | 12/01/21 | | | 225,263 | 225,263 |
| | 06/01/22 | 4.00% | 845,000 | 225,263 | 1,070,263 |
| FY 22-23 | 12/01/22 | | | 208,363 | 208,363 |
| | 06/01/23 | 4.00% | 875,000 | 208,363 | 1,083,363 |
| FY 23-24 | 12/01/23 | | | 190,863 | 190,863 |
| | 06/01/24 | 4.00% | 910,000 | 190,863 | 1,100,863 |
| FY 24-25 | 12/01/24 | | | 172,663 | 172,663 |
| | 06/01/25 | 4.00% | 950,000 | 172,663 | 1,122,663 |
| FY 25-26 | 12/01/25 | | | 152,475 | 152,475 |
| | 06/01/26 | 4.25% | 990,000 | 152,475 | 1,142,475 |
| FY 26-27 | 12/01/26 | | | 131,438 | 131,438 |
| | 06/01/27 | 4.25% | 1,030,000 | 131,438 | 1,161,438 |
| FY 27-28 | 12/01/27 | | | 108,263 | 108,263 |
| | 06/01/28 | 4.50% | 1,075,000 | 108,263 | 1,183,263 |
| FY 28-29 | 12/01/28 | | | 84,075 | 84,075 |
| | 06/01/29 | 4.50% | 1,125,000 | 84,075 | 1,209,075 |
| FY 29-30 | 12/01/29 | | | 57,356 | 57,356 |
| | 06/01/30 | 4.75% | 1,180,000 | 57,356 | 1,237,356 |
| FY 30-31 | 12/01/30 | | | 29,331 | 29,331 |
| | 06/01/31 | 4.75% | 1,235,000 | 29,331 | 1,264,331 |
| Total | | | \$13,985,000 | \$5,414,250 | \$19,399,250 |

GENERAL OBLIGATION BOND-SUMMARY

Projected Annual Debt Service



FY 2016-17 debt service on the outstanding General Obligation Bonds is as follows:

| General Obligation Bonds | Date | Interest | Principal | Total |
|---|----------|-------------------|---------------------|---------------------|
| 2011A Issue - Parks Bond | 12/01/16 | \$ 293,513 | \$ - | \$ 293,513 |
| | 06/01/17 | \$ 293,513 | \$ 705,000 | \$ 998,513 |
| 2011B Issue - Library Building | 12/01/16 | \$ 103,325 | \$ 705,000 | \$ 808,325 |
| | 06/01/17 | \$ 92,750 | \$ - | \$ 92,750 |
| Total General Obligation Bond Debt Service | | \$ 783,100 | \$ 1,410,000 | \$ 2,193,100 |

DEBT SERVICE SCHEDULE
TIGARD TRANSPORTATION BUILD AMERICA BOND

The Tigard Transportation Bond is a full faith and credit obligation authorized by Tigard City Council in Resolution #10-26 and issued on June 21, 2010. The bond has a ten year repayment with an opportunity to call the bond after seven years. The bond is a Build America Bond (BAB) which is part of the American Recovery and Reinvestment Act (ARRA). A BAB is a taxable bond for the bond holder. To make the bond attractive to the bond holder, the interest rate is higher than a tax-exempt bond; however, the Federal Government initially agreed to reimburse the City of Tigard 35% of the interest paid by the City (the BAB Subsidy). Due to sequestering, the Federal Government has reduced that subsidy to about 31.95%. The result for this Transportation Bond is that Tigard pays interest at 4.35% to the Bond Holder, but after the BAB Subsidy, the net debt service is lowered and the net interest cost to Tigard is about 2.96%.

