

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Port (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2025A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of Oregon personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2025A Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2025A Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2025A Bonds. See “Tax Matters.”



\$66,595,000

THE PORT OF PORTLAND (OREGON)
Portland International Airport Refunding Revenue Bonds
Series 2025A (Non-AMT)

Dated: Date of initial delivery**Due:** July 1, as shown on inside cover

The Port of Portland (the “Port”) is issuing its Portland International Airport Refunding Revenue Bonds, Series 2025A (Non-AMT) (the “Series 2025A Bonds”) to (i) refund all of the outstanding Portland International Airport Refunding Revenue Bonds, Series Twenty-Three (Non-AMT) and (ii) pay certain costs of issuing the Series 2025A Bonds. U.S. Bank Trust Company, National Association serves as the trustee, registrar and paying agent for the Series 2025A Bonds. Capitalized terms used on this cover page and not otherwise defined will have the meanings set forth herein.

The Series 2025A Bonds are issuable in denominations of \$5,000 and integral multiples thereof within a single maturity. Interest on the Series 2025A Bonds will be payable on each January 1 and July 1, commencing January 1, 2026, at the rates set forth on the inside cover pages of this Official Statement.

The Series 2025A Bonds are subject to redemption prior to their stated maturities as described herein.

When issued, the Series 2025A Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as initial securities depository for the Series 2025A Bonds. Purchases of beneficial interests in the Series 2025A Bonds will be made only in book-entry form. Purchasers will not receive certificates representing their interests in the Series 2025A Bonds, except as described herein. So long as DTC or its nominee is the registered owner of the Series 2025A Bonds, payments of principal of and interest on the Series 2025A Bonds will be made directly to DTC or to such nominee. Disbursements of such payments to DTC’s Direct Participants are the responsibility of DTC, and disbursements of such payments to the Beneficial Owners are the responsibility of the Direct Participants and the Indirect Participants, all as described herein.

The Series 2025A Bonds are payable solely from Net Revenues of the Airport that are available for deposit in the General Account and from money held in certain funds and accounts established pursuant to the Airport Revenue Bond Ordinances, all as described herein. The Series 2025A Bonds shall not, in any manner, or to any extent, be a general obligation of the Port, nor a charge upon any other revenues or property of the Port not specifically pledged thereto by the Airport Revenue Bond Ordinances. The Series 2025A Bonds are not secured by any tax revenues or taxing power of the Port or the State of Oregon or its agencies, instrumentalities, or political subdivisions.

This cover page contains certain information for general reference only. Investors must read the entire Official Statement, including all appendices hereto, to obtain information necessary to making an informed decision. Additionally, an investment in the Series 2025A Bonds involves certain risks. The Port’s ability to generate Net Revenues in an amount sufficient to pay debt service on the Series 2025A Bonds depends upon sufficient levels of aviation activity and passenger traffic at the Airport.

The Series 2025A Bonds are offered when, as and if issued, subject to the approval of the validity of the Series 2025A Bonds and certain other legal matters by Orrick Herrington & Sutcliffe LLP, Bond Counsel to the Port, and to certain other conditions. Certain legal matters will be passed upon for the Port by its General Counsel and for the Underwriter by its counsel, Kutak Rock LLP. Certain legal matters will be passed upon by Hawkins Delafield & Wood LLP as disclosure counsel to the Port. It is expected that delivery of the Series 2025A Bonds will be made through the facilities of DTC on or about September 16, 2025.

Jefferies

August 26, 2025



Above photos show the interior and exterior of the new Terminal Core at the Airport, which opened in August 2024.

\$66,595,000
THE PORT OF PORTLAND (OREGON)
Portland International Airport Refunding Revenue Bonds
Series 2025A (Non-AMT)

Due (July 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP No.[†] (735240)
2026	\$2,650,000	5.000%	2.250%	102.142	5E9
2027	4,015,000	5.000	2.290	104.727	5F6
2028	4,215,000	5.000	2.310	107.228	5G4
2029	4,430,000	5.000	2.370	109.479	5H2
2030	4,655,000	5.000	2.520	111.124	5J8
2031	4,885,000	5.000	2.710	112.194	5K5
2032	5,125,000	5.000	2.890	112.923	5L3
2033	5,385,000	5.000	3.050	113.428	5M1
2034	5,650,000	5.000	3.220	113.530	5N9
2035	5,935,000	5.000	3.400	113.226	5P4
2036	6,240,000	5.000	3.650	111.025 ^c	5Q2
2037	6,545,000	5.000	3.820	109.558 ^c	5R0
2038	6,865,000	5.000	3.950	108.452 ^c	5S8

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Port, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2025A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or the procurement of secondary market portfolio insurance or other similar enhancement by investors.

^c Priced to the par call date of July 1, 2035.

THE PORT OF PORTLAND
7200 NE Airport Way
Post Office Box 3529
Portland, Oregon 97208

Board of Commissioners

Katy Coba	President
Richelle Luther	Vice President
Katherine Lam	Treasurer
Ketan Sampat	Secretary
Rukaiyah Adams	Commissioner
Mike DeVaughn	Commissioner
Sam Johnson	Commissioner
Meg Niemi	Commissioner
Stuart Strader	Commissioner

Port Management

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Dan Pippenger	Chief Aviation Officer
Vince Granato	PDX Next Chief Projects Officer
Daniel Blaufus	General Counsel
Antoinette Chandler	Chief Financial Officer
Kimberly Branam	Chief Trade & Economic Development Officer
Mayra Arreola	Chief Shared Prosperity Officer
Dave Robertson	Chief Public Affairs Officer
Kristina Kelchner	Chief Development Services Officer

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Hawkins Delafield & Wood LLP

Disclosure Counsel

PFM Financial Advisors LLC

Municipal Advisor

Baker Tilly US LLP

Independent Auditors

U.S. Bank Trust Company, National Association

Trustee, Registrar and Paying Agent

No dealer, broker, salesperson or other person has been authorized by the Port or the Underwriter to give any information or to make any representations with respect to the Port, the Airport or the Series 2025A Bonds other than the information and representations contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any offer, solicitation or sale of the Series 2025A Bonds, by any person in any jurisdiction in which such offer, solicitation or sale is not authorized or in which the person making such offer, solicitation or sale is not qualified to do so or to any person to whom it is unlawful to make such offer, solicitation or sale.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information set forth in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Certain statements contained in this Official Statement, including the appendices, are not historical facts but are forecasts and “forward-looking statements.” No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words “estimate,” “forecast,” “project,” “anticipate,” “expect,” “intend,” “believe” and similar expressions are intended to identify forward-looking statements. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. All estimates, projections, forecasts, assumptions and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement. The Port specifically disclaims any obligation to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of this Official Statement, except to the extent expressly required by the Port’s continuing disclosure certificate described herein.

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 Port since the date of this Official Statement.

References to website addresses presented herein, including the website of the Port and the Airport and any other websites, are for informational purposes only for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

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Counsel

OFFICIAL STATEMENT

\$66,595,000

**THE PORT OF PORTLAND (OREGON)
Portland International Airport
Refunding Revenue Bonds
Series 2025A (Non-AMT)**

INTRODUCTION

General

This Official Statement, including the cover page, inside cover pages, table of contents and appendices, is being provided by The Port of Portland (the “Port”) to furnish information in connection with the issuance by the Port of its \$66,595,000 Portland International Airport Refunding Revenue Bonds, Series 2025A (Non-AMT) (the “Series 2025A Bonds”).

The Series 2025A Bonds are being issued to (i) refund all of the outstanding Portland International Airport Refunding Revenue Bonds, Series Twenty-Three (Non-AMT) (the “Series Twenty-Three Bonds”) and (ii) pay certain costs of issuing the Series 2025A Bonds. See “REFUNDING PLAN.”

Unless otherwise defined in this Official Statement, capitalized terms have the meanings set forth in the Airport Revenue Bond Ordinances described below. The definitions of certain terms used in the Airport Revenue Bond Ordinances and in this Official Statement are included in APPENDIX B.

The Port, a port district of the State of Oregon (the “State”), owns and operates the Portland International Airport (the “Airport”) and two general aviation airports. In addition to its aviation operations, the Port owns, operates, develops and/or maintains public maritime terminals, the dredge *Oregon* and other navigation equipment that it uses as a contractor to the U.S. Army Corps of Engineers (the “USACE”) to maintain the navigation channel on the lower Columbia and Willamette Rivers, and five business and industrial parks.

The Series 2025A Bonds are limited obligations of the Port and will not be secured by revenues or property of the Port not specifically pledged thereto by the Airport Revenue Bond Ordinances (defined below). The Series 2025A Bonds are not secured by any tax revenues or taxing power of the Port or the State or its agencies, instrumentalities or political subdivisions. The Port’s ability to generate Net Revenues in an amount sufficient to pay debt service on the Bonds depends upon sufficient levels of aviation activity and passenger traffic at the Airport.

The Airport

The Airport provides the greater Portland metropolitan area and the surrounding region of Northwest Oregon and Southwest Washington with scheduled passenger, cargo and charter air services and also serves as a general aviation facility. The Airport is primarily an origin and destination (“O&D”) airport and provides the only commercial air service in a seven-county air service area that includes five counties in Oregon and two counties in Southwest Washington.

The Series 2025A Bonds and SLBs

The Series 2025A Bonds are being issued pursuant to the provisions of Sections 778.145 through 778.175 and Chapter 287A of the Oregon Revised Statutes, as amended; Port Ordinance No. 155, enacted by the Board of Commissioners of the Port (the “Board”) on November 10, 1971, as amended, restated and supplemented (“Ordinance No. 155”); Port Ordinance No. 323, enacted by the Board on October 9, 1985, as amended, restated and supplemented (“Ordinance No. 323”); and Port Ordinance No. 484-B, enacted by the Board on July 9, 2025 and effective on August 8, 2025 (the “Series 2025A Ordinance”). The terms and administrative provisions of the Series 2025A Bonds are to be described in a Certificate of the Executive Director to be dated the date of delivery of the Series 2025A Bonds (the “Series 2025A Bond Certificate”).

Ordinance No. 155, Ordinance No. 323, and the Series 2025A Ordinance are referred to collectively in this Official Statement as the “Airport Revenue Bond Ordinances.” In the Airport Revenue Bond Ordinances, the Port has reserved the right to make a number of additional special amendments as described below. See “Security and Sources of Payment—*Special Amendments*” below.

In the Airport Revenue Bond Ordinances, the term “SLBs” refers to “Subordinate Lien Bonds,” but the Port no longer has any outstanding obligations secured by a pledge of Revenues prior to the pledge that secures the payment of SLBs and has covenanted in the Airport Revenue Bond Ordinances that it will not issue any obligations payable from Revenues or moneys in the General Account that have a claim prior to the claims of the SLBs and scheduled payments under any Qualified Swaps (“Scheduled Swap Obligations”). As a result, “SLBs” are now effectively senior lien bonds and include the outstanding SLBs, outstanding Parity Reimbursement Agreements, the Series 2025A Bonds, any Additional SLBs, including any new Scheduled Swap Obligations and any new Parity Reimbursement Agreements that may be issued or entered into in accordance with the Airport Revenue Bond Ordinances. To avoid confusion, this Official Statement uses the term “SLB” in place of the term “Subordinate Lien Bonds” which is used in the Airport Revenue Bond Ordinances.

The Series 2025A Bonds are being issued as “SLBs” under the Airport Revenue Bond Ordinances and are secured by a prior pledge of the Revenues of the Airport and of money in the SLB Fund (including the SLB Reserve Account) and the SLB Construction Account, on a parity with the pledge that secures payment of the Port’s outstanding SLBs. See “SECURITY AND SOURCES OF PAYMENT FOR THE SLBS—Pledge of Revenues.” As of July 2, 2025, \$2,477,505,000 aggregate principal amount of the Port’s SLBs were outstanding, of which, \$6,785,000 of Series Eighteen SLBs bears interest at variable interest rates.

U.S. Bank Trust Company, National Association, Portland, Oregon (the “Trustee”), serves as the trustee, registrar and paying agent for the SLBs, including the Series 2025A Bonds.

Security and Sources of Payment

Net Revenues. SLBs, including the Series 2025A Bonds, are payable solely from Net Revenues that are available for deposit in the General Account and from money in the SLB Fund (which includes the SLB Principal and Interest Account and the SLB Reserve Account) and from money in the SLB Construction Account, as defined and provided in the Airport Revenue Bond Ordinances. See “SECURITY AND SOURCES OF PAYMENT FOR THE SLBS—Pledge of Revenues” and “—Funds Under the Airport Revenue Bond Ordinances.” The Airport Revenue Bond Ordinances provide that the SLBs, including the Series 2025A Bonds, shall not, in any manner, or to any extent, be a general obligation of the Port, nor a charge upon any other revenues or property of the Port not specifically pledged thereto by the Airport Revenue Bond Ordinances. The Series 2025A Bonds are not secured by any tax revenues or taxing power of the Port or the State or its agencies, instrumentalities or political subdivisions.

Rate Covenant. Under the Airport Revenue Bond Ordinances, the Port has covenanted to impose rates, rentals, fees and other charges in connection with the Airport that produce Net Revenues in each Fiscal Year (the year ending June 30) at least equal to 130% of the SLB Debt Service Requirement for such Fiscal Year for all SLBs then Outstanding. See “SECURITY AND SOURCES OF PAYMENT FOR THE SLBS—Pledge of Revenues” and “—Rate Covenant.”

Additional SLBs and Parity Reimbursement Agreements. The Airport Revenue Bond Ordinances permit the Port to issue additional bonds and other obligations, including Scheduled Swap Obligations (collectively, “Additional SLBs”), and to enter into certain reimbursement agreements (“Parity Reimbursement Agreements”) that are secured by a pledge of Revenues and amounts in the SLB Fund and the SLB Construction Account that is on a parity with the pledge securing the Outstanding SLBs and the Series 2025A Bonds. Additional SLBs may be issued to pay Costs of Construction (as such term is defined in the Airport Revenue Bond Ordinances) of additions, expansions and improvements at the Airport and costs of acquisition and construction of General Aviation Airports and to refund SLBs. The Airport Revenue Bond Ordinances impose restrictions on issuing Additional SLBs and entering into Parity Reimbursement Agreements. See “SECURITY AND SOURCES OF PAYMENT FOR THE SLBS—Additional SLBs” and “—Parity Reimbursement Agreements.”

Special Amendments. In the Series 2025A Ordinance and in the Airport Revenue Bond Ordinances that authorized the outstanding SLBs, the Port reserved the right to make certain amendments to the Airport Revenue Bond Ordinances. By purchasing the Series 2025A Bonds, the Owners thereof will be deemed to have consented to all of the amendments reserved in the Series 2025A Ordinance and in the other Airport Revenue Bond Ordinances. See “SECURITY AND SOURCES OF PAYMENT FOR THE SLBS—Special Amendments.”

Continuing Disclosure

The Port has covenanted for the benefit of the holders of the Series 2025A Bonds to provide certain financial information and operating data and to give notices of certain events to assist the Underwriter in complying with the provisions of paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12. See “CONTINUING DISCLOSURE” below and the form of the Port’s Continuing Disclosure Certificate in APPENDIX E.

Additional Information

Brief descriptions of the Series 2025A Bonds, the Airport Revenue Bond Ordinances and certain other documents are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and agreements and to any other documents, statutes, reports or other instruments described herein are qualified in their entirety by reference to each such document, agreement, statute, report or other instrument. Section headings, table headings and captions are included for convenience only and should not be construed as modifying the text of this Official Statement. The information herein is 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 Port since the date hereof.

This Official Statement is not to be construed as a contract between the Port or the Board and the purchasers or Owners of any of the Series 2025A Bonds.

REFUNDING PLAN

Subject to market conditions, on the date of closing of the Series 2025A Bonds, the Port expects to apply a portion of the proceeds of the Series 2025A Bonds, together with Trustee-held funds, to currently redeem all of the outstanding Series Twenty-Three Bonds, as shown in the following table (the “Refunded Bonds”).

TABLE 1
SERIES TWENTY-THREE REFUNDED BONDS
FOR REDEMPTION ON DATE OF DELIVERY OF SERIES 2025A BONDS

Maturity Date (July 1)	Interest Rate	Redemption Date	Principal Amount to be Redeemed	CUSIP No. (735240) ⁽¹⁾
2026	5.000%	September 16, 2025	\$4,525,000	H55
2027	5.000	September 16, 2025	4,750,000	H63
2028	5.000	September 16, 2025	4,990,000	H71
2029	5.000	September 16, 2025	5,240,000	H89
2030	5.000	September 16, 2025	5,505,000	H97
2031	5.000	September 16, 2025	5,780,000	J20
2032	5.000	September 16, 2025	6,065,000	J38
2033	5.000	September 16, 2025	6,370,000	J46
2034	5.000	September 16, 2025	6,685,000	J53
2035	5.000	September 16, 2025	7,025,000	J61
2038 ⁽²⁾	5.000	September 16, 2025	23,250,000	J79
			<u>\$80,185,000</u>	

⁽¹⁾ CUSIP® numbers are provided for convenience of reference only. None of the Port, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

⁽²⁾ Term Bonds with sinking fund payments on July 1, 2036 and July 1, 2037.

Source: The Port.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds from proceeds of the Series 2025A Bonds and Trustee-held funds related to the Refunded Bonds.

Sources	
Principal Amount of Series 2025A Bonds	\$66,595,000.00
Original Issue Premium	6,913,201.60
Trustee-held Funds for Refunded Bonds ⁽¹⁾	8,108,893.69
Total Sources	<u>\$81,617,095.29</u>
Uses	
Redemption of Refunded Bonds	\$81,020,260.42
Costs of Issuance ⁽²⁾	596,834.87
Total Uses	<u>\$81,617,095.29</u>

⁽¹⁾ Includes funds held in the SLB Principal and Interest Account, and excess reserve funds released from the SLB Reserve Account.

⁽²⁾ Includes legal, municipal advisory, consulting, accounting, trustee and rating agency fees, printing, underwriter’s discount, additional proceeds, and other costs of issuing the Series 2025A Bonds.

Source: PFM Financial Advisors LLC.

THE SERIES 2025A BONDS

General

The Series 2025A Bonds will be dated the date of their delivery and, subject to prior redemption, will mature on July 1 in the years and principal amounts and bear interest at the rates set forth on the inside cover and immediately succeeding pages of this Official Statement. Interest on the Series 2025A Bonds will be payable on each January 1 and July 1 (or the next business day if January 1 or July 1 is not a business day), commencing January 1, 2026, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Airport Revenue Bond Ordinances provide that if the date for making any payment is not a business day, such payment may be made on the next succeeding business day and that no interest shall accrue on the payment so deferred.

The Series 2025A Bonds will be issuable only as fully-registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof within a single Series and maturity. The Series 2025A Bonds initially will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as initial securities depository for the Series 2025A Bonds. So long as the Series 2025A Bonds are in book-entry form, purchasers of Series 2025A Bonds will not receive certificates representing their interest in the Series 2025A Bonds purchased. See “DTC AND ITS BOOK-ENTRY ONLY SYSTEM” in APPENDIX D.

Neither the Port nor the Trustee has any responsibility or obligation to DTC Participants or to the persons for whom they act as nominee with respect to the Series 2025A Bonds regarding (1) the accuracy of any records maintained by DTC or any nominee or DTC Participants; (2) any notice which is permitted or required to be given to Owners of the Series 2025A Bonds under the Series 2025A Ordinance, including any notice of redemption; (3) the payment by DTC or any DTC participant of any amount with respect to principal of, premium, if any, or interest on the Series 2025A Bonds; or (4) any consent given or other action taken by DTC as the Owner.

Payment of Series 2025A Bonds

So long as the Series 2025A Bonds are in book-entry only form, payment of the principal of the Series 2025A Bonds will be made by wire transfer to DTC or its successor on the applicable maturity date or date fixed for redemption. Payment of interest on the Series 2025A Bonds will be made by wire transfer to DTC or its successor on the interest payment date or on the next business day if the interest payment date is not a business day.

The Series 2025A Bond Certificate provides that if the Series 2025A Bonds cease to be in book-entry form, then the payment of interest on the Series 2025A Bonds of a Series will be made by check or draft mailed (or at the request of the registered owner of \$1.0 million or more in aggregate principal amount of Series 2025A Bonds, by wire transfer to a U.S. bank) to the registered owner shown in the registration books of the Trustee at the close of business on the 15th day of the month preceding each interest payment date, and the principal of the Series 2025A Bonds shall be payable in lawful money of the United States of America upon surrender thereof at the principal office of the Trustee.

So long as the Series 2025A Bonds are in book-entry only form, all notices and payments required to be made or given to Owners of Series 2025A Bonds by the Trustee or the Port will be made and given only to DTC or its successor and not to participants or beneficial owners. Neither the Port nor the Trustee has any responsibility for notices and payments that are to be made or given by DTC or its successor to participants and beneficial owners. See “DTC AND ITS BOOK-ENTRY ONLY SYSTEM” in APPENDIX D.

Redemption of Series 2025A Bonds

Optional Redemption of Series 2025A Bonds. The Series 2025A Bonds that are stated to mature on or before July 1, 2035, are not subject to optional redemption prior to their stated maturity. The Series 2025A Bonds that are stated to mature on or after July 1, 2036, are subject to redemption prior to their stated maturities at the option of the Port, in whole or in part, on any date on or after July 1, 2035, at a redemption price equal to 100% of the principal amount of the Series 2025A Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption and without premium.

Selection of Series 2025A Bonds for Optional Redemption. The Series 2025A Bond Certificate provides that if fewer than all the Outstanding Series 2025A Bonds of any Series are to be redeemed at the option of the Port, the Trustee, upon written instruction from the Port, shall select the Series 2025A Bonds to be redeemed from the maturities selected by the Port and by lot within each such maturity; provided, that the portion of any Series 2025A Bond to be redeemed in part is to be in the principal amount of \$5,000 or any integral multiple thereof. The Series 2025A Bond Certificate provides that so long as Series 2025A Bonds are registered in book-entry only form, DTC or its successor is to select the Series 2025A Bonds for redemption in accordance with the operational arrangements then in effect. See “DTC AND ITS BOOK-ENTRY ONLY SYSTEM” in APPENDIX D.

Notice of Redemption. The Series 2025A Bond Certificate provides that so long as the Series 2025A Bonds are in book-entry only form, notice of redemption is to be given in accordance with DTC’s operational arrangements, not less than 20 days prior to the date fixed for redemption unless DTC consents to a shorter period. If the Series 2025A Bonds cease to be in book-entry only form, then notice of redemption is to be given by registered mail to all Owners of such Series 2025A Bonds to be redeemed, not less than 20 days prior to the date fixed for redemption. The Series 2025A Bond Certificate provides that failure to give any required notice of redemption as to any particular Series 2025A Bond or any defect therein will not affect the validity of the notice for redemption of any Series 2025A Bonds in respect of which no such failure or defect has occurred. The Series 2025A Bond Certificate also provides that any notice mailed as provided therein will be effective when sent and will be conclusively presumed to have been given whether or not actually received by any Owner.

Conditional Notice of Optional Redemption. Redemption notices in connection with optional redemption of any Series 2025A Bond may provide that unless money sufficient to pay the principal of and premium, if any, and interest to the date fixed for redemption on such Series 2025A Bond has been received by the Trustee prior to the giving of such notice of redemption, such notice may state that such redemption shall be conditional upon the receipt of such money by the Trustee on or prior to the date fixed for redemption. The Series 2025A Bond Certificate provides that if such money is not received, such optional redemption notice shall be of no force and effect, such Series 2025A Bond shall not be redeemed, the redemption price shall not be due and payable and that the Trustee will give notice, in the same manner in which the notice of redemption was given, that such money was not so received and that such Series 2025A Bond will not be redeemed.

Effect of Redemption. As provided in the Series 2025A Bond Certificate, interest on Series 2025A Bonds that have been called for optional redemption will cease to accrue on the date fixed for redemption so long as amounts sufficient to redeem those Series 2025A Bonds have been received by the Trustee on or before the date fixed for redemption. The Series 2025A Bond Certificate also provides that Series 2025A Term Bonds called for mandatory sinking fund redemption shall not bear interest after the date fixed for redemption, provided that funds are on hand with the Trustee or Paying Agent to redeem the same.

SECURITY AND SOURCES OF PAYMENT FOR THE SLBS

Pledge of Revenues

The Series 2025A Bonds are payable solely from the Net Revenues that are available for deposit in the General Account and from money in the SLB Fund and SLB Construction Account. Pursuant to the Airport Revenue Bond Ordinances, the Port has pledged to the payment of all Outstanding SLBs (including the Series 2025A Bonds) and to the payment of all Scheduled Swap Obligations: (1) all Revenues, (2) all money on deposit, from time to time, in the SLB Construction Account and (3) all money on deposit, from time to time, in the SLB Fund.

“Revenues” includes all income, receipts and moneys derived by the Port from its ownership or operation and management of the Airport or the furnishing and supplying of services, facilities and commodities thereof, including, among other things, all income, receipts and moneys derived from rates, rentals, fees and charges fixed, imposed and collected by the Port for the use and services of the Airport, but “Revenues” does not include (1) earnings or income from investments credited to the Airport Construction Fund; (2) proceeds from the sale of bonds or grants or gifts, the use of which is limited by the grantor or donor to the construction of capital improvements except to the extent that any such moneys shall be received as payments for the use of the Airport; (3) passenger facility charges or similar charges that are imposed under the authority of federal law and are limited by federal law to expenditure on specific projects or activities and/or on debt service and financing costs related to specific projects or activities (“PFCs”); or (4) customer facility charges (or any portion thereof) imposed by the Port for use of Airport rental car facilities and charged to customers who rent vehicles from rental car companies operating at or from the Airport (“CFCs”) that may be levied by the Port and collected by rental car companies from their customers; and in any event does not include tax revenues or tax-derived revenues. See “PORTLAND INTERNATIONAL AIRPORT—Sources of Funds for CIP Projects—*Customer Facility Charges*” below.

The term “Revenues” includes only revenues of the Airport and does not include any amounts received or to be received by the Port in connection with its other operations, including its maritime and industrial facilities and General Aviation Airports. See the definition of “Revenues” in APPENDIX B.

“Net Revenues” means for any past period the aggregate of the Revenues actually paid into the Airport Fund during such past period, and for any future period the aggregate of the Revenues estimated to be paid into the Airport Fund during such future period, minus for any such past period the aggregate of the Costs of Operation and Maintenance of the Airport actually paid or accrued during such past period, or minus for any such future period the aggregate of the Costs of Operation and Maintenance of the Airport estimated to be paid or accrued during such future period, as the case may be.

See the definitions of “Costs of Operation and Maintenance,” “Revenues” and “Net Revenues” in APPENDIX B.

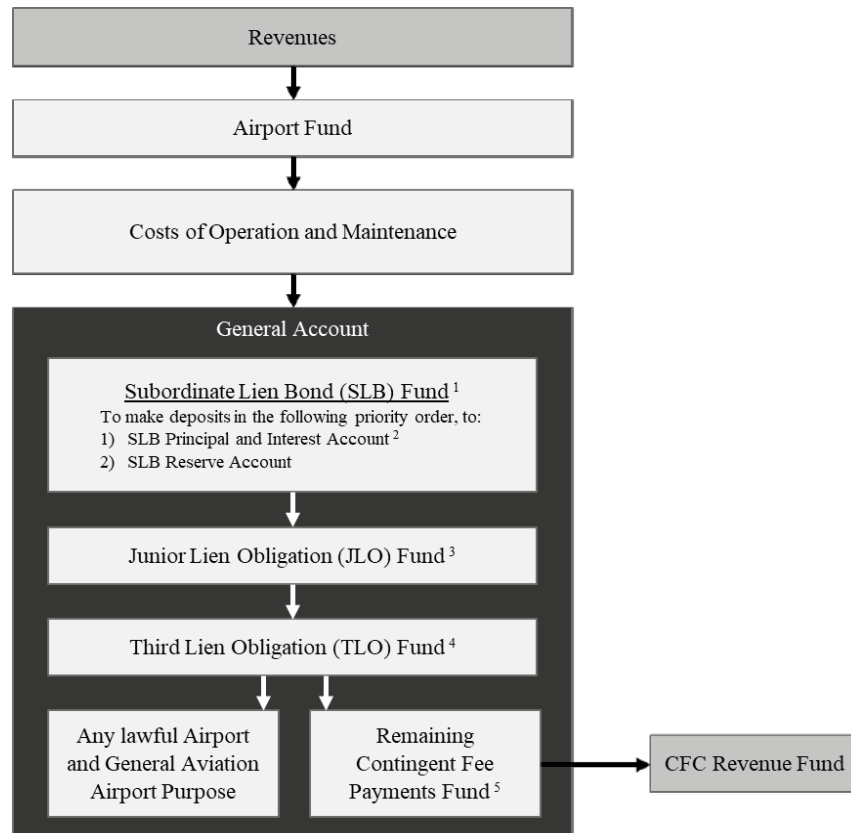
Limited Obligations

The Airport Revenue Bond Ordinances provide that the SLBs, including the Series 2025A Bonds, shall not, in any manner, or to any extent, be a general obligation of the Port, nor a charge upon any other revenues or property of the Port not specifically pledged thereto by the Airport Revenue Bond Ordinances. The Series 2025A Bonds are not secured by any tax revenues or taxing power of the Port or the State or its agencies, instrumentalities or political subdivisions.

Funds Under the Airport Revenue Bond Ordinances

Ordinance No. 155 and Ordinance No. 323 established certain funds and accounts and the priority for the flow of Revenues and certain other amounts to such funds and accounts, as illustrated by the following Flow of Funds Chart and further described below.

FLOW OF FUNDS CHART



(1) The SLB Fund is held by the Trustee.

(2) The Airport Revenue Bond Ordinances provide that in the event of a shortfall in the combined SLB Principal and Interest Account, the Trustee first would apply available amounts to pay, on a pro rata basis, interest on SLBs and any amounts due in respect of Scheduled Swap Obligations. There are currently no outstanding Scheduled Swap Obligations.

(3) The Port currently has no outstanding stand-alone bonds or interest rate swaps that are Junior Lien Obligations, but certain obligations under outstanding Parity Reimbursement Agreements are payable from the JLO Fund.

(4) The Board enacted Ordinance No. 463-CP on November 8, 2017, authorizing the issuance of up to \$300 million of its Third Lien Commercial Paper Notes, which constitute TLOs.

(5) Only amounts remaining in the General Account after giving effect to the disbursements to the SLB Fund, the JLO Fund, and the TLO Fund constitute Remaining Contingent Fee Payments. The Remaining Contingent Fee Payments are deposited into the Remaining Contingent Fee Payments Fund, as further described below. However, in no case will Remaining Contingent Fee Payments exceed the amount of Contingent Fee Payments received by the Port during the applicable period.

Source: Derived from Airport Revenue Bond Ordinances and the CFC Bond Ordinances.

Airport Fund. All Revenues of the Airport are required to be deposited into the Airport Fund, which is held and administered by the Port. Revenues credited to the Airport Fund must first be used and applied by the Port to the payment of the Costs of Operation and Maintenance of the Airport.

General Account; Flow of Funds. On the first business day of each month, after paying the Costs of Operation and Maintenance, the Port is required to credit the balance of the Revenues in the Airport Fund (which are the Net Revenues) to a separate account in the Airport Fund held by the Port (the “General Account”). The Port is required to credit Net Revenues in the General Account to the following Funds and Accounts in the following order of priority:

- FIRST: to the Trustee for deposit to the SLB Principal and Interest Account, until all required deposits to that account have been made;
- SECOND: to the Trustee for deposit to the SLB Reserve Account, until all required deposits to that account have been made;
- THIRD: to the Port for deposit in the Junior Lien Obligation Fund (the “JLO Fund”) described below, until all required deposits to that fund have been made; and
- FOURTH: to the Port for deposit in the Third Lien Obligation Fund (the “TLO Fund”) described below, until all required deposits to that fund have been made.

The Rental Car Concessionaires under the related Rental Car Concession Lease have agreed to make contingent fee payments (“Contingent Fee Payments”) to the Port if certain events occur, including, among other events, the Port determining that there is a current or upcoming deficiency in CFCs needed to make payments pursuant to the CFC Bond Ordinances (as defined below). Amounts remaining in the General Account, if any, after the credits described in FIRST through FOURTH above have been made, constitute Remaining Contingent Fee Payments (“Remaining Contingent Fee Payments”); provided, that in no case will Remaining Contingent Fee Payments exceed the amount of Contingent Fee Payments received by the Port during the applicable period. See “AGREEMENTS FOR USE OF AIRPORT FACILITIES—Rental Car Agreements” for the definitions of Rental Car Concessionaires and Rental Car Concession Lease.

Pursuant to Port Ordinance No. 466-B, enacted by the Board on February 13, 2019 (the “Series 2019 CFC Ordinance”), the Port has pledged any Remaining Contingent Fee Payments to the payment of the 2019 CFC Bonds, issued on April 24, 2019. On or before the first day of each month, the Port is required to set aside and pay into the Remaining Contingent Fee Payments Fund (the “Remaining Contingent Fee Payments Fund”) established pursuant to the Series 2019 CFC Ordinance any Remaining Contingent Fee Payments, and is required to immediately thereafter transfer all amounts in the Remaining Contingent Fee Payments Fund to the CFC Revenue Fund (as defined below) for application in accordance with the CFC Bond Ordinances. See “OTHER AIRPORT OBLIGATIONS—CFC Bonds” below.

Amounts remaining in the General Account (i) first, after the credits described in FIRST through FOURTH above have been made, and (ii) second, after the Remaining Contingent Fee Payments have been transferred to the Remaining Contingent Fee Payments Fund, may be used and applied by the Port for any other lawful use or purpose pertaining to the Airport or the aviation or air transport interests of the Port, including without limitation the General Aviation Airports and to pay or secure the payment of Special Obligation Bonds (as defined herein), if any, and for any other lawful use or purpose necessary to carry out the Airport Revenue Bond Ordinances, including making payments or credits to pay Costs of Operation and Maintenance of the Airport and making payments or credits to other funds or accounts.

Both General Aviation Airports are designated reliever airports for the Airport, and from time to time amounts remaining in the General Account are used to pay a portion of the capital and/or operating costs of the General Aviation Airports. See “—Special Amendments” below, “OTHER AIRPORT OBLIGATIONS—Special Obligation Bonds” and “—CFC Bonds” and “REGULATORY MATTERS—Airport Regulation.”

SLB Construction Account. Pursuant to the Airport Revenue Bond Ordinances, the Port created the SLB Construction Account to hold certain proceeds of SLBs. The SLB Construction Account is held by the Port. Money credited to the SLB Construction Account may be applied solely (1) to pay the Costs of Construction (as such term is defined in the Airport Revenue Bond Ordinances) of additions, expansions and improvements at the Airport (including capitalized interest), (2) to pay the costs of the acquisition and construction of General Aviation Airports or (3) to the payment of SLBs (including any Scheduled Swap Obligations). The Port is required to transfer money from the SLB Construction Account to the Trustee for deposit in the SLB Principal and Interest Account in accordance with the schedule contained in each Capitalized Interest Certificate, if any, relating to the applicable SLBs. Other withdrawals of money credited to the SLB Construction Account may be made only in accordance with applicable law and upon a written requisition for such payment signed by an officer or employee of the Port.

SLB Fund. The SLB Fund, which is held by the Trustee, consists of the SLB Principal and Interest Account and the SLB Reserve Account. See “SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT REVENUE BOND ORDINANCES—The SLB Fund” in APPENDIX B.

SLB Principal and Interest Account. The Port is required to set aside funds and pay such funds into the SLB Fund, from the first moneys available in the General Account, to the extent necessary to provide for the punctual payment of (1) the principal and interest and premium, if any, on the SLBs as and when the same become due, whether at maturity or by redemption or declaration as provided in the SLB Ordinance or otherwise; (2) any Scheduled Swap Obligations as and when the same become due; and (3) any Excess Principal as and when the same become due. The Airport Revenue Bond Ordinances provide that moneys in the SLB Fund shall be used solely for the payment of principal, interest and premium, if any, due on the SLBs, Scheduled Swap Obligations and Excess Principal, and provide that in the event of a shortfall in the SLB Principal and Interest Account, the Trustee is to apply available amounts first to pay, on a pro rata basis, interest on the SLBs and any amounts due in respect of Scheduled Swap Obligations.

In the case of SLBs, such as the Series 2025A Bonds, and any Qualified Swap for which interest or Scheduled Swap Obligations are due semi-annually or less frequently, the Port is required on the first business day of each month to transfer amounts in the General Account to the Trustee for deposit in the SLB Principal and Interest Account installments so that, together with other funds available or scheduled to be available therein, there will be sufficient money available to make such interest payments when due. In the case of SLBs and any Qualified Swap for which interest or Scheduled Swap Obligations are due more frequently than semi-annually, on the business day immediately preceding each interest payment date for such SLBs and each payment date for that Scheduled Swap Obligation, the Port is required to transfer amounts in the General Account to the Trustee for deposit in the SLB Principal and Interest Account so that, together with other funds available or scheduled to be available therein, there will be sufficient money available to make such payments when due. Payments received by the Port under an agreement to enter into a Qualified Swap and any regularly scheduled payment that is received by the Port (or the Trustee on behalf of the Port) from a Qualified Swap Provider under a Qualified Swap that exceeds the amount paid by the Port, are required be deposited in the SLB Principal and Interest Account. See “OTHER AIRPORT OBLIGATIONS” below.

