

DEBT SERVICE

The city has five types of debt currently outstanding. The first are two general obligation bonds secured by the city's authority to levy property taxes. The second is a loan through the Oregon Economic and Community Development Department (OECDD), secured by current and future park system development charges collected by the city. The third is 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. The fourth is assessment bonds secured by installment payment contracts with property owners. Fifth, the city has a line of credit to pay for the planning stages of the city's water agreement with the City of Lake Oswego. It is anticipated that this line of credit will be paid off when revenue bonds are issued in FY 2011-12. 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:

	General Obligation	Loans	Build America Bond	Assessments	Line of Credit	Total
FY 11-12	2,195,950	282,710	949,058	193,418	6,000,000	9,621,135
FY 12-13	2,191,500	-	940,348	193,372	-	3,325,219
FY 13-14	2,193,700	-	925,768	148,415	-	3,267,883
FY 14-15	2,194,700	-	915,535	103,330	-	3,213,565
FY 15-16	2,194,500	-	904,433	103,397	-	3,202,329
FY 15-16 - 30- 31	25,716,875	-	3,508,653	391,162	-	29,616,690
	<u>\$36,687,225</u>	<u>\$282,710</u>	<u>\$ 8,143,793</u>	<u>\$ 1,133,094</u>	<u>\$6,000,000</u>	<u>\$52,246,821</u>

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

Legal Debt Limit

Oregon statutes limit local government debt to 3% of true cash value. The debt limit calculations excludes debt related to assessments, therefore only outstanding general obligation debt is subject to the limitation. The limit for FY 2011-12 will be \$217,807,537 based upon the estimated market value of \$7,260,251,256.

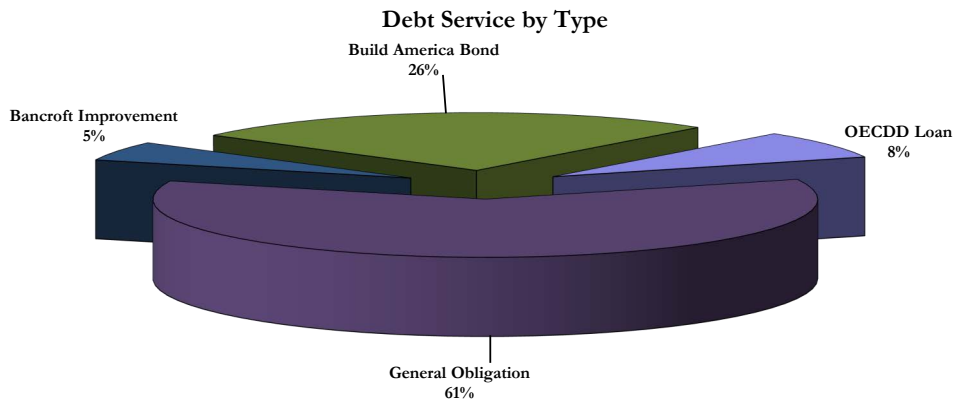
Future Debt Limit

At this time, the city intends to issue Water Revenue Bonds totaling approximately \$44.15 million in FY 2011-12, \$40.0 million in FY 2013-14 and \$41.34 million in FY 2014-15. These are the amount included in the approved Water Financing Plan.

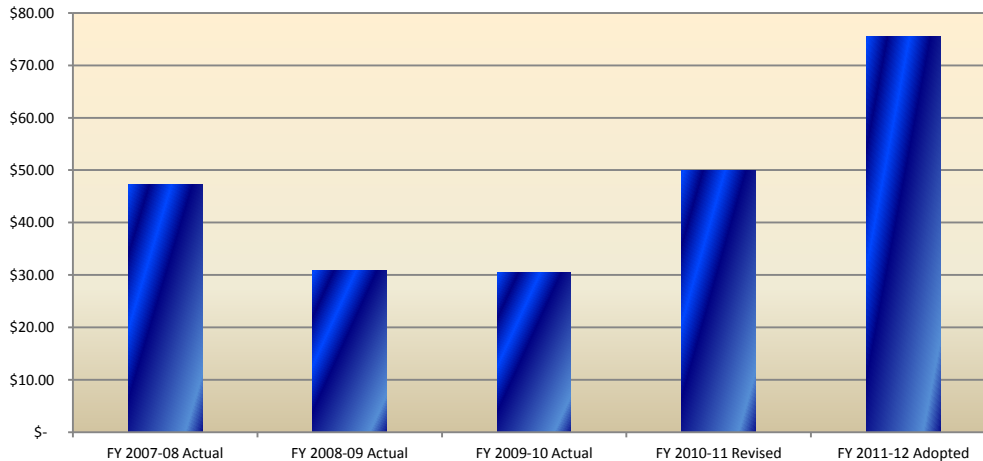
The following tables and graphs depict future debt service requirements in total and by debt service type. These figures also present schedules detailing required debt service expenditures for FY 2011-12.