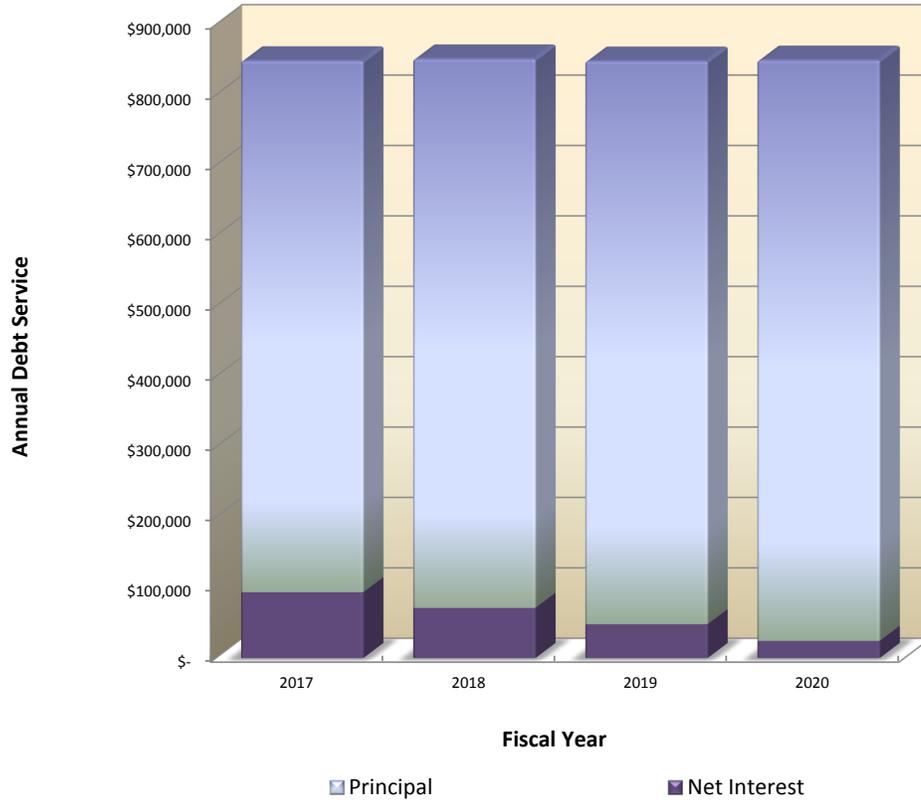
The bond was issued to pay for two projects - Burnham Street Reconstruction and the Greenburg Rd. / Main Street / Pacific Highway (Hwy 99) Intersection. Of the \$7.25 million in proceeds, \$4.75 million (65.5%) is for the Burnham Street Reconstruction and will be repaid with Gas Tax Fund revenues. The remaining \$2.5 million (34.5%) in bond proceeds is for the Greenburg Road / Main Street / Pacific Highway Intersection and will be repaid with City Gas Tax Fund revenues. Payments will be made proportionally from each fund. The projects are also eligible for Transportation Impact Fee Fund (TIF) and Transportation Development Tax Fund (TDT) revenues which may also be used for repayment. From a budgetary basis, Tigard will adopt the Total Debt Service payment, the BAB Subsidy will be proportionally returned to the contributing funds and the proceeds can be used within the limitations of those funds. One potential use will be to contribute to the following year's payments.

| | |
|---|-------------|
| Amount Issued: | \$7,250,000 |
| Issue Date: | 6/21/2010 |
| Original Issue True Interest Rate (TIC): | 4.350% |
| Principal Outstanding as of July 1, 2016: | \$3,160,000 |

| Fiscal Year | Payment Due | Interest Rate | Principal Due | Interest Due | Total Debt Service | BAB Subsidy | Net Debt Service | Resulting Net Interest Rate |
|--------------|-------------|---------------|---------------|--------------|--------------------|-------------|------------------|-----------------------------|
| FY 16-17 | 12/01/16 | 4.35% | | 68,730 | 68,730 | 21,959 | 46,771 | 2.83% |
| | 06/01/17 | 4.35% | 755,000 | 68,730 | 823,730 | 21,959 | 801,771 | 2.83% |
| FY 17-18 | 12/01/17 | 4.35% | | 52,309 | 52,309 | 16,713 | 35,596 | 2.83% |
| | 06/01/18 | 4.35% | 780,000 | 52,309 | 832,309 | 16,713 | 815,596 | 2.83% |
| FY 18-19 | 12/01/18 | 4.35% | | 35,344 | 35,344 | 11,292 | 24,051 | 2.83% |
| | 06/01/19 | 4.35% | 800,000 | 35,344 | 835,344 | 11,292 | 824,051 | 2.83% |
| FY 19-20 | 12/01/19 | 4.35% | | 17,944 | 17,944 | 5,733 | 12,211 | 2.83% |
| | 06/01/20 | 4.35% | 825,000 | 17,944 | 842,944 | 5,733 | 837,211 | 2.83% |
| Total | | | \$3,160,000 | \$348,653 | \$3,508,653 | \$111,394 | \$3,397,258 | |