The Port also is required, on the first business day of each month (commencing with the month that is 12 months prior to the first principal payment date of any SLB maturing serially or prior to the date on

which SLBs are subject to mandatory redemption), to pay to the Trustee, from moneys in the General Account for deposit in the SLB Principal and Interest Account, an amount such that, if the same amount were so credited to the SLB Principal and Interest Account in each succeeding month thereafter, prior to the next date upon which principal, if any, on the SLBs maturing serially becomes due or the next date upon which Subordinate Lien Term Bonds are subject to scheduled mandatory redemption (excluding any principal due as Excess Principal), the aggregate of the amounts on deposit in the SLB Principal and Interest Account will equal the amount of principal due on such SLBs on such principal payment date and/or mandatory redemption date.

SLB Reserve Account. The Airport Revenue Bond Ordinances require the Port to maintain in the SLB Reserve Account an amount equal to the maximum SLB Debt Service Requirement for all SLBs outstanding in any future Fiscal Year (as further described below, the “SLB Reserve Fund Requirement”), except that (1) the SLB Reserve Fund Requirement in respect of the SLBs of any Series may be funded initially in equal monthly installments over a period of not more than four years and (2) as described in the following paragraph, debt service reserve insurance may be substituted for any portion of the SLB Reserve Fund Requirement attributable to that series. The Airport Revenue Bond Ordinances provide that in the event that the balance in the SLB Reserve Account is reduced below the SLB Reserve Fund Requirement, on the first business day of each month, the Port will pay to the Trustee from Revenues in the General Account for deposit in the SLB Reserve Account, an amount equal to 20% of that month’s other deposits to the SLB Fund until the amount on deposit in the SLB Reserve Account is equal to the SLB Reserve Fund Requirement. The Port has reserved the right to amend the definition of “SLB Reserve Fund Requirement.” See “—Special Amendments.”

The Airport Revenue Bond Ordinances permit the Port to substitute debt service reserve insurance for any portion of the SLB Reserve Fund Requirement, provided that the insurance is issued by a company rated, at the time the insurance is issued, in the highest category by S&P Global Ratings (“S&P”), Moody’s Investors Service, Inc. (“Moody’s”), or their successors, or any insurer who holds the highest policyholder rating accorded insurers by A.M. Best & Co. or any comparable service. The Airport Revenue Bond Ordinances do not require the Port to replace sureties issued by companies that later are no longer rated in the highest rating category.

As shown in the table below, as of the date the Series 2025A Bonds will be issued, the SLB Reserve Account is funded with cash and existing surety bonds. As of the date the Series 2025A Bonds will be issued, the SLB Reserve Fund Requirement will be \$176,059,200, and 100% of the SLB Reserve Fund Requirement will be met with cash and securities.

TABLE 2
SLB RESERVE ACCOUNT

Provider	Expiration Date	Amount
National Public Finance Guarantee Corporation	July 1, 2026	\$13,423,219
National Public Finance Guarantee Corporation	July 1, 2028	10,770,756
National Public Finance Guarantee Corporation	July 1, 2028	3,490,190
Total Surety Bonds		\$27,684,165
Existing Cash and Securities ⁽¹⁾		\$176,059,200
Total Cash, Securities and Surety Bonds ⁽²⁾		\$203,743,365
SLB Reserve Fund Requirement		\$176,059,200

⁽¹⁾ Estimated value as of the Date of Delivery.

⁽²⁾ To the extent total amounts available in the SLB Reserve Account exceed the SLB Reserve Fund Requirement, the Airport Revenue Bond Ordinances permit the Airport to withdraw such amounts that exceed the SLB Reserve Fund Requirement.

Source: The Port.

Junior Lien Obligation Fund. The JLO Fund is held by the Port. The Port is required to set aside and pay into the JLO Fund from the first money available in the General Account after required payments to the SLB Fund (1) an amount sufficient, with other amounts available in the JLO Fund, to pay Other Swap Obligations; and (2) any amounts the Port agrees to deposit into the JLO Fund for the benefit of bonds or other obligations that have a lien on the Revenues that is subordinate to the lien of the Subordinate Lien Bonds and any Scheduled Swap Obligations, and are payable from amounts deposited in the JLO Fund (“Junior Lien Obligations”). The Port currently has no outstanding stand-alone bonds or interest rate swaps that are Junior Lien Obligations, but certain obligations under outstanding Parity Reimbursement Agreements are payable from the JLO Fund. See “SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT REVENUE BOND ORDINANCES—The JLO Fund” in APPENDIX B.

Third Lien Obligation Fund. The TLO Fund is held by the Port. The Port is required to set aside and pay into the TLO Fund from the first money available in the General Account after required payments to the SLB Fund and the JLO Fund (1) an amount sufficient, with other amounts available in the TLO Fund, to pay any Other TLO Swap Obligations when due; and (2) any amounts the Port subsequently agrees to deposit into the TLO Fund for the benefit of Third Lien Obligations. See “OTHER AIRPORT OBLIGATIONS—Third Lien Obligations” below and “SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT REVENUE BOND ORDINANCES—The TLO Fund” in APPENDIX B.

Remaining Contingent Fee Payments Fund. The Remaining Contingent Fee Payments Fund is held by the Port. On or before the first day of each month, the Port is required to set aside and pay into the Remaining Contingent Fee Payments Fund the Remaining Contingent Fee Payments, if any, and is required to immediately thereafter transfer all amounts in the Remaining Contingent Fee Payments Fund to the CFC Revenue Fund established under the CFC Bond Ordinances (the “CFC Revenue Fund”). The Remaining Contingent Fee Payments will be used by the Port to pay debt service on the 2019 CFC Bonds or to meet the requirements of the rate covenant under the CFC Bond Ordinances. See “OTHER AIRPORT OBLIGATIONS—CFC Bonds” below and “SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT REVENUE BOND ORDINANCES—Flow of Funds” in APPENDIX B.

Other Authorized Purposes. The Airport Revenue Bond Ordinances permit any Revenues remaining in the General Account after the transfers described above are made to be used by the Port for (1) any lawful use or purpose pertaining to the Airport or to the aviation or air transport interests of the Port, including the General Aviation Airports and to pay or secure the payment of Special Obligation Bonds (as defined herein), if any; and (2) any other lawful use or purpose necessary to carry out the Airport Revenue Bond Ordinances, including making payments or credits to pay Costs of Operation and Maintenance of the Airport and making payments or credits to other funds or accounts.

Rate Covenant

In the Airport Revenue Bond Ordinances, the Port has covenanted to impose and prescribe a schedule of rates, rentals, fees and other charges for the use and services of the facilities and commodities furnished by the Airport, to revise the same from time to time whenever necessary and to collect the income, receipts and other money derived therefrom, so that (1) Revenues will be sufficient to discharge all claims, obligations and indebtedness payable from or secured by the Revenues, (2) the Net Revenues in each Fiscal Year will be at least equal to 130% of the SLB Debt Service Requirement for such Fiscal Year for all SLBs then Outstanding and (3) the Net Revenues, together with other amounts that are available to pay Other Swap Obligations, are sufficient to pay all Other Swap Obligations and any Junior Lien Obligations when due.

The Port also covenanted in the Airport Revenue Bond Ordinances to impose and prescribe such schedule of rates, rentals, fees, and other charges for the use and services of the facilities and commodities

furnished by the Airport and to revise the same from time to time, whenever necessary and to collect the income, receipts and other moneys derived therefrom, so that the Net Revenues in each Fiscal Year will be at least equal to the sum of: (i) the amounts described in (2) of the paragraph above plus (ii) 100% of the Excess Principal coming due in such Fiscal Year. As defined in the Airport Revenue Bond Ordinances, “Excess Principal” means the principal amount of any Outstanding SLBs which, in accordance with any reimbursement agreement, or other agreement pursuant to which any Credit Facility is given in connection with such SLBs, is due and payable by the Port in a particular Fiscal Year (whether by virtue of scheduled maturity, mandatory redemption or any similar method), but only to the extent the principal amount of such SLBs, which is so due and payable in such Fiscal Year, exceeds the principal amount which in the absence of the provisions of such reimbursement agreement, or other agreement referred to above, would otherwise be due and payable in such Fiscal Year (whether by scheduled maturity or mandatory redemption). The Port has reserved the right, however, to delete provisions relating to “Excess Principal” and to amend the definition of “SLB Debt Service Requirement.” See “—Special Amendments.”

In determining the Port’s compliance with the required coverage tests, non-cash, unrealized gains, losses, expenses and/or revenues, including the fair value of Qualified Swaps, Qualified TLO Swaps, other swap agreements or other derivative products are to be disregarded. See “FINANCIAL INFORMATION – Table 15 Historical Financial Performance” below and the definitions of “Revenues” and “SLB Debt Service Requirement” in APPENDIX B.

Additional SLBs

The Port has covenanted in the Airport Revenue Bond Ordinances not to issue any obligations payable from the Revenues or money in the General Account that have a claim prior to the claim of the SLBs. The Airport Revenue Bond Ordinances permit the Port to issue Additional SLBs to pay Costs of Construction of additions, expansions and improvements at the Airport and to pay costs of the acquisition and construction of General Aviation Airports. The Airport Revenue Bond Ordinances provide, however, that except in the case of certain refunding SLBs the Port may issue Additional SLBs only if, among other requirements, there is provided to the Trustee:

(1) a certificate of an Assistant Secretary of the Port to the effect that, for either the Port’s most recent complete Fiscal Year or for any consecutive 12 out of the most recent 18 months, Net Revenues were equal to at least 130% of the SLB Debt Service Requirement on all then Outstanding SLBs for such period; and

(2) either:

(a) a written report of an Airport Consultant setting forth projections which indicate (i) the estimated Net Revenues for each of three consecutive Fiscal Years beginning in the earlier of (A) the first Fiscal Year following the estimated date of completion and initial use of all revenue-producing facilities to be financed with such Series of SLBs, based upon a certified written estimated completion date by the consulting engineer for such facility or facilities, or (B) the first Fiscal Year in which the Port will have scheduled payments of interest on or principal of the Series of SLBs to be issued for the payment of which provision has not been made as indicated in the report of such Airport Consultant from proceeds of such Series of SLBs, investment income thereon or from other appropriated sources (other than Net Revenues) and (ii) that the estimated Net Revenues for each Fiscal Year are equal to at least 130% of the SLB Debt Service Requirements on all SLBs scheduled to occur during that Fiscal Year after taking into consideration the additional SLB Debt Service Requirements for the Series of SLBs to be issued; or

(b) a certificate of an Assistant Secretary of the Port to the effect that, for either the Port's most recent complete Fiscal Year or for any consecutive 12 out of the most recent 18 months, Net Revenues were equal to at least 130% of the maximum SLB Debt Service Requirement on all Outstanding SLBs on any future Fiscal Year and the Series of SLBs proposed to be issued.

The Airport Revenue Bond Ordinances provide that in determining the Port's compliance with the required coverage tests, non-cash, unrealized gains, losses, expenses and/or revenues, including the fair value of Qualified Swaps, Qualified TLO Swaps, other swap agreements or other derivative products are to be disregarded.

The Airport Revenue Bond Ordinances provide that if the Series of Additional SLBs is being issued for the purpose of refunding previously-issued SLBs, the certifications described above are not required unless the aggregate debt service payable on the refunding SLBs exceeds the aggregate debt service payable on the SLBs which are being refunded, but that if the Additional SLBs are being issued to refund Short Term-Demand Obligations, the certifications described in paragraph (1) above are required. The Series 2025A Bonds are being issued for the purpose of refunding previously-issued SLBs (the Refunded Bonds) and the aggregate debt service payable on the Series 2025A Bonds is not expected to exceed the aggregate debt service payable on the Refunded Bonds, and therefore, the certifications described above will not be required to be delivered.

The Port also may issue Completion Bonds (as defined in the Airport Revenue Bond Ordinances) and certain refunding bonds without demonstrating compliance with debt service coverage tests. The Port currently has no plans to issue Additional SLBs for new capital projects through Fiscal Year 2030. See "PORTLAND INTERNATIONAL AIRPORT—Airport Capital Improvement Program" below and "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT REVENUE BOND ORDINANCES—Additional SLBs" in APPENDIX B.

Parity Reimbursement Agreements

The Port may enter into a Parity Reimbursement Agreement, which constitutes an SLB, only if: (1) the agreement requires the Port to repay amounts paid by the provider under the related Liquidity Facility or Credit Facility in substantially equal annual amounts over a period of no less than five years; and (2) the obligations of the Port under the agreement are not subject to acceleration unless all SLBs are accelerated or subject to tender. The limitation described in clause (1) of the preceding sentence does not apply to the Port's obligation to pay the provider of the Liquidity Facility or Credit Facility for (a) amounts advanced by the provider to pay scheduled interest or principal payments on SLBs under a "direct-pay" Liquidity Facility or Credit Facility and that are required to be repaid by the Port within five business days; (b) interest required to be paid by the Port on amounts drawn under the Liquidity Facility or Credit Facility; or (c) fees and expenses of the provider of the Liquidity Facility or Credit Facility. Fees and expenses due under a Parity Reimbursement Agreement are to be treated as Costs of Operation and Maintenance of the Airport. Other amounts that may become payable under reimbursement agreements but that do not qualify as "Parity Reimbursement Agreement" obligations or (in the case of fees and expenses) as Costs of Operation and Maintenance may be Junior Lien Obligations or Third Lien Obligations. See "OTHER AIRPORT OBLIGATIONS—Parity Reimbursement Agreements," "—Junior Lien Obligations" and "—Third Lien Obligations" and "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT REVENUE BOND ORDINANCES—Parity Reimbursement Agreements" in APPENDIX B.

Special Amendments

The Port has reserved the right in the Airport Revenue Bond Ordinances, without additional consent of the Owners of the Series 2025A Bonds, to make the following changes to the Airport Revenue Bond

Ordinances; provided that such amendments are then permitted by law and that any required consents from credit and liquidity facility providers, swap providers and surety bond providers are obtained. By purchasing the Series 2025A Bonds, the Owners of the Series 2025A Bonds are deemed to have consented to all of the amendments described below and in APPENDIX B.

(a) To amend the definition of “Airport” to add any facilities operated by the Port whether or not such facilities are related to aviation. Effecting this amendment would require, among other things, changes in federal laws and regulations regarding the use of airport revenues.

(b) To provide that the Airport Fund (other than the SLB Fund) may be invested in any securities that are legal investments for the Port under the laws of the State.

(c) To provide that the SLB Fund may be invested only in Investment Securities, and to define Investment Securities to include those securities that are then typically permitted for the investment of debt service and the reserve funds of revenue bonds that have credit ratings similar to the credit ratings then in effect for the SLBs.

(d) To permit the Port’s obligations under derivative products (including interest rate swaps, collars, hedges, caps and similar transactions) to be treated as SLBs and to make other changes which are desirable in order to permit use of derivative products in connection with SLBs.

(e) To permit obligations that are subordinate to the SLBs to be issued for any lawful Port purpose.

(f) To provide that balloon obligations will be treated as if they were refinanced with long-term obligations for purposes of calculating the SLB Debt Service Requirement and making certain deposits to the SLB Fund.

(g) To provide that any “put” or other right of Owners to require the purchase of SLBs shall not be treated as a maturity or mandatory redemption and may be ignored when calculating the SLB Debt Service Requirement and the amounts to be deposited to the SLB Fund, but only if bond insurance, a line or letter of credit, a standby bond purchase agreement or other liquidity or credit enhancement is in effect which is expected to pay for the purchase of the SLBs when the Owners exercise that right, if the SLBs are not remarketed or refunded.

(h) To provide that certain amounts in the SLB Serial Bond Principal Account and SLB Term Bond Principal Account (now part of the combined SLB Principal and Interest Account) may be used for redemption or purchase for cancellation of SLBs.

(i) To reduce the SLB Reserve Fund Requirement to an amount equal to the maximum amount of proceeds of tax-exempt bonds which the Code permits to be deposited in a reserve account without yield restriction, and to specify either that separate reserve accounts will be held for each Series of SLBs, or that a single reserve account will secure all Series of SLBs.

(j) To modify the requirements for funding the Rebate Account or to eliminate the Rebate Account.

(k) To combine Ordinance No. 155 and Ordinance No. 323, to delete outdated provisions, to delete provisions that interfere with the business operations of the Port but that do not provide substantial security for owners of SLBs, to clarify and simplify the remaining

provisions, to substitute modern, more flexible provisions, and to restate those amended ordinances as a single ordinance.

(l) To amend the definition of “SLB Debt Service Requirement” so that for purposes of calculating compliance with the Port’s rate covenants, the amount of principal and/or interest on SLBs and/or the amount of Scheduled Swap Obligations paid or to be paid from moneys not then included in the definition of “Revenues” or “Net Revenues” shall be disregarded and not included in any calculation of “SLB Debt Service Requirement.”

(m) To amend Ordinance No. 323 to provide that for purposes of determining compliance with the provisions of Ordinance No. 323 relating to Additional SLBs, the amount of passenger facility charges, customer facility charges, state and federal grants or other payments and/or other moneys that are not then included in the definition of “Revenues” or “Net Revenues” but that are committed irrevocably to the payment of debt service on SLBs and to the payment of Scheduled Swap Obligations or that are held by the Trustee for the sole purpose of paying debt service on SLBs and paying Scheduled Swap Obligations may be disregarded and not included in the calculation of SLB Debt Service Requirement for the period in which such amounts are irrevocably committed or are held by the Trustee.

(n) To permit all or a portion of the Remaining Balance to be taken into account as “Revenues” when determining compliance by the Port with its rate covenants. For this purpose, “Remaining Balance” means for any Fiscal Year the amount of unencumbered funds on deposit or anticipated to be on deposit on the first day of such Fiscal Year in the General Account (after all deposits and payments required to be made into the SLB Fund, the JLO Fund and the TLO Fund under Ordinance No. 323 have been made as of the last day of the immediately preceding Fiscal Year). The Port could, but would not be required to, limit the amount of Remaining Balance that is included for this purpose.

(o) To permit the application of proceeds received from the sale of SLBs or of Junior Lien Obligations to make termination payments incurred in connection with terminating swap agreements or other derivative products.

(p) To delete the provision in Ordinance No. 323 relating to the subordination of a Credit Facility Provider’s right to receive payment of any Excess Principal to the payment of all principal coming due on all other Subordinate Lien Bonds, and to remove all other references in the Airport Revenue Bond Ordinances to “Excess Principal.”

By purchasing the Series 2025A Bonds, the Owners of the Series 2025A Bonds are deemed to have consented to all of the amendments described in the preceding paragraphs, and the Port may subsequently make any of those amendments without the consent of the Owners of the Series 2025A Bonds. The Port cannot predict when or whether all of the remaining special amendments will become effective. See “SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT REVENUE BOND ORDINANCES—Amendments of the Airport Revenue Bond Ordinances” in APPENDIX B.

OUTSTANDING SLB SERIES AND DEBT SERVICE

Outstanding SLB Series

The table below identifies the SLBs issued and currently outstanding as of the date of delivery of the Series 2025A Bonds, including the principal amount outstanding of each series.

TABLE 3
PORT OF PORTLAND
OUTSTANDING SLBS
(as of the Date of Delivery of the Series 2025A Bonds)

Series	Dated Date	Final Maturity	Principal Amount
Series Eighteen A (Refunding)	June 11, 2008	July 1, 2026	\$3,390,000
Series Eighteen B (Refunding)	June 11, 2008	July 1, 2026	3,395,000
Series Twenty-Three (Refunding) ⁽¹⁾	March 31, 2015	July 1, 2038	80,185,000
(Less Refunded Bonds)			(80,185,000)
Series Twenty-Four A	January 25, 2017	July 1, 2047	21,965,000
Series Twenty-Four B	January 25, 2017	July 1, 2047	182,820,000
Series Twenty-Five A	April 24, 2019	July 1, 2049	21,825,000
Series Twenty-Five B	April 24, 2019	July 1, 2049	171,205,000
Series Twenty-Six A (Refunding)	April 24, 2020	July 1, 2040	8,930,000
Series Twenty-Six B (Refunding)	April 24, 2020	July 1, 2040	13,260,000
Series Twenty-Six C (Refunding)	April 24, 2020	July 1, 2028	17,420,000
Series Twenty-Seven A	September 30, 2020	July 1, 2050	289,535,000
Series Twenty-Eight	February 17, 2022	July 1, 2052	508,025,000
Series Twenty-Nine	March 21, 2023	July 1, 2053	566,120,000
Series Thirty A	August 15, 2024	July 1, 2054	518,260,000
Series Thirty B	August 15, 2024	July 1, 2044	71,170,000
Series 2025A (Refunding) ⁽²⁾	September 16, 2025	July 1, 2038	66,595,000
Total SLBs Outstanding			\$2,463,915,000

⁽¹⁾ All of the outstanding Series Twenty-Three Bonds are expected to be redeemed on the Date of Delivery, with proceeds of the Series 2025A Bonds and certain Trustee-held funds. See “REFUNDING PLAN” for more information.

⁽²⁾ The Series 2025A Bonds are being issued for the purposes described above under “REFUNDING PLAN.”

Source: The Port.

The Port has also issued or incurred Airport Parity Reimbursement Agreements, Junior Lien Obligations, Third Lien Obligations, CFC Bonds, PFC Bonds and one outstanding Series of Special Obligation Bonds. See “OTHER AIRPORT OBLIGATIONS” below.

Scheduled Debt Service Requirements

The scheduled annual debt service requirements for the SLBs, rounded to the nearest dollar, are set forth in the following table.

TABLE 4
SLB DEBT SERVICE SCHEDULE

Fiscal Year End ing June 30 ⁽¹⁾	Total Outstanding SLB Debt Service ⁽²⁾⁽³⁾⁽⁴⁾	Series 2025A Bonds Debt Service		Total Series 2025A Bonds Debt Service	Total SLB Debt Service ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾
		Series 2025A Bonds Principal	Series 2025A Bonds Interest		
2026	\$149,553,418	\$2,650,000	\$2,636,052	\$5,286,052	\$154,839,470
2027	151,733,817	4,015,000	3,197,250	7,212,250	158,946,067
2028	154,050,450	4,215,000	2,996,500	7,211,500	161,261,950
2029	168,826,450	4,430,000	2,785,750	7,215,750	176,042,200
2030	168,822,200	4,655,000	2,564,250	7,219,250	176,041,450
2031	168,834,950	4,885,000	2,331,500	7,216,500	176,051,450
2032	168,846,950	5,125,000	2,087,250	7,212,250	176,059,200
2033	168,825,950	5,385,000	1,831,000	7,216,000	176,041,950
2034	168,825,950	5,650,000	1,561,750	7,211,750	176,037,700
2035	168,828,300	5,935,000	1,279,250	7,214,250	176,042,550
2036	168,823,050	6,240,000	982,500	7,222,500	176,045,550
2037	168,827,150	6,545,000	670,500	7,215,500	176,042,650
2038	168,831,850	6,865,000	343,250	7,208,250	176,040,100
2039	168,818,400	-	-	-	168,818,400
2040	168,832,963	-	-	-	168,832,963
2041	166,843,138	-	-	-	166,843,138
2042	166,855,875	-	-	-	166,855,875
2043	166,851,875	-	-	-	166,851,875
2044	171,403,663	-	-	-	171,403,663
2045	165,133,038	-	-	-	165,133,038
2046	165,150,425	-	-	-	165,150,425
2047	165,149,613	-	-	-	165,149,613
2048	149,584,100	-	-	-	149,584,100
2049	139,909,675	-	-	-	139,909,675
2050	125,928,600	-	-	-	125,928,600
2051	106,331,200	-	-	-	106,331,200
2052	106,334,200	-	-	-	106,334,200
2053	73,410,450	-	-	-	73,410,450
2054	36,848,025	-	-	-	36,848,025
Total ⁽⁵⁾	\$4,387,015,725	\$66,595,000	\$25,266,802	\$91,861,802	\$4,478,877,527

⁽¹⁾ Payments due on July 1 are shown as being made in the prior Fiscal Year.

⁽²⁾ Assumes an interest rate of 6.0% per annum on the Series Eighteen Bonds.

⁽³⁾ Net of capitalized interest.

⁽⁴⁾ Excludes the debt service related to the Refunded Bonds. See "REFUNDING PLAN."

⁽⁵⁾ Amounts may not add due to rounding.

Source: Port records.

OTHER AIRPORT OBLIGATIONS

Parity Reimbursement Agreements

In June 2008, the Port issued \$138,890,000 aggregate principal amount of its variable-rate Portland International Airport Refunding Revenue Bonds, Series Eighteen, which as of July 2, 2025 were outstanding in the aggregate principal amount of \$6,785,000 (the "Series Eighteen Bonds"). The Series Eighteen Bonds are scheduled to mature on July 1, 2026. The Series Eighteen Bonds were issued in two subseries. Payment of the principal and interest and payment of the purchase price of the

Series Eighteen Bonds that are tendered for purchase, and not remarketed, are secured by two irrevocable, direct-pay letters of credit (each, a “Series Eighteen Letter of Credit”). In connection with the issuance of the Series Eighteen Letters of Credit, the Port and the Industrial and Commercial Bank of China Limited, New York Branch (the “Series Eighteen Bank”) entered into two Reimbursement Agreements, each dated as of August 1, 2016, and each as amended by a First Amendment to the Reimbursement Agreement dated August 5, 2021 (collectively, the “Original Reimbursement Agreements”).

Prior to the expiration of the outstanding letters of credit issued by the Series Eighteen Bank, the Port and the Series Eighteen Bank executed two Second Amendments to the Reimbursement Agreement dated November 15, 2023 (the “Second Amendments” and together with Original Reimbursement Agreements, the “Series Eighteen Reimbursement Agreements”). The Series Eighteen Reimbursement Agreements provide that the Port’s obligations to reimburse the Series Eighteen Bank for draws under the Series Eighteen Letters of Credit to pay scheduled principal and interest are payable from the Net Revenues deposited with the SLB Fund on a parity with the Series Eighteen Bonds and are SLBs for purposes of the Airport Revenue Bond Ordinances. Other payments required to be made under the Series Eighteen Reimbursement Agreements constitute Junior Lien Obligations. Consistent with the maturity of the Series Eighteen Bonds, each current Series Eighteen Letter of Credit expires on July 1, 2026, subject to prior termination under certain conditions. See “CERTAIN INVESTMENT CONSIDERATIONS—Credit Risk of Financial Institutions Providing Credit Enhancement and Other Financial Products Relating to Airport Bonds.”

Junior Lien Obligations

The Port is not currently a party to any interest rate swap agreements with respect to the Series Eighteen Bonds. Previous interest rate swap agreements with respect to the Series Eighteen Bonds were terminated by the Port in 2023.

The Port may issue Junior Lien Obligations, including Other Swap Obligations, and pledge the amounts in the JLO Fund to pay Junior Lien Obligations and fund reserves for Junior Lien Obligations. Junior Lien Obligations may be issued for any lawful Airport purpose, including to pay Other Swap Obligations, to post collateral under any Qualified Swap and to pay termination payments in connection with Qualified Swaps, Qualified TLO Swaps or other derivative products. As of the date of this Official Statement, the Port has no outstanding stand-alone bonds that are Junior Lien Obligations, but certain obligations under outstanding Parity Reimbursement Agreements (including the Series Eighteen Reimbursement Agreements described in the paragraph below) are payable from the JLO Fund. Some of the Port’s existing Junior Lien Obligations have payment dates that are monthly or that are not scheduled. The Port may choose to issue Junior Lien Obligations in lieu of or in addition to SLBs to finance costs of capital projects.

The following amounts payable under each Series Eighteen Reimbursement Agreement constitute Junior Lien Obligations rather than SLBs: (1) amounts due upon acceleration of the obligations under the Series Eighteen Reimbursement Agreement upon the occurrence of an event of default under that Series Eighteen Reimbursement Agreement and (2) amounts due upon a liquidity drawing under the applicable Series Eighteen Letter of Credit if, at the time that liquidity drawing is made (a) the representations and warranties made by the Port under that Series Eighteen Reimbursement Agreement are not true and correct in all material respects, except, in each case, to the extent that those representations and warranties specifically refer to an earlier date, in which case, they are not true and correct as of that earlier date or (b) an event has occurred and is continuing, or would result from the payment of that liquidity drawing, that constitutes a default or an event of default under that Series Eighteen Reimbursement Agreement. Events of default under each Series Eighteen Reimbursement Agreement include, among other events, a downgrade by Moody’s (if Moody’s assigns a rating) below “A” (or its equivalent) or by S&P or

Fitch Ratings, Inc. (“Fitch”) (if Fitch assigns a rating) below “A-” (or its equivalent) of the long-term rating assigned to the SLBs or a withdrawal (other than as a result of debt maturity, redemption, non-application or defeasance) or suspension (other than as a result of debt maturity, redemption or defeasance) of such rating. See “CERTAIN INVESTMENT CONSIDERATIONS.”

Third Lien Obligations

Third Lien Obligations are bonds or other obligations that have a lien on the Net Revenues that is subordinate to the lien of the SLBs and Junior Lien Obligations and are payable from the TLO Fund. The following obligations of the Port are Third Lien Obligations payable from the TLO Fund: (1) the Commercial Paper Notes (as defined below); and (2) amounts owed to Bank of America, N.A. (the “Commercial Paper Bank”) under the Commercial Paper Reimbursement Agreement (defined herein). The Port may choose to issue Third Lien Obligations in lieu of or in addition to SLBs to finance costs of capital projects.

The Board enacted Ordinance No. 463-CP on November 8, 2017, authorizing the issuance of up to \$300 million of its Portland International Airport Third Lien Commercial Paper Notes (the “Commercial Paper Notes”). The Port issued its first tranche of Commercial Paper Notes on December 22, 2017 in the not to exceed principal amount of \$300,000,000, which was subsequently reduced to \$150,000,000 in April 2025. To support payment of the Commercial Paper Notes, the Port obtained an irrevocable direct-pay letter of credit (the “Commercial Paper Letter of Credit”) from the Commercial Paper Bank. The Commercial Paper Letter of Credit had an initial stated amount of \$315,000,000, which was reduced to \$157,500,000 in April 2025. The Commercial Paper Letter of Credit expires on May 30, 2028, unless extended or terminated sooner in accordance with its terms.

In connection with the Commercial Paper Letter of Credit, the Port entered into a Reimbursement Agreement, dated as of December 1, 2019 (the “Commercial Paper Reimbursement Agreement”), with the Commercial Paper Bank, which obligates the Port to repay the Commercial Paper Bank for drawings under the Commercial Paper Letter of Credit. Such repayments also constitute Third Lien Obligations.

The Port has issued Commercial Paper Notes for various authorized purposes. The Port expects to continue to issue Commercial Paper Notes from time to time in the future. As of July 2, 2025, the Port did not have any Commercial Paper Notes outstanding.

See “SECURITY AND SOURCES OF PAYMENT FOR THE SLBS—Funds Under the Airport Revenue Bond Ordinances—*Third Lien Obligation Fund*.”

Special Obligation Bonds

Pursuant to Ordinance No. 155, the Port may issue Special Obligation Bonds for the purpose of acquiring, renovating or constructing Special Facilities and the site thereof for lease to third parties pursuant to Net Rent Leases.

As of July 2, 2025, the only Special Obligation Bonds outstanding for the Airport are \$17,300,000 of bonds issued in 1997 under separate financing documents to finance costs of an operations, training and aircraft maintenance facility for Horizon Air Industries (“Horizon”), referred to in this Official Statement as the “Horizon Special Obligation Bonds.” The Horizon Special Obligation Bonds are payable only from payments made by Horizon under a facilities lease and from moneys drawn under the direct-pay letter of credit held by the trustee for the bonds and do not constitute a debt, liability or general obligation of the Port, the State or any political subdivision thereof. None of the Port, the State or any political subdivision thereof is obligated to levy any taxes or to expend any funds for the payment of the Horizon Special

Obligation Bonds. Although the Port is permitted under the Airport Revenue Bond Ordinances to pay and/or to pledge to the payment of Special Obligation Bonds from Net Revenues remaining in the General Account after all other deposits are made, the Port has no current plans to issue additional Special Obligation Bonds or to agree to make payments in connection with any Special Obligation Bonds, including the Horizon Special Obligation Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SLBS—Funds Under the Airport Revenue Bond Ordinances” above and the definitions of “Net Rent Lease” and “Special Obligation Bonds” in APPENDIX B.

The table below identifies the Special Obligation Bonds issued and currently outstanding as of July 2, 2025, including the principal amount outstanding.

TABLE 5
PORT OF PORTLAND
OUTSTANDING SPECIAL OBLIGATION BONDS
(as of July 2, 2025)

Series	Dated Date	Final Maturity	Principal Amount
Horizon	August 7, 1997	June 15, 2027	\$17,300,000

Source: The Port.

PFC Bonds

The table below identifies the PFC Bonds issued and currently outstanding as of July 2, 2025, including the principal amount outstanding. The Series 2022A PFC Bonds described below are referred to in this Official Statement as the “Outstanding PFC Bonds.”

TABLE 6
PORT OF PORTLAND
OUTSTANDING PFC BONDS
(as of July 2, 2025)

Series	Dated Date	Final Maturity	Principal Amount
Series 2022A (Refunding)	February 17, 2022	July 1, 2031	\$51,620,000

Source: The Port.

The Outstanding PFC Bonds are payable solely from and secured solely by PFC Revenue and related income and are not payable from or secured by Net Revenues. See “PORTLAND INTERNATIONAL AIRPORT—Sources of Funds for CIP Projects—*Passenger Facility Charges*” for the definition of PFC Revenue.

CFC Bonds

The table below identifies the CFC Bonds issued and currently outstanding as of July 2, 2025, including the principal amount outstanding. The CFC Bonds described below are referred to in this Official Statement as the “CFC Bonds.”

TABLE 7
PORT OF PORTLAND
OUTSTANDING CFC BONDS
(as of July 2, 2025)

Series	Dated Date	Final Maturity	Principal Amount
Series 2019	April 24, 2019	July 1, 2049	\$142,995,000

Source: The Port.

Port Ordinance No. 448, enacted by the Board on December 11, 2013 (the “CFC Levy Ordinance”); Port Ordinance No. 461-B, enacted by the Board on February 13, 2019 and effective on March 15, 2019 (as may be amended and supplemented from time to time, the “Master CFC Bond Ordinance”); Port Ordinance No. 478-R, enacted by the Board on October 12, 2022 and effective on November 11, 2022 (the “First CFC Levy Ordinance Amendment”); and the Series 2019 CFC Ordinance are collectively referred to herein as the “CFC Bond Ordinances.” The CFC Bonds were the first Series of bonds to be issued, and have been the only Series of bonds to be issued, by the Port under the CFC Bond Ordinances.

The 2019 CFC Bonds are payable solely from and secured solely by CFCs to be collected on behalf of the Port by the rental car companies that use Airport facilities which are funded by CFCs and the Remaining Contingent Fee Payments, if any, as set forth in the CFC Bond Ordinances. The 2019 CFC Bonds are not secured by or payable from Net Revenues. See “SECURITY AND SOURCES OF PAYMENT FOR THE SLBS—Funds Under the Airport Revenue Bond Ordinances” for a description of the Remaining Contingent Fee Payments.

See “PORTLAND INTERNATIONAL AIRPORT—Sources of Funds for CIP Projects—Customer Facility Charges” below.

Interest Rate Swaps

Although the Port is not currently a party to any interest rate swap agreements, it has the authority to enter into such agreements as described below. Previous interest rate swap agreements with respect to the Series Eighteen Bonds and the Series 2012A PFC Bonds were terminated by the Port in 2023.

Authority. The Port is authorized under State law to enter into interest rate swaps, and pursuant to the Airport Revenue Bond Ordinances, to pay Scheduled Swap Obligations out of the SLB Fund and to take Scheduled Swap Obligations into consideration for purposes of determining compliance with the Port’s rate covenant and satisfying the requirements for issuing Additional SLBs. The Port currently has no Scheduled Swap Obligations outstanding. See the definition of “SLB Debt Service Requirement” in APPENDIX B. The Airport Revenue Bond Ordinances provide that Other Swap Obligations (including termination payments) are payable out of the JLO Fund and that Other TLO Swap Obligations (including termination payments) are payable out of the TLO Fund.