DEBT SERVICE SUMMARY

		FY 2011-12 Debt Service
GENERAL OBLIGATION BONDS-		
Paid from property taxes	Parks Bond	\$1,294,536
	Library Bond	\$901,414
		<u>\$2,195,950</u>
OREGON ECONOMIC COMMUNITY DEVELOPMENT DEPARTMENT (OECD) LOAN-		
Paid from system development charges	Cook Park	\$282,710
		<u>\$282,710</u>
BUILD AMERICA BOND		
Paid primarily from Gas Tax and City Gas Tax	2010 Transportation Bond	\$949,058
		<u>\$949,058</u>
ASSESSMENTS - BANCROFT IMPROVEMENT BONDS		
Paid primarily from special assessments	2002 69th Avenue LID	103,410
	2003 Dartmouth Street LID	90,008
	Additional Bond Calls	0
		<u>\$193,418</u>
TOTAL 2011-12 DEBT SERVICE		<u>\$3,621,135</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	\$8,655,000	06/30/23	Property Taxes
Parks Bond	\$17,000,000	4.15%	02/03/11	\$17,000,000	06/01/31	Property Taxes
TOTAL GENERAL OBLIGATION BONDS OUTSTANDING				\$25,655,000		
OTHER DEBT						
Loans						
<i>Outstanding</i>						
Oregon Economic Community Development Dept. Cook Park	\$2,290,248	4.80%	01/23/02	\$270,925	01/01/12	Parks System Development Charges
TOTAL OTHER DEBTS OUTSTANDING				\$270,925		
SPECIAL ASSESSMENT BONDS						
69th Avenue Local Improvement District Series 2002	\$1,307,969	7.25%	06/27/02	\$661,223	01/01/20	Special Assessments
Dartmouth Street Local Improvement District Series 2003	\$1,947,678	3.90%	12/03/03	\$212,434	11/15/13	Special Assessments
TOTAL SPECIAL ASSESSMENT BONDS				\$873,657		
BUILD AMERICA BOND						
2010 Transportation Bonds	\$7,250,000	4.35%	06/21/10	\$6,645,000	06/01/20	Gas Tax, City Gas Tax, TIF, & TDT
TOTAL BUILD AMERICA BONDS				\$6,645,000		
GRAND TOTAL - CITY OF TIGARD DEBT OUTSTANDING				\$33,444,582		

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, 2011:	\$8,655,000

Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service
6/30/2012	3.00%	510,000	391,414	901,414
6/30/2013	3.00%	625,000	275,875	900,875
6/30/2014	3.00%	645,000	256,825	901,825
6/30/2015	3.00%	665,000	237,175	902,175
6/30/2016	3.00%	685,000	216,925	901,925
6/30/2017	3.00%	705,000	196,075	901,075
6/30/2018	3.00%	730,000	174,550	904,550
6/30/2019	4.00%	755,000	148,500	903,500
6/30/2020	4.00%	785,000	117,700	902,700
6/30/2021	4.00%	815,000	85,700	900,700
6/30/2022	4.00%	850,000	52,400	902,400
6/30/2023	4.00%	885,000	17,700	902,700
Total		\$8,655,000	\$2,170,839	\$10,825,839