TIGARD TRANSPORTATION BUILD AMERICA BOND SUMMARY

Projected Annual Net Debt Service



FY 2016-17 debt service on the outstanding 2010 Transportation Build America Bond is as follows:

| 2011 Transportation BAB | Date | Interest | Principal | Total | Net Interest | Net Total |
|--|----------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 12/01/16 | \$ 68,730 | \$ - | \$ 68,730 | \$ 46,771 | \$ 46,771 |
| | 06/01/17 | \$ 68,730 | \$ 755,000 | \$ 823,730 | \$ 62,757 | \$ 817,757 |
| Total Transportation BAB Debt Service | | \$ 137,460 | \$ 755,000 | \$ 892,460 | \$ 109,528 | \$ 864,528 |

DEBT SERVICE SCHEDULE
ASSESSMENT-69TH AVENUE LOCAL IMPROVEMENT DISTRICT

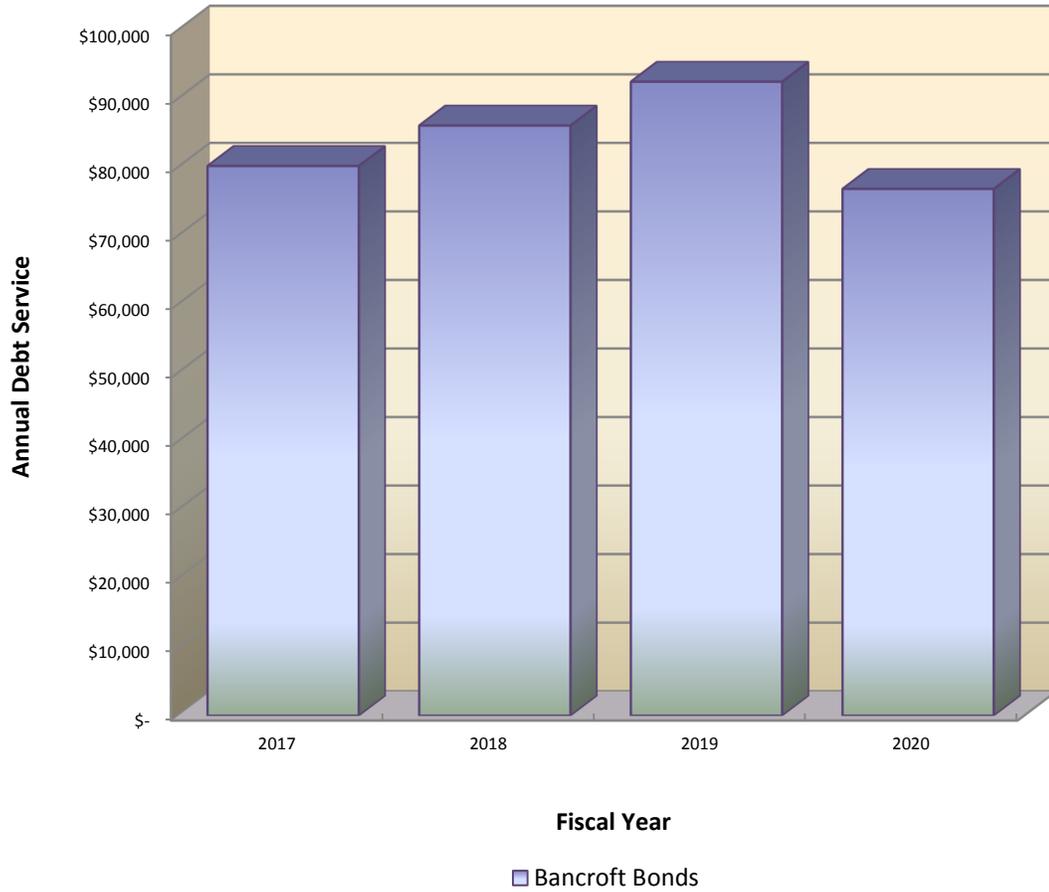
The 69th Avenue Local Improvement District (LID) was finalized in 2002. This Bancroft Bond was issued to retire the interim financing used for construction of the LID. The source of revenue for re-payment of the bonds are payments on installment contracts executed by benefited property owners. LID assessments are secured by liens on the benefited property.