Swap Policy. The Board adopted a policy on Interest Rate Exchange Agreements (the “2004 Swap Policy”) in 2004 and amended the 2004 Swap Policy in August 2013. Under the amended policy (the “Swap Policy”), the Port may use interest rate exchange agreements to manage payment, interest rate spread or similar exposure undertaken in connection with existing or anticipated obligations made in the exercise of the borrowing powers of the Port. Permitted interest rate exchange agreements are written contracts that provide for an exchange of payments based upon fixed and/or variable interest rates for payments based on levels of or changes in interest rates, or provisions to hedge payment, rate, spread or an interest rate swap floor, cap, collar or an option to enter into such a contract. Under the Swap Policy, the Executive Director

or the Chief Financial Officer, in consultation with the Port's General Counsel, is required to ensure that the risks inherent in each agreement are evaluated, presented to the Board and understood before entering into the agreement and that strategies are formulated to minimize the risks, including counterparty risk, rollover risk, basis risk, tax event risk, amortization risk and termination risk.

Under the Swap Policy, the Port may enter into interest rate exchange agreements only with counterparties that have demonstrated experience in such financial instruments and are (1) rated in one of the top three rating categories without graduation by at least two nationally recognized rating agencies or (2) will collateralize the agreement in accordance with all statutory requirements. The statutory collateralization requirements included in the Swap Policy are listed as follows: cash or obligations rated in one of the top three rating categories, without graduation, by at least two nationally recognized rating agencies are deposited with the Port or the State Treasurer, on behalf of the Port, or an agent of the Port; the collateral has a market value to fully collateralize the agreement as determined at the discretion of the Port; and the collateral is marked to market no less frequently than monthly.

THE PORT OF PORTLAND

General

The Port was established by an act of the Oregon Legislative Assembly in 1891 and is headquartered in Multnomah County, Oregon. The Port is charged with operating aviation, maritime, commercial and industrial facilities within Multnomah County (including the City of Portland, the "City"), Washington County and Clackamas County. Pursuant to this authority, the Port owns and operates three airports: the Airport (also referred to herein as "PDX"), which provides a seven-county region with scheduled passenger, cargo and charter air services and also is a general aviation facility; Troutdale ("TTD") general aviation airport; and Hillsboro ("HIO") general aviation airport (TTD and HIO together are referred to herein as the "General Aviation Airports"). The General Aviation Airports provide facilities for other air services, including recreational and private business uses. In addition to its aviation operations, the Port owns marine terminals, business and industrial parks and other properties. The Port also owns and operates the dredge *Oregon*, as a contractor to the USACE, to help maintain the navigation channel on the lower Columbia and Willamette rivers. The Port's headquarters are located at the Airport, and the Port has contracted representation in Seoul, South Korea. The Port partners with Business Oregon, the State's economic development agency, for additional overseas market representation for specific trade missions.

The Port operates a container handling and breakbulk facility at Marine Terminal Six ("Terminal 6") and leases portions of its marine and industrial properties, including facilities for the handling of automobiles, grain and other bulk cargo, to commercial tenants.

The Airport is operated by the Port as an independent enterprise, separate from the General Aviation Airports and from the Port's marine and other enterprises. The portion of the Port's general administrative expense that is attributable to the Airport is charged to the Airport as a Cost of Operation and Maintenance. The Airport Fund, into which all of the Port's operating revenues from the Airport are deposited, is held by the Port as a separate enterprise fund. Revenues from the Airport are accounted for separately from revenues from the Port's other activities, including the Port's General Aviation Airports, although after all required deposits are made in connection with the SLBs and any Junior Lien Obligations and Third Lien Obligations and any transfers of Remaining Contingent Fee Payments to the CFC Revenue Fund, remaining Net Revenues may be applied to pay certain costs of the Port's other aviation interests, including costs at the General Aviation Airports that are not paid through general aviation revenues or federal grants. The Port has reserved the right (to the extent then permitted by law) to amend the Airport Revenue Bond Ordinances to add to the definition of "Airport" any facilities operated by the Port, whether or not such facilities are related to aviation, and thus to consolidate the revenues and expenses of the Airport with those

of the Port’s other operations. As of the date of this Official Statement, the use by the Port of aviation-related revenues for non-aviation purposes is not permitted under federal law. See “SECURITY AND SOURCES OF PAYMENT FOR THE SLBS—Funds Under the Airport Revenue Bond Ordinances,” “—Pledge of Revenues” and “—Special Amendments” and “REGULATORY MATTERS—Airport Regulation.”

Board of Commissioners

The Port is governed by a nine-member Board of Commissioners that establishes and controls policy for the Port. The Commissioners serve without compensation but are reimbursed for certain expenses. The Commissioners are appointed by the Governor of the State, and their appointments are confirmed by the State Senate. Commissioners each serve a four-year term and may be reappointed for a second term. Terms may be extended until a successor is appointed, confirmed and qualified.

The Board is headed by a President who is appointed by the Governor. The President designates the other officers of the Board, including the Vice President, Treasurer and Secretary. The current Board members and their terms of office are listed in the table below.

**TABLE 8
THE PORT OF PORTLAND
BOARD OF COMMISSIONERS**

Name and Office	Principal Occupation	Expiration of Term of Appointment ⁽¹⁾
Katy Coba President	Retired, formerly Chief Operating Officer and Director for Department of Administrative Services	June 2026
Richelle Luther Vice President	Senior Vice President Corporate Affairs and Chief Human Resources Officer at Columbia Sportswear	February 2028
Katherine Lam Treasurer	President and Co-Owner of Bambuza Hospitality Group	November 2027
Ketan Sampat Secretary	Co-Founder, Chief Technology and Product Officer at The Provenance Chain Network, Faculty and Founding Academic Director, MS-Applied Data Science for Business at Portland State University	March 2029
Rukaiyah Adams Commissioner	Chief Executive Officer, 1803 Fund	June 2028
Mike DeVaughn Commissioner	Dean, Pamplin School of Business, University of Portland	May 2026
Sam Johnson Commissioner	Vice President, Manufacturing and Operations; General Manager, Facilities Technology Development, Intel Corporation	February 2028
Meg Niemi Commissioner	President of SEIU Local 49	November 2027
Stuart Strader Commissioner	President, International Longshore and Warehouse Union Local 8	March 2029

⁽¹⁾ Commissioners serve until their successors have been appointed, confirmed and qualified.

Source: The Port.

Port Management

General. The Port employs an Executive Director and other officers, agents, employees and advisors. The Executive Director and his staff implement the policies established by the Board. In addition to the Executive Director, the senior management team of the Port is comprised of the Chief Aviation Officer, the PDX Next Chief Projects Officer, the General Counsel, the Chief Financial Officer, the Chief Trade & Economic Development Officer, the Chief Shared Prosperity Officer, the Chief Public Affairs Officer and the Chief Development Services Officer.

The following individuals are directly responsible for the executive administration of the Airport, its finances or its legal affairs:

Curtis Robinhold, Executive Director, joined the Port in 2014 as Deputy Executive Director, and assumed his current role in July 2017. Prior to joining the Port, Mr. Robinhold served as Chief of Staff to Governor Kitzhaber and before that served as Chief Executive Officer at EnergyRM, an energy efficiency finance company. Prior to that, Mr. Robinhold was Managing Director of BP Alternate Energy's global gas-fired power business in Europe and Asia.

Dan Pippenger, Chief Aviation Officer, joined the Port in 2006 and was appointed to his current position in January 2020. Prior to that, Mr. Pippenger served as planning and development director beginning in 2014. From 2009 to 2014, he led the Port's marine operations and marketing functions. From 2006 to 2009, he was the marine security manager. Before joining the Port, Mr. Pippenger served as a commissioned officer for the U.S. Coast Guard for more than 20 years.

Vince Granato, PDX Next Chief Projects Officer, joined the Port in 1987 and was appointed to his current position in November 2019. Prior to that, Mr. Granato served as Chief Operating Officer beginning in February 2012. From 2009 to 2012, he was Chief Financial Officer and Director of Financial & Administrative Services. From 2005 to 2009, Mr. Granato was General Manager, Financial Services, and from 2000 until 2005, he served as Senior Manager, Aviation Finance.

Daniel Blaufus, General Counsel, joined the Port in 2014 as General Counsel. Mr. Blaufus served as Interim Chief Financial Officer from December 2019 to July 2020. Prior to that, Mr. Blaufus also served as Interim Chief Financial Officer from September 2018 to June 2019. Before joining the Port, Mr. Blaufus served as Senior Vice President and General Counsel at Borden Dairy Company in Dallas, Texas and before that served in various legal capacities at NIKE Inc.

Antoinette Chandler, Chief Financial Officer, joined the Port in July 2020 in her current position. Ms. Chandler has more than 25 years of banking and investment experience in both the private sector (Morgan Stanley, Bank of America and JP Morgan) and public sector (County of San Diego and County of Los Angeles). Most recently, she served for nearly three years as the assistant treasurer for the County of Los Angeles, where she was responsible for managing the Public Finance, Investments and Deferred Income Plans Branch.

Kimberly Branam, Chief Trade & Economic Development Officer, joined the Port in September 2024. Ms. Branam recently served as Executive Director for Prosper Portland, the City of Portland's economic and urban development agency. She was in that role for eight years after serving as Prosper Portland's Deputy Director for five years. Prior to joining Prosper Portland, Ms. Branam spent four years leading Portland Mayor Sam Adams' economic development agenda.

Mayra Arreola, Chief Shared Prosperity Officer, joined the Port in September 2022. Before joining the Port, Ms. Arreola was the Director of Resource Management and Operations for the Oregon

Department of Education and previously served as the Director of Equity, Governance and Communications at Prosper Portland.

Dave Robertson, Chief Public Affairs Officer, joined the Port in 2023. Mr. Robertson served for 18 years as the vice president of public affairs and the director of government affairs at Portland General Electric (“PGE”). He was responsible for PGE’s Communications, Government Relations, Environmental Policy and Corporate Social Responsibility teams. He was also a member of U.S. Sen. Mark Hatfield’s legislative policy staff in Oregon and Washington, D.C., and a consultant working for energy companies, tribal governments, business associations and environmental group.

Kristina Kelchner, Chief Development Services Officer, joined the Port in 2022 and was selected for her current position in February 2024. From October 2022 to February 2024, she served the Port as Assistant General Counsel. Before joining the Port, Ms. Kelchner was the Assistant General Manager for Acquisition, Stewardship, and Development for the East Bay Regional Park District in the San Francisco Bay Area. Previously, Ms. Kelchner practiced law in San Francisco at Holland & Knight, LLP where she represented developers and public agencies.

Aviation Business Line

At the Airport, the Directors of Air Service Development; Airport Operations; Aviation Business, Properties & Airline Affairs; PDX Innovation & Customer Experience; and Public Safety & Security, each report to the Chief Aviation Officer. Air Service Development is responsible for the recruitment and retention of strategic passenger and cargo service at the Airport. Airport Operations is responsible for the daily operations and maintenance of the Airport, including airside, terminal, and landside and roadway operations for the Airport and for two General Aviation Airports. Airport Operations also manages the Port of Portland (Port) Headquarters Building and Rental Car Center (RCC) administrative support facilities. Aviation Business, Properties, & Airline Affairs is responsible for the contractual relationships with the various airlines, concessionaires, ground transportation, parking, rental car operators, and other tenants providing services at the Port’s three airports. This group is also responsible for commercial development, management of cargo and general aviation. PDX Innovation & Customer Experience is responsible for integrating process and technology innovations into the airport environment, and owns customer outcomes inside and outside the terminal. Public Safety & Security is responsible for airport fire, police, aviation security, emergency management, and the Airport Communications Center.

Labor Relations; Risk Management Programs

Labor Relations. During Fiscal Year 2025, the Port employed approximately 794 of its 902 budgeted full-time-equivalent employees (“FTEs”) in a variety of work categories and for Fiscal Year 2026 has budgeted for a total of 886 FTEs. An FTE represents 2,080 hours of work annually. Of the total number of FTEs budgeted at the Port for Fiscal Year 2026, approximately 461 are employed at the Airport. At the Airport, four unions collectively represent approximately 253 of the Port’s Airport employees through four collective bargaining agreements (“CBAs”). Of the four current CBAs, one expires on June 30, 2026, one expires on June 30, 2027, and two expire on June 30, 2028. Furthermore, the Port is in negotiations for an initial CBA with a newly represented group of six (6) maintenance dispatchers who were previously non-represented. At the Airport, there have been no strikes or other labor-related disruptions directed against the Port.

Risk Management Programs. The Port maintains a comprehensive, professionally administered risk management program. As a part of this program, the Port has adopted various administrative policies addressing key risk management issues, including business continuity and cybersecurity. The risk management program’s insurance component includes a combination of self-insurance and commercial

insurance to provide protection from losses involving property, liability, injury, and business interruption. Property losses are currently insured up to a policy limit of \$1.0 billion per occurrence, including earthquake and flood coverages each with annual aggregate sublimits of \$150 million. Airport liability insurance is currently maintained at \$500 million per occurrence, with a sublimit of \$350 million for war risk. The Port has a stand-alone terrorism coverage policy with a \$1.0 billion coverage limit. The Port also maintains cyber liability insurance.

The Port also maintains an Owner Controlled Insurance Program (“OCIP”) for the Terminal Core Redevelopment Project (the “TCORE Project”). The OCIP is a single insurance program that provides workers’ compensation, employers’ liability, commercial general liability, products/completed operations, excess liability, contractors’ pollution liability, professional liability, and builders’ risk insurance coverage for construction job site risks. All construction under the TCORE Project is covered. Benefits of an OCIP can include greater stability of insurance coverage, and centralization of the project’s insurance resources. All contractors at each level must enroll in the program, unless excluded from coverage.

The Port’s loss exposure is mitigated through contractual risk transfer. Where possible, the Port’s Airport agreements require contractors, lessees and other entities doing business with the Port or using Port property to defend, hold the Port harmless from, and indemnify the Port against any claims and damages arising out of the entity’s activities, services and/or operations. Where appropriate, such agreements also require the contractor, lessee or other entity to carry insurance naming the Port as an additional insured. The Port’s loss exposure is further mitigated by State law. The Oregon Tort Claims Act (the “OTCA”), which is set forth in Oregon Revised Statutes (ORS) Chapter 30, limits tort claim liability for public bodies such as the Port. The liability of the Port and its officers, employees and agents acting within the scope of their employment or for claims arising out of a single accident or occurrence are the following amounts for causes of action arising on or after July 1, 2025 and before July 1, 2026:

- Personal injury or death: (a) \$879,200 for any single claimant; and (b) \$1,758,300 for multiple claimants.
- Damage and destruction of property, including consequential damages: (a) \$144,200 for any single claimant; and (b) \$721,000 for multiple claimants.

For causes of action arising on or after July 1, 2026, the State Court Administrator will adjust these the liability limits based on a determination of the percentage increase or decrease in the cost of living for the previous calendar year using a statutory formula. The adjustment may not exceed 3% for any year.

Under the OTCA, the Port must defend, save harmless, and indemnify its employees against any tort claim or demand arising out of an alleged act or omission occurring in the performance of duty. Accordingly, the Port may be subject to claims up to the levels described above when required to indemnify its employees. At this time, the Port believes that its airport liability insurance is sufficient to cover the Port adequately against tort claim liability given the current OTCA limits.

PORTLAND INTERNATIONAL AIRPORT

General

The Port has owned and operated the Airport since 1940. The Airport is located approximately 12 miles northeast of the Portland city center. The Airport is the only commercial air service facility within the Air Service Area described below and is relatively isolated from competing commercial air service facilities. Seattle-Tacoma International Airport, which is the closest airport with comparable facilities, is

approximately 160 miles (driving distance) away from downtown Portland. The only other commercial service airports in the State are much smaller than the Airport in all respects including air service provided.

According to preliminary calendar year 2024 data provided by the FAA, the Airport was the 33rd busiest airport in the United States in terms of enplaned passengers, and has been classified a medium-hub airport (enplaning more than 0.25% but less than one percent of nationwide enplaned passengers). The Airport is the 2nd busiest medium-hub airport in the country. FAA data shows that during the calendar year 2024, approximately 8.6 million total passengers enplaned at the Airport, which was an increase of 6.4% as compared to calendar year 2023.

For Fiscal Year 2025, the Airport handled 252,113 short tons of cargo (freight and mail), a decrease of 15.4% compared to Fiscal Year 2024.

Airport Facilities

General. The Airport occupies approximately 3,200 acres of land on the southern edge of the Columbia River. The existing airfield consists of two parallel east/west runways (a south runway and a north runway) and one northeast/southwest crosswind runway, all 150 feet-wide, two constructed of asphalt concrete, one of Portland cement concrete, and all fully lighted. The south runway (Runway 10R-28L, which is 11,000 feet long and was reconstructed in 2011) and the north runway (Runway 10L-28R, which in 2010 was reconstructed and extended to 9,825 feet long) are fully instrumented. Runway 3-21, the northeast/southwest crosswind runway, is 6,000 feet long and is instrumented with localizer/distance measuring equipment to Runway 3-21 only.

The Port is nearing completion of a series of significant capital projects at the Airport, which includes: the TCore Project (see “TCore Project” below) and supportive projects, such as Airport utility projects and upgrades to the baggage system; rehabilitation and reconstruction of runways; parking improvements, including a six-story long-term public parking and consolidated rental car garage; and the extension of Concourses B and E. These projects were funded from a variety of sources, including federal grants, Airport funds, PFC funds, and previously-issued SLB Bond proceeds. The Port does not expect to issue any additional SLBs or other borrowings to fund these projects.

Passenger Terminal Complex. The passenger terminal complex (the “Terminal”) includes a main terminal building with four attached concourses (Concourses B, C, D and E) and a federal inspection station (the “FIS”) for international arrivals. In July 2020, the Port opened the 850-foot extension of Concourse E. This project was intended to allow the relocation of Southwest Airlines from Concourse C to Concourse E to provide for a more balanced flow of passengers between the north and south sides of the Airport. This project included the construction of approximately 157,000 square feet of space that provided six new aircraft gates, two ground loading parking positions, hold-rooms, and restrooms. This project also included gate and apron configuration to accommodate Group III aircraft and 10 concession areas.

In December 2021, the redevelopment of Concourse B was completed. Completion of this project resulted in one additional contact gate, six new ground load positions, new restrooms, a new covered walkway, five RON parking positions, and two additional concessions.

In August 2024, the Port opened the first of two phases of its TCore Project. The initial phase delivered approximately 790,000 square feet of seismically resilient space that includes, 14 new concession locations, 20 security lanes in two new checkpoints, and 107 new ticket counter positions. See “TCore Project” below.

The current aircraft parking configuration at PDX consists of 45 loading bridge-equipped positions and up to eight ground-loading positions. In support of Alaska's new schedule, two new ground-loading positions are expected to be added to Concourse B. Six loading bridge-equipped gates provide accessibility to the FIS for international arrivals on Concourse D but are also used for domestic flight activity when required. Each loading bridge-equipped gate at PDX is served by a hold-room to accommodate airline passengers. Hold-rooms for ground loading positions are located in the lower level of Concourse B on the east end, and on the lower level of the new Concourse E extension on the east end.

The primary public areas in the Terminal are divided into a departure level and an arrival level. An elevated roadway provides vehicle access to the departure level, which provides direct access to all concourses. Ticket counters and concession areas, including cafes, pubs, full-service restaurants, quick-serve food and beverage, newsstands and retail shops, are located throughout the departure level. The arrival level is accessible by vehicles via ground-level roadways and contains baggage claim facilities, a coffee concession, a newsstand, and a TriMet MAX Light Rail station located near the baggage claim area at the southern end of the Terminal.

TCore Project. The Port has undertaken and is nearing completion of a substantial improvement to the terminal with the TCore Project. This project is expected to provide sufficient ticketing, security screening and concessions to accommodate projected passenger growth that is expected to reach up to 35 million annual passengers in 2045. In 2022, the Port finalized the Guaranteed Maximum Price of the construction contract for the TCore Project at a cost of \$1.75 billion with the Port's general contractor. This project was funded through a variety of sources, including previously-issued SLBs, Airport funds, and PFC funds. The Port does not expect to issue any additional SLBs or other borrowings for the TCore Project.

The TCore Project has two major components: (1) the Western Expansion, which opened in August 2024, and (2) the Rebuild Terminal Nodes/Ticket Lobby, which is expected to be complete in Fiscal Year 2026.

Western Expansion. The Western Expansion, which is substantially complete, involved a western expansion of the main terminal into the alley between Concourses C and D; construction of a new, mass timber roof over the existing terminal and the Western Expansion; rehabilitation of the existing terminal core, including improvements to the existing ticket lobby and baggage handling systems; and major seismic upgrades and renewal of mechanical, electrical and other systems. The updated terminal provides flexibility to allow for simpler reconfigurations while possibly avoiding major reconstruction in the future to react to changes in passenger processing, security checkpoint equipment and operational changes, additional space for social distancing, and passenger health checks, for example. This is accomplished by minimizing the number of building structural elements that would be impediments to building functional rearrangements to the roof columns, mezzanine structure and baggage handling drops.

Rebuild Terminal Nodes/Ticket Lobby. This project, which is expected to be completed in Fiscal Year 2026, includes demolition of the existing concession nodes, construction of a new mass timber roof over the existing nodes, and construction of new restrooms, concession spaces, airline lounges and exiting and vertical connections to the baggage hall.

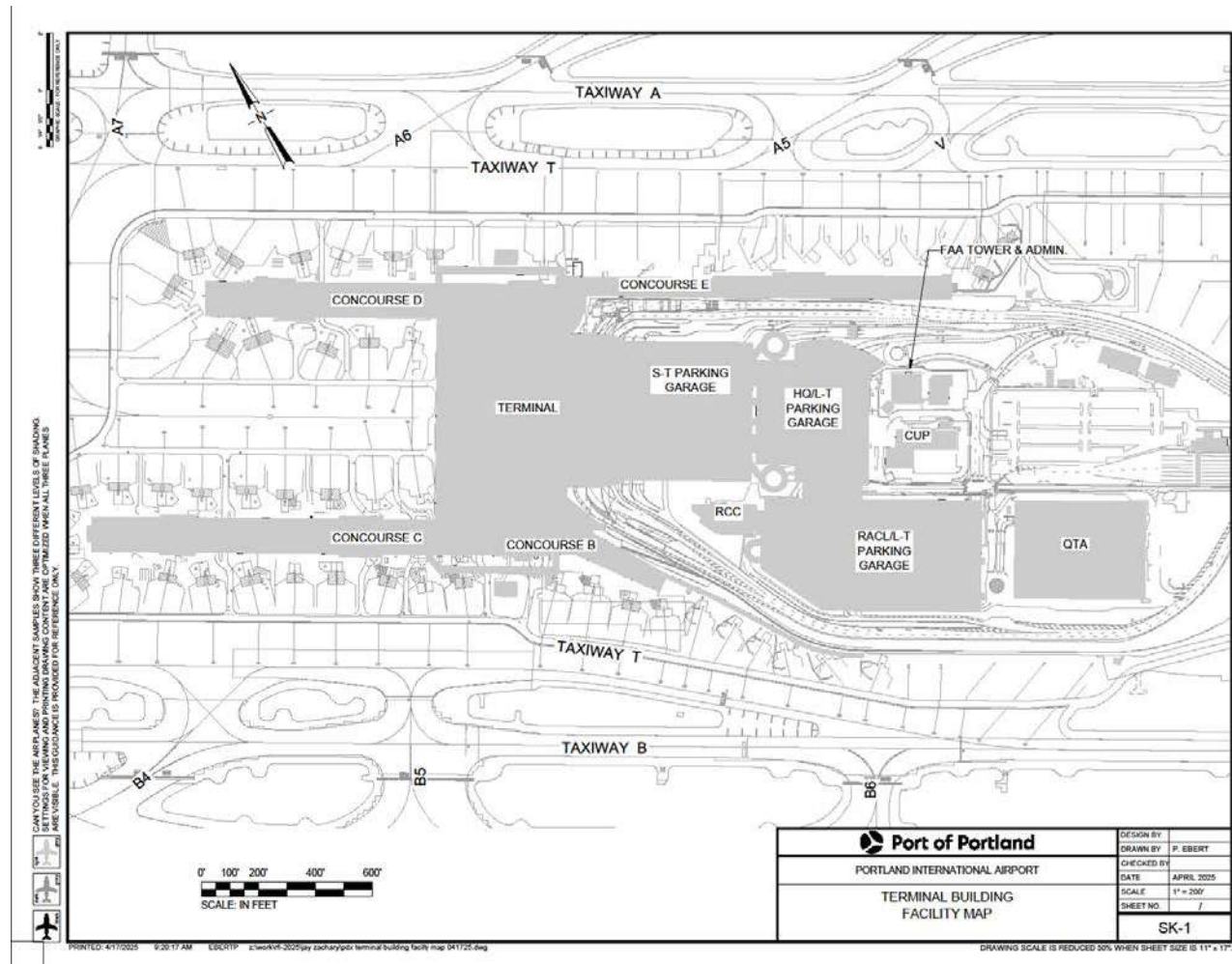
The TCore Project also provides expedited passenger and baggage processing including more touchless features and incorporates elements that further the Port's environmental and sustainability efforts, including the designing of the TCore Project to the Leadership in Energy and Environmental Design ("LEED") gold level. See "ENVIRONMENTAL AND SUSTAINABILITY INITIATIVES" herein.

The TCore Project has received several recent accolades to date, including: (1) named the best airport in America by the Washington Post (2025); (2) the Daily Journal of Commerce top project of the

year (2025); (3) named the second best domestic airport by Travel + Leisure (2025); (4) named on the list of most beautiful airports by Prix Versailles (2025); (5) airport restaurant Oven + Shaker named best new full-service restaurant by the Airports Council International North America (2025); and (6) Oven + Shaker named as airport food and beverage offer best representing sense of place by Airport Food and Beverage Hospitality Awards (2025).

See also “—Airport Capital Improvement Program” below.

The following map illustrates the current layout and locations of the Terminal.



Source: The Port.

Parking. Currently, Port-owned parking facilities consist of a seven-story, short-term public parking garage, located adjacent to the Terminal (the “Short-Term Parking Garage”); a seven-story long-term parking garage (the “Long-Term Parking Garage”); the Public Parking and ConRAC Garage; economy surface parking lots; and two employee surface parking lots. The Public Parking and ConRAC Garage, the Long-Term Parking Garage, and the Short-Term Parking Garage are located adjacent to each other. Tunnels and moving sidewalks connect the Public Parking and ConRAC Garage and the Long-Term and Short-Term Parking Garages to the Terminal. The public floors of the Short-Term and Long-Term Parking Garages include automated parking guidance systems that include a sensor for each covered parking space

and signage providing real-time information about available parking spaces. The parking lots and garages include an automated parking payment and revenue control system as well as electric charging stations.

Prior to the opening of the Public Parking and ConRAC Garage in November 2021, the first two floors of the Short-Term and first floor of the Long-Term Parking Garages had been utilized by rental car companies. The second floor of the Short-Term Parking Garage was repurposed to create additional short-term public parking. The first floor of the Short-Term Parking Garage has been repurposed for a new ground transportation hub for passenger pick-up. The first floor of the Long-Term Parking Garage has been converted to employee parking.

The top three levels of the Public Parking and ConRAC Garage are utilized for long-term public parking and the bottom three floors are utilized for the consolidated operations of all rental car brands operating at the Airport. Adjacent to the Public Parking and the ConRAC Garage is a rental car quick turnaround facility (the “QTA Facility”). The QTA Facility is for use by the rental car companies for the fueling, electrical charging, washing, and processing of returned rental cars. The two facilities are connected by a dedicated ramp. The construction of the QTA Facility was funded on a pay-as-you-go basis from CFC funds.

In November 2021, the Port substantially completed the Public Parking and ConRAC Garage, consisting of 724,000 square feet of space for rental car ready/return and parking operations, approximately 2,070 parking spaces for rental cars, and more than 2,200 long-term parking spaces. The facility also includes a 30,000 square-foot rental car customer service space located on the first floor of the Rental Car Center building that is adjacent to the Public Parking and ConRAC Garage. Pursuant to rental car concession lease and operating agreements, all rental car companies consisting of eleven rental car brands operating at the Airport, have now consolidated operations on the rental car floors in the Public Parking and ConRAC Garage and the adjacent Rental Car Center building. Construction of the floors utilized by the rental car companies in the garage and the first floor of the Rental Car Center building were funded with CFC-backed revenue bonds and CFCs on a pay-as-you-go basis. See “AGREEMENTS FOR USE OF AIRPORT FACILITIES—Rental Car Agreements” below.

The economy surface parking lot is located near Interstate 205 off NE Airport Way. Free parking shuttles operate 24/7 between the economy lot and the Terminal. Two surface parking lots are provided for parking by Port, Airport, airline, concessionaire and tenant employees, however, one employee surface parking lot is currently repurposed for construction uses to support the TCore Project.

Below is a summary of the approximate number of Port-owned parking spaces currently available.

	Public	Employee
Short-Term Garage	3,800	
Long-Term Garage	5,400	
Public Parking and ConRAC Garage	2,290	
Economy Lot	7,800	
Employee Lot (Alderwood)		2,400
Employee Lot (HQ, Surface Lot)		400
Totals	19,290	2,800

Source: Port records.

Ground Transportation. A TriMet MAX Light Rail station located at the southern end of the Terminal connects the Airport by rail to the cities of Portland, Gresham, Clackamas, Beaverton, Milwaukie and Hillsboro. Ground transportation to and from the Airport is also provided by private passenger vehicles, taxis, private bus and shuttle services, limousine services and transportation network companies (“TNCs”) such as Uber Technologies Inc. (“Uber”) and Lyft, Inc. (“Lyft”).

For Fiscal Year 2024, TNCs recorded 1,960,818 Airport pick-ups/drop-offs resulting in \$5,912,772 in trip fee revenue for the Port, compared to 1,765,403 Airport pickups/drop-offs and \$5,153,016 in trip fee revenue in Fiscal Year 2023. See “AGREEMENTS FOR USE OF AIRPORT FACILITIES—Parking; Ground Transportation/TNCs.”

Cargo and Airline Maintenance Facilities. For Fiscal Year 2025, the Airport handled 252,113 short tons of cargo (freight and mail), a decrease of 15.4% compared to Fiscal Year 2024. Air cargo and airline maintenance facilities are located in two main areas at the Airport: the PDX Cargo Center and the AirTrans Center.

The PDX Cargo Center consists of two buildings totaling approximately 130,000 square feet. The Port leases these buildings to various passenger airlines, for their belly cargo and ground support equipment (“GSE”) maintenance operations. Other GSE operators and freight forwarders also lease space in these buildings.

In the AirTrans Center, third-party developers, including Aero Portland, LLC, Prologis, L.P., and PDACC1, lease land upon which they have constructed cargo facilities. Subtenants of these cargo facilities include Federal Express, DHL Worldwide Express, STG Logistics, Hanjin Transportation Co., Peak Supply Chain Solutions and Prime Flight. These buildings are currently fully occupied. The AirTrans Center is also home to United Parcel Service’s northwest regional hub.

Maintenance facilities include Boeing Corporation’s paint operation hangars, Triangle Aviation RD and LLC/Ameriflight, LLC facilities, United Airlines’ hangar and maintenance facility, which is located in the South Annex adjacent to the AirTrans Center, and Horizon Air’s approximately 190,000 square-foot regional headquarters and maintenance facility.

Military, Corporate and General Aviation Facilities. The United States, for the benefit of the Oregon Air National Guard (the “ORANG”), leases approximately 213 acres of land on the south side of the Airport, adjacent to the AirTrans Center. The ground lease with ORANG terminates in 2063, although portions of the total premises are subject to scheduled early terminations in 2030. Additionally, a third 75-acre parcel within the premises is subject to early termination, at the Port’s sole option, if the parcel is needed for a third runway. The lease also is subject to early termination at any time at the option of the United States, with 180 days’ prior notice to the Port. As with most U.S. military leases at joint-use airports, the United States is required to pay only nominal rent but is required to pay certain costs, including costs related to environmental and other regulatory requirements.

Corporate and general aviation facilities at the Airport are located on the north side of the Airport and include paved aircraft parking areas, aircraft hangars and fixed base operator facilities. In addition to its own facilities, Atlantic Aviation manages the general aviation ramp, pursuant to ramp management agreements. The Port receives rent under these agreements.

Other general aviation services are provided by the Port at the General Aviation Airports, both of which are located within 35 highway miles of the Airport. The FAA has designated both of the General Aviation Airports as “reliever airports.” Reliever airports are intended to reduce congestion at larger commercial service airports primarily by providing an option to accommodate general aviation traffic. The General Aviation Airports are not currently part of the Airport, and their revenues and expenses of operation are accounted for separately from those of the Airport. The Port, from time to time, subsidizes the General Aviation Airports from Net Revenues available after required payments are made from the TLO Fund and any Remaining Contingent Fee Payments are transferred to the CFC Revenue Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE SLBS—Funds Under the Airport Revenue Bond Ordinances” above and “Flow of Funds” in APPENDIX B.

Commercial Facilities. On the eastern side of the Airport, adjacent to Interstate 205 and NE Airport Way, is the Port-owned Cascade Station/Portland International Center plan district (the “CS/PIC”), which consists of two distinct areas: Cascade Station and the Portland International Center (“PIC”), which are described below. The CS/PIC development framework was negotiated as part of a development and financing package to extend the regional light rail system through the CS/PIC to the Terminal.

Cascade Station was master-planned and developed by an experienced retail developer. Of the 120 acres in Cascade Station, approximately 97 have been developed by private developers and tenants into a mixed-use commercial area that includes hotels, large and small retailers, and office developments, including the regional office for the Federal Bureau of Investigation. Prosper Portland, which is an economic and urban development agency for the City, via a master development agreement with the Port, has the development rights on the remaining approximately 23 acres and markets to office and hotel users.

The PIC is located south of Cascade Station and east of NE 82nd Avenue and consists of approximately 327 acres. Currently, developed areas in the PIC include 139 acres occupied by a hotel, warehouse/distribution/office buildings, manufacturing facilities, industrial development and a United States Customs headquarters building. Another 21 acres were developed into Airport employee parking. Future developable areas in the PIC include approximately 94 acres, which are reserved specifically for aviation use. Another 73 acres of land near Interstate 205 is designated as permanently open space.

Other development within CS/PIC (except for roads, which are owned by the City) were constructed and are operated by private parties on Airport land that is leased from the Port under prepaid leases typically with terms of up to 50 years.

Other commercial facilities located at the Airport include two hotels on the north side of Airport Way (the Sheraton Airport Hotel and Hampton Inn), which are located on land leased from the Port. The Travel Center near the PDX Cargo Center includes a gas station, a convenience store, a coffee shop and quick-serve restaurants.

Airport Master Plan and Resilience Planning

Master Planning Process. Future project and facility needs at the Airport are evaluated as a part of the Port’s master planning process. The Port’s traditional approach to master planning begins with an inventory of existing conditions and an aviation demand forecast. The inventory and forecast serve as the basis for assessing the ability of the Airport to meet projected demand. Facility requirements triggered by various activity levels are evaluated, defined in the airport master plan report and then depicted on an Airport Layout Plan, a set of drawings that graphically represents the long-term development plan for the Airport. The final step of this process includes phasing the projects necessary and aligning with asset renewal needs, where applicable, to meet requirements at various activity levels tied loosely to a timeline, which are then incorporated into the CIP. The CIP is always subject to change, and projects are evaluated and adjusted (timing and/or scope and budget) consistent with variations in demand and project approach.

Airport Master Plan. The Port updated its master plan for the Airport in 2011 (the “PDX Master Plan”). Among the principal findings of the PDX Master Plan were that (1) a third parallel runway will not be required during the planning period (through 2035), and (2) the existing Terminal area has sufficient capacity for passenger growth in almost all key elements. The PDX Master Plan, however, emphasized that the adaptive reuse of the existing terminal to keep pace with the evolving needs of the industry and with new technologies is critical. Concurrently, the City developed a land use plan for the Airport that identified the Airport-occupied area as an airport plan district and included the airport plan district as part of the City’s development code; this zoning designation for the Airport enables the Port to implement the PDX Master Plan and to have by right all facilities necessary for the operation of the Airport.

In an effort to keep the PDX Master Plan current, the Port conducts follow-on studies to monitor passenger and cargo activity, evaluate the impact of emerging industry trends, and refine project definitions. The follow-on studies, along with regular reviews of the aviation demand forecast, enable the Port to adjust expectations accordingly and adapt plans to reflect current issues and trends.

The Port is in the process of updating the PDX Master Plan (PDX 2045) and expects to complete the updates in calendar year 2026. This effort builds upon the foundation established by prior planning and development. Based on the strength of prior planning and significance of the capital program of the past few years, the Port proposes a targeted study seeking to validate and update the direction from the PDX Master Plan based on current issues, trends, and opportunities.