DEBT SERVICE SCHEDULE
GENERAL OBLIGATION BOND—PARKS

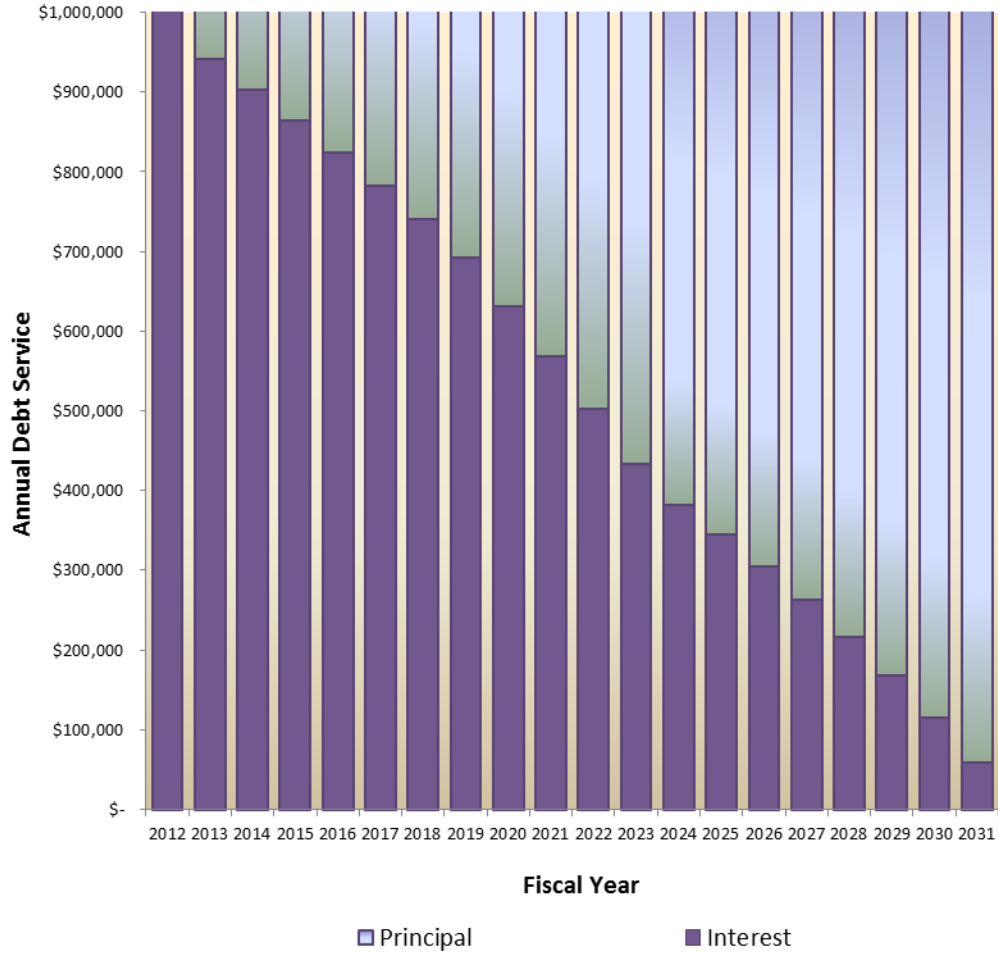
The Tigard Parks general obligation bond was authorized by voters on November 2, 2010. Bond proceeds will be used to purchase and develop parks in Tigard. At least 80 percent of the proceeds will be used to purchase land and the remainder can be used to develop parks. In addition, 10 percent can be used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

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

<u>Payment Due</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Debt Service</u>
12/1/2011			560,799	560,799
6/1/2012	3.00%	395,000	338,738	733,738
12/1/2012			332,813	332,813
6/1/2013	3.00%	625,000	332,813	957,813
12/1/2013			323,438	323,438
6/1/2014	3.00%	645,000	323,438	968,438
12/1/2014			313,763	313,763
6/1/2015	3.00%	665,000	313,763	978,763
12/1/2015			303,788	303,788
6/1/2016	3.00%	685,000	303,788	988,788
12/1/2016			293,513	293,513
6/1/2017	3.00%	705,000	293,513	998,513
12/1/2017			282,938	282,938
6/1/2018	3.00%	725,000	282,938	1,007,938
12/1/2018			272,063	272,063
6/1/2019	4.00%	750,000	272,063	1,022,063
12/1/2019			257,063	257,063
6/1/2020	4.00%	780,000	257,063	1,037,063
12/1/2020			241,463	241,463
6/1/2021	4.00%	810,000	241,463	1,051,463
12/1/2021			225,263	225,263
6/1/2022	4.00%	845,000	225,263	1,070,263
12/1/2022			208,363	208,363
6/1/2023	4.00%	875,000	208,363	1,083,363
12/1/2023			190,863	190,863
6/1/2024	4.00%	910,000	190,863	1,100,863
12/1/2024			172,663	172,663
6/1/2025	4.25%	950,000	172,663	1,122,663
12/1/2025			152,475	152,475
6/1/2026	4.25%	990,000	152,475	1,142,475
12/1/2026			131,438	131,438
6/1/2027	4.50%	1,030,000	131,438	1,161,438
12/1/2027			108,263	108,263
6/1/2028	4.50%	1,075,000	108,263	1,183,263
12/1/2028			84,075	84,075
6/1/2029	4.75%	1,125,000	84,075	1,209,075
12/1/2029			57,356	57,356
6/1/2030	4.75%	1,180,000	57,356	1,237,356
12/1/2030			29,331	29,331
6/1/2031	4.75%	1,235,000	29,331	1,264,331
Total		<u>\$17,000,000</u>	<u>\$8,861,386</u>	<u>\$25,861,386</u>