| | |
|---|-------------|
| Amount Issued: | \$1,307,969 |
| Issue Date: | 6/27/2002 |
| Original Issue True Interest Rate (IIC): | 7.250% |
| Principal Outstanding as of July 1, 2016: | \$335,656 |

| <u>Fiscal Year</u> | <u>Payment Due</u> | <u>Interest Rate</u> | <u>Principal Due</u> | <u>Interest Due</u> | <u>Total Debt Service</u> |
|--------------------|--------------------|--------------------------|----------------------|---------------------|-------------------------------|
| FY 16-17 | 07/01/16 | 7.25% | 39,400 | 12,168 | 51,568 |
| | 01/01/17 | 7.25% | 40,800 | 10,740 | 51,540 |
| FY 17-18 | 07/01/17 | 7.25% | 42,300 | 9,261 | 51,561 |
| | 01/01/18 | 7.25% | 43,800 | 7,727 | 51,527 |
| FY 18-19 | 07/01/18 | 7.25% | 45,400 | 6,139 | 51,539 |
| | 01/01/19 | 7.25% | 47,100 | 4,494 | 51,594 |
| FY 19-20 | 07/01/19 | 7.25% | 48,700 | 2,786 | 51,486 |
| | 01/01/20 | 7.25% | 28,156 | 1,021 | 29,177 |
| Total | | | \$335,656 | \$54,334 | \$389,990 |

ASSESSMENT-BANCROFT IMPROVEMENT BONDS SUMMARY

Projected Annual Debt Service



FY 2016-17 debt service on outstanding Bancroft Bonds is scheduled as follows:

| Bancroft Bonds | Date | Interest | Principal | Total |
|------------------------------------|-------------|-----------------|------------------|-------------------|
| 2002 - 69th Ave LID | 07/01/16 | \$ 12,168 | \$ 39,400 | \$ 51,568 |
| | 01/01/17 | \$ 10,740 | \$ 40,800 | \$ 51,540 |
| Additional Bond Calls as Needed | | \$ - | \$ - | \$ - |
| Total Bancroft Debt Service | | \$22,907 | \$80,200 | \$ 103,107 |

WATER REVENUE DEBT-WATER REVENUE BOND 2012

The Water Revenue Bond was issued in May 2012. This is the first revenue bond issue that will pay for Tigard's water infrastructure and securing a water source for Tigard through the Lake Oswego / Tigard Water Partnership. The Partnership will expand the capacity of the Lake Oswego Water Treatment Plant, providing Tigard with 18 million gallons of water per day. The bonds will be repaid by water usage rates and is eligible to be repaid using Water SDCs as well. Tigard is scheduled to receive water from the plant in 2016, when water purchases from Portland will end. The debt service is set up to make interest only payments through 2015 with higher annual debt service payments that include principal starting in 2016 when Portland water is no longer being purchased.

| | |
|---|--------------|
| Amount Issued: | \$97,720,000 |
| Issue Date: | 5/1/2012 |
| Original Issue True Interest Rate (IIC): | 4.042% |
| Principal Outstanding as of July 1, 2016: | \$97,720,000 |