Resilience Planning. In addition to the Port’s master planning process and the PDX Master Plan, the Port has established a resilience program to reduce the impacts of disruptive events, such as earthquakes, floods, storms, high heat, and communicable disease on facilities, assets and operations. Investment in mitigation and adaptation is intended to improve the Port’s ability to withstand natural disasters and weather-related events, reduce the Port’s vulnerability and shorten recovery times. The resilience program works in close coordination with the Port’s emergency management and business continuity programs, which assess current vulnerabilities, maintain response plans and coordinate emergency response. Creating, updating and enhancing resilience program elements, including both infrastructure and operational mitigation and adaptation investments, augment the Airport Master Plan facility performance goals.

Seismic resilience has been a program focus as the Airport is the only major airport in Oregon and Southwest Washington and would be a critical lifeline to the metropolitan area after any major seismic event. After a Cascadia Subduction Zone (“CSZ”) event, lifesaving emergency response resources would be brought in through the Airport. The Airport would be a critical component in the recovery phase to restore power, communications, water, fuel, power and other critical infrastructure and services. See “CERTAIN INVESTMENT CONSIDERATIONS—Seismic and Other Force Majeure Events.” The Port’s seismic resilience program is guided by the Oregon Resilience Plan (the “ORP”), adopted by the State in 2013. The ORP designated the Airport as a priority facility for response and recovery. In response to the ORP, in 2015 the Port conducted a Seismic Risk Assessment Recommendation Study. The 2015 study made recommendations for investment in critical infrastructure that would provide high value and high revenue generation and would have a significant impact on the regional economy. Investments were recommended for the runways, terminal and concourses as well as the CUP.

The Port’s seismic resilience program is designed to integrate additional risk assessments, training, and the development, funding, design and implementation of a 50-year capital investment program to enable the Port to resume operations and services quickly and to assist with regional recovery following a major seismic event. Understanding the severity of the impact that an earthquake may have on Port infrastructure will inform investment decisions as the Port maintains and expands its passenger and freight serving infrastructure.

The Port has made several investments in seismic resilience to date. Concourse E, the Public Parking and ConRAC Garage (as defined below), the Rental Car Center, and the Emergency Operations Center have been designed and constructed to be resilient. The South Runway is currently being designed to be operable after a CSZ event, and the Port is currently in the planning phase to assess alternatives for improving resilience for the CUP. The design of the TCore Project focused on operational resiliency. Targeting a Magnitude 9 event on the CSZ, the new structures for the TCore Project were designed for structural immediate occupancy performance and non-structural elements were designed to be repairable in a short timeframe. The on-grade level of the Western Expansion portion of the TCore Project was designed to function as a pile-supported suspended reinforced concrete floor.

Additionally, the Port participated in the update to the Multnomah County, Oregon (the “County”) Natural Hazards Mitigation Plan (“NHMP”), which is required by the Federal Emergency Management Agency (“FEMA”) to be updated every five years. This plan uses the best available information about natural hazards to come up with actions to protect life, property and the environment in future natural disasters. The current NHMP was completed in 2017 and an update is in process. In addition to the Port and the County, this NHMP update includes the Cities of Fairview, Gresham, Troutdale, and Wood Village, and Multnomah County Drainage Districts. The NHMP identifies the Airport and Marine Terminal Six as strategically important assets that would be needed for the region in the event of a catastrophic natural disaster. It also identifies the Port’s mitigation core capabilities as: 1) planning and long-term vulnerability reduction, 2) operational coordination, administration and technical support, 3) education, and 4) financial. The NHMP covers specific actions that have been or will be undertaken by the Port to address identified risks in support of the NHMP. Inclusion in the NHMP allows the Port to apply for Building Resilient Infrastructure and Community grants through FEMA, which support hazard mitigation projects to reduce risks from disasters and natural hazards, to make improvements that support the core capabilities and other resilience projects.

Airport Capital Improvement Program

The Airport CIP for Fiscal Year 2026 through Fiscal Year 2030 includes current and future projects in the Airline Cost Center and the Port Cost Center (collectively, the “Capital Improvement Projects”). The Port expects the costs of its Capital Improvement Projects during Fiscal Year 2026 through Fiscal Year 2030 will total approximately \$1.32 billion. Construction on certain of these Capital Improvement Projects may not be completed by the end of Fiscal Year 2030 and may include additional costs beyond Fiscal Year 2030.

Of the total \$1.32 billion CIP, the Airline Cost Center projects total approximately \$914.4 million, the Port Cost Center projects total approximately \$325.2 million and projects allocable to both the Airline Cost Center and the Port Cost Center total \$75.4 million. For a discussion on the Airport’s cost centers, see “PORTLAND INTERNATIONAL AIRPORT—Airport Cost Centers.” A number of the projects in the CIP are part of a campaign known as “PDX Next,” which is a suite of Airport modernization projects branded under that moniker. The TCore Project is one of the PDX Next projects.

The Port regularly modifies elements of its five-year CIP. As part of its ongoing financial planning, the Port sets self-imposed limits on capital spending within the five years of the CIP. Generally, modifications made to the CIP (in terms of which projects are or are not included in the five-year period) do not impact the limit imposed on capital spending over that period. The Port intends that the limits put on capital spending over any upcoming five-year period will be updated every two years to cover the subsequent five-year period.

Airline Cost Center. Current and future Capital Improvement Projects in the Airline Cost Center, which are projected to total approximately \$914.4 million, include construction of the remaining portions of the TCore Project; Runway 10L-28R Rehabilitation; the BHS-CBRA-CSU Project; Taxiway K West Reconstruction; PDX Circulation and Capacity Improvements; Airfield Improvements; Taxiway A West and East Rehabilitations; Terminal Roof Replacements; and Passenger Boarding Bridge Replacement-Phase 2.

Port Cost Center. Projects to be undertaken in the Port Cost Center are projected to have a total cost of \$325.2 million. Capital Improvement Projects in the Port Cost Center include improvements to the interchange at NE Airport Way and NE 82nd Avenue, Lighting & Controls Replacement in Port headquarters and parking areas, and Airtrans Center South Ramp Reconstruction. Of the total \$325.2 million projected cost, \$78.5 million is attributable to the NE Airport Way and NE 82nd Avenue interchange

improvements, \$19.6 million is attributable to the Lighting & Controls Replacement, \$20.9 to the Airtrans Center South Ramp Reconstruction, and \$206.2 million is attributable to other Port Cost Center projects.

In addition, certain of the Other Capital Projects benefit both the Airline Cost Center and Port Cost Center including the CUP HVAC and Roof Replacement.

Asset Management Program. The Port maintains an asset management program that tracks the condition of existing Port assets and recommends projects to renew those assets as needed. These projects encompass the range of Airport assets from pavement to buildings to utilities. Projects that are driven by regulatory compliance range from environmental compliance to FAA requirements to new building codes.

Majority in Interest Disapproval Process. As described below, the Port and the Signatory Airlines have agreed to a Majority-in-Interest (“MII”) disapproval process related to Airport capital improvement projects other than projects funded in a manner that does not directly impact the airline rate base or that otherwise are exempted under the Signatory Airline Agreements described below. The Port received MII ballot approval from the Signatory Airlines (as defined below) for the TCore Project. As provided in the Signatory Airline Agreement, any time an approved project exceeds 110% of the cost estimate provided by the Port to the Signatory Airlines as a part of the MII disapproval process, the Port will submit the project for MII review again to obtain approval for the project in light of the new construction cost estimate. See “PORTLAND INTERNATIONAL AIRPORT—Airport Capital Improvement Program—*Airline Cost Center*,” above, “AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger and Cargo Airline Agreements—*Signatory Airline MII Process for Disapproval of Capital Improvement Projects and for Approval of Agreement Amendments*” below.

Sources of Funds for CIP Projects

The Port expects to finance the costs of the: (1) Airline Cost Center Projects with a combination of federal grants, Airport funds, PFC funds and previously-issued SLB Bond proceeds; (2) Port Cost Center Projects with a combination of federal grants, CFC funds, and Port funds; and (3) Shared Cost Center Projects with a combination of Airport and Port funds and previously-issued SLB Bond proceeds. In addition to paying the debt service on the Series 2022A PFC Bonds, the PFCs will be used on a pay-as-you-go basis (“PFC PayGo”) to fund portions of the TCore Project. However, the sources of funds for various projects may change and the Port cannot predict or guarantee the availability of specific sources to fund the projects. See “CERTAIN INVESTMENT CONSIDERATIONS—Implementation of CIP Projects.”

Grants. The Port receives federal entitlement and discretionary grants for Airport-related capital projects under the Airport Improvement Program (the “AIP”). Entitlement grants are based upon (1) levels of funding authorized and appropriated by Congress for the program, and (2) apportionments based on both the number of enplaned passengers and amount of landed cargo weight at the Airport. The amount of entitlement funds for large and medium hub airports collecting a PFC are reduced based on the collection level. Because the Port collects at the maximum a \$4.50 PFC level, the Port’s AIP entitlement funds are reduced. A provision in the FAA’s Reauthorization Act of 2024 (H.R. 3935) reduced the entitlement reduction from 75% to 60%, effective in Federal Fiscal Year (“FFY”) 2025, ending September 30, 2025. The Airport was appropriated \$4,450,386 for FFY 2024 and \$6,818,181 for FFY 2025. Additionally, it was granted an AIP entitlement grant award totaling approximately \$7,766,449 in FFY 2022, FFY 2023 and FFY 2024, and has been appropriated \$696,721 for award in FFY 2025. In addition, the General Aviation Airports are appropriated a total of \$300,000 in AIP non-primary entitlement funds each year. The Port also receives AIP discretionary grants for specific projects pursuant to grant applications for such funding. FAA discretionary grant awards are a function of the amounts authorized and appropriated by Congress and the FAA’s prioritization of competing projects. On December 29, 2022, the President signed

Public Law 117-328, “Consolidated Appropriations Act, 2023,” which included a Supplemental amount for discretionary grants under the AIP statute. The Port was granted FFY 2023 discretionary funds for airport energy and emission sustainability project. The Port received approximately \$14.1 million in discretionary grant funds from the FAA in FFY 2024.

Generally, all grant funds are payable only on a reimbursement basis after the grant agreement is executed and after eligible expenditures are made. AIP grants received by the Port for capital projects are not included as Revenues under the Airport Revenue Bond Ordinances and do not secure the payment of the SLBs. The Port is subject to periodic compliance reviews and audits by the FAA to verify the Port’s compliance with applicable federal laws, FAA grant assurances and FAA policies concerning the use of airport revenue. See “REGULATORY MATTERS—Airport Regulation” and “CERTAIN INVESTMENT CONSIDERATIONS—Regulation” and “—Federal Funding Considerations” below. In addition, as required by federal regulations, the Port has an independent single audit conducted on an annual basis.

On November 15, 2021, then President Joseph Biden signed into law an approximately \$1 trillion federal government investment into U.S. infrastructure (the “Bipartisan Infrastructure Law”). The Bipartisan Infrastructure Law contains an investment of approximately \$25 billion into aviation, which includes \$15 billion in Airport Infrastructure Grants (“AIG”) to fund airport-related projects as defined under the existing AIG and PFC criteria, \$5 billion of discretionary funding for a new Airport Terminal Program (“ATP”) and \$5 billion of funding to improve air traffic control facilities. On November 18, 2021, the U.S. Department of Transportation released information on how the AIG funding is expected to be distributed to each state. Under the Bipartisan Infrastructure Law, airports in the State (including the Airport) are expected to receive approximately \$211 million of AIG funding for development at the airports in the State, including the Airport, over a five-year period. The Airport has been awarded \$22.8 million in AIG funding as of August 1, 2025, with additional obligations to continue throughout the FFY. Based on current allocations, total funding for FFY 2022 through FFY 2025 totals \$75.8 million, and for FFY 2026 the allocation is estimated at approximately \$17.0 million. The Port intends to address airside and terminal development projects with the funding.

In addition to these funds, the Airport was also awarded \$35.6 million in ATP grants (of which approximately \$32.6 million has been obligated and approximately \$3 million has been programmed) for the TCore Project to convert the heating system at the PDX terminal from boilers fueled by fossil fuels to an electric-powered heat pump, for passenger boarding bridges, and for terminal curtain wall reconstruction including replacement of revolving doors. In addition, the Airport received \$16 million in AIP supplemental program funding (FFY 2022 Supplemental awarded in FFY 2024) for electric ground support equipment infrastructure to support conversion of diesel ground support equipment to electric.

For information regarding risks associated with federal funding, see “CERTAIN INVESTMENT CONSIDERATIONS – Federal Funding Considerations” below. A reduction in federal funds received by the Airport could lead to adjustments to CIP projects funded and/or increases in the amount of capital or other expenditures that the Port needs to fund from other sources, including operating revenues, PFCs and Bond proceeds.

Passenger Facility Charges. PFCs are charges authorized by the federal Aviation Safety and Capacity Act of 1990, as amended (the “PFC Act”) and regulations promulgated thereunder by the FAA to finance approved, eligible airport-related projects. An airport must obtain the FAA’s approval before imposing PFCs and before using the proceeds of PFCs and investment income thereon (together, “PFC Revenue”). PFC Revenue is used to pay the costs of certain FAA-approved, PFC-eligible projects, either by using PFC PayGo funds to pay for approved project costs or by pledging and assigning PFC Revenue to pay debt service associated with PFC Revenue bonds issued to fund costs of approved PFC projects when authorized by the FAA or by using available PFCs to pay debt service on other bonds.

The Port is currently authorized by the FAA, pursuant to 14 PFC application approvals, to impose and use approximately \$1.4 billion of PFC Revenue (at a PFC of \$4.50) for various projects, of which approximately \$856.6 million has been collected and approximately \$746.2 million has been spent on approved PFC Projects as of March 31, 2025. PFC Revenue is pledged to, and is required to be used first to pay, debt service on the Port's Outstanding PFC Bonds. The Port's Outstanding PFC Bonds mature July 1, 2031. The Port expended approximately \$47.2 million of pay-go PFC Revenue in Fiscal Year 2024 and expects that during Fiscal Years 2025 through 2027 it will use a total of approximately \$177.8 million of PFC Revenue to fund a portion of the remaining costs of the TCore Project.

For information regarding risks associated with the authorization to impose PFCs, see "CERTAIN INVESTMENT CONSIDERATIONS—Regulation" and "- Federal Funding Considerations" below. A reduction in federal funds received by the Airport could lead to adjustments to CIP projects funded and/or increases in the amount of capital or other expenditures that the Port needs to fund from other sources, including operating revenues, PFCs and Bond proceeds.

PFC Revenue is not part of "Revenues" under the Airport Revenue Bond Ordinances and does not secure the payment of the SLBs.

Customer Facility Charges. Since January 2014, rental car companies operating from the Airport have collected CFCs from their Airport customers and remitted the required amount of CFCs to the Port on a monthly basis. CFC collections received by the Port are required to be applied only to pay costs of rental car-related projects and programs. The CFCs are not part of "Revenues" under the Airport Revenue Bond Ordinances and are not pledged to the payment of SLBs.

The CFC Levy Ordinance authorizes the Port to levy a CFC and requires the rental car companies operating from the Airport to collect CFCs from their Airport customers solely to finance rental car facilities and related projects and program costs. The CFC Levy Ordinance also authorizes the Port to pledge CFCs to the repayment of bonds issued to finance rental car facilities. The Port sought and received a validation judgment from the Multnomah County Circuit Court dated September 1, 2017 (the "Validation Judgment") that confirmed, among other things, that the levy, pledge and use of CFCs to finance the ConRAC and related facilities did not violate certain provisions of the Oregon Constitution, and were within the authority of the Port. The Validation Judgment permanently enjoins all persons from instituting any action or proceeding challenging the validity of the bonds issued under the CFC Bond Ordinances or the CFC Levy Ordinance. The Port has pledged CFCs to the repayment of the CFC Bonds, a portion of the proceeds of which was used to finance the design and construction of the ConRAC.

Effective November 11, 2022, the First CFC Levy Ordinance Amendment enables the Port to enter into agreements with rental car companies authorizing them to use certain Airport facilities which are not adjacent to the Terminal, and which are not funded by CFCs, without collecting and remitting CFCs to the Port. These agreements are expected to result in incremental fee revenue to the Port, and enhanced regulatory authority over those rental car companies which seek this opportunity, which are expected to be exclusively peer-to-peer car sharing companies such as Turo and Avail. See "AGREEMENTS FOR USE OF AIRPORT FACILITIES—Rental Car Agreements" and "CERTAIN INVESTMENT CONSIDERATIONS."

Effective August 15, 2023, the Port entered into an agreement with Turo that allows the peer-to-peer car sharing company to operate from certain facilities at PDX. Turo is excluded from paying CFCs, and pays rent to the Port of 10% of gross revenues plus daily parking rates.

Air Service Area (ASA) and Information Regarding the ASA

The Airport is the primary commercial air service facility serving the Portland metropolitan area and the surrounding region, and is essentially isolated from other airport competition. The Airport's general service area (the "Air Service Area") consists of Clackamas, Columbia, Multnomah, Washington and Yamhill Counties in the State, and Clark and Skamania Counties in the State of Washington. The Airport principally services O&D passengers. In Fiscal Year 2023, the Airport was the 30th largest O&D market in the U.S.

Major employers in the Air Service Area include Intel, Nike, Columbia Sportswear, Wells Fargo, and Providence Health. The Air Service Area has historically exhibited stronger population growth than the U.S., fueled by in-migration. Between 2013 and 2024 the ASA population increased by 9.8%, compared to 8.6% for the State of Oregon and 7.3% for the U.S, over the same period. Additionally, the 2023 per capita income for the Air Service Area was \$75,252, which exceeds per capita income for the State and the U.S. for the same period, which were \$67,238 and \$70,172, respectively.

The Air Service Area is a major tourist destination, with PDX serving as an access point to the Portland region, Mt. Hood, the Willamette Valley, the Oregon coast, and the Columbia River Gorge. Attractions include tax-free shopping, beaches and coastline, a temperate climate with outdoor recreation, restaurants, microbreweries, live music, Oregon wine country, and conventions. The LEED Platinum Oregon Convention Center completed a \$40 million renovation in 2019 including outdoor seating, with 90 events scheduled between March and December 2024. Additionally, professional sports teams in the Air Service Area include the Trail Blazers (NBA), Timbers (MLS), Thorns (National Womens' Soccer Champions in 2013, 2017 and 2022), Hillsboro Hops (Minor League Baseball), Winterhawks (Major Junior Ice Hockey), and Portland Fire (WNBA).

Approximately 12.9 million overnight visitors traveled to the Portland region in calendar year 2024, spending approximately \$5.5 billion, which is comparable to the \$5.6 billion spent in 2019, prior to the COVID-19 pandemic. Travel spending in the State in calendar year 2024 was \$14.3 billion, which is 11.5% higher than in calendar year 2019.

Airlines Serving the Airport

As shown in the table below, as of June 30, 2025, 14 domestic-passenger airlines and 7 foreign-flag passenger airlines provided scheduled passenger service at the Airport; and 11 airlines provided all-cargo service. For information related to airline activity since this date, see "—Other Airport Recent Developments" below.

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TABLE 9
AIRLINES SERVING THE AIRPORT
(AS OF JUNE 30, 2025)

Scheduled Passenger Service	
Signatory Airlines	Signatory Affiliate Airlines
Air Canada*	Horizon Air (AS) ⁽⁵⁾
Alaska Airlines (AS) ⁽¹⁾	SkyWest Airlines (AS, DL, UA) ⁽⁶⁾
American Airlines (AA)	
British Airways*	
Delta Air Lines (DL)	
Frontier Airlines	
Hawaiian Airlines ⁽¹⁾	
JetBlue Airways	
KLM Royal Dutch Airlines*	
Sun Country Airlines	
Southwest Airlines	
Spirit Airlines Inc. ⁽²⁾	
United Airlines (UA)	
Volaris*	
	Non-Signatory Airlines
	Allegiant Air
	Boutique Air ⁽⁷⁾
	Condor*
	Icelandair*
	WestJet*

All-Cargo Service	
Signatory Airlines	Non-Signatory Airlines
ABX ⁽³⁾	Airpac
Air Transport International	Kalitta Air
Ameriflight	
Atlas Air ⁽⁴⁾	
Cathay Pacific Airways	
Empire	
FedEx	
United Parcel Service	
Sun Country-Cargo	

* Denotes foreign-flag

⁽¹⁾ Alaska Air Group (d/b/a Alaska Airlines) and Hawaiian Airlines obtained regulatory approval of their merger in September 2024. Currently, the two airlines are separately certificated airlines; Alaska Airlines has stated publicly that it intends to continue to work on obtaining a single operating certificate from the Federal Aviation Administration (FAA). See “CERTAIN INVESTMENT CONSIDERATIONS—Effect of Airline Industry Concentration; Effect of Airline Consolidation.”

⁽²⁾ In its quarterly Form 10-Q filing as of June 30, 2025, Spirit Aviation Holdings, Inc., the parent company to Spirit Airlines, stated that because of the uncertainty of successfully completing certain initiatives to comply with minimum liquidity covenants and of the outcome of discussion with company stakeholders, its management has concluded that there is substantial doubt as to the company’s ability to continue as a going concern within 12 months from the date of the financial statements. The Port will continue to monitor this situation. For information regarding risks of airline bankruptcies, see “CERTAIN INVESTMENT CONSIDERATIONS—Effect of Airline Bankruptcies.”

⁽³⁾ ABX Air operates cargo flights for DHL Aviation.

⁽⁴⁾ Atlas Air operates cargo flights for Cathay Cargo and some charter service.

⁽⁵⁾ d/b/a Alaska Airlines. Alaska Airlines and Horizon Air Industries are separately certificated airlines owned by Alaska Air Group, Inc.

⁽⁶⁾ d/b/a Alaska Airlines, American Eagle, Delta Connection and United Express.

⁽⁷⁾ Boutique Air operates scheduled commercial service to Eastern Oregon Regional Airport from the fixed-base operator at the Airport. Therefore, all enplaned passengers, aircraft operations, and landed weight are included as general aviation.

Source: Port records.

Historical Traffic and Activity

The Airport serves primarily O&D passengers. O&D passengers accounted for approximately 93.5% of total Airport passengers in Fiscal Year 2024, with the remaining 6.5% of Airport passengers connecting between flights, according to O&D Statistics. The following table summarizes the Airport's 77 non-stop destinations for Fiscal Year 2024.

**TABLE 10
PORTLAND NON-STOP DESTINATIONS
FISCAL YEAR 2024**

Destination	Average Daily Scheduled Departures	Number of Airlines Serving Market
Albuquerque, NM	1	1
Amsterdam, Netherlands	1	1
Anchorage, AK	2	1
Appleton, WI	<1	1
Atlanta, GA	3	1
Austin, TX	1	1
Billings, MT	<1	1
Boise, ID	5	1
Boston, MA	2	2
Bozeman, MT	1	1
Calgary, Canada	1	1
Cancun, Mexico	<1	1
Charlotte-Douglas, NC	1	1
Chicago, IL ⁽¹⁾	7	5
Dallas/Fort Worth, TX ⁽²⁾	6	4
Denver, CO	12	4
Des Moines, IA	<1	1
Detroit, MI	1	1
Fort Lauderdale, FL	<1	1
Frankfurt, Germany	<1	1
Fresno, CA	1	1
Grand Rapids, MI	<1	1
Guadalajara, Mexico	1	1
Hawaii ⁽³⁾	5	2
Houston, TX	2	1
Idaho Falls, ID	<1	1
Kalispell-Glacier, MT	<1	1
Kansas City, MO	<1	2
Las Vegas, NV	12	4
London, UK	1	1
Los Angeles Area, CA ⁽⁴⁾	22	6
Medford, OR	1	1
Miami, FL	1	2
Minneapolis/Saint Paul, MN	4	3
Missoula, MT	<1	1
Nashville, TN	<1	1
New York City Area, NY ⁽⁵⁾	5	4
Orlando, FL	1	1
Palm Springs, CA	1	1

(Table 10 continued next page)

(Table 10 continued)

Destination	Average Daily Scheduled Departures	Number of Airlines Serving Market
Pendleton, OR ⁽⁶⁾	3	1
Philadelphia, PA	<1	1
Phoenix, AZ	11	5
Provo, UT	<1	1
Puerto Vallarta, Mexico	<1	1
Redmond/Bend, OR	<1	1
Reno, NV	2	1
Reykjavik, Iceland	<1	1
Sacramento, CA	7	2
Saint Louis, MO	<1	1
Salt Lake City, UT	6	3
San Diego, CA	5	3
San Francisco Bay Area, CA ⁽⁷⁾	25	5
San Jose del Cabo, Mexico	<1	1
San Luis Obispo, CA	1	1
Santa Barbara, CA	1	1
Santa Rosa, CA	1	1
Seattle, WA	22	2
Spokane, WA	4	1
Tampa, FL	<1	1
Toronto, Canada	<1	1
Tucson, AZ	<1	1
Vancouver, Canada	4	2
Washington DC/Baltimore, MD Area ⁽⁸⁾	2	3

(1) Includes Chicago O'Hare International (ORD) and Chicago Midway International (MDW) Airports.

(2) Includes Dallas/Fort Worth International Airport (DFW) and Dallas-Love Field (DAL).

(3) Includes Honolulu International (HNL), Kona International (KOA), Lihue/Kauai (LIH), and Kahului/Maui (OGG) Airports.

(4) Includes Los Angeles International (LAX), Bob Hope (BUR), Long Beach (LGB), Ontario International (ONT), and John Wayne-Orange County (SNA) Airports.

(5) Includes John F. Kennedy International (JFK) and Newark Liberty International (EWR) Airports.

(6) Boutique Air operates scheduled commercial service to Eastern Oregon Regional Airport from the fixed-base operator at the Airport. Therefore, all enplaned passengers, aircraft operations, and landed weight are included as general aviation.

(7) Includes San Francisco International (SFO), Oakland International (OAK), and San Jose International (SJC) Airports.

(8) Includes Ronald Reagan Washington National (DCA), Baltimore Marshall (BWI), and Washington Dulles International (IAD) Airports.

Source: Port records.

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The numbers of enplaned passengers (passengers boarding flights) at the Airport during Fiscal Years ended June 30, 2016 through June 30, 2025 are set forth in the following table. In Fiscal Year 2025, approximately 96% of passengers enplaned on domestic flights at the Airport, and the remaining 4% enplaned on international flights. Alaska Airlines began implementing a modified hubbing model in April 2025, which is expected to increase Alaska Air Group flights at PDX from 15-20% to about 35-40%. See “Other Airport Recent Developments” herein. Enplanement levels may affect funds available to the Airport, including AIP entitlement grants and PFC Revenues. See “– Sources of Funds for CIP Projects” herein.

TABLE 11
HISTORICAL ENPLANED PASSENGERS
FISCAL YEARS 2016–2025

Fiscal Year Ended June 30	Total Enplaned Passengers	Percent Increase (Decrease)
2016	8,792,286	9.1%
2017	9,422,565	7.2
2018	9,733,011	3.3
2019	9,966,798	2.4
2020	7,273,434	(27.0)
2021	3,741,995	(48.6)
2022	7,055,333	88.5
2023	7,825,321	10.9
2024	8,352,802	6.7
2025	9,049,066	8.3
Compound Annual Growth Rate		
FY 2016-2025	0.3%	
FY 2021-2025	24.7%	

Source: Port of Portland, Aviation Statistics – Monthly Traffic Report July 2016-June 2025.

Airline traffic and total enplanements may be effected by various other external factors that are outside the control of the Airport as further described in the sections “CERTAIN INVESTMENT CONSIDERATIONS—Worldwide Health Concerns,” “—Demand for Air Travel,” “— Financial Condition of the Airlines,” “—Effect of Airline Industry Concentration; Effect of Airline Consolidation,” “—Effect of Airline Bankruptcies,” and “—Aviation Security Concerns.”

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Enplaned passengers by airline at the Airport for Fiscal Years 2021 through 2025 are listed in the following table.

TABLE 12
ENPLANED PASSENGERS BY AIRLINE
(000s)

Airline	Fiscal Year 2021		Fiscal Year 2022		Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025	
	Enplaned Passengers	Share	Enplaned Passengers	Share	Enplaned Passengers	Share	Enplaned Passengers	Share	Enplaned Passengers	Share
Alaska Air Group ⁽¹⁾	1,585	42.4%	3,083	43.7%	3,213	41.1%	3,356	40.2%	4,038	44.6%
<i>Alaska Airlines</i> ⁽²⁾	1,042	27.8	2,482	35.2	2,768	35.4	2,665	31.9	3,168	35.0
<i>Horizon Air</i>	544	14.5	601	8.5	445	5.7	691	8.3	870	9.6
Delta Air Lines ⁽²⁾	510	13.6	1,049	14.9	1,222	15.6	1,274	15.3	1,205	13.3
Southwest Airlines	609	16.3	905	12.8	1,114	14.2	1,230	14.7	1,176	13.0
United Airlines ⁽²⁾	350	9.3	902	12.8	935	12.0	954	11.4	969	10.7
American Airlines	382	10.2	526	7.5	556	7.1	585	7.0	644	7.1
Frontier Airlines	82	2.2	107	1.5	126	1.6	211	2.5	247	2.7
Spirit Airlines ⁽³⁾	80	2.1	124	1.8	171	2.2	195	2.3	199	2.2
Hawaiian Airlines	58	1.5	122	1.7	149	1.9	153	1.8	155	1.7
Other ⁽⁴⁾	86	2.3	235	3.3	339	4.3	394	4.7	419	4.6
Total ⁽⁵⁾	3,742	100.0%	7,055	100.0%	7,825	100.0%	8,353	100.0%	9,049	100.0%

⁽¹⁾ Alaska Air Group (d/b/a Alaska Airlines) and Hawaiian Airlines obtained regulatory approval of their merger in September 2024. Currently, the two airlines are separately certificated airlines; Alaska Airlines has stated publicly that it intends to continue to work on obtaining a single operating certificate from the Federal Aviation Administration (FAA). See “CERTAIN INVESTMENT CONSIDERATIONS—Effect of Airline Industry Concentration; Effect of Airline Consolidation.

⁽²⁾ SkyWest Airlines passengers are included with the appropriate mainline partner (e.g., Alaska Airlines, Delta Air Lines, United Airlines).

⁽³⁾ In its quarterly Form 10-Q filing as of June 30, 2025, Spirit Aviation Holdings, Inc., the parent company to Spirit Airlines, stated that because of the uncertainty of successfully completing certain initiatives to comply with minimum liquidity covenants and of the outcome of discussion with company stakeholders, its management has concluded that there is substantial doubt as to the company’s ability to continue as a going concern within 12 months from the date of the financial statements. The Port will continue to monitor this situation. For information regarding risks of airline bankruptcies, see “CERTAIN INVESTMENT CONSIDERATIONS—Effect of Airline Bankruptcies.” ⁽⁴⁾ Includes airlines with a 1% share or less of enplaned passengers in Fiscal Year 2025.

⁽⁵⁾ Totals may not add due to rounding.

Source: Port of Portland, Aviation Statistics – Monthly Traffic Report July 2020-June 2025.

The Port from time to time receives notifications from airlines of cancellations or alterations of flights scheduled or to be scheduled at the Airport due to various factors, most of which are not within the Port's control. For a description of the various factors that affect individual airline decisions regarding levels of service at the Airport, see "—Other Airport Recent Developments" below and "CERTAIN INVESTMENT CONSIDERATIONS—Demand for Air Travel," "—Financial Condition of the Airlines," "—Effect of Airline Industry Concentration; Effect of Airline Consolidation," "—Effect of Airline Bankruptcies," "—Aviation Security Concerns" and "—Worldwide Health Concerns."

Other Airport Recent Developments

Routes and Service. Below are updates to certain routes and service at the Airport, which are subject to schedule adjustments, suspensions or cancellations by the airlines.

In domestic U.S. markets, PDX has seen growth in new destinations since 2024, with various carriers having added or scheduled to add service to: Baltimore, Maryland; Mesa, Arizona; Nashville, Tennessee; New Orleans, Louisiana; Indianapolis, Indiana; Cincinnati, Ohio; Flint, Michigan; and Eugene, Oregon.

Additionally, beginning April 2025, Alaska Airlines modified its PDX schedules to include more connecting flights and a hubbing model. It is estimated that the percentage of connecting passengers on Alaska Air Group flights will increase from 15-20% to about 35-40%, with 26% more seat capacity at PDX in May 2025 than in the year previous.

KLM Royal Dutch Airlines launched year-round scheduled service between PDX and Amsterdam on October 27, 2024. KLM operates the route five times per week in the summer season and four times per week in the winter season.

British Airways became a signatory carrier on July 1, 2023.

Cathay Pacific Cargo continues to operate three weekly 747-8 freighters from PDX to Hong Kong.

Air Cargo Tonnage

Total cargo tonnage at the Airport is summarized in the following table. The movement of air cargo is an important part of the services provided at the Airport. At the Airport, it is possible for cargo service to influence numbers of enplaned passengers because, on some routes flown by the passenger airlines, revenue from carrying cargo in the belly compartment of passenger aircraft contributes to total airline profits and can improve the viability of otherwise financially marginal routes.

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TABLE 13
HISTORICAL TOTAL CARGO TONNAGE
FISCAL YEARS 2016–2025

Fiscal Year Ended June 30	Volume ⁽¹⁾ (short tons)	Percent Increase (Decrease)
2016	238,915	2.8%
2017	247,574	3.6
2018	267,365	8.0
2019	291,379	9.0
2020	328,611	12.8
2021	368,248	12.1
2022	378,794	2.9
2023	342,472	(9.6) ⁽²⁾
2024	297,884	(13.0) ⁽²⁾
2025	252,113	(15.4)
Compound Annual Growth Rate		
FY 2016-2025	0.6%	
FY 2021-2025	(9.0)%	

⁽¹⁾ Includes mail; total short tons in and out.

⁽²⁾ Declines in cargo tonnage in recent years primarily due to (1) Amazon shifting its UPS traffic to its own controlled fleet and development of regional hub-and-spoke networks that results in use of more ground transportation; (2) FedEx’s air network rationalization with the loss of its USPS contract in 2024, which involves streamlining flight operations, (3) ABX/DHL’s rebuild of its U.S. network handling international cargo, which resulted in adjustments of PDX flights; and (4) UPS adjustments to new USPS traffic.

Source: Port records, from reports by the airlines.

Landed Weight

Aircraft landed weight at the Airport (expressed in 1,000-pound units), which is used to calculate landing fees, is recorded according to the aircraft’s certificated maximum gross landed weight, as determined by the FAA. Historical landed weight at the Airport is summarized in the following table. Although changes in landed weight do have an effect on the Port’s landing fee rates, under the Signatory Airline Agreements and Non-Signatory Ordinances described below, increased landed weight does not result in higher landing fee revenue to the Port; rather, it reduces the landing fee rate for the airlines. See “—Airport Cost Centers” and “AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger and Cargo Airline Agreements” below.

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TABLE 14
HISTORICAL LANDED WEIGHT
FISCAL YEARS 2016–2025

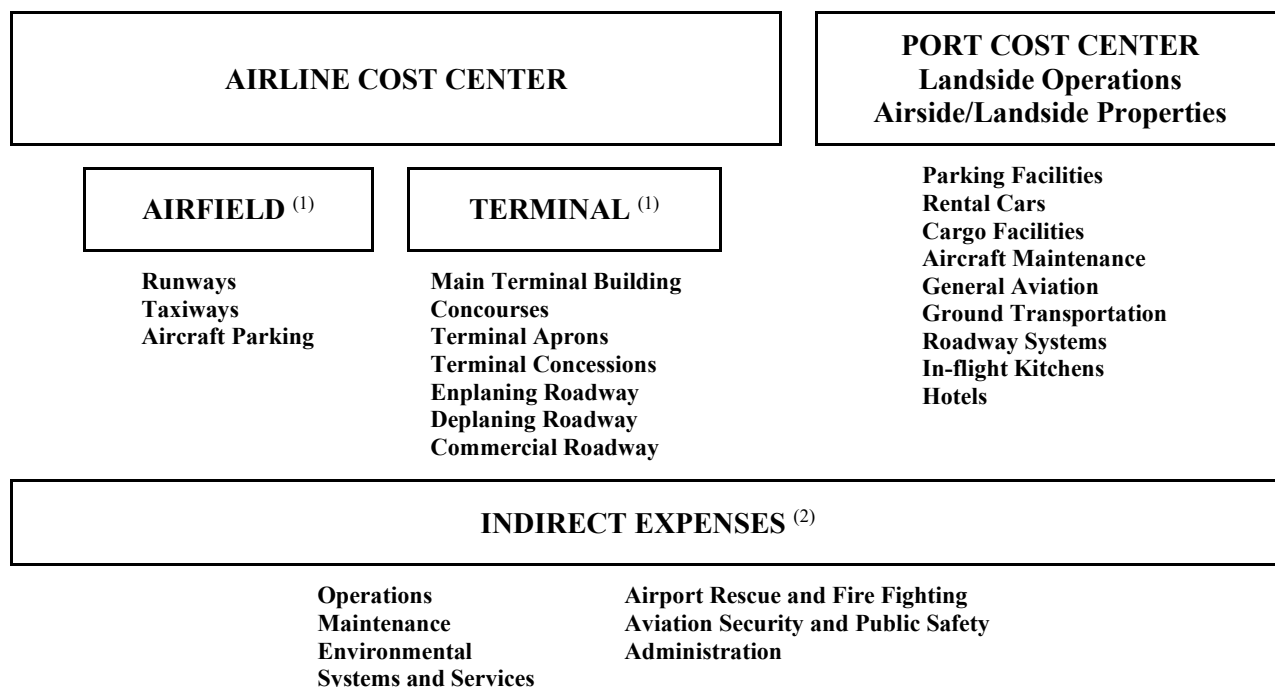
Fiscal Year Ended June 30	Passenger Airlines	All-Cargo Airlines	Total	Year-Over-Year Growth Rate
2016	9,482,191	1,215,683	10,697,874	9.3%
2017	10,122,815	1,342,179	11,464,994	7.2
2018	10,662,824	1,599,687	12,262,511	7.0
2019	10,855,334	1,856,750	12,712,084	3.7
2020	8,674,826	2,111,420	10,786,246	(15.1)
2021	5,569,346	2,248,200	7,817,546	(27.5)
2022	7,791,682	2,445,124	10,236,806	30.9
2023	8,560,710	2,244,117	10,804,827	5.5
2024	9,366,612	1,921,555	11,288,167	4.5
2025	10,016,910	1,700,751	11,717,662	3.8
Compound Annual Growth Rate				
FY 2016-2025	0.6%	3.8%	1.0%	
FY 2021-2025	15.8%	(6.7)%	10.6%	

Source: Port of Portland, Aviation Statistics – Monthly Traffic Report July 2016-June 2025.