GENERAL OBLIGATION BOND-SUMMARY

Projected Annual Debt Service



FY 2011-12 debt service on the outstanding General Obligation Bonds is as follows:

General Obligation Bonds	Date	Interest	Principal	Total
2011A Issue - Parks Bond	12/01/11	\$560,799		\$560,799
	06/01/12	\$338,738	\$395,000	\$733,738
2002 Issue - Library Building	06/30/12	\$391,414	\$510,000	\$901,414
Total General Obligation Bond Debt Service		\$1,290,950	\$905,000	\$2,195,950

**DEBT SERVICE SCHEDULE
OECDD/COOK PARK EXPANSION**

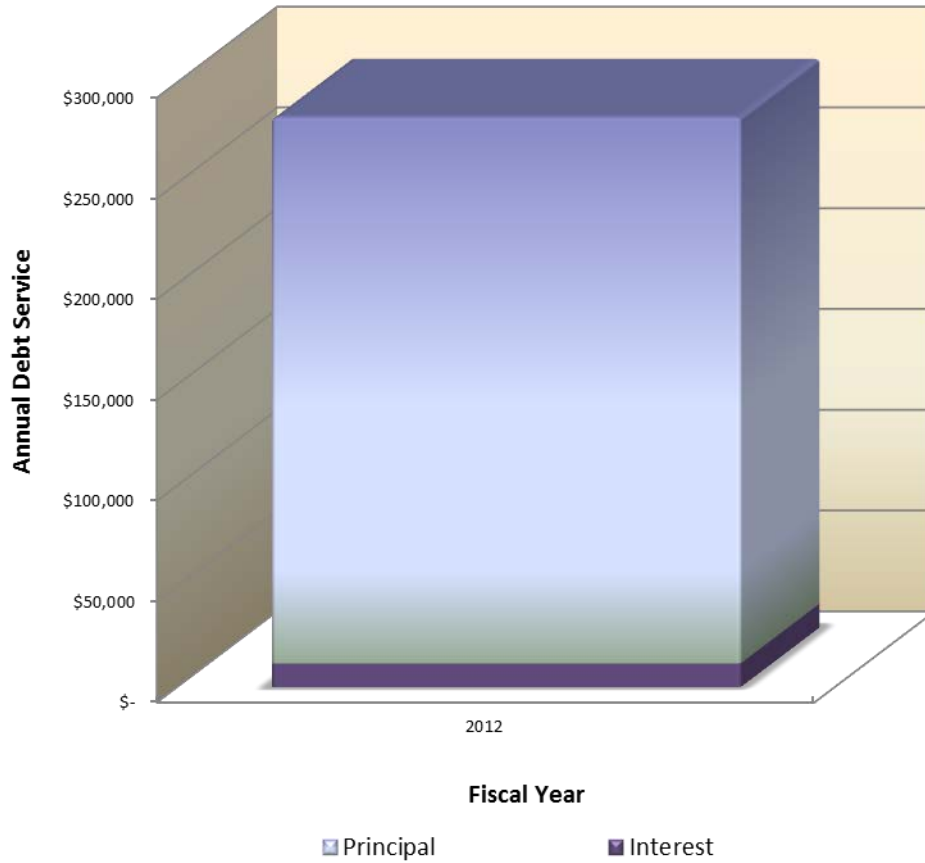
This loan through the Oregon Economic and Community Development Department (OECDD) was obtained in January 2002 and used to complete a major capital project to expand and improve park facilities at Cook Park. Improvements included a butterfly garden, two picnic shelters, a new playground, four sports fields, and wetland viewing gazebo. The loan was secured by current and future park system development charges collected by the city.