| Fiscal Year | Payment Due | Interest Rate | Principal Due | Interest Due | Total Debt Service |
|--------------|-------------|------------------|---------------------|---------------------|-----------------------|
| FY 16-17 | 08/01/16 | 3.00% | 1,870,000 | 2,359,925 | 4,229,925 |
| | 02/01/17 | | | 2,331,875 | 2,331,875 |
| FY 17-18 | 08/01/17 | 4.00% | 1,935,000 | 2,331,875 | 4,266,875 |
| | 02/01/18 | | | 2,293,175 | 2,293,175 |
| FY 18-19 | 08/01/18 | 4.00% | 2,015,000 | 2,293,175 | 4,308,175 |
| | 02/01/19 | | | 2,252,875 | 2,252,875 |
| FY 19-20 | 08/01/19 | 4.00% | 2,100,000 | 2,252,875 | 4,352,875 |
| | 02/01/20 | | | 2,210,875 | 2,210,875 |
| FY 20-21 | 08/01/20 | 4.00% | 2,185,000 | 2,210,875 | 4,395,875 |
| | 02/01/21 | | | 2,167,175 | 2,167,175 |
| FY 21-22 | 08/01/21 | 4.00% | 2,275,000 | 2,167,175 | 4,442,175 |
| | 02/01/22 | | | 2,121,675 | 2,121,675 |
| FY 22-23 | 08/01/22 | 4.00% | 2,365,000 | 2,121,675 | 4,486,675 |
| | 02/01/23 | | | 2,074,375 | 2,074,375 |
| FY 23-24 | 08/01/23 | 5.00% | 2,475,000 | 2,074,375 | 4,549,375 |
| | 02/01/24 | | | 2,012,500 | 2,012,500 |
| FY 24-25 | 08/01/24 | 5.00% | 2,605,000 | 2,012,500 | 4,617,500 |
| | 02/01/25 | | | 1,947,375 | 1,947,375 |
| FY 25-26 | 08/01/25 | 5.00% | 2,735,000 | 1,947,375 | 4,682,375 |
| | 02/01/26 | | | 1,879,000 | 1,879,000 |
| FY 26-27 | 08/01/26 | 5.00% | 2,875,000 | 1,879,000 | 4,754,000 |
| | 02/01/27 | | | 1,807,125 | 1,807,125 |
| FY 27-28 | 08/01/27 | 5.00% | 3,025,000 | 1,807,125 | 4,832,125 |
| | 02/01/28 | | | 1,731,500 | 1,731,500 |
| FY 28-29 | 08/01/28 | 5.00% | 3,180,000 | 1,731,500 | 4,911,500 |
| | 02/01/29 | | | 1,652,000 | 1,652,000 |
| FY 29-30 | 08/01/29 | 5.00% | 3,340,000 | 1,652,000 | 4,992,000 |
| | 02/01/30 | | | 1,568,500 | 1,568,500 |
| FY 30-31 | 08/01/30 | 5.00% | 3,515,000 | 1,568,500 | 5,083,500 |
| | 02/01/31 | | | 1,480,625 | 1,480,625 |
| FY 31-32 | 08/01/31 | 5.00% | 3,695,000 | 1,480,625 | 5,175,625 |
| | 02/01/32 | | | 1,388,250 | 1,388,250 |
| FY 32-33 | 08/01/32 | 5.00% | 3,885,000 | 1,388,250 | 5,273,250 |
| | 02/01/33 | | | 1,291,125 | 1,291,125 |
| FY 33-34 | 08/01/33 | 5.00% | 4,080,000 | 1,291,125 | 5,371,125 |
| | 02/01/34 | | | 1,189,125 | 1,189,125 |
| FY 34-35 | 08/01/34 | 5.00% | 4,290,000 | 1,189,125 | 5,479,125 |
| | 02/01/35 | | | 1,081,875 | 1,081,875 |
| FY 35-36 | 08/01/35 | 5.00% | 4,510,000 | 1,081,875 | 5,591,875 |
| | 02/01/36 | | | 969,125 | 969,125 |
| FY 36-37 | 08/01/36 | 5.00% | 4,745,000 | 969,125 | 5,714,125 |
| | 02/01/37 | | | 850,500 | 850,500 |
| FY 37-38 | 08/01/37 | 5.00% | 4,985,000 | 850,500 | 5,835,500 |
| | 02/01/38 | | | 725,875 | 725,875 |
| FY 38-39 | 08/01/38 | 5.00% | 5,240,000 | 725,875 | 5,965,875 |
| | 02/01/39 | | | 594,875 | 594,875 |
| FY 39-40 | 08/01/39 | 5.00% | 5,510,000 | 594,875 | 6,104,875 |
| | 02/01/40 | | | 457,125 | 457,125 |
| FY 40-41 | 08/01/40 | 5.00% | 5,795,000 | 457,125 | 6,252,125 |
| | 02/01/41 | | | 312,250 | 312,250 |
| FY 41-42 | 08/01/41 | 5.00% | 6,090,000 | 312,250 | 6,402,250 |
| | 02/01/42 | | | 160,000 | 160,000 |
| FY 42-43 | 08/01/42 | 5.00% | 6,400,000 | 160,000 | 6,560,000 |
| | | | | 0 | 0 |
| Total | | | \$97,720,000 | \$79,461,475 | \$177,181,475 |