Airport Cost Centers

The Port uses a cost-center structure for the Airport. Of the Airport's 13 cost centers, six are direct, revenue-producing cost centers and seven are indirect cost centers allocated to the direct cost centers. The Airfield and Terminal direct cost centers, plus their allocated portions of expenses from the indirect cost centers, comprise the Airline Cost Center. Costs of Operation and Maintenance (including allocated expenses from the indirect costs centers), allocated debt service and debt service coverage, Terminal concession revenues and revenues from passenger and cargo carriers are included in the Airline Cost Center. The Port Cost Center includes the Ground Transportation (non-Terminal public access roadways, automobile parking facilities and rental car facilities), Non-Aviation (leased commercial and industrial properties such as the PIC and other hotel, warehousing and office facilities), Other Aviation and Air Cargo direct cost centers, plus their allocated portions of the expenses included in the indirect cost centers. Indirect cost centers include salaries, benefits, materials, equipment and supplies, of the Airport's operations, maintenance, environmental, systems and services, rescue and firefighting, security and public safety and administration staff and facilities, in each to the extent not attributable to a direct cost center. Some of the activities and facilities included in the cost centers are illustrated in the following chart.

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⁽¹⁾ Airfield and Terminal are Residual Cost Centers.

⁽²⁾ Indirect Expenses are allocated to the Airline Cost Center and the Port Cost Center per the airline agreement.

Source: The Port.

See “AGREEMENTS FOR USE OF AIRPORT FACILITIES—Passenger and Cargo Airline Agreements—*Residual Rate-Setting Methodology for the Airline Cost Center*”, “—*Revenue Sharing*”, “—*Signatory Airline MII Process for Disapproval of Capital Improvement Projects and for Approval of Agreement Amendments*” and “—*Capital Improvements*” below.

AGREEMENTS FOR USE OF AIRPORT FACILITIES

Passenger and Cargo Airline Agreements

General. The Port is a party to two types of agreements with passenger airlines and all-cargo carriers: (i) the Second Amended and Restated Signatory Passenger Airline Lease and Operating Agreements entered into as of October 1, 2019 and the Affiliate Passenger Carrier Operating Agreements (together, the “Signatory Passenger Airline Agreements”); and (ii) the Second Amended and Restated Signatory Cargo Carrier Operating Agreements entered into as of October 1, 2019 (the “Signatory Cargo Airline Agreements” and together with the Signatory Passenger Airline Agreements, the “Signatory Airline Agreements”).

Rate-setting at the Airport is “residual” in connection with the Airline Cost Center such that the airlines have primary responsibility and risk for costs and the benefit from non-airline revenues in the terminal and on the airfield, such as terminal concessions, TSA and FAA terminal rent, and others. The Port has the responsibility and risk for the Port Cost Center revenues and costs, although the Port also shares some Port Cost Center Revenues with the airlines.

The Signatory Airline Agreements establish, among other things, procedures for setting and adjusting rentals, rates, fees and charges to be collected for the use of Airport facilities. The Signatory Airline Agreements were amended and restated in 2019 to extend the term through June 30, 2030, unless

terminated earlier by the Port because of an airline's uncured event of default, or in the event any State, federal or local government or agency takes possession of, or a substantial portion of, the Airport by condemnation or conveyance in lieu of condemnation or unless terminated by the Port or by the applicable airline if a court by a final decision prevents performance by the Port of any of its material obligations under the Agreement.

Fourteen passenger airlines have signed the Signatory Passenger Airline Agreements, which, including their operating affiliates (together, the "Signatory Passenger Airlines"), accounted for more than 98% of enplaned passengers at the Airport in Fiscal Year 2025. Nine all-cargo carriers have signed the Signatory Cargo Airline Agreements (the "Signatory Cargo Carriers," and together with the Signatory Passenger Airlines, the "Signatory Airlines").

The Signatory Passenger Airline Agreements govern airline use of certain Airport facilities, including ramp, terminal, baggage claim, ticket counters and gate areas and certain cargo and other facilities, and permit the Signatory Passenger Airlines to lease Exclusive Space, Preferential Space and Shared Space. Exclusive space includes ticket counter space, office space, operations space, airline club lounges, baggage makeup space and baggage service area space ("Exclusive Space"); and preferential space is Airport space, including aircraft loading bridges and/or other aircraft support equipment leased to the Signatory Passenger Airline and to which the Signatory Passenger Airline has a higher and continuous priority of use over all other air carriers and concessionaires ("Preferential Space"). Shared space includes some baggage make-up areas, corridors and ticket offices, and leased areas of the Terminal shared by more than one air carrier, but excluding Baggage Claim Areas. Common Use Space includes Port-controlled ticket counters, ticket offices, equipment, kiosks and gates the Port has not leased but has reserved for the flexible and temporary use of any Air Carrier serving the Airport ("Shared Space").

Passenger airlines and cargo carriers operating at the Airport that are not Signatory Airlines or affiliates of Signatory Airlines (the "Non-Signatory Airlines") are subject to rates and charges established pursuant to Port Ordinance No. 433-R and Amended and Restated Ordinance No. 389-R (together, the "Non-Signatory Ordinances"). Rates and charges under the Non-Signatory Ordinances do not benefit from the revenue sharing described below and Non-Signatory Airlines pay a 25% premium over the rates and charges established in the Signatory Airline Agreements.

The Signatory Airlines have no right to terminate their Signatory Airline Agreements before their term ends in 2030 (except in the case of governmental action as described above). However, each Signatory Passenger Airline has the right as of July 1, 2025, with six months' written notice, to reduce its Exclusive Space, Preferential Space, or Shared Space in the Terminal so long as the Signatory Airline continues to lease at least 100 square feet of Exclusive Space for the entire term of the Signatory Airline Agreement. This provision recognizes that such space reduction would have been available to each Signatory Passenger Airline as of July 1, 2025 had the Signatory Airline Agreement not been amended to extend the term through June 30, 2030. None of the Signatory Airlines have provided written notice to reduce their Exclusive Space, Preferential Space, or Shared Space in the Terminal.

Residual Rate-Setting Methodology for the Airline Cost Center. Signatory Airline Agreements also provide that the Agreement is residual to the extent that the Signatory Airlines are obligated in connection with the Airline Cost Center to (a) discharge all claims, obligations and indebtedness payable from the Revenues allocated to the Airline Cost Center; and (b) produce Net Revenues in each Fiscal Year sufficient to comply with the minimum rate covenant in the Airport Revenue Bond Ordinances and to comply with the earnings test required under the Airport Revenue Bond Ordinances for the issuance of any additional bonds applicable to the Airfield Cost Center and Terminal Cost Center.

The Signatory Airline Agreements also provide that all Terminal Rents, Landing Fees, other rents, charges, fees, fines, costs, reimbursements, penalties, taxes, late charges, liquidated damages and interest of all types (in the Signatory Airline Agreements, collectively referred to as “Rent”) are subject to adjustment to remain in compliance with the Airport Revenue Bond Ordinances. In addition, following the end of each Fiscal Year, Rents are to be reviewed and recalculated using audited financial information and adjusted if necessary, and any underpayments are to be payable by the Airlines within 30 days after an invoice is received and any overpayment refunded to the Airlines by the Port within 30 days after its determination.

Landing Fees. Landing fees are calculated by multiplying the then-current Landing Fees rate by the Revenue Landed Weight. The Landing Fees rate is calculated by allocating the Airfield Net Requirement (the annual sum of all expenses and fees, including Debt Service Coverage, allocated to the Airfield, minus all Offsetting Revenues, including all Revenues other than the Landing Fees of Signatory Airlines) between Signatory Airlines and Non-Signatory Airlines, based upon landed weight, with the Non-Signatory landed weight being increased by 25%. Under the Signatory Airline Agreements for the calculation of landing fees and terminal rents, the Airfield and Terminal Net Requirements include 30% of the sum of direct and indirect debt service attributable to Airport revenue bonds issued to acquire capital improvements at the Airport, referred to as “Debt Service Coverage.” As described below, the allocated Signatory Net Requirement is then reduced by revenue sharing allocated to the Airfield. The Signatory Landing Fee rate is the reduced allocated Net Requirement divided by Signatory landed weight, and the Non-Signatory Landing Fee rate is the allocated Non-Signatory Net Requirement divided by Non-Signatory landed weight.

Terminal Rents. The Terminal includes the passenger Terminal building and concourse areas; the access roadways and associated sidewalks immediately adjacent to the Terminal; the public area (including the concourse corridors and connectors, the concession areas, ticket lobby and non-rentable areas); the Aircraft Apron; and the security screening areas. The Signatory Airline Agreements provide that when calculating Rents allocable to the access roadways that are part of the Terminal Cost Center, the Terminal Cost Center pays 100% of the capital costs of the roadways, the Port Cost Center pays 100% of the O&M Expenses and the Port Cost Center receives 100% of the concession revenues related to the access roadways.

Terminal Rents for Terminal Space are determined by allocating the Terminal Net Requirement to different categories of Signatory Space, Baggage Claim Areas, Common Use Ticket Offices and Non-Signatory Space. Except in the case of Terminal access roadways, the Terminal Net Requirement includes the sum of total annual Direct and Indirect O&M Expenses and Direct and Indirect Debt Service and Debt Service Coverage allocated to the Terminal Cost Center (collectively, the “Terminal Requirement”), less direct and indirect Non-Airline Revenues allocated to the Terminal Cost Center, interest income allocated to the Terminal from the Airport Fund, and loading bridge fees, baggage conveyor system fees, International Arrivals Facility (“IAF”) fees, Common Use Space and other fees, aircraft apron fees, other fees and other Terminal Rents. The Terminal Net Requirement allocated to Signatory Space is then reduced by revenue sharing allocated to the Terminal as described below.

Revenue Sharing. The Signatory Airline Agreements include a formula for sharing Port Cost Center Revenues, subject to certain conditions, with the Signatory Airlines during the term of the Signatory Airline Agreements. The Port agreed in the Signatory Airline Agreements to share Port Cost Center Revenue with the Signatory Passenger Airlines and the Signatory Cargo Carriers in the amount of \$6 million annually until the expiration date, subject to any adjustments, offsets or reductions, as set forth in the Signatory Airline Agreements. Under the Signatory Airline Agreements, revenue sharing is allocated between the Terminal and the Airfield in proportion to the net requirements of those cost centers before revenue sharing, and in the Terminal is allocated 50% to offset Terminal rental rates and 50% to offset

baggage claim area rates. The Signatory Airline Agreements provide for revenue sharing to be discontinued if the Port Cost Center Coverage Ratio drops below 2.35% and provides for additional revenue sharing if the SLB debt service coverage ratio (Net Revenue divided by debt service on SLBs) exceeds 1.75x, of up to 50% of Net Revenues above any Airport coverage ratio of less than 2.00x. The Signatory Airline Agreements also permit reduced revenue sharing if the Port reduces actual Operation and Maintenance Costs (O&M Expenses in the Signatory Airline Agreements) below its Operation and Maintenance Cost targets.

Fee Waivers. In November 2020, pursuant to the MII disapproval process applicable to capital improvement projects, the signatory carriers approved revisions to the fee waiver program provided for in the Signatory Airline Agreements. In accordance with FAA policy, the Port is permitted to offer fee waivers and marketing and other incentives for up to two years to any air carrier that provides new scheduled, non-stop passenger or cargo service from the Airport to an unserved domestic or international market specified by the Port in the United States, Europe, Asia, Mexico or Canada.

Signatory Airline MII Process for Disapproval of Capital Improvement Projects and for Approval of Agreement Amendments. In the Signatory Airline Agreements, the Port and the Signatory Airlines agreed to a process in which a MII of more than 75% of eligible Signatory Airlines that account for more than 75% of total Airline Rents and more than 75% of Signatory Airline Landing Fees may disapprove Airport capital improvement projects in an airline supported area and additional fee waivers and, as described below, also agreed that an MII of more than 66% is required to approve certain amendments to the Signatory Airline Agreements. See, also, PORTLAND INTERNATIONAL AIRPORT—Airport Improvement Program—*Majority in Interest Disapproval Process*” for additional information on the MII disapproval process.

Capital Improvements. The Signatory Airline Agreements provide that if the capital improvement impacts only the Terminal Cost Center, the MII will be more than 75% in number of Signatory Passenger Airlines and more than 75% of the total of Terminal Rents paid for Signatory Airline Space and that if the capital improvement impacts only the Airfield Cost Center, the MII will be based upon more than 75% of the number of Signatory Airlines and more than 75% of the total Signatory Landing Fees.

Some projects are not subject to the MII disapproval process, including capital projects funded with Debt Service Coverage or in another manner that does not directly impact the Airline rate base; public safety projects required by federal, State or local law; costs to repair casualty damage for which insurance proceeds are not available or are insufficient; projects required to bring the Port into compliance with lawful federal or State law or that are required under the terms of federal or State grants or litigation settlements; improvements of an emergency nature or to cleanup property following a hazardous substance release; and facilities for a new or expanding carrier.

In general, other than the projects described above, any capital improvement with a total cost in excess of \$1 million and funded in a manner that will directly impact the airline rate base is subject to the MII disapproval process. In the event of an MII disapproval, the Port has the option under the Signatory Airline Agreements to convene a meeting with the Airport and Airline Affairs Committee to address questions, ask that the disapproval be withdrawn or request that another disapproval vote be taken. If an MII of impacted Signatory Airlines agrees in writing to withdraw the disapproval, the Port may proceed with the capital improvement. The Signatory Airline Agreements also provide that the Port may not commence construction on any capital improvement project that received Signatory Airline approval under the MII process if the estimate later exceeds 110% of the initial, approved estimate. Instead, the Port is required to submit the project for MII review a second time to obtain approval for the project in light of the new construction cost estimate.

The Signatory Airline Agreements provide that in the event a capital improvement is not approved, the Port may make capital expenditures in the Terminal Cost Center or the Airfield Cost Center for which all costs to construct or operate the capital improvements are paid from funds legally available to the Port, including coverage, PFC dollars, grant funds and Port Cost Center or Non-Airport Revenues. The Port also may request another vote.

The Signatory Airline Agreements also require the Port to allocate 100% of the Debt Service Coverage generated by the Airlines to fund capital improvements in the Airline Cost Center or to fund the Airlines' allocated portions of capital improvements in the Indirect Cost Centers.

Agreement Amendments. The Signatory Airline Agreements require a 66% MII process to approve amendments to the Signatory Airline Agreements if the amendment will have a materially adverse impact on any of the Signatory Airlines (other than Signatory Airlines that at the time the ballot is mailed to the Signatory Airlines have no scheduled service at the Airport). The Signatory Airline Agreements provide that if the amendment affects only the Terminal Cost Center, the MII will be based on approval by more than 66% of the total number of Signatory Passenger Airlines, or approval by a group of Signatory Passenger Airlines whose combined Terminal Rents paid for Signatory Airline Exclusive, Preferential and Shared Space, and Common Use Gates used in association with the IAF total more than 66% of the total Terminal Rents paid for Signatory Airline Exclusive, Preferential and Shared Space, and Common Use Gates used in association with the IAF. If the amendment impacts only the Airfield Cost Center, the MII approval is to be by more than 66% of Signatory Passenger and Signatory Cargo Airlines or by those Signatory Airlines whose combined landed weights account for more than 66% of total Signatory Landed Weight over the preceding 12-month period. The Signatory Airline Agreements provide that if the amendment could impact both the Terminal Cost Center and the Airfield Cost Center, the MII would be based on approval by more than 66% of the number of Signatory Passenger and Cargo Airlines or approval by those Signatory Airlines whose combined Terminal Rents and Signatory Landing Fees total more than 66% of the combined Signatory Terminal Rents and Signatory Landing Fees.

Terminal Concession and Service Agreements

Concession Agreements. The Port has concession lease agreements with other entities that operate, provide services or occupy space in the Terminal, including food-court restaurants, quick-serve restaurants, casual dining bars and cafes, full-service restaurants, automatic teller machines, newsstands, retail shops, passenger services, such as Mail Safe and Smarte Carte, and display advertising. Concession revenues are taken into account in calculating terminal rents under the Signatory Airline Agreements. Parties to concession lease agreements pay concession rent of between 10% and 14% (between 8% and 18% in the case of agreements entered into before 2014) of monthly gross receipts with a minimum annual guarantee ("MAG") equal to 80% of the prior year's rent. The Port has agreed in each of the concession lease agreements that the MAG may be reduced temporarily because of construction impacts or because of a drop of 15% or more in enplanements at the Airport or at the applicable concourse. In April 2023, the Port Commission approved 21 new leases for concession locations within the TCore Project. In 2024, 12 of those locations completed their build outs and are now operating. The remaining 9 locations are expected to open in 2026. These leases, as well as all future concession lease agreements, will not include a MAG. Instead, minimum performance standards will be set with each lease, and the Port will have greater flexibility to terminate contracts not meeting minimum sales requirements. Existing leases will not be amended. The Port charges the concessionaires for employee parking (\$35/month for each employee for surface parking and \$80/month for garage parking).

The Port recovers utility costs in the majority of concession lease agreements.

Service Agreements. In addition to Terminal concession agreements and leases, the Port has a number of month-to-month operating agreements with companies that provide ground handling, fueling, cabin cleanup and similar services to the Signatory Airlines.

See “CERTAIN INVESTMENT CONSIDERATIONS—Effect of Other Tenant or Concessionaire Bankruptcies.”

Rental Car Agreements

The Port collects concession fees for the right to operate a rental car concession at the Airport, pursuant to concession lease and operating agreements entered into by the Port and the rental car companies. Except as described above under “PORTLAND INTERNATIONAL AIRPORT—Customer Facility Charges,” all of the rental car companies are required to collect CFCs from their customers on behalf of the Port, to hold CFC moneys in trust and to remit CFCs to the Port (whether actually collected or not) on a monthly basis.

In November 2018, the Port completed a negotiated process to award rental car concession lease and operating agreements (the “Rental Car Concession Leases”) to five separate companies, including Avis Budget Car Rental, LLC, EAN Holdings, LLC, Sixt Rent a Car, LLC, Hertz Corporation, and Todd Investment Co. dba Dollar Rent-A-Car (collectively, the “Rental Car Concessionaires”) that represent 12 separate rental car brands for space in the Public Parking and ConRAC Garage. The term of each Rental Car Concession Lease began upon the opening of the Public Parking and ConRAC Garage, in November 2021. The term of each Rental Car Concession Lease is for 20 years, with an optional ten-year extension at the Port’s sole discretion. The Rental Car Concession Leases also allow the Port, at its option, to rebid or renegotiate each Rental Car Concession Lease on the tenth anniversary of the opening of the Public Parking and ConRAC Garage. As of June 30, 2025, 11 of the 12 rental car brands were operating at the Airport.

Each Rental Car Concession Lease requires the related Rental Car Concessionaire to pay concession fees equal to the greater of (a) the sum of 10% of the Rental Car Concessionaire’s annual gross receipts from any non-carsharing brand and 11% of the Rental Car Concessionaire’s annual gross receipts from any carsharing brand; or (b) the minimum annual guarantee fee of 90% of the previous year’s commission fee. Each Rental Car Concessionaire also pays a premises rent under its Rental Car Concession Lease based on the square-footage of the ConRAC, QTA Facility and related improvements that the Rental Car Concessionaire leases from the Port for administrative, vehicle maintenance and storage facilities. The Rental Car Concession Leases require each Rental Car Concessionaire to pay its share of Contingent Fee Payments if the Port determines that there is a current or upcoming deficiency of CFCs required to pay the debt service on the 2019 CFC Bonds or if the Port is not in compliance with the rate covenant under the CFC Bond Ordinances.

Parking; Ground Transportation/TNCs

Parking. The Port contracts with SP Plus Corporation, a parking management company, to operate the Port’s on-Airport automobile parking facilities (other than the facilities used by rental car companies), including the automatic payment and revenue systems and valet and automobile detailing services; the shuttle bus system, including round-the-clock shuttle bus services; and the two-level, eight-lane commercial roadways, pursuant to a Landside Management Agreement that expires on June 30, 2027 unless earlier terminated by the Port. Under the Landside Management Agreement, the Port reimburses the operator monthly for direct costs and also pays a fixed, annual fee, subject to adjustment if reimbursable costs vary above or below the operating budget by 25% or more.

Ground Transportation/TNCs. The Port issues permits and charges permit fees and access fees for use of the Airport roadways by commercial transportation vehicles to transport Airport customers. Taxi and shuttle operators pay \$4.50/trip, for pickup only. TNCs, such as Uber and Lyft, commenced operations at the Airport under ground transportation permits authorized in May 2015. Effective November 1, 2024, the Port collects from the TNCs per-trip fees of \$4.00 for each pick-up and each drop-off and collected approximately \$5,912,772 in per-trip fees paid by the TNCs in Fiscal Year 2024. For Fiscal Years 2023, 2022, and 2021, the Port collected approximately \$5.2 million, \$4.0 million, and \$1.8 million, respectively, in per-trip fees paid by TNCs.

FINANCIAL INFORMATION

Historical Operating Results

The financial data for Fiscal Years ended June 30, 2020 through 2024 set forth in Table 16 and under the heading “Management’s Discussion of Results” is derived from the Airport’s financial records and comprises the Airport segment presented in the Port’s audited financial statements.

The financial data is presented to inform investors of the Airport’s historical financial performance that is applicable to the SLBs, including the Series 2025A Bonds. The presentation of Net Revenues in Table 16 is not in accordance with generally accepted accounting principles (“GAAP”) but is made to calculate Net Revenues as required by certain covenants in the Airport Revenue Bond Ordinances. The presentation of non-GAAP Net Revenues is not a measure of operating performance or liquidity defined by GAAP and may not be comparable to similarly titled measures presented by other issuers. Items following the Net Revenues subtotal in Table 16 comprise the amounts required to reconcile from Net Revenues as defined by Section 2(r) of Ordinance 155 to GAAP net income per the Airport’s audited financial statements for Fiscal Years ending June 30, 2020 through 2024.

The financial data set forth in Table 16 should be read in conjunction with “Management’s Discussion of Results” immediately following Table 16 and for the Fiscal Year ended June 30, 2024, in conjunction with the Port’s audited financial statements and related notes included in APPENDIX A of this Official Statement. For financial reporting purposes, the Port is considered to be an enterprise similar to a commercial entity. Accordingly, the financial statements included in APPENDIX A are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses when incurred. The accounting and reporting policies of the Port and the Airport conform to GAAP as applicable to proprietary funds of local governments.

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TABLE 15
HISTORICAL FINANCIAL PERFORMANCE ⁽¹⁾
FISCAL YEARS 2020–2024
(\$000s)

OPERATING STATEMENT DATA:

	2024	2023⁽²⁾	2022⁽³⁾	2021⁽³⁾	2020
	(Audited)	(Audited)	(Audited)	as restated	(Audited)
Operating revenues:					
Airline revenues	\$ 181,818	\$ 158,630	\$ 144,666	\$ 124,209	\$ 104,825
Terminal concessions	15,884	9,870	12,757	5,557	13,882
Parking	86,103	79,678	65,348	29,332	54,072
Rental cars	21,555	20,987	21,030	14,629	15,901
Other ⁽⁴⁾	78,410	52,784	66,040	89,438	59,494
Total operating revenues	383,771	321,948	309,842	263,164	248,174
Interest income - revenue fund and revenue bond fund	15,894	7,580	(5,217)	473	5,044
Total Revenues	399,664	329,528	304,625	263,637	253,217
Costs of Operation and Maintenance, excluding depreciation					
Salaries, wages and fringe benefits	68,649	61,113	56,596	54,480	56,079
Contract, professional and consulting services	48,318	41,425	37,627	26,729	33,869
Materials and supplies	7,987	6,322	4,934	6,933	4,775
Utilities	12,902	12,107	10,342	9,685	10,715
Equipment rents, repair and fuel	1,935	1,693	1,369	1,044	1,438
Insurance	8,645	6,137	3,732	3,505	2,663
Leases and rent	5	8	20	-	-
Travel and management expense	2,984	2,653	1,778	1,173	1,747
Allocation of general and administrative expense of the Port	31,502	27,614	24,077	19,626	18,501
Other	3,767	3,194	2,700	1,312	2,758
Total Costs of Operation and Maintenance	186,693	162,266	143,174	124,487	132,546
Net Revenues as defined by Section 2(r) of Ordinance 155 ⁽⁵⁾	\$ 212,971	\$ 167,262	\$ 161,451	\$ 139,150	\$ 120,671
Depreciation and Amortization	122,030	107,741	101,582	100,161	90,582
Other income (expense)					
Interest income - excluding revenue fund and revenue bond fund	31,133	13,166	6,269	1,235	15,835
Interest expense – net	(95,015)	(77,047)	(59,736)	(53,748)	(47,679)
Passenger facility charges	32,449	30,753	27,540	16,627	26,780
Customer facility charges ⁽⁶⁾	18,324	16,863	14,012	6,562	11,916
Other, net ⁽⁷⁾	(5,456)	(7,368)	(7,442)	(4,482)	(2,102)
Total other income (expense)	(18,565)	(23,633)	(19,358)	(33,804)	4,750
Reconciling items ⁽⁸⁾ :					
Airport allocation of pension bonds	4,765	4,565	4,375	4,196	4,017
GASB 87 (leases) and GASB 96 (SBITAs) accounting adjustment ⁽⁹⁾	(4,509)	(4,250)	(4,329)	-	-
GASB 68 (pensions) and GASB 75 (OPEB) accounting adjustment ⁽¹⁰⁾	(282)	413	806	(14,129)	(11,276)
Net income (loss)	\$ 72,349	\$ 36,616	\$ 41,363	\$ (4,748)	\$ 27,581
BALANCE SHEET DATA:					
Airport net position	\$ 1,169,122	\$ 1,088,872	\$ 1,059,592	\$ 1,024,323	\$ 1,022,477

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ The Port's financial data for Fiscal Year 2023 includes the implementation of Governmental Accounting Standards Board ("GASB") Statement No. 96, "Subscription-Based Information Technology Arrangements," ("GASB 96") which provides authoritative guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). Accounting changes adopted to conform to the provisions of GASB 96 were immaterial to fiscal 2022 and were applied prospectively in fiscal 2023. The historical operating results presented in this table for periods prior to fiscal 2023 are not retroactively restated for the implementation of GASB 96.

(Footnotes continued next page)

(Table 15 footnotes continued)

- (3) The Port's financial data for Fiscal Year 2022 includes the implementation of Governmental Accounting Standards Board ("GASB") Statement No. 87, "Leases," ("GASB 87") which establishes standards for accounting and financial reporting for lessees and lessors, and GASB Statement No. 93, "Replacement of Interbank Offered Rates," (GASB 93) which removes LIBOR as an appropriate benchmark interest rate in hedging derivative instruments. Accounting changes adopted to conform to the provisions of GASB 87 and GASB 93 have been applied retroactively, and Fiscal Year 2021 Financial Statements has been restated. The historical operating results presented in this table for periods prior to Fiscal Year 2021 are not retroactively restated for the implementation of GASB 87 and GASB 93, and accordingly are not comparable to all prior periods presented.
- (4) Includes TNC revenues, other miscellaneous revenues, as well as \$32.6 million, \$11.9 million, \$25.1 million, \$61.1 million and \$25.3 million in fiscal 2024, 2023, 2022, 2021 and 2020, respectively, for CARES, CRRSA, and ARP Act grant monies.
- (5) The restatement of Fiscal Year 2021 did not have an impact on Net Revenues as defined by 2(r) of Ordinance 155.
- (6) The CFC program began on January 14, 2014. CFCs are excluded from "Revenues" under the Airport Revenue Bond Ordinances.
- (7) Reflects \$2.5 million, \$2.6 million and \$2.4 million in nonoperating grant revenue related to CARES, CRRSA, and ARP Act funds drawn for reimbursement of CFC debt service in Fiscal Years 2024, 2021 and 2020, respectively.
- (8) Items treated differently under GAAP than under the Airport Revenue Bond Ordinances.
- (9) For the purposes of calculating Net Revenues as defined by Section 2(r) of Ordinance 155, the revenue and expense impacts of GASB 87 (Leases), and expense impacts of GASB 96 (SBITAs) are not included.
- (10) For the purposes of calculating Net Revenues as defined by Section 2(r) of Ordinance 155, the expense impacts of GASB 68 (Pensions) and GASB 75 (OPEB) are not included.
- Source: Port's financial records.

Management's Discussion of Results

Revenues. Total operating revenues increased 19.2% from \$321.9 million in Fiscal Year 2023 to \$383.8 million in Fiscal Year 2024 due primarily to higher Airline revenues and increased activity-based operating revenues as passenger volumes at the Airport increased as well as increased draws of federal ARPA funding in Fiscal Year 2024. Airline revenues increased approximately 14.6% from Fiscal Year 2023 to Fiscal Year 2024, primarily due to increased terminal rents driven by higher bond debt service and increased Costs of Operation and Maintenance. In Fiscal Year 2024, terminal concessions revenues increased by approximately 60.9% compared to Fiscal Year 2023 as a result of applying approximately \$7.0 million in ARPA concessions funding to concessionaire rent payments during Fiscal Year 2023. Fiscal Year 2024 results show that parking revenue increased approximately 8.1% from Fiscal Year 2023 as a result of passenger volume increases. Other revenues increased 48.6% from Fiscal Year 2023 primarily due to \$32.6 million in federal ARPA funding for Fiscal Year 2024 versus \$11.9 million in federal ARPA funding in Fiscal Year 2023.

From Fiscal Years 2020 through 2023, total operating revenues increased 29.7%, from \$248.2 million to \$321.9 million. Airline revenues increased 51.3% from Fiscal Year 2020 through 2023, primarily due to increased bond debt service and increased Costs of Operation and Maintenance. During the same period, terminal concessions decreased 28.9% as a result of utilizing approximately \$7.0 million in ARPA concessions relief funding to offset concessionaire rent obligations during Fiscal Year 2023; parking revenues increased 47.4%, and rental car revenues increased 32.0%, both as a result of passenger volume increases as the Airport recovered from the impacts of the pandemic. Other revenues decreased 11.3% from \$59.5 million in Fiscal Year 2020 to \$52.8 million in Fiscal Year 2023 primarily due to a decrease in federal pandemic relief funding in Fiscal Year 2023.

Expenses. Total Costs of Operation and Maintenance increased 15.1% from \$162.3 million in Fiscal Year 2023 to \$186.7 million in Fiscal Year 2024, largely driven by increases in salaries, wages and fringe benefits, outside contract and professional services, insurance, and corporate overhead expenses as a result of increased costs due to inflation and increased activity as passenger volumes increased during this time. Total Costs of Operation and Maintenance increased 22.4% from \$132.5 million in Fiscal Year 2020 to \$162.3 million in Fiscal Year 2023, primarily as a result of inflationary and volume-based cost increases to salaries, wages, and fringe benefits, outside contract and professional services, insurance, and corporate overhead expenses.

Net Revenues. Net Revenues increased 27.3% from \$167.3 million in Fiscal Year 2023 to \$213.0 million in Fiscal Year 2024, primarily due to higher Airline revenues driven by increased bond debt service and Costs of Operation and Maintenance, combined with higher parking revenues driven by increased passenger volumes, and an increase of funding from the federal government and interest income in Fiscal Year 2024. In Fiscal Years 2020 through 2023, Net Revenues increased from \$120.7 million to \$167.3 million, as a result of increased Airline revenues and parking revenues due to an increase in passengers traveling through the Airport as the airline industry has continued to recover from pandemic impacts. Net Revenues exceeded 130% of the Debt Service Requirement in each Fiscal Year. See the audited financial statements of the Port for Fiscal Year 2024 in APPENDIX A.

Airport Net Position. Airport net position increased by \$80.2 million in Fiscal Year 2024, reflecting primarily net income and capital grants. Airport net position increased from \$1,022.5 million at the end of Fiscal Year 2020 to \$1,088.9 million at the end of Fiscal Year 2023, primarily as a result of net income, capital grants, transfers to general aviation and federal pandemic relief funding.

Airline Cost Per Enplaned Passenger

The airline cost per enplaned passenger, as calculated by passenger airline landing fee revenues, airline terminal rental revenues, and airline common use fees divided by total enplaned passengers, for Fiscal Years 2020, 2021, 2022, 2023 and 2024 was \$12.83, \$28.81, \$18.91, \$18.41 and \$20.35, respectively.

Historical Debt Service Coverage

The table below provides a summary of the debt service coverage for Fiscal Years 2020 through 2024 is set forth in the following table.

**TABLE 16
HISTORICAL DEBT SERVICE COVERAGE
FISCAL YEARS 2020–2024**

Fiscal Year Ended June 30	Net Revenue ⁽¹⁾ (000s)	SLB Debt Service Requirement (000s)	Coverage Ratio (x)
2020	\$119,569 ⁽²⁾	\$59,075	2.02
2021	139,150 ⁽³⁾	66,213	2.10
2022	162,834 ⁽⁴⁾	79,537	2.05
2023	163,144 ⁽⁵⁾	85,553	1.91
2024	209,021	97,921	2.13

⁽¹⁾ Excludes Revenue Bond Fund interest income.

⁽²⁾ Includes \$25.3 million in CARES Act funds that were applied to offset debt service.

⁽³⁾ Includes \$61.1 million in CARES Act and CRRSAA funds that were applied to offset debt service.

⁽⁴⁾ Includes \$25.1 million in CRRSAA and ARPA funds that were applied to offset debt service.

⁽⁵⁾ Includes \$11.9 million in ARPA funds that were applied to offset debt service.

Source: The Port.

Year-to-Date Operating Results

Unaudited, internally-prepared fiscal year-to-date operating results for the nine months ending March 31, 2025 generally compare favorably to the Port's budget. Fiscal year-to-date operating revenues are \$301.9 million as compared to the budgeted amount of \$318.4 million, a decrease of \$16.5 million versus budget. This unfavorable variance is primarily due to lower airline terminal rents, which has two

main causes. The Port has \$9.2 million more federal ARPA funding available than budgeted for internal application to terminal offsetting revenues at the end of the first quarter. Non-operating interest income, which factors into the calculation of airline landing fees and terminal rents, is \$25.3 million favorable to budget; the airlines benefit from approximately \$5.9 million of this favorable variance. Both the federal ARPA funding application and favorable interest income variances result in a reduction of terminal rents owed by the airlines; they are treated internally as an offsetting revenue to the airlines' Net Requirement per the operating agreement. Fiscal year-to-date operating expenses excluding depreciation are \$145.8 million as compared to the budgeted amount of \$151.3 million, an improvement of \$5.4 million over budget. This positive variance is primarily due to lower outside services expenses, with the largest items being the timing of PDX Master Plan consulting expenses and airside property development expenses.

Current Budget

The Port's budget for Fiscal Year 2026 was adopted by the Port Commission on June 24, 2025 and certified by the Multnomah County Tax Supervising and Conservation Commission on June 11, 2025. The Fiscal Year 2026 budget assumed an enplanement level of 9,517,857 passengers, which is an 8.2% increase over the level assumed for the Fiscal Year 2025 budget. Total revenues are budgeted at \$471,869,272 and total expenses (excluding depreciation) at \$212,960,783—representing increases of 10.4% and 6.3%, respectively, over the Fiscal Year 2025 budget.