Amount Issued:	\$2,290,248
Issue Date:	1/23/2002
Original Issue True Interest Rate (TIC):	4.801%
Principal Outstanding as of July 1, 2011:	\$270,925

Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service
1/1/2012	4.35%	270,925	11,785	282,710
Total		\$270,925	\$11,785	\$282,710

OECD/COOK PARK EXPANSION-SUMMARY

Projected Annual Debt Service



FY 2011-12 debt service on the outstanding OECD/ Loan is as follows:

OECD/ Loan	Date	Interest	Principal	Total
Cook Park	01/01/2012	\$11,785	\$270,925	\$282,710
Total OECD/ Loan Debt Service		<u>\$11,785</u>	<u>\$270,925</u>	<u>\$282,710</u>

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 reimburses to Tigard 35% of the interest paid by the City (the BAB Subsidy). 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 only 2.83%.

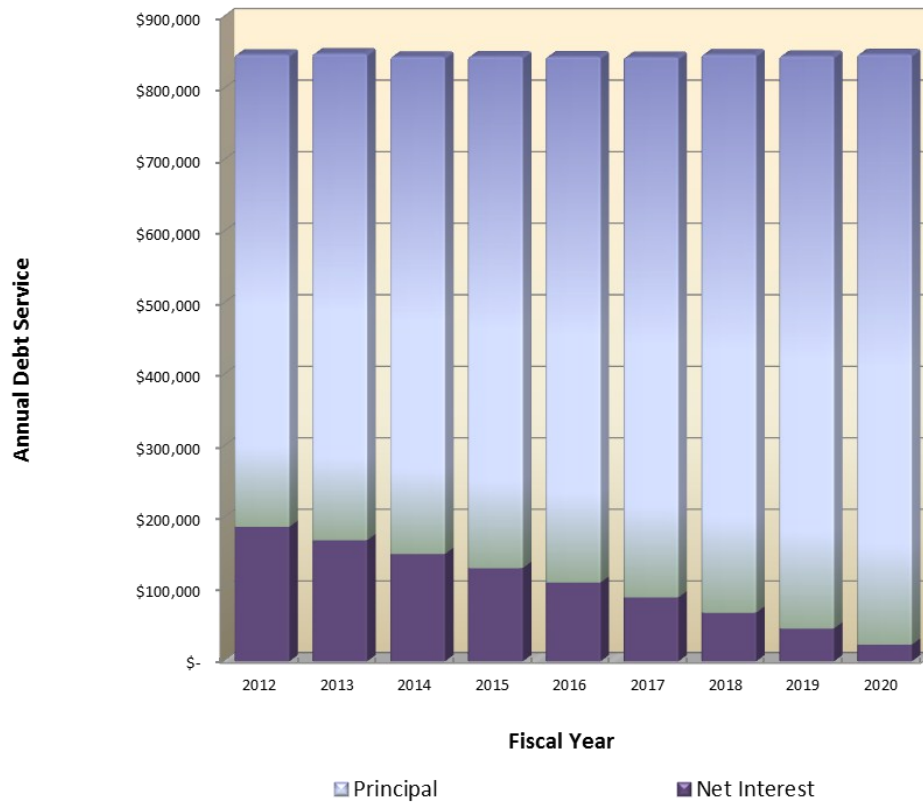
The bond was issued to pay for two projects - Burnham Street Reconstruction and the Greenburg Rd. / Main Street / Pacific Highway (Hwy 99) intersection. Of the \$7.25 million in proceeds, \$4.75 million (65.5%) is for the Burnham Street Reconstruction and will be repaid with Gas Tax Fund revenues. The 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, 2011:	\$6,645,000

Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service	BAB Subsidy	Net Debt Service	Resulting Net Interest Rate
12/1/2011	4.35%		144,528.75	144,528.75	50,585.06	93,943.69	2.83%
6/1/2012	4.35%	660,000	144,528.75	804,528.75	50,585.06	753,943.69	2.83%
12/1/2012	4.35%		130,173.75	130,173.75	45,560.81	84,612.94	2.83%
6/1/2013	4.35%	680,000	130,173.75	810,173.75	45,560.81	764,612.94	2.83%
12/1/2013	4.35%		115,383.75	115,383.75	40,384.31	74,999.44	2.83%
6/1/2014	4.35%	695,000	115,383.75	810,383.75	40,384.31	769,999.44	2.83%
12/1/2014	4.35%		100,267.50	100,267.50	35,093.63	65,173.87	2.83%
6/1/2015	4.35%	715,000	100,267.50	815,267.50	35,093.63	780,173.87	2.83%
12/1/2015	4.35%		84,716.25	84,716.25	29,650.69	55,065.56	2.83%
6/1/2016	4.35%	735,000	84,716.25	819,716.25	29,650.69	790,065.56	2.83%
12/1/2016	4.35%		68,730.00	68,730.00	24,055.50	44,674.50	2.83%
6/1/2017	4.35%	755,000	68,730.00	823,730.00	24,055.50	799,674.50	2.83%
12/1/2017	4.35%		52,308.75	52,308.75	18,308.06	34,000.69	2.83%
6/1/2018	4.35%	780,000	52,308.75	832,308.75	18,308.06	814,000.69	2.83%
12/1/2018	4.35%		35,343.75	35,343.75	12,370.31	22,973.44	2.83%
6/1/2019	4.35%	800,000	35,343.75	835,343.75	12,370.31	822,973.44	2.83%
12/1/2019	4.35%		17,943.75	17,943.75	6,280.31	11,663.44	2.83%
6/1/2020	4.35%	825,000	17,943.75	842,943.75	6,280.31	836,663.44	2.83%
Total		<u>\$6,645,000</u>	<u>1,498,792.50</u>	<u>8,143,792.50</u>	<u>524,577.36</u>	<u>7,619,215.14</u>	

TIGARD TRANSPORTATION BUILD AMERICA BOND SUMMARY

Projected Annual Net Debt Service



FY 2011-12 debt service on the outstanding 2010 Transportation Build America Bond is as follows:

2011 Transportation BAB	Date	Interest	Principal	Total	Net Interest	Net Total
Bond Payment	12/1/2011	\$144,529	\$0	\$144,529	\$93,944	\$93,944
Bond Payment	6/1/2012	\$144,529	\$660,000	\$804,529	\$93,944	\$753,944
Total 2011 Transportation BAB Debt Service		\$289,058	\$660,000	\$949,058	\$187,887	\$847,887

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 repayment 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, 2011:	\$661,223

<u>Payment Due</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Debt Service</u>
7/1/2011	7.25%	27,600	24,105	51,705
1/1/2012	7.25%	28,600	23,105	51,705
7/1/2012	7.25%	29,600	22,068	51,668
1/1/2013	7.25%	30,700	20,995	51,695
7/1/2013	7.25%	31,800	19,882	51,682
1/1/2014	7.25%	33,000	18,729	51,729
7/1/2014	7.25%	34,100	17,533	51,633
1/1/2015	7.25%	35,400	16,297	51,697
7/1/2015	7.25%	36,700	15,014	51,714
1/1/2016	7.25%	38,000	13,683	51,683
7/1/2016	7.25%	39,400	12,306	51,706
1/1/2017	7.25%	40,800	10,878	51,678
7/1/2017	7.25%	42,300	9,399	51,699
1/1/2018	7.25%	43,800	7,865	51,665
7/1/2018	7.25%	45,400	6,277	51,677
1/1/2019	7.25%	47,100	4,632	51,732
7/1/2019	7.25%	48,700	2,924	51,624
1/1/2020	7.25%	28,223	1,159	29,382
Total		\$661,223	\$246,850	\$908,073