WATER REVENUE DEBT-WATER REVENUE BOND 2015

The second Water Revenue Bond was issued in March 2015 to pay for Tigard's continuing water infrastructure needs and securing a water source for Tigard through the Lake Oswego / Tigard Water Partnership. The first Water Revenue Bond was issued in May 2012. The Partnership will expand the capacity of the Lake Oswego Water Treatment Plant, providing Tigard with 18 million gallons of water per day. The bonds will be repaid by water usage rates and is eligible to be repaid using Water SDCs as well.

Tigard is scheduled to receive water from the plant in summer of 2016, when water purchases from Portland will end. The debt service is set up to make interest only payments through fiscal year 2016 with higher annual debt service payments that include principal starting in fiscal year 2017.

| | |
|---|--------------|
| Amount Issued: | \$30,810,000 |
| Issue Date: | 3/3/2015 |
| Original Issue True Interest Rate (TIC): | 4.090% |
| Principal Outstanding as of July 1, 2016: | \$30,810,000 |

| Fiscal Year | Payment Due | Interest Rate | Principal Due | Interest Due | Total Debt Service |
|--------------|----------------------|---------------|---------------------|---------------------|---------------------|
| FY 16-17 | 08/01/16 02/01/17 | 3.00% | 160,000 | 756,350 | 916,350 |
| FY 17-18 | 08/01/17 02/01/18 | 4.00% | 165,000 | 753,950 | 918,950 |
| FY 18-19 | 08/01/18 02/01/19 | 4.00% | 170,000 | 750,650 | 920,650 |
| FY 19-20 | 08/01/19 02/01/20 | 4.00% | 175,000 | 747,250 | 922,250 |
| FY 20-21 | 08/01/20 02/01/21 | 4.00% | 185,000 | 743,750 | 928,750 |
| FY 21-22 | 08/01/21 02/01/22 | 4.00% | 190,000 | 740,050 | 930,050 |
| FY 22-23 | 08/01/22 02/01/23 | 4.00% | 200,000 | 736,250 | 936,250 |
| FY 23-24 | 08/01/23 02/01/24 | 4.00% | 210,000 | 732,250 | 942,250 |
| FY 24-25 | 08/01/24 02/01/25 | 4.00% | 215,000 | 728,050 | 943,050 |
| FY 25-26 | 08/01/25 02/01/26 | 4.00% | 225,000 | 723,750 | 948,750 |
| FY 26-27 | 08/01/26 02/01/27 | 4.00% | 235,000 | 719,250 | 954,250 |
| FY 27-28 | 08/01/27 02/01/28 | 5.00% | 245,000 | 714,550 | 959,550 |
| FY 28-29 | 08/01/28 02/01/29 | 5.00% | 255,000 | 708,425 | 963,425 |
| FY 29-30 | 08/01/29 02/01/30 | 5.00% | 270,000 | 702,050 | 972,050 |
| FY 30-31 | 08/01/30 02/01/31 | 3.25% | 280,000 | 695,300 | 975,300 |
| FY 31-32 | 08/01/31 02/01/32 | 5.00% | 290,000 | 690,750 | 980,750 |
| FY 32-33 | 08/01/32 02/01/33 | 5.00% | 305,000 | 683,500 | 988,500 |
| FY 33-34 | 08/01/33 02/01/34 | 5.00% | 325,000 | 675,875 | 1,000,875 |
| FY 34-35 | 08/01/34 02/01/35 | 5.00% | 340,000 | 667,750 | 1,007,750 |
| FY 35-36 | 08/01/35 02/01/36 | 5.00% | 360,000 | 659,250 | 1,019,250 |
| FY 36-37 | 08/01/36 02/01/37 | 5.00% | 375,000 | 650,250 | 1,025,250 |
| FY 37-38 | 08/01/37 02/01/38 | 5.00% | 395,000 | 640,875 | 1,035,875 |
| FY 38-39 | 08/01/38 02/01/39 | 5.00% | 420,000 | 631,000 | 1,051,000 |
| FY 39-40 | 08/01/39 02/01/40 | 5.00% | 440,000 | 620,500 | 1,060,500 |
| FY 40-41 | 08/01/40 02/01/41 | 5.00% | 455,000 | 609,500 | 1,064,500 |
| FY 41-42 | 08/01/41 02/01/42 | 5.00% | 485,000 | 598,125 | 1,083,125 |
| FY 42-43 | 08/01/42 02/01/43 | 5.00% | 510,000 | 586,000 | 1,096,000 |
| FY 43-44 | 08/01/43 02/01/44 | 5.00% | 7,265,000 | 573,250 | 7,838,250 |
| FY 44-45 | 08/01/44 02/01/45 | 5.00% | 7,635,000 | 391,625 | 8,026,625 |
| FY 45-46 | 08/01/45 | 5.00% | 8,030,000 | 200,750 | 200,750 |
| Total | | | \$30,810,000 | \$38,905,400 | \$69,715,400 |