Investment of Funds

The Port has adopted an investment policy (the "Investment Policy") that governs investment of funds including those that relate to the Airport. The Investment Policy may be changed as requested by the Board. Among other items, the Investment Policy establishes limits on maturity, investment types and diversification and generally establishes the parameters of investment practices so that the Port's investments are consistent with Oregon Revised Statutes and the Port's primary investment objective of preservation of capital.

The Port's current Investment Policy, which is reviewed annually by the Board and was readopted by the Board on November 13, 2024, permits investments in U.S. Treasury bills and notes, U.S. agency obligations, municipal debt obligations, corporate indebtedness, certain time certificates of deposit and bankers acceptances and certain repurchase agreements that have terms of 30 days or less. Port funds also may be invested in the Oregon Short Term Fund, Local Government Investment Pool as allowed by State statute. Among other restrictions, the maximum maturity of any investment is five years and the weighted average maturity of the investment portfolio is limited to three years. Port staff is required to provide the Board with portfolio reports quarterly.

Pension and Other Post-Retirement Benefit Plans

The Port is a participating employer in the State-wide Oregon Public Employees' Retirement System ("PERS"). Information about PERS and about other post-retirement benefits is included in APPENDIX C and in Notes 9 and 10 and under "Required Supplementary Information" in APPENDIX A. As described in APPENDIX C, employer contribution rates for the various PERS pension programs are based upon actuarial valuation reports for PERS as of December 31 of odd-numbered years. For Fiscal Year 2024, the Port contributed approximately \$11,923,000 to fund its PERS obligations of which approximately \$6,032,000 was applicable to the Airport, and for Fiscal Year 2023, the Port contributed approximately \$11,018,000 to fund its PERS obligations of which approximately \$5,546,000 was applicable to the Airport.

Employer contribution rates for the period July 1, 2025 through June 30, 2027 were approved by the Public Employees Retirement Board (the “PERS Board”) on October 4, 2024 based on the system valuation report for PERS as of December 31, 2023. The Port expects that employer contribution rates will continue to increase. See APPENDIX C—“PENSION AND OTHER POST RETIREMENT BENEFIT PROGRAMS—Pensions—Contribution Rates.”

During Fiscal Year 2024, the Port contributed approximately \$184,300, of which approximately \$89,400, was paid by the Airport, to fund the Port’s other post-employment benefit obligations. See APPENDIX C, as well as Note 10 and “Required Supplementary Information” in APPENDIX A.

In addition to contributions to PERS, the Port pays the debt service on limited tax pension obligation bonds issued in 2002 and 2005 in an original principal amount of approximately \$74.1 million, of which approximately \$36.8 million was applicable to the Airport. Debt service principal payments allocable to the Airport in Fiscal Year 2024 totaled approximately \$3,535,000. See Notes 7 and 9 in APPENDIX A.

REGULATORY MATTERS

Airport Regulation

The Port operates the Airport pursuant to an Airport Operating Certificate issued annually by the FAA following an on-site review. In addition to this Operating Certificate, the Airport is required to obtain approval, and/or to comply with, other regulatory requirements, including airport sponsor assurances made as a condition to receiving FAA funds. Long-term planning is subject to the FAA’s approval, outside audits of the Airport’s financial statements are subject to periodic audits by the FAA, the Port’s use of Revenues generated at the Airport and any revenues generated from sales of aviation fuel and the Port’s use of PFC Revenue and grant proceeds are subject to FAA regulation, review and audit. The Port’s violation of any of the applicable statutes and regulations or of any assurances the Airport provides as a condition of receiving federal grants can result in, among other things, an obligation to return grant funds and/or a loss of grant eligibility and eligibility to impose a PFC and to use PFC Revenue.

Rates and Charges and Revenue Use Regulation. The Federal Aviation Administration Authorization Act of 1994, as amended (the “FAA Act”), and FAA regulations require that an airport maintain a rate structure that is as “self-sustaining” as possible and limit the use of all revenue generated by an airport receiving federal financial assistance to purposes related to the airport. The FAA Act and the Airport and Airway Improvement Act of 1982 (the “AAIA”) and regulations provide that for all airports, with certain exceptions, the use of airport revenue (and taxes on aviation fuel) for purposes other than the capital or operating costs of the airport, the local airport system or other local facilities owned or operated by the airport owner or operator and directly and substantially related to the air transportation of passengers or property is unlawful revenue diversion and provide for monetary penalties and other remedies in the event of violations. The Airport is not a “grandfathered” airport to which the exceptions in the AAIA and the FAA Act apply.

The FAA Act, other federal statutes and FAA regulations also require that airline rates and charges set by airports receiving federal assistance be “reasonable,” and the FAA Act authorizes the Secretary of Transportation to review rates and charges complaints brought by air carriers. During the pendency of a complaint, an airport is required to provide a surety bond or letter of credit or other form of security to ensure that the disputed portion of the fee is reimbursed to air carriers should the rates and charges be found to be unreasonable. The Secretary’s order is subject to judicial review. Existing or new federal guidelines or standards promulgated by a court in connection with a dispute could limit the amounts and allocation of costs payable by airlines serving the Airport. The FAA Act excludes certain fees from the airport fee-

challenge process, including a fee imposed pursuant to a written agreement with air carriers using the airport facilities. To date, no rate complaints have been filed against the Airport. It is the understanding of the Port that so long as the Signatory Airline Agreements are in effect, the fee-challenge provisions of the FAA Act under most circumstances will not affect the airline rates, fees and charges set by the Port. Airlines other than Signatory Airlines operating at the Airport are subject to the rates and charges established in Port Ordinance No. 433-R, which reflect a premium added to the rates and charges established in the Signatory Airline Agreements.

Federal and State Noise Regulation. State statutes and State Department of Environmental Quality (“DEQ”) administrative regulations require all airports in the State to institute noise abatement programs in circumstances in which the Environmental Quality Commission has reasonable cause to believe that an abatement program is necessary to protect the health, safety or welfare of the public. The Port instituted a noise abatement program, which has been in effect for approximately 30 years. The Airport noise program was originally established under Federal Aviation Regulation Part 150 and has been updated four times with the latest update completed and approved by the FAA in July 2010. The program has proven effective at minimizing non-compatible land uses around the Airport and in establishing operating procedures that minimize the impacts of aircraft noise on the surrounding communities.

The United States Congress enacted the Airport Noise and Capacity Act of 1990 (“ANCA”) to balance local needs for airport noise abatement with the needs of the national air transportation system. ANCA established criteria and standards that are intended to ensure an airport operator does not impose local restrictions that negatively affect the national air transportation system. The Port believes that it is in material compliance with ANCA, and there is no pending litigation known to the Port challenging noise levels of airborne aircraft.

In addition to complaints from the community concerning airborne aircraft, the Port has received complaints from neighbors of the Airport concerning engine run-ups conducted on the ground. Following a citizen complaint, FAA personnel in the Seattle regional office, which oversees Airport noise issues, took the position that engine run-up noise is not protected by the Interstate Commerce Clause of the U.S. Constitution and may be subject to local or State regulations governing noise levels for industrial uses. A facility called a Ground Run-up Enclosure was constructed at the Airport and has been in operation since 2001. Based on feedback from the community, the Port believes it has adequately addressed the issue of aircraft engine testing. The Port also prohibits the recreational use of unmanned aircraft (drones) on or in proximity to the Airport, the General Aviation Airports and the Port’s marine terminals and industrial properties, and regulates the use of commercial or public use drones on its properties.

Airport Environmental Matters

The Airport is regulated by the Federal Environmental Protection Agency (the “EPA”) and by the DEQ in connection with various environmental matters, including: handling of airline fuels and lubricants, air pollutants from commercial/industrial and transportation sources, and stormwater discharges to surface waters from industrial activities associated with airport operations and construction runoff.

In the course of its normal business operations, the Port faces a variety of ongoing environmental matters. The following is a list of current matters under investigation or being remediated at the Airport that may, based on current information, require a payment from Revenues in excess of \$500,000. GASB Statement No. 49 – “Accounting and Financial Reporting for Pollution Remediation Obligations” (“GASB 49”), which became effective for the Fiscal Year ended June 30, 2009 identifies the circumstances under which the Port is required to report a liability related to pollution remediation. Under GASB 49, liabilities and expenses are estimated using an “expected cash flows” measurement technique. GASB 49

also requires the Port to disclose information about its pollution obligations associated with cleanup efforts in the notes to its financial statements. See Notes 1 and 12 in APPENDIX A.

Columbia Slough. All non-deicing-related drainage from the Airport ultimately flows and has historically flowed to the Columbia Slough, which borders the Airport on the south. Investigations performed by the DEQ and others have identified contaminants in Columbia Slough sediments. The DEQ has identified Airport sites along the Columbia Slough that may have contributed to sediment contamination. The Port expects to be asked by the DEQ at some future time to investigate portions of the Columbia Slough adjacent to the Airport property or to participate in cleanup and/or long-term monitoring. It is unknown what the likely costs would be to respond to if the DEQ asserted that Port activities impacted the Columbia Slough or to perform an investigation and/or cleanup of any such impacts.

McBride Slough Clean-up. Stormwater from the Terminal and surrounding areas within a stormwater basin known as Basin 7 has historically drained to the McBride Slough, which is located at the southeast corner of the Airport. The McBride Slough ultimately drains to the Columbia Slough via a culvert. Contaminants carried in the stormwater have, over time, been deposited in McBride Slough sediments. Effective July 3, 2012, the Port entered into a consent order with the DEQ to conduct a remedial investigation, feasibility study and source control evaluation associated with McBride Slough. Historical impacts of stormwater from Basin 7 are believed to be the predominant source of contaminants to McBride Slough. The Port and the DEQ negotiated a consent judgment that committed the Port to perform sediment cleanup, which was completed in September 2020. The cost to perform the investigation and cleanup was \$5.4 million. A Conditional No Further Action was issued by DEQ on January 30, 2024 and the Port's remaining liability to supplement and monitor source control measures to control future stormwater contamination, is estimated to cost approximately an additional \$600,000 through 2036. Results of ongoing monitoring may trigger additional required actions which would increase costs.

Elrod Ditch Clean-up. The Port conducted a preliminary sediment investigation of Elrod Ditch, which is a drainage channel on the southwest portion of the Airport. The sediment quality of Elrod Ditch was evaluated using DEQ sediment cleanup levels established for the nearby McBride Slough cleanup site. The investigation showed exceedances of screening criteria for several chemicals including petroleum hydrocarbons and pesticides, prompting DEQ to require that it be cleaned up. The extent of shared cleanup cost obligations for this matter among the Port, airlines and Airport tenants and other responsible parties is currently being evaluated. DEQ recently approved a remedial investigation/risk assessment which identified the nature and extent of contamination and DEQ's approval of a source control evaluation is pending additional groundwater analysis. The total cleanup cost is currently estimated to be approximately \$10 million.

Natural Resources Mitigation. Planned maintenance, development and redevelopment activities at the Airport occasionally impact protected natural resource features such as wetlands, upland grasslands and other sensitive ecosystems. Environmental and land use regulations sometimes require avoiding, minimizing or reducing the impacts, or by mitigating the impact by replacing the impacted resources and ecosystem functions in another location. The Port concluded a multi-year planning effort called "Airport Futures" that resulted in an update to the Airport master plan and land use zoning. See "PORTLAND INTERNATIONAL AIRPORT—Airport Master Plan and Resilience Planning." This process resulted in more flexibility for the Airport to manage and develop its land in exchange for enhancing and mitigating natural resource features. The obligations of the Airport are documented in a 25-year agreement dated March 2011 adopted by the Port and the City. Those obligations include zoning and mitigation of upland grasslands and watershed enhancement measures. The total estimated costs to the Airport over the 25-year period range from \$2.6 million to \$5.1 million. Separate from Airport Futures, the Port successfully obtained an Incidental Take Permit ("ITP") from the U.S. Fish and Wildlife Service in June 2017 that limits potential liabilities associated with the presence of the streaked horned lark, a bird listed as "threatened"

under the Endangered Species Act. The ITP protects the Port from certain potential liabilities associated with the incidental “take” of these birds on airport and industrial properties, resulting from Port activities. While the ITP is relatively brief, permit compliance is described in detail in a separate Habitat Conservation Plan (the “HCP”), issued in January 2017. The mitigation associated with the ITP and the HCP will cost the Port approximately \$1 million over the 30-year term of the ITP.

Columbia Corridor Flood Risk Management and Levee System Re-Accreditation by the Federal Emergency Management Agency. Created in 2019, the Urban Flood Safety and Water Quality District (“UFSWQD”) provides flood control along the south shore of the Columbia River and the Columbia Slough in Multnomah County, Oregon. UFSWQD employs staff that service and manage the operations and maintenance of critical infrastructure (levees, pumps, drainage conveyances) that reduce the risk of flooding. The Port is the largest landowner in the area protected by the levee system and owns over 4,000 acres of land behind the levees. Forty percent of the Port’s facilities, including PDX and Troutdale Airport, are located behind levees. The UFSWQD’s operations ensure that the land behind the levees benefits from FEMA’s National Flood Insurance Program (“NFIP”). To maintain standing in the NFIP, the system must be accredited by FEMA as meeting post-Hurricane Katrina standards.

PDX Stormwater Master Plan. The objective of the master plan is to ensure that the stormwater infrastructure serving the Airport, has the capacity to meet future needs, has the structural integrity and useful life to meet those needs, and meets water quality requirements. One of the outputs of the plan is a stormwater capital improvement program that identifies various capital projects to meet master plan objectives over the next 20 years. Most of those improvements will be integrated into already-programmed capital projects. There will be some stand-alone regional stormwater treatment features built under separate projects. For PDX, the estimated total cost of these stormwater improvements is \$53.4 million through 2035. Since 2015, the Port has spent approximately \$14.7 million in completing stand-alone stormwater treatment projects at PDX. Approximately \$4.1 million in capital projects are currently being planned.

Fire Training Areas. In September 2016, the DEQ requested that the Port investigate suspected contaminant releases associated with the use by the Port, the ORANG and local municipal fire departments of historic and current fire training areas on the Airport’s property. Per- and polyfluoroalkyl compounds (“PFAS”) that were required by the FAA to be used in aviation firefighting foam, such as perfluorooctanoic acid (“PFOA”) and perfluorooctane sulfonic acid (“PFOS”), are an emerging area of state and federal regulatory interest, as discussed in the EPA’s strategic roadmap regarding perfluorinated compounds, released October 2021. In April 2024, the EPA announced that PFOA and PFOS have each been designated as hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”). The EPA’s memorandum related to PFAS Enforcement Discretion and Settlement Policy Under CERCLA, dated April 19, 2024, provides clarity on the EPA’s intent not to pursue certain entities such as farmers, municipal landfills, water utilities, municipal airports and local fire departments, where equitable factors do not support seeking CERCLA cleanup or costs. DEQ is currently undergoing a rulemaking process to include certain PFAS compounds in the state’s list of hazardous substances. This would grant DEQ the authority to require investigation and remediation of PFAS releases. The Port has completed a Series of investigations centered around the historic fire training area which have identified contamination in soil, surface water and groundwater. Data indicated that the contamination from these historical fire training areas is not impacting the deep groundwater aquifer within the Columbia South Shore Well Field. Contaminants in shallow groundwater, however, are entering the stormwater system and migrating to the Columbia Slough and Columbia River. The Port anticipates being required in the future to reduce the migration of perfluorinated compounds into the environment. The Port is initiating a source control project to reduce the migration of PFAS from shallow groundwater to the stormwater system.

Other Matters. Other less significant environmental matters exist at the Airport, and such conditions are expected to develop periodically or be discovered in the ordinary course of ongoing Airport

and related operations. Taken individually, it is the opinion of the Port that none of these matters will have a material adverse effect on the financial condition of the Airport.

Non-Airport Environmental Matters

The following environmental matters affect the Port but are not expected to result in liabilities that are payable from Airport revenues. Federal law prohibits the Port from diverting airport revenue to non-airport purposes, including to the resolution of the potential environmental liabilities described below. Although none of these matters may affect the Airport directly, they may impact the Port's General Fund enterprises, many of which pay rent to the Airport and/or share expenses with the Airport.

The Port has been notified by federal and state environmental agencies of its potential liability for contamination at, from and to the Portland Harbor, both in-water and upland, in connection with the Portland Harbor Superfund Site (the "Site") listed on the National Priorities List. The current area of the Willamette River in Portland, Oregon to be remediated includes in-water sediments from just south of the Columbia Slough at approximately River Mile ("RM") 1.9 to north of the Broadway Bridge at approximately RM 11.8. In addition, the DEQ is overseeing uplands investigations and cleanups adjacent to the Site. The Port and multiple other potentially responsible parties (the "PRPs") performed a remedial investigation and feasibility study of the Site under an EPA Settlement and Administrative Order on Consent. The EPA released its Proposed Plan for cleanup at the Site on June 8, 2016. The EPA received approximately 5,300 comments (including from the Port) in response to its Proposed Plan and issued a final Record of Decision ("ROD") for the Site on January 6, 2017. The ROD contains the EPA's final remedy selection and the EPA's estimate of remedy cost (approximately \$1.05 billion) but does not assign cleanup responsibility or divide liability among the more than 100 individual PRPs involved at the Site. The Port also is implementing a Settlement and Administrative Order on Consent for a Removal Action at Marine Terminal 4. In June 2018, the Port and the EPA amended the order to include 30% remedial design work to implement EPA's ROD for Terminal 4, and in July 2023, the Port and EPA amended the order again to reach 100 percent design. See Note 12 in APPENDIX A. In December 2019, the Port, the City of Portland and the State agreed to perform and fund, and certain federal agencies agreed to fund, the Remedial Design for the Willamette Cove area of Portland Harbor. The parties signed an Administrative Settlement and Order on Consent, and the Port is funding 25% of the costs. In February 2020, the Port also agreed to fund a portion of the Remedial Design for the RM 10 West project area. In January 2021, the Port agreed to fund a portion of the Remedial Design for the Swan Island Basin project area, which is located upstream from Terminal 4 on the east side of the Willamette River. In November 2024, the Port was one of approximately 60 PRPs to receive a Special Notice Letter from the EPA which formally commenced consent decree negotiations. The Port timely submitted its response at the end of May 2025. The EPA has indicated that formal settlement negotiations towards a remedial action consent decree for Portland Harbor are anticipated to take approximately two years.

Natural Resource Trustees representing Tribal, Federal and State governments also have notified the Port and others of their potential liability for natural resources damages associated with the Site. The Natural Resource Trustees have invited multiple Site PRPs, including the Port, to participate in funding certain future natural resource damages studies. The Port and certain other PRPs have funded the first and second phases of certain natural resource damages assessment activities in respect of the Site. The Port and certain other PRPs also are funding a portion of the second phase of natural resource damage assessment activities. In July 2012, the natural resource trustees released a draft Restoration Plan and Programmatic Environmental Impact Statement for the Site as part of the assessment activities. In 2013, the Port entered confidential settlement negotiations with the Trustee Council and reached a settlement in principle in September 2018. In 2019, the Port purchased credits from two restoration sites in fulfillment of its settlement obligations and the US Department of Justice on behalf of the Trustee Council filed a Consent Decree in the US District Court for the District of Oregon that will provide a full release of liability from

their claims. The US Department of Justice requested Court approval of the Consent Decree in June 2025 and several parties moved to intervene and file objections. The matter is pending before the US District Court. In a separate natural resource damages case, the Confederated Tribes and Bands of the Yakama Nation served the Port on February 7, 2017 with a Summons and Complaint seeking unreimbursed response costs of approximately \$283,000 and an unspecified amount of natural resource damages. The Port and other defendants filed a motion to dismiss, which the court denied. The case is now stayed pending resolution of a confidential allocation process regarding liability for the Site. The Port cannot predict the timing or outcome of these ongoing matters.

Upland contamination at current and former Port facilities adjacent to the Site is concurrently being investigated, and source control is being performed under the DEQ's oversight. The DEQ submitted an updated Portland Harbor Upland Source Control Summary Report to the EPA in March 2016, which includes the updated status of cleanup work at 171 sites in connection with the EPA's Proposed Plan. The Port expects ongoing investigation by DEQ, including some source control, such as riverbank stabilization, to be completed in coordination with the in-water cleanup.

Two of these Portland Harbor cleanup sites –Portland Ship Repair Yard and Willamette Cove – are also covered by settlement agreements with current property owners that require the Port to complete investigation of the uplands and adjacent sediments to the extent required by law and their respective settlement agreements. At the Portland Ship Repair Yard site, investigation and cleanup is being performed by the Port under a voluntary cleanup program ("VCP") agreement with DEQ pursuant to a 2000 purchase and sale agreement. At Willamette Cove, upland investigation and cleanup is being performed by the Port under a VCP agreement with the DEQ and a 2000 interim settlement with another public agency, Metro. Partial insurance recovery has been received.

The Port is pursuing other PRPs for contribution to and participation in the investigation, cleanup and natural resources damages assessment and restoration of Portland Harbor, primarily through alternative dispute resolution processes. See Note 12 in APPENDIX A.

Pursuant to a long-standing agreement with the USACE, the Port provides the dredge *Oregon* and crew as a contractor to the USACE on a cost reimbursement basis to assist with the maintenance of the navigation channels of the Columbia River and the Lower Willamette. In addition, the Port has historically provided the placement sites for the dredged material. In the Columbia River, dredged material is placed on various island and beach locations and is a shared responsibility with the other ports on the Columbia River. The Port currently has sole responsibility for providing placement sites for material dredged from the Willamette River. Since the Lower Willamette was declared a Superfund site, the Willamette channel has only been dredged in localized, discrete areas. When more extensive navigational dredging is resumed on the Willamette River in the future, the Port or the USACE may not be able to place any contaminated dredge material on nearby beaches or in water because the EPA may require disposal of the material in a landfill. The Port is working with other state and federal agencies to pursue alternative funding for maintaining the navigation channel. If alternative funding sources are not identified, the Port could be responsible for the extra costs of disposal. The amount of those costs and the timing of incurrence is not definable at this time.

ENVIRONMENTAL AND SUSTAINABILITY INITIATIVES

The Port builds shared prosperity for the region through travel, trade and economic development. The Port's environmental programs ensure that regulatory requirements are met and also champion proactive projects to demonstrate environmental leadership in furtherance of its economic mission.

The Port takes a proactive approach to operationalizing environmental and sustainability initiatives. Port-wide strategic plans and environmental policies have been adopted over the past decade to provide a foundational framework for evaluating capital development and business transactions to advance these initiatives. Cross-departmental teams have been convened to advance priority initiatives in a more streamlined manner, and to foster alignment when competing priorities are identified. The Executive Management team governs the Port's environmental and sustainability initiatives, guides key business decisions and provides regular oversight and accountability. Annual environmental performance reports document progress made toward goals, leveraging data as much as possible.

The Port maintains long-standing environmental programs focused on improving air quality, resilience, water quality and conservation, waste minimization, natural resources stewardship, and aviation noise abatement. For example, the TCore Project's shift to higher efficiency plumbing fixtures (toilets and lavatory faucets) is expected to achieve an indoor water use reduction of 32%. The Port has also developed non-potable water rights which are currently used for irrigation, car washing and toilet/urinal flushing at PDX.

However, the Port's highest priorities are currently focused on air toxics due to associated magnitude of community impacts. By narrowing its focus to a few priorities, the Port can deliver meaningful results more quickly. Over time, the Port will continually expand its focus to deepen investments in other important initiatives at the cross-section of environmental leadership and community benefits.

Air Toxics. Air toxics are generated from a variety of sources including mobile sources (vehicles, diesel-powered construction equipment, locomotives, marine vessels, aircraft, etc.) as well as stationary sources (boilers, generators, manufacturing, etc.). Diesel emissions are one of the most significant sources of air toxics impacting human health in the region. These health impacts include asthma, respiratory illness, heart and lung disease, an increase in emergency room/hospital admissions, absences from work and/or school, and premature death. Children and seniors are most vulnerable to these impacts.

The State has taken action to reduce air toxics beyond what is required by the EPA. The Cleaner Air Oregon program was created to regulate emissions of toxic air contaminants from industrial and commercial facilities based on local risks to health. Cleaner Air Oregon requires facilities to report toxic air contaminant emissions from stationary sources, assess potential health risks, and reduce risk if the level of risk posed by toxic air contaminant exceed health risk action levels. Beginning in 2019, DEQ is prioritizing and calling-in existing facilities to go through the Cleaner Air Oregon risk assessment. The Airport is considered a low priority due to relatively low emissions and the Port expects to be called into the program sometime after 2025. In an effort to prepare for this new program, the TCore Project will eliminate the majority of stationary air toxic emissions at the Airport by reducing boiler emissions by over 90%. In addition, the Port has purchased cleaner equipment and switched all diesel generators and boilers to renewable diesel which reduces harmful emissions by up to 30%. The Port has also taken significant steps to reduce diesel emissions from mobile equipment. The Port is using renewable diesel in all Port-owned diesel-powered equipment and a new electrical feeder project is expected to provide sufficient power to electrify fossil fuel powered equipment including airlines' ground support equipment which currently represents approximately 75% of PDX's total diesel emissions.

In an effort to curb embodied and local emissions and other impacts from building materials, the TCore Project developed a custom Healthy Materials Framework. This allowed the design team to identify and address the material impacts from an airport-specific perspective. The Port is also a founding member in a regional Clean Air Construction Program to reduce diesel emissions in construction projects via stringent contracting standards for idle reduction and cleaner diesel equipment requirements.

Greenhouse Gas Emissions. The Port is taking a strategic approach to reduce its greenhouse gas (“GHG”) emissions prioritizing the Airport, as it uses the most energy and generates the most GHG emissions out of all Port facilities. Completed in 2010, the Port’s Headquarters building achieved LEED Platinum with 50% better energy efficiency and was listed as one of Forbes *Top Ten Most High-tech Buildings in the World*. In 2012, the Port completed an Energy and Carbon Management Master Plan which helped the Port reach its goal of reducing Port GHG emissions by over 60% in 2017, as compared to 1990 levels.

The Port set targets for PDX GHG emission reductions as compared to 1990 levels, without relying on Renewable Energy Certificates (“RECs”) or carbon offsets: 15% reduction by 2020; 20% reduction by 2025; 45% reduction by 2030; and net zero carbon by 2050. As of 2024, the Port has achieved a reduction of 11% below 1990 levels. Although the 2020 reduction target was not achieved due to significant infrastructure projects occurring while these goals were being established in 2018, the Port is on track to meet the 2025 reduction target and will continue to strive to meet these goals moving forward.

The Port has participated in broader regional and industry-wide solutions related to addressing GHG emissions. The Port was a founding member of the Climate Registry in 2008. GHG emission inventories, including third-party verification, are reported through the Climate Registry to ensure reported emissions inventories are accurate and complete. The Port was also a founding member of Sustainable Aviation Fuels (“SAF”) Northwest, a regional initiative to develop an aviation biofuels market in the Pacific Northwest. SAF Northwest was the nation’s first regional stakeholder effort to explore the opportunities and challenges surrounding the production of sustainable aviation fuels; an associated report was produced in 2011. In September 2011, Airports Council International – North America awarded the Port an “Environmental Innovation” Award for groundbreaking analysis of aviation biofuel development related to a study produced by Sustainable Aviation Fuels Northwest that provided a regional roadmap for steps the industry can take to implement aviation biofuels. In 2020, the Port helped fund a Bioeconomic Development Opportunity Zone pilot in Oregon as an innovative strategy to attract investments in local SAF supply chain development that could supply flights out of PDX. The Port participates in the Energy Trust of Oregon’s Strategic Energy Management program to improve energy management and monitoring. In seeking to understand emerging technologies, the Port conducted a detailed Zero Emissions Bus Feasibility study as well as studying the potential application of hydrogen in an airport environment through a Department of Energy funded study with Pacific Northwest National Laboratories.

The TCore Project is pursuing LEED certification at the gold level under Building Design and Construction version 4.0 due to a range of sustainability investments. A major component that will contribute to LEED scoring is the inclusion of a ground source heating and cooling system that is expected to allow the Airport to be great than 90% fossil fuel free for the supply of building heat.

Investments in efficiency measures are projected to reduce the Energy Use Intensity (i.e., energy use per square foot) of the terminal by approximately 50%. The new terminal building is expected to be 55% more energy efficient than the current building with improvements in lighting efficiency, thermal energy transfer reduction, as well as reductions in embodied carbon and operational carbon, and lower water usage. The new, mass timber roof is expected to reduce the terminal’s embodied carbon by 13% versus steel or concrete options. The Port procured the timber by combining a direct sourcing approach with a certification approach. Because of this unique strategy:

- Much of the wood is from forests within 300 miles of the airport;
- 73% of 3.2 million board feet of timber used in the TCore Project is sustainably sourced, meaning the Forest Stewardship Council (“FSC”) certified or traced back such timber to

forests or landowners that meet sustainable sourcing criteria established for the TCore Project (such as from forest restoration, harvests with extended rotations, etc.); and

- The TCore Project intentionally sourced as much timber as possible from 13 Oregon and Washington tribal and small family landowners who have embraced sustainable forest management.

The Port, along with its partners on the TCore Project, received a 2021 Leadership Award from the FSC for this work.

Another example of the Port's efforts to address GHG emissions through its capital projects is the Public Parking and ConRAC Garage completed in 2022. These facilities were the first in the region to use CarbonCure technology to sequester additional CO₂ and reduce the carbon footprint of the concrete. As a result, an extra 548.4 metric tons CO₂ equivalent (CO₂e) was permanently sequestered through their construction. The Port's local investment in this technology is anticipated to pave the way for other projects in the area to cost-effectively implement similar technology. The Rental Car Center portion of the project achieved LEED gold under version 4.0.

CERTAIN INVESTMENT CONSIDERATIONS

Investment in the Series 2025A Bonds involves risks, some of which are described below or elsewhere in this Official Statement. Prospective investors are advised to consider the following factors, among others, and other information in this Official Statement, including all of the Appendices, in evaluating whether to purchase Series 2025A Bonds. The factors discussed below are not meant to be a comprehensive or exhaustive list of all of the risks that should be considered, and the order in which these investment risks are presented does not necessarily reflect their relative importance. Any one or more of the risks and other considerations discussed below, among others, could lead to a decrease in the market value and/or in the marketability or liquidity of the Series 2025A Bonds, and no assurance can be given that other risk factors and investment considerations will not become material in the future.

Limited Obligations

SLBs, including the Series 2025A Bonds, are payable solely from Revenues available for deposit to the Port's General Account after payment of Costs of Operation and Maintenance, from moneys held by the Trustee in the SLB Fund and from moneys held by the Port in the SLB Construction Account. No other moneys or property of the Port is pledged to pay debt service on the SLBs, including the Series 2025A Bonds. SLBs are not a general obligation of the Port and are not secured by a pledge of and are not payable from any other revenues, including any tax revenues, of the Port or by the taxing power of the Port or the State or its agencies, instrumentalities or political subdivisions.

Worldwide Health Concerns

Public health and safety concerns have affected air traffic demand from time to time, as evidenced by the COVID pandemic. The COVID pandemic and the related restrictions and measures adopted to contain the spread of the virus had a negative impact on international and domestic travel and travel-related industries, including airlines serving the Airport. The Airport, similar to most other airports across the nation, experienced steep declines in passenger volumes. See "PORTLAND INTERNATIONAL AIRPORT—Historical Traffic and Activity" herein. While passenger volumes have been increasing in recent years, there can be no assurance that any resurgence of COVID will not have a material adverse effect on the demand for passenger air travel. Future outbreaks, pandemics or events outside the Port's control, including outbreaks of measles, avian influenza, or a resurgence of COVID, may reduce demand

for travel, which in turn could cause a decrease in passenger activity at the Airport and declines in Port revenues.

Demand for Air Travel

The ability of the Port to generate Revenues sufficient to pay Costs of Operation and Maintenance, debt service on the SLBs (including the Series 2025A Bonds) and other obligations depends upon demand for Airport facilities and services. The principal determinants of passenger demand at the Airport include the population and economy of the Air Service Area; national and international economic conditions; geopolitical conditions, including wars; other hostilities and acts of terrorism; airfares and competition from surrounding airports; airline service and route networks; the capacity of the national air transportation system and the Airport; accidents involving commercial passenger aircraft; visa requirements and other limitations on the ability of foreign citizens to enter the United States; currency exchange rates; the occurrence of pandemics such as the COVID pandemic; and the occurrence of other natural and man-made disasters. Airfare and airline service are, in turn, affected by the financial condition of the airlines and regulatory requirements imposed on airlines, among other factors.

The Signatory Airlines assume most of the responsibility for costs, including debt service and debt service coverage, in connection with the Airfield and the Terminal and thus assume most of the risk of lower passenger and cargo traffic in connection with the Airline Cost Center, but lower passenger traffic would also mean lower parking and rental car concession revenues, which the Port depends upon to pay costs and debt service related to the Port Cost Center, for which the airlines have no responsibility. No assurance can be given that traffic at the Airport will continue to increase or that current traffic levels will continue, despite a demonstrated level of airline service and operations and despite the Airport's being primarily an O&D airport. The continued presence of the airlines serving the Airport and the level of aviation activity and enplaned passenger and cargo traffic at the Airport depend upon a number of factors, most of which are not within the Port's control.

Factors not directly related to the health of the Air Service Area, including airline competition and demand in other markets, the financial strength and stability of airlines serving the Airport, including individual airline decisions regarding levels of service at the Airport, are among the determinants of future airline traffic and may affect total enplanements.

See also “—Worldwide Health Concerns” above.

Financial Condition of the Airlines

Although global health and the underlying economic conditions of the Air Service Area likely will continue to be the most important factor driving passenger demand at the Airport, the ability of the Airport to generate Revenues from operations depends largely upon the financial health of the airline industry as a whole. The financial results of the airline industry are subject to substantial volatility and, at times, many carriers have had overlapping, extended periods of unprofitability. In recent years the industry has undergone significant changes, including mergers, acquisitions, major restructurings, bankruptcies and closures. The COVID pandemic and its resultant economic impact severely and negatively impacted demand for air travel and the airline industry. The COVID pandemic resulted in substantial financial challenges for airlines serving the Airport, including substantial financial losses and reduction in workforce that impacted service. Airlines operating at the Airport have filed for bankruptcy protection in the past and may do so in the future. See “—Effect of Airline Bankruptcies.” Even absent an airline bankruptcy filing, the Port may encounter significant expenses, delays, and potentially nonpayment of amounts owed if it is required to pursue legal action to enforce agreements with the airlines. Although the Airport has experienced passenger traffic growth during periods of transition, such as airline bankruptcies and

consolidations and other events that have historically affected the airline industry, the COVID pandemic was an unprecedented event and its near-term and long-term effects on the airline industry cannot be predicted with any certainty. See also “—Worldwide Health Concerns” above.

The industry is cyclical and subject to intense competition and variable demand and is highly sensitive to a variety of factors, including (i) the cost and availability of labor, fuel, aircraft and insurance, (ii) general economic conditions, (iii) international trade, (iv) currency values, (v) competitive considerations, including the effects of airline ticket pricing, (vi) traffic and airport capacity constraints, (vii) governmental regulation, including security regulations and taxes and fees imposed upon airlines and passengers, (viii) increases in maintenance and environmental requirements and costs, (ix) passenger demand for air travel, (x) disruptions caused by airline accidents, natural disasters, health crises, criminal incidents and acts of war or terrorism, (xi) strikes and other union activities and (xii) political risk, including regulatory issues and federal funding and/or staffing shortfalls resulting from actions, or inaction, of Congress.

The price of fuel is a significant factor impacting the passenger and cargo airline industry and continues to be an important and uncertain determinant of an air carrier’s operating economics. Historically, aviation fuel prices have been particularly sensitive to worldwide political instability. Continued or new hostilities in petroleum-producing regions or affecting key shipping lanes could dramatically impact the price and availability of aviation fuel. Economic expansion in emerging markets also contributes to higher aviation fuel prices. Natural disasters affecting refineries may also result in higher aviation fuel prices. Although some airlines hedge fluctuations in fuel prices through the purchase of futures contracts and although fuel prices have declined significantly in the past several years, a substantial increase in fuel prices can have a material effect on profitability and airline aircraft and route decisions at the Airport. Future fuel price increases or sustained higher prices and volatility in supply have affected and likely will continue to affect the financial condition of airlines, their capacity and route decisions and the level of service the airlines provide at the Airport.

Labor Shortages

General labor shortages, including pilots, mechanics and air traffic controllers, have been impacting, and may continue to impact, the airline industry and the Airport. As a result of the COVID pandemic, many airlines offered buyouts, early retirement, and severance packages to reduce staffing costs in their efforts to mitigate the effects of reduced passenger traffic.

Pilot shortage has been an industry-wide issue, and especially so for smaller regional airlines. Other factors include an aging pilot workforce and fewer new pilots coming from the military. The FAA has been experiencing a shortage of air traffic controllers in the past several years, which has resulted in air travel disruptions at airports throughout the country

In addition to the pilot and air traffic controller shortages, over the next decade there could be a shortage of qualified mechanics to maintain the airlines’ fleet of planes. This potential shortage is a result of an aging pool of mechanics, a large portion of which are expected to retire in the next decade, and relatively fewer new mechanics entering the labor market. A shortage of mechanics could raise the cost of maintenance, require airlines to maintain more spare planes and/or result in increased flight cancellations and delays.