DEBT SERVICE SCHEDULE
ASSESSMENT-DARTMOUTH LOCAL IMPROVEMENT DISTRICT - 2003

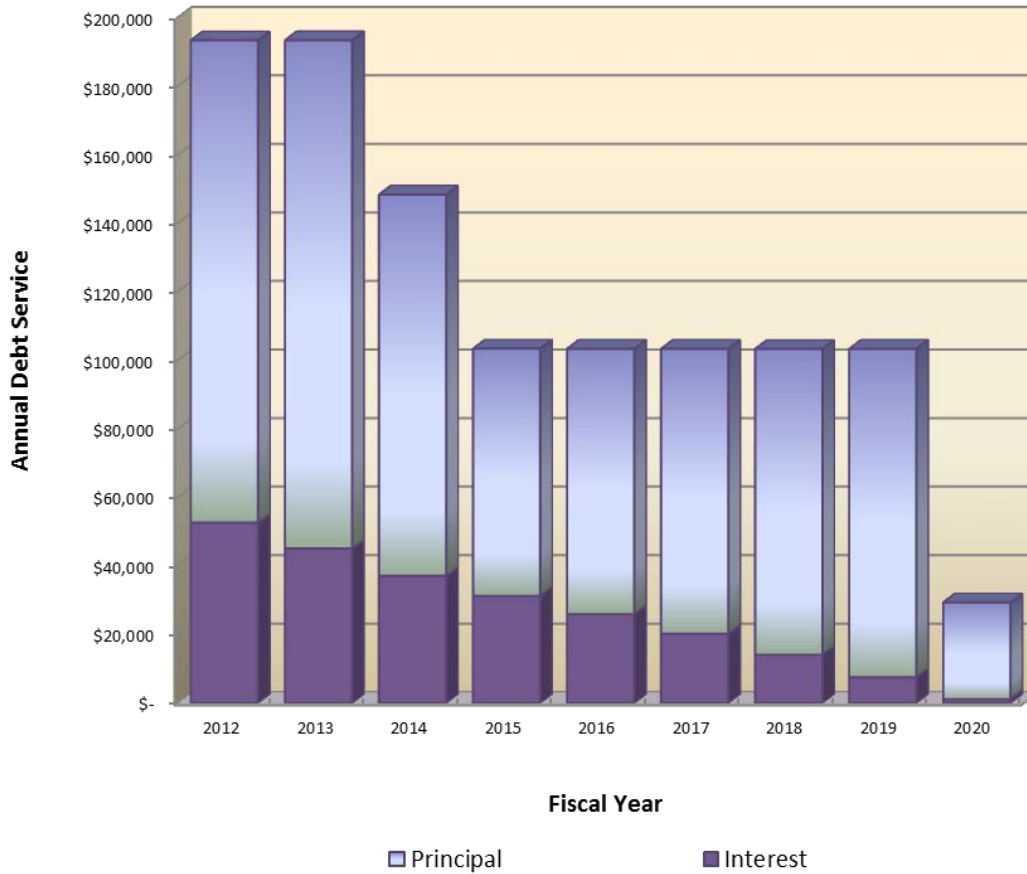
The Dartmouth Local Improvement District was finalized in 1998; however, two property owners had contested the assessment amounts. In September 2003, the court ruled in favor of the City of Tigard and the assessments stood. The source of revenue for repayment of the bonds are payments on installment contracts executed by benefited property owners. LID assessments are secured by liens on the benefited property.

Amount Issued:	\$1,947,678
Issue Date:	12/3/2003
Original Issue True Interest Rate (TIC):	3.900%
Principal Outstanding as of July 1, 2011:	\$212,434

<u>Payment Due</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Debt Service</u>
11/15/2011	3.90%	40,862	4,142	45,004
05/15/2012	3.90%	41,658	3,346	45,004
11/15/2012	3.90%	42,471	2,533	45,004
05/15/2013	3.90%	43,300	1,705	45,005
11/15/2013	3.90%	44,143	861	45,004
Total		<u>\$212,434</u>	<u>\$12,587</u>	<u>\$225,021</u>

ASSESSMENT-BANCROFT IMPROVEMENT BONDS SUMMARY

Projected Annual Debt Service



FY 2011-12 debt service on outstanding Bancroft Bonds is scheduled as follows:

Bancroft Bonds	Interest	Date	Principal	Total
2003 - Dartmouth Street	\$4,142	11/15/11	\$40,862	\$45,004
	\$3,346	05/15/12	\$41,658	45,004
2002 - 69th Ave LID	\$24,105	07/01/11	\$27,600	\$51,705
	\$23,105	01/01/12	\$28,600	51,705
Additional Bond Calls as Needed	\$0		\$0	\$0
Total Bonds	\$54,698		\$138,720	\$193,418
Total Bancroft Debt Service	<u>\$54,698</u>		<u>\$138,720</u>	<u>\$193,418</u>