WATER REVENUE DEBT-ARRA WATER LOAN

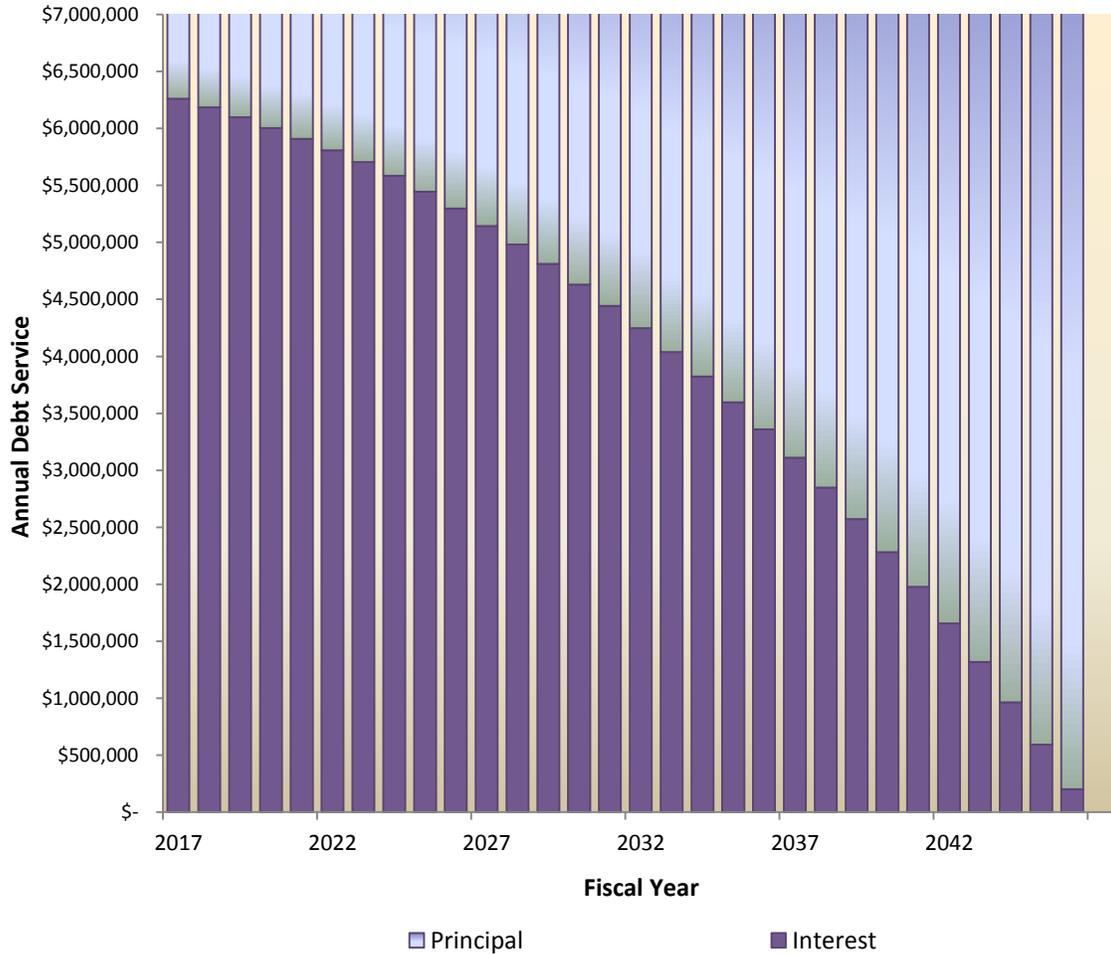
As part of the American Recovery and Reinvestment Act of 2009, Tigard received a grant and a loan to rehabilitate the water pump and seismic upgrades at our 10 mil water reservoir. The loan became set with the completion of the project in March 2012. The debt is being repaid with water user fees.