The 2024 FAA Reauthorization Act (defined below) authorized \$240 million through FFY 2028 for three separate grant programs to support (i) pilot education and recruitment, (ii) aviation maintenance technical workers and (iii) aviation manufacturing workers and aerospace engineers. The 2024 FAA

Reauthorization Act also required the FAA to increase minimum hiring targets for new air traffic controllers through FFY 2028. The Port cannot predict the impact of these measures on industry labor shortages.

Effect of Airline Industry Concentration; Effect of Airline Consolidation

Alaska Air Group, which is comprised of Alaska Airlines and Horizon Air, was responsible for 40.2% of the Airport's total enplanements in Fiscal Year 2024. Although the Airport is largely an O&D airport and is much less dependent on hubbing activity than many other airports, the Airport serves as a local hubbing airport for the Alaska Air Group. In Fiscal Year 2024, connecting flights made up 6.5% of total Airport passengers. If the airlines within Alaska Air Group were to reduce or cease connecting service at the Airport, such flights would not necessarily be replaced by other airlines. Moreover, it is possible that if the Alaska Air Group airlines or another airline ceased or significantly cut back operations at the Airport, other airlines may not increase their operations at the Airport to fill that gap.

Since 2010, Alaska Air Group and Virgin America Inc.; United Airlines and Continental Airlines; Southwest Airlines and AirTran Holdings, Inc.; and American Airlines and US Airways all have completed mergers or acquisitions. In response to competitive pressures, further airline consolidation is possible and could result in changes in airline service patterns, particularly at the connecting hub airports of the merged airlines. The Port cannot predict what effect, if any, such consolidation would have on airline traffic at the Airport.

In December 2023, Alaska Air Group announced its plans to purchase Hawaiian Airlines. Shareholders of Hawaiian Airlines voted to approve the merger in February 2024. The Department of Transportation provided final regulatory approval on September 17, 2024. The official completion date of the merger transaction between Alaska Airlines and Hawaiian Airlines was September 18, 2024.

Limitations on Enforceability

The rights of the owners of the Series 2025A Bonds and the enforceability of the Port's obligation to make payments on the Series 2025A Bonds may be subject to bankruptcy, insolvency, arrangement, fraudulent conveyances or transfer, reorganization, moratorium and other laws affecting creditors' rights under currently existing law or laws enacted in the future, and under certain circumstances also may be subject to the exercise of judicial discretion and to limitations on legal remedies against public entities in the State. The opinion of Bond Counsel as to the enforceability of the Port's obligations to make payment on the Series 2025A Bonds will be qualified as to bankruptcy and such other limitations. See "APPROVAL OF LEGAL MATTERS."

If the Port fails to comply with its covenants under the Airport Revenue Bond Ordinances, including its covenants to pay principal of or interest on the Series 2025A Bonds, there can be no assurance that available remedies will be adequate to fully protect the interests of the Owners of the Series 2025A Bonds. The ability of the Port to comply with its covenants under the Airport Bond Ordinances and to generate Revenues sufficient to pay principal of and interest on the Series 2025A Bonds may be adversely affected by actions and events outside of the control of the Port, or may be adversely affected by actions taken (or not taken) by voters or payers of fees and charges, among others. The ability of the Port to increase its rates, fees and charges and to reduce its expenses will be limited by, among other things, existing contracts and federal law.

Effect of Airline Bankruptcies

Airlines operating at the Airport have filed for bankruptcy in the past and may do so in the future. The COVID pandemic severely and negatively affected domestic and international air travel. See also “— Financial Conditions of the Airlines” above.

A bankruptcy of a Signatory Airline (or of any other airline, non-airline tenant or concessionaire at the Airport) can result in significant delays, significant additional expenses and/or significant reductions in payments, or even in non-payments, to the Port and consequently in a reduction in the amount of Net Revenues.

Although with an O&D airport (like the Airport) that has residual ratemaking for most of the costs of the airfield and the terminal, expectations would be that the amounts other airlines would be required to pay would be sufficient to make up any shortfalls attributable to an airline in bankruptcy. However, the other airlines likely would not be required to make up for unpaid post-bankruptcy usage and rental of terminal and concourse space and ramps, and no assurances can be given that the other airlines would be able to pay such additional amounts when needed, particularly if the bankruptcy occurred during a period in which many of the Signatory Airlines were struggling.

The automatic stay provisions of the Bankruptcy Code could prevent (unless approval of the bankruptcy court was obtained) any action to collect any amount owing by the airline to the Port, any action to remove the airline from possession of any premises or other space, any action to terminate any agreement with the airline, or any action to enforce any obligation of the airline to the Port. With the authorization of the bankruptcy court, the airline may be able to repudiate some or all of its agreements with the Port and stop performing its obligations (including payment obligations) under such agreements. Such a repudiation could also excuse the other parties to such agreements from performing any of their obligations. The airline may be able, without the consent and over the objection of the Port, the Trustee, and the holders of the Series 2025A Bonds, to alter the terms, including the payment terms, of its agreements with the Port, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, with the authorization of the bankruptcy court, the airline may be able to assign its rights and obligations under any of its agreements with the Port to another entity, despite any contractual provisions prohibiting such an assignment. The Trustee and the holders of the Series 2025A Bonds may be required to return to the airline as preferential transfers any money that was used to make payments on the Series 2025A Bonds and that was received by the Port or the Trustee from the airline during the 90 days immediately preceding the filing of the bankruptcy petition. Claims by the Port under any lease, or any agreement that is determined to be a lease, with the airline may be subject to limitations.

There may be delays in payments on the Series 2025A Bonds while a court considers any of these issues.

There may be other possible effects of a bankruptcy of an airline that could result in delays or reductions in payments on, or other losses with respect to, the Series 2025A Bonds.

In connection with bankruptcy or similar proceedings outside of the United States, the Port cannot predict what types of orders or relief could be issued by foreign tribunals or the extent of delays in connection with such proceedings or the extent to which such orders would be enforceable in the United States.

Regardless of any specific adverse determinations and delays in an airline bankruptcy proceeding, the fact of an airline bankruptcy proceeding, particularly a bankruptcy of a Signatory Airline, could have a

material adverse effect on the liquidity and value of the Series 2025A Bonds and could cause a material reduction in Revenues.

Effect of Other Tenant or Concessionaire Bankruptcies

A bankruptcy of a non-airline tenant or concessionaire would raise challenges similar to those described above in connection with airline bankruptcies. Many of the major rental car companies operating at the Airport filed for bankruptcy in recent years, and it is possible that rental car companies or other non-airline tenants or concessionaires will file for bankruptcy in the future.

The COVID pandemic severely and negatively affected demand for goods and services related to the travel industry. See also “—Worldwide Health Concerns” above.

Effect of a Port Bankruptcy

Under existing federal and State law, the Port is not authorized to file a bankruptcy petition under Chapter 9 of the Bankruptcy Code. If federal or State law changes and if the Port becomes a debtor in a bankruptcy case, there may be delays or reductions in payments on the Series 2025A Bonds or other losses with respect to the Series 2025A Bonds.

Aircraft Shortages and Aircraft Safety

Currently, airlines are struggling to acquire sufficient aircraft to meet growing demand for air service in the United States and abroad. Those challenges are compounded because aircraft manufacturers, including Airbus and Boeing, have experienced delays in producing and delivering aircraft. Such delays result from several factors, including supply-chain disruptions, staffing shortages and FAA certification delays. Delays in aircraft delivery may hamper airlines’ ability to increase capacity to meet travel demand. If delays in aircraft delivery are prolonged, airlines could reduce service domestically and internationally, including from the Airport.

Aviation Security Concerns

Concerns about the safety of airline travel and the effectiveness and inconvenience of security precautions influence passenger travel behavior and air travel demand. Intensified security precautions instituted by government agencies, airlines and airport operators have vastly increased costs, some of which have been or will be passed on to travelers and airlines. Despite the increased security measures, additional acts of terrorism resulting in disruption to the North American air traffic system, increased passenger and flight delays, damage to the Airport, reductions in Airport passenger traffic, decreased airline profitability and/or reductions in Revenues, remain possible. Terrorist attacks, civil disturbances, or any other events that undermine confidence in the safety of air travel or the travel industry as a whole likely would have an immediate and material effect on air travel demand.

National Air Traffic Capacity

Capacity limitations on the national air traffic control system have caused aircraft delays and restrictions, both on the number of aircraft movements in certain air traffic routes and on the number of landings and takeoffs at certain airports. These restrictions affect airline schedules and passenger traffic nationwide. The FAA is gradually automating and enhancing the computer, radar, and communications equipment of the air traffic control system and assisting in the development of additional airfield capacity through the construction of new runways and the more effective use of existing runways. The FAA has recently announced its plan to update the air traffic control system by 2028. This modernization project

includes plans to replace aging equipment, improve safety, and reduce delays. The plan includes building six new air traffic control centers, replacing 25,000 radios and 475 voice switches, and upgrading 618 radar systems. However, prior to the FAA's increase of air traffic controllers and its updates to air traffic control systems over the next few years, increasing demands on the national air traffic control and airport systems could cause increased delays and restrictions in the future, such as delays that have recently occurred in Newark, Denver, and other major airports.

Credit Risk of Financial Institutions Providing Credit Enhancement and Other Financial Products Relating to Airport Bonds

The Port has obtained a number of credit enhancement agreements from a variety of financial institutions relating to the SLB Reserve Account, its variable rate bonds and its Commercial Paper Notes, including letters of credit from commercial banks and surety bonds issued by surety providers.

The Port has satisfied a portion of the SLB Reserve Fund Requirement with surety bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SLBS—Funds Under the Airport Revenue Bond Ordinances—*SLB Reserve Account*." During and following the U.S. recession in 2007-2009 several rating agencies downgraded the claims-paying ability and financial strength ratings of most of the nation's monoline bond insurance companies, and rating agencies could announce downgrades of these entities in the future. Such adverse rating developments with respect to the surety providers could have an adverse effect on the Port, including significant increases in its debt service costs. If the provider of those surety bonds becomes insolvent as earlier providers did, the Port may not be able to draw on their surety bonds in the event Net Revenues are insufficient to pay SLBs, including the Series 2025A Bonds.

Implementation of CIP Projects

Although the Port uses a variety of strategies to mitigate risk associated with the implementation of its capital projects, the Port's ability to complete projects in its CIP on schedule and on budget is subject to a number of uncertainties. These uncertainties include (but are not limited to) economic conditions; worldwide health concerns such as pandemics including the COVID outbreak; events such as the September 11, 2001 terrorist attacks; new or ongoing military hostilities; adverse weather conditions, earthquakes or other casualty events; the inability to obtain, or delays in obtaining, regulatory or permitting approvals or grant funding; the inability to comply with the conditions of regulatory or permitting approvals or grant funding; unanticipated engineering, environmental or geological problems; litigation; labor, bidding or contracting requirements; strikes; cost overruns; shortages or increased costs of materials or labor; disruptions to the global supply chain; financial difficulties of, or defaults by, contractors; budget estimate, design or engineering errors; changes to the scope of the project; unanticipated levels of inflation; or delays caused by the airline review process. See "PORTLAND INTERNATIONAL AIRPORT—Airport Capital Improvement Program."

Further, a bankruptcy filing by an airline or a rental car company that collects PFCs, CFCs or other transportation and facility fees, may also result in a reduction in the total amount collected by the Port for its CIP projects or a delay in collecting such amount. Furthermore, PFCs may not be available in the amounts and at the times currently forecasted if additional FAA approvals are not obtained or if there are fewer enplaned passengers than projected. In addition, certain projects are assumed to be funded in part with federal and state grants, but the Port cannot guarantee that such funds will be available or will be received in a timely manner. In most cases, grants are received only after the Port has paid the costs of a project and are subject to audit.

In the event one or more of these funding sources is not available to the Port in the amount or on the schedule contemplated by the Port, the implementation of certain CIP projects may be delayed. Any

schedule delays or cost increases could result in the need to issue Additional SLBs, Junior Lien Obligations or Third Lien Obligations, and may result in increased costs that cannot be recovered from the airlines. Market conditions could adversely affect the ability of the Port to issue such additional obligations or to obtain funding from other sources, and the availability of Commercial Paper Note proceeds could also be reduced or eliminated if the letters of credit supporting such Commercial Paper Notes are terminated or expire and are not replaced.

The Airport is a capital-intensive facility. It is possible that the Port will undertake capital projects that are not included in the CIP. The Port updates its CIP continuously. If additional capital projects are undertaken, the Port may issue additional bonds or additional Commercial Paper Notes to finance such projects. Depending on the timing of such projects, it may also be necessary to add appropriate personnel or other resources to manage such projects, resulting in increased expenses for the Port.

Additional Indebtedness

As described above, the CIP includes an aggregate of approximately \$1.32 billion of spending on Capital Improvement Projects, during the period from Fiscal Year 2026 to Fiscal Year 2030. The Port does not currently expect to issue Additional SLBs or Third Lien Obligations to finance the CIP. The Port expects to fund its CIP project costs with a combination of PFCs, available Net Revenues, federal grants, CFCs, previously-issued SLB Bond proceeds, and investment income. However, while the Series 2025A Bonds are outstanding, the Port could issue Additional SLBs to finance future capital improvement projects. The Port expects that it will experience an aggregate increase in debt service costs when it issues additional bonds, which will increase landing fees and terminal rents at the Airport, thereby increasing the costs of the airlines serving the Airport, possibly making the Airport less competitive. On the other hand, if the Port is unable to undertake critical capital projects, then the condition of the Airport facilities may decline, which can impact customer experience, airline satisfaction, and operational efficiency and effectiveness. In addition, the Airport may be required to undertake certain capital projects to comply with regulatory requirements or to preserve the overall viability of the Airport. The Port continues to evaluate capital projects based on risk, passenger demand, asset condition, and the Port's financial position. For further discussion of planned capital projects, see "PORTLAND INTERNATIONAL AIRPORT—Airport Capital Improvement Program." The timing and amounts of additional bonds may change depending on passenger and cargo demand, the availability of other funding sources, the timing of capital expenditures and market conditions. The Port also may undertake additional capital projects during the period covered by the CIP that are not presently included in the CIP.

Technological Innovations

New technologies are currently being developed and are likely to continue to be developed in the future. The impact of these new technologies on current operations and practices at the Airport are not all known and may have an effect on airlines and operations at the Airport.

New technologies (such as ratification intelligence, autonomous vehicles and connected vehicles) and innovative business strategies in established markets such as commercial ground transportation and car rental may continue to occur and may result in further changes in Airport passengers' choice of ground transportation mode. While the Port makes every effort to anticipate demand shifts, there may be times when the Port's expectations differ from actual outcomes. In such event, revenue from one or more ground transportation modes may be lower than expected. The Port cannot predict with certainty what impact these innovations in ground transportation will have over time on revenues from parking, other ground transportation services or rental cars. The Port also cannot predict with certainty whether or to what extent it will collect non-airline revenues in connection with such new technologies or innovative business strategies.

In addition, improved teleconferencing technologies and increased acceptance of these methods of communicating could reduce the demand for business travel, though the long-term impact of such technologies on the demand for business travel is not known.

Seismic and Other Force Majeure Events

The Airport's and the Port's ability to generate Revenues also are at risk from various events of force majeure, such as pandemics, extreme weather events and other natural occurrences such as earthquakes, floods, eruptions of volcanos, fires and explosions, spills of hazardous substances, strikes and lockouts, sabotage, terrorist attacks, wars, blockades or riots. See “—Worldwide Health Concerns,” “—Aviation Security Concerns,” and “—Environmental Matters,” “REGULATORY MATTERS—Airport Environmental Matters—*Columbia Corridor Flood Risk Management and Levee System Re-Accreditation by the Federal Emergency Management Agency.*”

Oregon and Washington are in the CSZ and are at risk of a magnitude 9.0 earthquake. The CSZ earthquake has an average recurrent period of once every 300-500 years. According to the Oregon Department of Emergency Management, scientists are currently predicting that there is about a 37% chance that a CSZ earthquake would strike Oregon within the next 50 years and that such an event would be felt throughout the Pacific Northwest. The Airport is the only major airport in Oregon and Southwest Washington and would be a critical lifeline for the metropolitan area after a CSZ seismic event. The Airport will be essential for the initial response and the following recovery efforts to restore water, fuel, power and other critical infrastructure and services.

The Port has made and continues to make upgrades to the seismic stability of some of its facilities. See “PORTLAND INTERNATIONAL AIRPORT—Airport Master Plan and Resiliency Planning.” Nevertheless, the Airport could sustain extensive damage to its facilities in a major earthquake or volcanic eruption. Damage could include pavement displacement (which could, in the worst case, necessitate the closing of one or more runways for extended periods of time), distortions of pavement grades, breaks in utilities, loss of water supply, damage to drainage and sewage lines, displacement or collapse of buildings, and rupture of gas and fuel lines.

While the Port has attempted to address the risk of loss through the purchase of insurance, certain of these events may not be covered by insurance. See “—Aviation Security Concerns” above and “—Environmental Matters” below. Further, even for events that are covered by insurance, the Port cannot guarantee that coverage will be sufficient or that insurers will pay claims in a timely manner. From time to time, the Port may change the types of and limits and deductibles on the insurance coverage that it carries.

A major earthquake, flood, eruption of volcanos, fire or other extreme weather event anywhere in the Pacific Northwest may cause significant temporary and possibly long-term harm to the economy of one or more cities in the Pacific Northwest or the entire region, which could in turn have a negative effect on passenger traffic and on Revenues, and such effect could be material. While the impacts of such events may be mitigated by the Port's past and future investment in resiliency initiatives, the Port can give no assurance about the net effects of those strategies or the potential impacts of such events to the Port's finances or operations.

Environmental Matters

The Port is required to comply with numerous federal, state and local laws and regulations designed to protect the environment, health and safety, and to inform the public of important environmental issues and potential impacts of Port activities. The Port is also directly or indirectly affected by certain laws,

regulations and State orders, including, without limitation, air quality regulations and storm water regulations. See “REGULATORY MATTERS—Airport Environmental Matters.”

The standards for required environmental impact review and for compliance under several state and federal laws and regulations are becoming more rigorous and complex. Permits issued to the Port under such laws and regulations may be frequently amended, often resulting in more stringent and more costly requirements and uncertainty about the scope of the Port’s future obligations and associated costs.

These types of changes may result in increased compliance costs that, in turn, significantly delay or affect the Port’s efforts to maintain and repair existing infrastructure or to construct additional revenue-generating infrastructure. Additionally, the costs to mitigate environmental impacts, such as impacts to jurisdictional wetlands, obtain regulatory approvals, and manage potential legal or procedural challenges for such projects may result in substantial increases to total project costs and delays in completing the projects. Air quality regulations that directly or indirectly impact the Port may result in the Port’s having to, or desiring to, expend funds to assist the Port’s business partners in complying with various regulations.

Costs associated with these compliance and related activities may consume an increasingly significant portion of the Port’s capital and operating budgets, and the Port may have unanticipated capital or operating expenditures. In addition, for projects with forecasted costs, the Port cannot provide assurances that the actual cost of the required measures will not exceed the forecasted amount. The Port also cannot provide assurances that the cost of compliance and related activities required of the Port and/or its business partners will not negatively affect Port operations and, therefore, Port revenues and/or expenses.

Additional environmental laws and regulations may be enacted and adopted in the future that could apply to the Port or its business partners, which could result in an adverse impact on projected revenues or expenses. The Port is not able to predict with certainty what those laws and regulations may be or the impacts to the Port or its business partners of compliance with such laws and regulations.

Also, certain individuals, organizations and/or regulatory agencies may seek other legal remedies to compel the Port to take further actions to mitigate perceived or identified environmental impacts and/or health hazards or to seek damages in connection with the potential environmental impacts of the Port’s Airport, and Commercial Real Estate activities. The Port has undertaken a number of initiatives over the years to address potential concerns. Nonetheless, there is a risk that, despite the Port’s adopted environmental plans, mitigation programs, and policies, legal action challenging the Port could ensue. Such legal action could be costly to defend, could result in substantial damage awards against the Port, and could curtail certain Port developments or operations.

The Port is unable to predict what additional laws and regulations with respect to GHG emissions or other environmental issues (including but not limited to air, water, hazardous substances and waste regulations) will be adopted, or what effects such laws and regulations will have on the Port, airlines operating at the Airport, other Port tenants, or the local economy. The effects, however, could be material.

Cyber and Data Security

The Port, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations, and faces multiple cybersecurity threats, including but not limited to hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems that include both on premise and cloud services (collectively, “Systems Technology”). As a recipient and provider of personal, private, or sensitive information (collectively, “Data”) and as a part of the country’s critical infrastructure services, the Port may be the target of cybersecurity incidents that could

result in adverse consequences to the Port's Systems Technology and Data, requiring a response action to mitigate the consequences.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Port's Systems Technology and Data in order to misappropriate assets or information or cause operational disruption and damage. The evolving use of generative artificial intelligence (genAI) introduces new or enhanced risks to data privacy and security, including social engineering attacks, impersonation, inadvertent disclosure, code misconfiguration, and genAI output overreliance. To mitigate the risk of business operations impact and/or damage from cybersecurity incidents, the Port invests in multiple forms of cybersecurity and operational safeguards. Since 2013, the Port has adopted a cybersecurity framework supported by policies, procedures, and controls in line with industry best practices and applicable regulations (collectively, the "Cyber Security Program") to support, maintain, and secure Port Systems Technology and Data. The objectives of the Cyber Security Program also include managing risk, improving cybersecurity event detection and remediation, 24x7 security operations center monitoring, evaluating new digital systems and 3rd party technology services, and facilitating cyber awareness across all Port departments. The Port has established an Information Security team to work across all Port departments to implement the Cyber Security Program. The Port reviews the Cyber Security Program periodically for continuous improvements.

While Port cybersecurity and operational safeguards are periodically tested, no assurances can be given by the Port that such measures will ensure against all cybersecurity incidents. Cybersecurity breaches could damage the Port's Systems Technology and Data, and cause material disruption to the Port's finances or operations. The costs of remedying any such damage or protecting against future incidents could be substantial. Further, cybersecurity incidents could expose the Port to material litigation and other legal risks, which could cause the Port to incur material costs related to such legal claims or proceedings.

The airlines serving the Airport and other Port tenants also face cybersecurity threats that could affect their operations and finances. Notwithstanding security measures, information technology and infrastructure at the Airport, any of the airlines serving the Airport or any other tenants at the Airport, or third-party services used by the Port may be vulnerable to attacks by outside or internal hackers, or breached by employee error, negligence or malfeasance. Any such breach or attack could compromise systems and the information stored therein. Any such disruption or other loss of information could disrupt the operations of the Airport and/or the airlines serving the Airport and the services provided at the Airport, thereby adversely affecting the ability of the Airport to generate revenue.

Regulation

The Port is subject to various laws, rules and regulations adopted by local, State and federal governments and their agencies. The Airport is highly regulated by federal agencies, including the FAA, the TSA, Customs and Border Protection and the Department of Health.

Operations and capital improvement at the Airport and the ability of the Port to generate Net Revenues sufficient to pay debt service on SLBs, including the Series 2025A Bonds, and other obligations are subject to various federal, State and local government restrictions and regulations that can limit activities and development and increase costs at or to the Airport. Existing federal, State and local environmental regulations cover a wide variety of areas associated with the Airport and result in significant costs to the Port and to the airlines and other users of Airport facilities. Additional environmental regulations may be developed, which could add or expand existing limitations on aircraft operations, including but not limited to emissions and noise at and around the Airport.

FAA regulations govern a wide variety of activities at the Airport, including permitted uses of revenue and land at the Airport. Failure to comply with such regulations, such as the Airport Noise and Capacity Act of 1990, even if unintentional, can result in loss of grant and/or PFC eligibility. State laws may be proposed by citizen initiative in addition to those enacted by the Oregon Legislature, and such laws could limit, prohibit or increase the cost of activities at the Airport.

Capacity of National and International Air Traffic Control and Airport System

Capacity limitations of the national and international air traffic control systems have caused aircraft delays and restrictions in recent years, both on the number of aircraft movements in certain air traffic routes and on the number of landings and takeoffs at certain airports. These restrictions affect airline schedules and passenger traffic nationwide. The FAA has made certain improvements to the computer, radar and communications equipment of the air traffic control system in recent years, and the 2024 FAA Reauthorization Act directs the FAA to implement certain advanced data communications systems by 2026 and aeronautical information management systems by 2027. However, no assurances can be given that future increases in airline and passenger traffic will not again adversely affect airline operations.

Potential Limitation of Tax Exemption of Interest on the Series 2025A Bonds

From time to time, the President of the United States, the United States Congress and/or state legislatures have proposed and could propose in the future, legislation that, if enacted, could cause interest on the Series 2025A Bonds to be subject, directly or indirectly, to federal income taxation or could cause interest on the Series 2025A Bonds to be subject to or exempted from State income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Clarifications of the Internal Revenue Code of 1986 (the “Code”), or court decisions may also cause interest on the Series 2025A Bonds to be subject, directly or indirectly, to federal income taxation or may cause interest on the Series 2025A Bonds to be subject to or exempted from state income taxation. The introduction or enactment of any such legislative proposals or any clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2025A Bonds. Prospective purchasers of the Series 2025A Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion. See “TAX MATTERS.”

U.S. and Global Economic Policies

Foreign trade and federal trade policy, including the escalation of tariffs globally, may impact the global economy generally and the aviation industry in particular. The current federal administration recently announced Executive Orders implementing tariffs on imports from many countries. In response, some countries have imposed retaliatory tariffs on certain U.S. exports. These tariffs may significantly impact air travel and cargo operations. Increased tariffs on steel, aluminum, and imports from other countries may lead to increased costs for aircraft manufacturing, maintenance and spare parts. These cost increases may lead to higher operational expenses for airlines, potentially resulting in increased passenger fares and freight rates. In the air cargo sector, the removal of the “de minimis” exemption for low-value goods may disrupt e-commerce shipments, reducing demand for air freight and complicating supply chains. Tariffs may also cause manufacturers to shift production locations and logistic strategies, creating uncertainty for cargo operators and reshaping trade flows. These measures may slow air cargo growth and increase costs across the aviation industry. However, the full impact of these and any future tariffs is uncertain and cannot be predicted at this time.

Trade policy, including tariffs, may also affect the Port’s non-Airport operations and the financial performance of the Port’s General Fund. However, Airport-related revenues, including the Revenues, are

not available for the Port's non-Airport operations or to support the Port's General Fund. As such, the Port does not expect that any impact of trade policy on the Port's non-Airport operations or General Fund would have a material effect on the Airport's finances or operations.

Federal Funding Considerations

Port depends on federal funding for the Airport in connection with grants and PFC authorizations, as well as for the funding that provides for TSA, FIS, air traffic control and other FAA staffing and facilities.

Federal funding must be appropriated by Congress for these services. From time to time, there may be a gap in appropriation authority due to Congressional or Presidential inaction. When this occurs, federal agencies must discontinue all nonessential, discretionary functions until new funding legislation is enacted and signed into law, while essential services and mandatory spending programs continue to function. Air traffic controllers, TSA screeners and Customs and Border Protection ("CBP") agents providing services at U.S. airports are considered essential federal employees that are required to work without pay during any gaps in appropriation authority. It is possible that a future gap in federal appropriation authority could result in significant operational or financial effects on the Port.

Federal funding also is impacted by sequestration under the Budget Control Act of 2011. Except to the extent changed by Congress from time to time, sequestration is a multi-year process and could continue to affect FAA, TSA and CBP budgets and staffing, which results in staffing shortages and furloughs and traffic delays at the Airport and nationwide. Some of the TSA funding shortages are being addressed by increasing the amount (and removing the cap) on the security fees on tickets, but such fees have been controversial, and no assurance can be given that such fees will be sufficient or that the increased ticket costs will not result in lower passenger enplanements.

The FAA currently operates under *H.R. 3935 – FAA Reauthorization Act of 2024* Public Law No: 118-63 ("2024 FAA Reauthorization Act"), which authorizes its operations and programs and funds the FAA through FFY 2028. The 2024 FAA Reauthorization Act retains the federal cap on PFCs at \$4.50 and authorizes \$3.4 billion per year for AIP grants in FFY 2024 and \$4 billion per year in FFYs 2025 through 2028, which is a higher funding level compared to the preceding five years. The AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set-asides and the national priority ranking system), and the Airport is a recipient of such grants. Project costs are subject to audit by the funding agencies to ensure that the costs are allowable under the grant agreements. If any project costs are disallowed, amounts recorded as grants receivable will be reduced or refunded to the respective funding agencies.

In addition, federal funding can be impacted by shifts in federal policy priorities. The current federal administration has recently issued a series of executive orders and implemented policies purporting to suspect or limit federal spending and funding to state and local governments, including port districts. Certain of these actions have been challenged and in some cases enjoined. These federal policies, and potentially future federal policies, if implemented, may adversely impact federal revenues received by the Port.

It is difficult for the Port to predict whether and to what extent there will be changes in federal funding or the potential effect of such changes on the finances and operations of the Port. However, the Port continues to monitor potential changes to federal funding and adjust its policies and operations as needed. A reduction in federal funds received by the Airport could lead to adjustments to CIP projects funded and/or increases in the amount of capital or other expenditures that the Port needs to fund from other sources, including operating revenues, PFCs and Bond proceeds. However, based on information currently

available to the Port, the Port does not expect reductions in federal funding to have a material impact on the Port's finances or operations, or its ability to pay debt service on the SLBs.

CONTINUING DISCLOSURE

The Port will undertake in a Continuing Disclosure Certificate for the benefit of registered and beneficial Owners of each the Series 2025A Bonds to provide to the Municipal Securities Rulemaking Board (the "MSRB"), on an annual basis not later than nine (9) months after the end of each Fiscal Year of the Port (which shall be April 1 of each year, so long as the Port's Fiscal Year ends on June 30), commencing with the Fiscal Year ending June 30, 2024, certain specified financial information and operating data. In addition, the Port will undertake for the benefit of registered and beneficial Owners of the Series 2025A Bonds, to provide to the MSRB in a timely manner notices of certain material events. This undertaking is to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission. The proposed form of Continuing Disclosure Certificate is contained in APPENDIX E.

In previous years, the Port filed notices of enumerated events except that the Port did not file a notice of every rating change in respect of its credit and liquidity providers (letter of credit banks and bond insurers). Additionally, when the Port uploaded its audited financial statements for the Fiscal Year ended June 30, 2022 (the "FY 2022 Audit") on November 16, 2022, it did not attach these statements to the CUSIP numbers associated with the Port's Series Twenty-Eight Bonds or Series 2022A PFC Bonds. The Port subsequently attached the FY 2022 Audit to the CUSIPs for the Series Twenty-Eight Bonds and the Series 2022A PFC Bonds on June 10, 2025, and filed a notice of failure to file on June 10, 2025.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Port ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2025A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and exempt from State of Oregon personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2025A Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2025A Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Series 2025A Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth as APPENDIX F hereto.

To the extent the issue price of any maturity of the Series 2025A Bonds is less than the amount to be paid at maturity of such Series 2025A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2025A Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2025A Bonds which is excluded from gross income for federal income tax purposes and exempt from State of Oregon personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2025A Bonds is the first price at which a substantial amount of such maturity of the Series 2025A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2025A Bonds accrues daily over the term to maturity of such Series 2025A Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the

adjusted basis of such Series 2025A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2025A Bonds. Beneficial Owners of the Series 2025A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2025A Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2025A Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2025A Bonds is sold to the public.

Series 2025A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Series 2025A Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Series 2025A Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Series 2025A Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Series 2025A Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2025A Bonds. The Port has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2025A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2025A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2025A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Series 2025A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2025A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2025A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of Oregon personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2025A Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2025A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2025A Bonds. Prospective purchasers of the Series 2025A Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the

Series 2025A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Port, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Port has covenanted, however, to comply with the requirements of the Code.

Unless separately engaged, Bond Counsel is not obligated to defend the Port or the Beneficial Owners regarding the tax-exempt status of the Series 2025A Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Port legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2025A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2025A Bonds, and may cause the Port or the Beneficial Owners to incur significant expense.

Payments on the Series 2025A Bonds generally will be subject to U.S. information reporting and possibly to “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Bonds may be subject to backup withholding with respect to “reportable payments,” which include interest paid on the Series 2025A Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2025A Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LITIGATION

No Litigation Relating to the Series 2025A Bonds

As of the date of this Official Statement, the Port has not been notified and is not aware of any litigation, filed or threatened, challenging the authority of the Port to issue the Series 2025A Bonds or seeking to enjoin the issuance of the Series 2025A Bonds.

Other Litigation

In addition to the litigation, potential litigation and environmental matters described in this Official Statement, the Port is a named defendant in various legal actions and claims that arise during the normal course of business. Some of these are covered by insurance and some are in amounts the Port does not consider to be material to the Airport. The Port does not expect an unfavorable outcome in these matters, taken individually or in the aggregate, to have a material adverse effect on the operations or financial position of the Airport. In addition, occasionally the Port is a named defendant in legal actions the Port believes to be frivolous.

APPROVAL OF LEGAL MATTERS

The validity of the Series 2025A Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Port. A complete copy of the proposed form of the opinion of Bond Counsel with respect to the Series 2025A Bonds is included in this Official Statement as APPENDIX F. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. From time to time Orrick, Herrington & Sutcliffe LLP serves as counsel to the Underwriter on matters that do not relate to the Port or to the Series 2025A Bonds.

Certain legal matters will be passed upon for the Port by Daniel Blaufus, Esq., General Counsel to the Port. Certain legal matters will be passed upon by Hawkins Delafield & Wood LLP as Disclosure Counsel to the Port and for the Underwriter by its counsel, Kutak Rock LLP. Neither the Port's General Counsel nor Underwriter's Counsel is rendering an opinion as to the validity or tax status of the Series 2025A Bonds. Any opinion of Underwriter's Counsel will be rendered solely to the Underwriter, and any opinion of Underwriter's Counsel, Port Counsel or Disclosure Counsel will be limited in scope and cannot be relied upon by investors.

THE TRUSTEE

U.S. Bank Trust Company, National Association, having an office in Portland, Oregon, serves as trustee, registrar and paying agent for the SLBs, including the Series 2025A Bonds. The corporate trust office of the Trustee is currently located at 555 S.W. Oak Street, Portland, Oregon 97204. U.S. Bank Trust Company, National Association is successor trustee to The Bank of New York Mellon Trust Company, N.A., the Corporate Trust Business of Wells Fargo Bank National Association and First Interstate Bank of Oregon.

The Trustee has undertaken only those duties and obligations that are expressly set forth in the Airport Revenue Bond Ordinances and the Series 2025A Bond Certificate. The Trustee has not independently passed upon the validity of the Series 2025A Bonds, the security of payment therefor, the value or condition of any assets pledged to the payment thereof, the adequacy of the provisions for such payment, the status for federal or State income tax purposes of the interest on the Series 2025A Bonds or the investment quality of the Series 2025A Bonds. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and has assumed no responsibility for the nature, content, accuracy or completeness of the information included in this Official Statement.

INDEPENDENT AUDITORS

The financial statements for the Port, including information for the Airport, as of and for the year ended June 30, 2024, included as APPENDIX A, have been audited by Moss Adams LLP, independent auditors, as stated in their report appearing therein. During FY 2024-25, Moss Adams LLP and Baker Tilly US LLP merged and will do business as Baker Tilly US LLP ("Baker Tilly") and therefore, the Port's financial statements for FY 2024-25 will be audited by Baker Tilly. Baker Tilly has not been engaged to perform and has not performed, since the date of its report included in APPENDIX A, any procedures on the financial statements addressed in that report. Baker Tilly also has not performed any procedures relating to this Official Statement.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC is acting as municipal advisor (the "Municipal Advisor") to the Port with respect to the Series 2025A Bonds. The Municipal Advisor has assisted the Port in the preparation of this Official Statement and in other matters relating to the planning, structuring, execution and delivery of

the Series 2025A Bonds. The Municipal Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the Port, and make no guaranty, warranty or other representation relating to the accuracy or completeness of this Official Statement or any of the information contained herein.

Compensation to be received by the Municipal Advisor from the Port for services provided in connection with the planning, structuring, execution and delivery of the Series 2025A Bonds is contingent upon the sale and delivery of the Series 2025A Bonds.

RATINGS

The Series 2025A Bonds have been assigned ratings of “AA-” (stable outlook) and “AA-” (positive outlook) by S&P and Fitch, respectively. Such ratings reflect only the views 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 addresses: S&P, 55 Water Street, New York, New York 10041; Fitch, 33 Whitehall Street, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. A securities rating is not a recommendation to buy, sell, or hold securities and there is no assurance that such rating will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency furnishing the same if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal may have an adverse effect on the market price or the availability of a secondary market for the Series 2025A Bonds.