| | |
|---|-------------|
| Amount Issued: | \$2,398,000 |
| Issue Date: | 3/6/2012 |
| Original Issue True Interest Rate (TIC): | 3.000% |
| Principal Outstanding as of July 1, 2016: | \$2,007,953 |

| <u>Fiscal Year</u> | <u>Payment Due</u> | <u>Interest Rate</u> | <u>Principal Due</u> | <u>Interest Due</u> | <u>Total Debt Service</u> |
|--------------------|--------------------|--------------------------|----------------------|---------------------|-------------------------------|
| FY 16-17 | 12/01/16 | 3.00% | 100,945 | 60,239 | 161,183 |
| FY 17-18 | 12/01/17 | 3.00% | 103,973 | 57,210 | 161,183 |
| FY 18-19 | 12/01/18 | 3.00% | 107,092 | 54,091 | 161,183 |
| FY 19-20 | 12/01/19 | 3.00% | 110,305 | 50,878 | 161,183 |
| FY 20-21 | 12/01/20 | 3.00% | 113,614 | 47,569 | 161,183 |
| FY 21-22 | 12/01/21 | 3.00% | 117,023 | 44,161 | 161,183 |
| FY 22-23 | 12/01/22 | 3.00% | 120,533 | 40,650 | 161,183 |
| FY 23-24 | 12/01/23 | 3.00% | 124,149 | 37,034 | 161,183 |
| FY 24-25 | 12/01/24 | 3.00% | 127,874 | 33,310 | 161,183 |
| FY 25-26 | 12/01/25 | 3.00% | 131,710 | 29,473 | 161,183 |
| FY 26-27 | 12/01/26 | 3.00% | 135,661 | 25,522 | 161,183 |
| FY 27-28 | 12/01/27 | 3.00% | 139,731 | 21,452 | 161,183 |
| FY 28-29 | 12/01/28 | 3.00% | 143,923 | 17,260 | 161,183 |
| FY 29-30 | 12/01/29 | 3.00% | 148,241 | 12,943 | 161,183 |
| FY 30-31 | 12/01/30 | 3.00% | 152,688 | 8,495 | 161,183 |
| FY 31-32 | 12/01/31 | 3.00% | 130,491 | 3,915 | 134,406 |
| Total | | | \$2,007,953 | \$544,202 | \$2,552,155 |

WATER REVENUE DEBT SUMMARY

Projected Annual Debt Service



FY 2016-17 debt service on the outstanding Water Revenue Debt is as follows:

| Water Revenue Debt | Date | Interest | Principal | Total |
|---|----------|---------------------|---------------------|---------------------|
| Water Revenue Bond 2012 | 08/01/16 | \$ 2,359,925 | \$ 1,870,000 | \$ 4,229,925 |
| | 02/01/17 | \$ 2,331,875 | \$ - | \$ 2,331,875 |
| Water Revenue Bond 2015 | 08/01/16 | \$ 756,350 | \$ 160,000 | \$ 916,350 |
| | 02/01/17 | \$ 753,950 | \$ - | \$ 753,950 |
| ARRA Loan | 12/01/16 | \$ 60,239 | \$ 100,945 | \$ 161,183 |
| Total Water Revenue Debt Service | | \$ 6,262,339 | \$ 2,130,945 | \$ 8,393,283 |