UNDERWRITING

The Series 2025A Bonds are all to be purchased by Jefferies LLC (the “Underwriter”). The Series 2025A Bonds are to be purchased at a price of \$73,325,859.29 (representing the aggregate principal amount of the Series 2025A Bonds, plus an original issue premium of \$6,913,201.60, less an underwriter’s discount of \$182,342.31). The Bond Purchase Agreement between the Port and the Underwriter provides that the Underwriter will purchase all of the Series 2025A Bonds if any Series 2025A Bonds are purchased and that the purchase of the Series 2025A Bonds is subject to the conditions set forth in the Bond Purchase Agreement.

The Underwriter may offer and sell the Series 2025A Bonds to certain dealers or unit investment trusts and money market or other funds and others at lower prices than the initial offering prices corresponding to the yields set forth on the inside cover, and such initial offering prices may be changed from time to time by the Underwriter without notice.

The Underwriter and its respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its respective affiliates have provided, and may in the future provide, a variety of these services to the Port and to persons and entities with relationships with the Port, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Port (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the

Port. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

MISCELLANEOUS

The descriptions herein and in the appendices of the Airport Revenue Bond Ordinances, the Series 2025A Bond Certificate, the Signatory Airline Agreements and other documents are brief summaries of certain provisions thereof. Such summaries do not purport to be complete, and reference is made to such documents and contracts, copies of which are on file with the Port, for full and complete statements of their provisions. Section headings, table headings and captions are included for convenience only and should not be construed as modifying the text of this Official Statement.

All estimates and other statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

This Official Statement should not be construed as a contract or agreement between the Port or the Board and the purchasers or holders of any of the Series 2025A Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Port.

THE PORT OF PORTLAND

By: /s/ Antoinette Chandler
Antoinette Chandler, Chief Financial Officer

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APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE PORT

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THE PORT OF PORTLAND
(A Municipal Corporation)

REPORT ON AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

(Containing Audit Comments and Disclosures Required by State Regulations)

FOR THE YEAR ENDED JUNE 30, 2024
with comparative totals for the year ended June 30, 2023

THE PORT OF PORTLAND

(a municipal corporation)

THE PORT OF PORTLAND

COMMISSIONERS AS OF JUNE 30, 2024

<u>Name</u>	<u>Term Expires</u>
Katy Coba, President 7200 NE Airport Way Portland, Oregon 97218	June 9, 2026
Richelle Luther, Vice President 14375 NW Science Park Drive Portland, Oregon 97229	February 16, 2028
Ketan Sampat, Secretary 525 3rd Street, Suite 200 Lake Oswego, Oregon 97034	March 14, 2025
Katherine Lam, Treasurer 5921 NE 80 th Avenue Portland, Oregon 97218	November 24, 2027
Rukaiyah Adams 3514 N Vancouver Ave, Suite 200 Portland, OR 97227	June 4, 2028
Mike DeVaughn 5000 N Willamette Blvd Portland, OR 97203	May 24, 2026
Sam Johnson 3100 NE Shute Rd Hillsboro, OR 97124	February 16, 2028
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THE PORT OF PORTLAND

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REPORT OF INDEPENDENT AUDITORS

Report of Independent Auditors

The Board of Commissioners
Port of Portland

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Airport and Marine & Other Activities of the Port of Portland (Port of Portland), which comprise the balance sheet as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows of the Airport and Marine & Other Activities of the Port of Portland for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Airport and Marine & Other Activities of the Port of Portland as of June 30, 2024, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Port of Portland and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port of Portland's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Port of Portland's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port of Portland's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Port of Portland's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

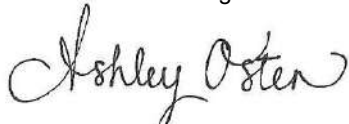
Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of PERS net pension liability (asset), and schedule of contributions to PERS, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Port of Portland's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Minimum Standards for Audits of Oregon Municipal Corporations*

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated October 22, 2024, on our consideration of the Port of Portland's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Ashley Osten, Partner
for Moss Adams LLP
Portland, Oregon
October 22, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

(UNAUDITED)

The Port of Portland Management's Discussion and Analysis

This discussion and analysis of the Port of Portland's (Port) financial performance provides an overview of the Port's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Port's financial statements, which follow this section.

Overview of the Financial Statements:

These financial statements consist of four parts – management's discussion and analysis (this section), the basic financial statements (including notes), required supplementary information, and supplementary information. The report is guided by accounting and reporting principles established by the Governmental Accounting Standards Board (GASB), and also by the Oregon Secretary of State (OSS). The basic financial statements are prepared on the accrual basis, similar to a private business, whereby revenues are recognized when earned and expenses are recognized when incurred, regardless of when cash is received or paid. The basic financial statements consist of a balance sheet, which includes the Port's assets, including deferred outflows, liabilities, including deferred inflows, and net position at year end; statement of revenues, expenses, and changes in net position, which includes all revenues, expenses, and grants expended for construction for the year; and statement of cash flows, which presents the sources and uses of cash for the year. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Following the financial statements is a section of supplementary information, nearly all of which is required by the GASB, the OSS, or bond ordinances. The Port's two activities are Airport (Portland International Airport) and Marine & Other (marine terminals, trade and economic development, environmental, navigation, general aviation, engineering, and administration). These activities are described in Notes 1 and 2 to the financial statements. Of special significance to readers of the financial statements is that, with certain limited exceptions, Airport monies are restricted by bond ordinances and Federal Aviation Administration regulations for use at the Airport only. Airport net revenues (essentially operating revenues less operating expenses other than depreciation and amortization) are largely determined by bond ordinances and contracts with airlines, as more fully explained in Note 7 to the financial statements.

Financial Results:

The Port's total net position increased \$131.9 million from the 2023 amount, or 8.4 percent. Unrestricted net position – the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants or legal requirements – increased by \$148.1 million, or 37.8 percent during that same time. In comparison, last year total net position increased by \$45.8 million, or 3.0 percent. The analysis in Table 1 (below) focuses on the net position of the Airport and of the Port's Marine & Other activities separately.

	Airport		Marine & Other		Total Port		Total Percentage Change
	2024	2023	2024	2023	2024	2023	2023-2024
Current and other assets	\$ 1,195.8	\$ 1,493.8	\$ 606.5	\$ 565.7	\$ 1,787.0	\$ 2,040.7	(12.4)%
Capital assets	3,020.2	2,652.3	285.3	275.3	3,305.5	2,927.6	12.9%
Deferred outflows	22.5	27.0	14.6	17.0	37.1	44.0	(15.7)%
Total assets	<u>4,238.5</u>	<u>4,173.1</u>	<u>906.4</u>	<u>858.0</u>	<u>5,129.6</u>	<u>5,012.3</u>	2.3%
Long-term debt outstanding	2,501.5	2,572.2	58.7	48.8	2,560.2	2,621.0	(2.3)%
Other liabilities	352.3	261.1	148.7	143.7	485.7	386.0	25.8%
Deferred inflows	215.5	250.9	162.2	180.6	377.7	431.5	(12.5)%
Total liabilities	<u>3,069.3</u>	<u>3,084.2</u>	<u>369.6</u>	<u>373.1</u>	<u>3,423.6</u>	<u>3,438.5</u>	(0.4)%
Net position:							
Net investment							
in capital assets	447.5	392.6	310.8	306.0	758.3	698.6	8.5%
Restricted	405.0	478.1	3.0	5.8	408.0	483.9	(15.7)%
Unrestricted	316.6	218.2	222.9	173.2	539.5	391.4	37.8%
Total net position	<u>\$ 1,169.1</u>	<u>\$ 1,088.9</u>	<u>\$ 536.7</u>	<u>\$ 485.0</u>	<u>\$ 1,705.8</u>	<u>\$ 1,573.9</u>	8.4%

* Receivables and payables between activities are eliminated in the Total Port column.

The Port of Portland
Management's Discussion and Analysis, continued

Total net position of the Airport increased by \$80.2 million, or 7.4 percent, primarily as a result of net income and capital grants in fiscal 2024. Net investment in capital assets increased \$54.9 million, or 14.0 percent, as a result of increases in capital additions and construction spending. Restricted net position decreased by \$73.1 million, or 15.3 percent, primarily due to spending of bond proceeds to fund Airport construction. Unrestricted net position increased by \$98.4 million, or 45.1 percent, primarily as a result of net income and capital grants for fiscal 2024.

Total net position of Marine & Other increased by \$51.7 million, or 10.7 percent, the result of net income, capital grants and transfers from the Airport (primarily to fund construction at general aviation airports included in Marine & Other). Net investment in capital assets increased \$4.8 million, or 1.6 percent, primarily as a result of capital additions and construction spending, partially offset by normal capital asset depreciation. Restricted net position decreased \$2.8 million, or 48.3 percent, versus the prior year as a result of spending down restricted-purpose grants during fiscal 2024. Unrestricted net position increased by \$49.7 million or 28.7 percent, primarily due to net income, capital grants received during fiscal 2024, and transfers from the Airport.

Several factors caused changes in net position (Table 2, below) to increase \$86.1 million from the 2023 amount.

Airport changes in net position increased \$50.9 million when compared to the prior year due mainly to significantly higher net income, as well as increased capital grants, in 2024. Marine & Other changes in net position increased \$35.2 million, primarily due to increased net income as compared to 2023.

	Airport		Marine & Other		Total Port		Total Percentage Change
	2024	2023	2024	2023	2024	2023	2023-2024
Revenues:							
Operating revenues							
Charges for services	\$ 344.9	\$ 305.0	\$ 88.9	\$ 93.2	\$ 433.8	\$ 398.2	8.9%
Land sales			16.5	2.2	16.5	2.2	650.0%
Other	1.2	0.6	0.2	0.1	1.4	0.7	100.0%
Nonoperating revenues							
Property tax revenue			15.9	15.0	15.9	15.0	6.0%
Interest revenue	47.0	20.7	19.5	12.9	66.5	33.6	97.9%
PFC revenue	32.4	30.8			32.4	30.8	5.2%
CFC revenue	18.3	16.9			18.3	16.9	8.3%
Other nonoperating revenue	27.1	4.5	21.1	9.0	48.2	13.5	257.0%
Total revenues	<u>470.9</u>	<u>378.5</u>	<u>162.1</u>	<u>132.4</u>	<u>633.0</u>	<u>510.9</u>	23.9%
Expenses:							
Operating expenses	303.6	264.8	116.9	124.6	420.5	389.4	8.0%
Nonoperating expenses	95.0	77.1	3.1	3.4	98.1	80.5	21.9%
Total expenses	<u>398.6</u>	<u>341.9</u>	<u>120.0</u>	<u>128.0</u>	<u>518.6</u>	<u>469.9</u>	10.4%
Income before contributions and transfers	72.3	36.6	42.1	4.4	114.4	41.0	179.0%
Capital contributions and reversions	10.1	1.1	7.4	3.7	17.5	4.8	264.6%
Transfers (out) in	(2.2)	(8.4)	2.2	8.4			
Increase in net position	<u>\$ 80.2</u>	<u>\$ 29.3</u>	<u>\$ 51.7</u>	<u>\$ 16.5</u>	<u>\$ 131.9</u>	<u>\$ 45.8</u>	188.0%

Total revenues for the Port increased by approximately \$122.1 million from the prior year. Total expenses increased approximately \$48.7 million during the same timeframe.

At the Airport, charges for services operating revenues increased by \$39.9 million, or 13.1 percent, when compared to the prior year; this was primarily due to an increase in passengers traveling through the Airport as the airline industry has continued to recover from pandemic impacts, which manifested in higher operating revenues in almost every category at the Airport. Nonoperating interest revenue increased \$26.3

The Port of Portland
Management's Discussion and Analysis, continued

million as a result of significantly higher cash balances and higher investment returns in 2024. PFC revenues increased \$1.6 million, or 5.2 percent, as a result of modestly higher enplanements at the Airport. CFC revenues increased by \$1.4 million, or 8.3 percent, also as a result of increased passengers moving through the Airport during fiscal 2024. Other nonoperating revenue increased by \$22.6 million in fiscal 2024 as the Airport drew down the remaining balance of federal pandemic relief funding. The increase of \$38.8 million in operating expenses was up 14.7 percent as compared to the prior year and was generally attributable to higher operating expenses in nearly all categories driven by increased passenger volumes and increased activity as the Airport prepares to open a new terminal expansion. Nonoperating expenses increased \$17.9 million in fiscal 2024 as a result of the first full year of interest on higher outstanding debt principal resulting from bond issuance. Capital contributions increased \$9.0 million in 2024 as a result of incurring more grant-eligible costs than in 2023. Transfers out to fund construction at general aviation airports decreased \$6.2 million in 2024 due to less construction activity not covered by FAA capital grants.

For Marine & Other, charges for services operating revenue decreased \$4.3 million year over year as a result of lower container volumes, offset in part by higher dredging revenues due to more dredging activity in fiscal 2024, higher rent revenues for industrial properties, and higher revenues resulting from increased grain and mineral bulk volumes. Land sales revenues increased \$14.3 million in fiscal 2024 as a result of more industrial property sales. Nonoperating interest revenue increased \$6.6 million versus prior year, primarily the result of higher cash balances and higher investment returns. Other nonoperating revenue increased \$12.1 million in fiscal 2024 due to the receipt of a settlement payment in fiscal 2024. During 2024, operating expenses decreased \$7.7 million due to lower longshore labor expense associated with lower container throughput activity, lower environmental expenses, and lower internal central services costs; these decreases were partially offset by higher salaries expense and higher costs associated with more industrial property sales. Transfers in from the Airport decreased \$6.2 million in fiscal 2024 as a result of less general aviation construction activity not funded with FAA grants.

Budgetary Highlights:

The Port's budget for fiscal 2024 was adopted by the Port Commission and certified by the Multnomah County Tax Supervising and Conservation Commission (TSCC) in June 2023. During fiscal 2024, budget appropriations at the Airport were increased during the year to account for timing of capital project expenditures and increased transfers to Marine & Other for additional engineering support of Airport capital projects, as well as to correct budgeted debt service requirements. For Marine & Other, resources in the budget were adjusted during the year to reflect higher service reimbursement resources for increased engineering support to Airport capital projects. Marine & Other appropriations for expenditures were increased for higher than expected utility costs at Terminal 2, to provide for potential expenses related to insurance recoveries, and to provide for non-cash budgetary impacts of accounting accruals for environmental liabilities. While legally a local government subject to governmental budgeting requirements, the Port operates much like a business, with expenditure levels driven by business needs, and utilizes the accrual basis of accounting. Revisions to reflect expenditure patterns are, therefore, common for an entity like the Port. As explained in Note 1 to the financial statements, Oregon budget laws differ, in certain situations, from accounting principles generally accepted in the United States of America.

On a budgetary basis, Airport expenditures for the largest capital program ever at the Airport were \$4.6 million, or 1.0 percent, over the \$469.2 million revised budget due to a slight acceleration in timing of construction costs into fiscal 2024. Capital grants for the year were \$10.1 million, 53.4 percent less than the budget of \$21.6 million as a result of incurring fewer grant eligible costs. Airport operating revenues of \$350.9 million were 1.3 percent below the \$355.4 million budget as a result of slightly lower-than-budgeted passengers during 2024. Customer Facility Charges were \$18.3 million, or 16.5 percent, above the fiscal 2024 budget due to more rental car activity than anticipated. Interest revenues tracked above budget in all Airport funds as a result of a higher interest rate environment. Operating grant and other revenues at the Airport were above budget as a result of drawing the final installment of federal pandemic relief funding. Operating expenditures of \$154.5 million tracked slightly under budget at 1.5 percent below the \$156.8 million budgeted amount due to slightly lower than forecast passenger activity. Other significant budgetary variances included commercial paper issuance and redemptions as a result of funding strategy and issue sizing.

The Port of Portland
Management's Discussion and Analysis, continued

Fiscal 2024 budgetary capital expenditures for Marine & Other were \$50.5 million, or 65.6 percent, below the budget of \$77.0 million, largely due to timing delays and project deferrals. Capital grants for the year were \$7.4 million, 75.5 percent less than the budget of \$30.1 million due to incurring fewer grant eligible costs. Budgetary operating revenues were \$2.7 million over the \$46.5 million budget for marine due primarily to increased revenues from higher bulk and auto volumes, offset in part by decreased container throughput at Terminal 6. In trade and economic development, budgetary operating revenues of \$25.9 million were \$17.5 million better than the \$8.4 million budget due to an unbudgeted industrial land sale in fiscal 2024. Budgetary operating revenues for navigation of \$28.6 million were \$1.1 million under budget due to less river dredging during the year than anticipated. Bonds, loans and other were \$0 during the year due to a delay in a project and related financing. Fixed asset sales and other revenues were \$23.5 million as compared to the budget of \$3.0 million primarily as a result of receipt of an unbudgeted settlement payment in fiscal 2024. Interest income was \$12.9 million higher than the \$3.5 million budget as a result of higher interest rates, higher cash balances, and unbudgeted lease interest income booked under GASB Statement No. 87. Budgetary operating expenditures were \$5.4 million below budget for administration, primarily due to lower than anticipated materials and outside services costs. Budgetary operating expenditures for marine were lower than revised budget by approximately \$4.2 million primarily due to lower container throughput at Terminal 6. Navigation budgetary operating expenditures were \$1.3 million under budget, primarily as a result of performing less dredging than anticipated during the year. Long-term debt payments of \$12.9 million were \$54.8 million below the budget of \$67.7 million as a result of delays in a project financing and related debt service. Other environmental budgetary operating expenditures were \$6.6 million under the budget of \$11.9 million as a result of revisions to estimated environmental liabilities.

Capital Assets:

At the end of fiscal 2024, the Port had over \$3.3 billion invested in a broad range of capital assets. This amount represents an increase (essentially additions offset by depreciation expense) of \$377.9 million versus the prior year, as outlined in Table 3 (below).

Table 3
Capital Assets
(\$ millions)

	Airport		Marine & Other		Total Port		Total Percentage Change
	2024	2023	2024	2023	2024	2023	2023-2024
Land	\$ 68.0	\$ 68.0	\$ 81.1	\$ 81.1	\$ 149.1	\$ 149.1	
Construction in progress	1,468.8	987.1	56.8	37.2	1,525.6	1,024.3	
Total capital assets not being depreciated	<u>1,536.8</u>	<u>1,055.1</u>	<u>137.9</u>	<u>118.3</u>	<u>1,674.7</u>	<u>1,173.4</u>	42.7%
Land improvements	1,011.7	1,034.5	325.0	323.7	1,336.7	1,358.2	
Buildings, equipment and right-of-use assets	2,202.2	2,223.8	285.0	283.2	2,487.2	2,507.0	
Total capital assets being depreciated and amortized	<u>3,213.9</u>	<u>3,258.3</u>	<u>610.0</u>	<u>606.9</u>	<u>3,823.9</u>	<u>3,865.2</u>	(1.1)%
Less: accumulated depreciation and amortization	<u>(1,730.5)</u>	<u>(1,661.2)</u>	<u>(462.7)</u>	<u>(449.9)</u>	<u>(2,193.2)</u>	<u>(2,111.1)</u>	3.9%
Total capital assets being depreciated or amortized, net	<u>1,483.4</u>	<u>1,597.1</u>	<u>147.3</u>	<u>157.0</u>	<u>1,630.7</u>	<u>1,754.1</u>	(7.0)%
Total capital assets, net	<u>\$ 3,020.2</u>	<u>\$ 2,652.2</u>	<u>\$ 285.2</u>	<u>\$ 275.3</u>	<u>\$ 3,305.4</u>	<u>\$ 2,927.5</u>	12.9%

This year's major capital asset spending included:

Airport:

Terminal improvements - \$428.5 million
Baggage handling system expansion - \$22.5 million
Runway and taxiway improvements - \$8.8 million

Marine & Other:

Hillsboro airport runway safety area improvements - \$9.7 million
Navigation division vessel and equipment replacements - \$4.2 million
Marine terminal 5 berth rehabilitation – \$4.0 million

The Port of Portland
Management's Discussion and Analysis, continued

Please see Note 5 to the financial statements for more detailed information of capital asset activity.

The Port's 2025 capital budget estimates spending approximately \$438.5 million on capital projects at the Airport and \$104.1 million in Marine & Other. Spending at the Airport is primarily slated for terminal core redevelopment and baggage handling system expansion. Airport capital projects are budgeted to be funded by Airport operating revenues, debt proceeds, PFC revenues, CFC revenues, and federal, state, and other grants. Capital spending for Marine & Other is budgeted principally for marine Terminal 6 pavement rehabilitation and electrical improvements, marine Terminal 2 mass timber and housing innovation campus improvements, and replacement of a dredge tender vessel to support the dredging operation. Funding for these projects is budgeted from operating revenues, property taxes, and federal, state, and other grants.

Debt Administration:

At the end of 2024, the Port had just over \$2.4 billion in bonds, contracts and loans payable outstanding. This is a slight increase from the prior year, as seen in Table 4 (below).

Table 4
Outstanding Long-Term Debt
(\$ millions)

	Airport		Marine & Other		Total Port		Total Percentage Change
	2024	2023	2024	2023	2024	2023	2023-2024
Pension bonds			\$ 32.2	\$ 39.4	\$ 32.2	\$ 39.4	(18.3)%
Revenue bonds	\$ 2,053.1	\$ 2,093.6			2,053.1	2,093.6	(1.9)%
PFC revenue bonds	61.9	71.6			61.9	71.6	(13.5)%
CFC revenue bonds	150.1	153.6			150.1	153.6	
Contracts and loans payable			26.4	9.4	26.4	9.4	180.9%
Commercial Paper	79.6				79.6		
	<u>\$ 2,344.7</u>	<u>\$ 2,318.8</u>	<u>\$ 58.6</u>	<u>\$ 48.8</u>	<u>\$ 2,403.3</u>	<u>\$ 2,367.6</u>	1.5%

The outstanding amount of Airport long-term debt increased due to issuance of airport commercial paper for construction funding, offset partially by scheduled bond payments. At the end of fiscal 2024, the Airport revenue bonds were rated AA- by Standard & Poor's and Fitch. These ratings are among the higher underlying ratings for airport revenue bonds rated by those agencies. The balance of PFC and CFC revenue bonds decreased as a result of regularly scheduled bond payments.

In Marine & Other, the amount of outstanding long-term debt increased as a result of entering into \$18.5 million in new loans payable, offset in part by scheduled payments made on pension bonds, contracts and loans payable.

Please see Note 7 to the financial statements for more detailed information of long-term debt activity.

Economic Factors and Next Year's Budgets and Rates:

As part of the Port's strategic planning and business planning process, regional, national, and global economic trends and forecasts are reviewed and assumptions regarding passenger, cargo, and population growth are coupled with these trends and forecasts to produce the annual budget. The post-pandemic recovery continues with strong employment and consumer spending, while inflation is slowing and national and regional economic indicators continue to point to a soft economic landing. The impact of the COVID pandemic on the airline industry was dramatic, and business and international traffic still lag at the Airport, but there continues to be recovery in passengers traveling through the Airport. The forecast for fiscal 2025 airline passenger volumes is 17.6 million, which is 3.0 percent higher than our fiscal 2024 budget, but still roughly 11.5 percent below pre-pandemic passenger levels. It is anticipated that the Airport will recover to pre-pandemic passenger levels in fiscal 2029. In Marine & Other, revenues at the Terminal 6 container

The Port of Portland
Management's Discussion and Analysis, continued

terminal are expected to increase due to higher throughput rates, and revenues at Terminal 5 are expected to increase due to resumed mineral bulk activity. Results in other operations are expected to be mixed, with new land leases at business parks, relatively flat auto volumes, and lower anticipated grain bulk volumes forecast in fiscal 2025. Port facilities have a diverse mix of marine tenants and business lines, with many fixed land leases which have provided a measure of protection during challenging times.

In the Port's 2025 adopted budget, total Port operating revenue is budgeted to increase about 16.2 percent over 2024 results to approximately \$528.4 million largely as a result of increased airline, rental car and parking revenues at the Airport, as well as higher throughput, dockage, and lease revenues in Marine & Other, offset in part by lower budgeted land sales revenues. Total operating expenses (excluding depreciation and non-cash pension expense) are budgeted to increase by 9.5 percent to approximately \$303.7 million, primarily reflecting increased salary and benefit costs as well as outside services costs, offset in part by lower costs related to decreased land sales.

Operating revenues for the Airport are budgeted to increase 23.5 percent to \$427.6 million in the fiscal 2025 budget due primarily to increased airline revenues as a result of the signatory airlines' contractual obligation to cover airport operating and debt costs, as well as higher rental car, and parking revenues as passenger traffic continues to increase. Airport operating expenses (excluding depreciation and non-cash pension expense) are budgeted to increase about 10.3 percent to \$200.3 million as a result of increased outside service, salary, and internal central services costs.

In Marine & Other, operating revenues are budgeted to decrease by 8.0 percent to \$97.2 million, primarily due to no land sales budgeted in fiscal 2025, offset in part by increased lease and rent revenues, as well as higher container throughput and dockage revenues. Operating expenses (excluding depreciation and non-cash pension expense) are budgeted to increase by 7.9 percent to \$103.4 million primarily due to higher outside service, equipment rent and repair, and salary costs in the fiscal 2025 budget, offset in part by lower costs of property sold resulting from no land sales budgeted in 2025. Property taxes are budgeted to comprise less than 1.0 percent of Port resources on a legal budget basis.

Contacting the Port's Financial Management:

This financial report is designed to provide users with a general overview of the Port's finances. If you have questions about this report or need additional financial information, contact the Port of Portland's Controller's Office, PO Box 3529, Portland, OR 97208.

BASIC FINANCIAL STATEMENTS

THE PORT OF PORTLAND
BALANCE SHEET
as of June 30, 2024
with comparative totals as of June 30, 2023

	2024			2023
	<u>Airport</u>	<u>Marine & Other</u>	<u>Total</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 38,340	\$ 224,337,917	\$ 224,376,257	\$ 131,346,928
Equity in pooled investments	372,177,719	113,412,447	485,590,166	455,196,614
Restricted cash and equity in pooled investments	182,130,874		182,130,874	168,138,798
Receivables, net of allowance for doubtful accounts of \$841,000 in 2024 and \$475,000 in 2023 for Airport and \$347,000 in 2024 and \$288,000 in 2023 for Marine & Other	30,427,649	29,655,201	60,082,850	46,922,865
Lease receivable	31,277,571	12,342,983	43,620,554	41,878,981
Prepaid insurance and other assets	5,409,795	3,635,343	9,045,138	7,667,068
Total current assets	<u>621,461,948</u>	<u>383,383,891</u>	<u>1,004,845,839</u>	<u>851,151,254</u>
Noncurrent assets:				
Restricted assets:				
Cash and equity in pooled investments	371,848,359	21,617,331	393,465,690	762,513,118
Receivables	13,318,427		13,318,427	8,106,087
Contract retainage deposits	1,075,582		1,075,582	655,921
Total restricted assets	<u>386,242,368</u>	<u>21,617,331</u>	<u>407,859,699</u>	<u>771,275,126</u>
Land held for sale		33,532,410	33,532,410	40,111,470
Depreciable properties, net of accumulated depreciation and amortization	1,483,367,195	147,261,079	1,630,628,274	1,754,128,487
Nondepreciable properties	1,536,849,340	137,989,161	1,674,838,501	1,173,480,227
Lease receivable	184,138,079	152,437,261	336,575,340	373,260,197
Due from Airport		15,314,678		*
Unamortized bond issue costs and other noncurrent assets	3,928,262	187,089	4,115,351	4,871,716
Total noncurrent assets	<u>3,594,525,244</u>	<u>508,339,009</u>	<u>4,087,549,575</u>	<u>4,117,127,223</u>
Deferred outflows of resources:				
Deferred charges on refunding bonds	7,763,206		7,763,206	10,110,154
Deferred charges on pensions and OPEB	14,719,355	14,588,262	29,307,617	33,860,015
Total deferred outflows of resources	<u>22,482,561</u>	<u>14,588,262</u>	<u>37,070,823</u>	<u>43,970,169</u>
Total assets	<u>\$ 4,238,469,753</u>	<u>\$ 906,311,162</u>	<u>\$ 5,129,466,237</u>	<u>\$ 5,012,248,646</u>
LIABILITIES				
Current liabilities (payable from current assets):				
Current portion of long-term debt	\$ 79,600,000	\$ 9,605,214	\$ 89,205,214	\$ 8,648,461
Accounts payable, lease and other accrued liabilities	24,744,297	24,622,293	49,366,590	46,073,707
Accrued wages, vacation and sick leave pay	9,709,231	9,863,460	19,572,691	14,088,049
Workers' compensation and other accrued liabilities	541,698	4,546,586	5,088,284	7,274,313
Total current liabilities (payable from current assets)	<u>114,595,226</u>	<u>48,637,553</u>	<u>163,232,779</u>	<u>76,084,530</u>
Restricted liabilities (payable from restricted assets)				
Current portion of long-term debt and other	58,510,000		58,510,000	53,655,000
Accrued interest payable	54,152,930	172,757	54,325,687	48,288,764
Accounts payable	67,994,397		67,994,397	65,443,088
Contract retainage payable	1,473,547		1,473,547	751,946
Total restricted current liabilities (payable from restricted assets)	<u>182,130,874</u>	<u>172,757</u>	<u>182,303,631</u>	<u>168,138,798</u>
Total current liabilities	<u>296,726,100</u>	<u>48,810,310</u>	<u>345,536,410</u>	<u>244,223,328</u>
Noncurrent liabilities:				
Long-term environmental and other accruals	999,096	54,842,042	55,841,138	59,000,185
Long-term debt	2,442,977,283	49,052,116	2,492,029,399	2,558,695,566
Unearned revenue and other	39,230,573	23,465,381	62,695,954	64,200,876
Net pension and OPEB liability	58,565,002	31,242,891	89,807,893	80,786,718
Due to Marine & Other	15,314,678			*
Total noncurrent liabilities	<u>2,557,086,632</u>	<u>158,602,430</u>	<u>2,700,374,384</u>	<u>2,762,683,345</u>
Deferred inflows of resources:				
Deferred lease inflows	206,190,572	152,522,248	358,712,820	399,216,236
Deferred pension inflows and other deferred inflows of resources	9,344,807	9,677,536	19,022,343	32,222,239
Total deferred inflows of resources	<u>215,535,379</u>	<u>162,199,784</u>	<u>377,735,163</u>	<u>431,438,475</u>
Total liabilities	<u>3,069,348,111</u>	<u>369,612,524</u>	<u>3,423,645,957</u>	<u>3,438,345,148</u>
NET POSITION				
Net investment in capital assets	447,532,677	310,836,636	758,369,313	698,630,061
Restricted for capital and debt service	404,998,891	2,943,258	407,942,149	483,834,934
Unrestricted	316,590,074	222,918,744	539,508,818	391,438,503
Total net position	<u>1,169,121,642</u>	<u>536,698,638</u>	<u>1,705,820,280</u>	<u>1,573,903,498</u>
Total liabilities and net position	<u>\$ 4,238,469,753</u>	<u>\$ 906,311,162</u>	<u>\$ 5,129,466,237</u>	<u>\$ 5,012,248,646</u>

* Receivables and payables between activities are eliminated in the Total columns.

The accompanying notes are an integral
part of these financial statements.

THE PORT OF PORTLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
for the year ended June 30, 2024
with comparative totals for the year ended June 30, 2023

	2024			2023
	Airport	Marine & Other	Total	Total
Operating revenues:				
Charges for services	\$ 344,900,153	\$ 88,855,256	\$ 433,755,409	\$ 398,211,716
Land sales		16,460,688	16,460,688	2,179,627
Other	1,186,905	259,250	1,446,155	755,671
Total operating revenues	<u>346,087,058</u>	<u>105,575,194</u>	<u>451,662,252</u>	<u>401,147,014</u>
Operating expenses:				
Salaries, wages and fringe benefits	68,703,167	45,179,151	113,882,318	102,941,905
Longshore labor and fringe benefits		23,094,007	23,094,007	35,585,641
Contract, professional and consulting services	48,318,064	16,908,148	65,226,212	60,468,004
Materials and supplies	7,986,608	5,176,101	13,162,709	11,192,848
Utilities	12,901,720	5,202,293	18,104,013	16,626,212
Equipment rents, repair and fuel	1,786,093	3,970,437	5,756,530	6,268,967
Insurance	8,645,090	2,165,878	10,810,968	8,847,831
Lease and rent	4,925	2,016,559	2,021,484	2,010,212
Travel and management expense	2,984,374	1,119,615	4,103,989	3,722,036
Intra-Port charges and expense allocations	31,729,769		31,729,769	27,687,965
Cost of land sold		6,540,794	6,540,794	1,661,936
Other	3,298,788	1,546,626	4,845,414	2,857,791
Less expenses for capital projects	(4,758,369)	(17,166,043)	(21,924,412)	(20,000,444)
Total operating expenses, excluding depreciation and amortization	<u>181,600,229</u>	<u>95,753,566</u>	<u>277,353,795</u>	<u>259,870,904</u>
Operating income before depreciation and amortization	<u>164,486,829</u>	<u>9,821,628</u>	<u>174,308,457</u>	<u>141,276,110</u>
Depreciation and amortization expense	<u>122,030,076</u>	<u>21,125,880</u>	<u>143,155,956</u>	<u>129,551,082</u>
Total operating expenses, including depreciation and amortization	<u>303,630,305</u>	<u>116,879,446</u>	<u>420,509,751</u>	<u>389,421,986</u>
Operating income (loss)	<u>42,456,753</u>	<u>(11,304,252)</u>	<u>31,152,501</u>	<u>11,725,028</u>
Nonoperating revenues (expenses):				
Property tax revenue		15,916,506	15,916,506	15,028,626
Passenger facility charge revenue	32,448,898		32,448,898	30,753,287
Customer facility charge revenue	18,324,408		18,324,408	16,863,270
Interest expense	(95,015,274)	(3,123,171)	(98,138,445)	(80,537,992)
Interest revenue	47,026,235	19,505,976	66,532,211	33,633,007
Other income, including gain (loss) on disposal of properties	27,108,238	21,106,831	48,215,069	13,543,213
Nonoperating revenues	<u>29,892,505</u>	<u>53,406,142</u>	<u>83,298,647</u>	<u>29,283,411</u>
Income before contributions and transfers	<u>72,349,258</u>	<u>42,101,890</u>	<u>114,451,148</u>	<u>41,008,439</u>
Capital contributions	10,094,119	7,371,515	17,465,634	4,789,224
Transfers (out) in	(2,194,115)	2,194,115		
Change in net position	<u>80,249,262</u>	<u>51,667,520</u>	<u>131,916,782</u>	<u>45,797,663</u>
Total net position - beginning of year	<u>1,088,872,380</u>	<u>485,031,118</u>	<u>1,573,903,498</u>	<u>1,528,105,835</u>
Total net position - end of year	<u>\$ 1,169,121,642</u>	<u>\$ 536,698,638</u>	<u>\$ 1,705,820,280</u>	<u>\$ 1,573,903,498</u>

The accompanying notes are an integral
part of these financial statements.

THE PORT OF PORTLAND
STATEMENT OF CASH FLOWS
for the year ended June 30, 2024
with comparative totals for the year ended June 30, 2023

	2024			2023
	Airport	Marine & Other	Total	Total
Cash flows from operating activities:				
Cash received from customers	\$ 328,063,504	\$ 95,001,916	\$ 423,065,420	\$ 415,167,529
Cash payments to employees	(66,367,567)	(41,586,404)	(107,953,971)	(102,811,076)
Cash payments to suppliers and vendors	(81,406,767)	(78,850,603)	(160,257,370)	(160,248,194)
Cash payments (to) from other funds	(34,984,150)	34,984,150		
Net cash provided by operating activities	<u>145,305,020</u>	<u>9,549,059</u>	<u>154,854,079</u>	<u>152,108,259</u>
Cash flows from noncapital financing activities:				
Property taxes		15,850,919	15,850,919	15,024,183
Grant proceeds not specifically restricted for capital	35,063,927	22,097	35,086,024	4,968,467
Net cash provided by noncapital financing activities	<u>35,063,927</u>	<u>15,873,016</u>	<u>50,936,943</u>	<u>19,992,650</u>
Cash flows from capital and related financing activities:				
Capital expenditures	(489,393,381)	(31,438,492)	(520,831,873)	(321,288,798)
Lease interest received	7,370,951	5,806,804	13,177,755	13,150,446
Sale of properties	125,915	2,786,399	2,912,314	1,409,115
Net proceeds from issuance of debt	79,463,687	18,518,000	97,981,687	604,919,608
Interest paid	(103,809,316)	(3,073,591)	(106,882,907)	(84,117,447)
Proceeds from insurance buyout agreements and settlements		17,711,340	17,711,340	3,000,000
Proceeds from passenger facility charges	31,972,360		31,972,360	28,125,061
Proceeds from customer facility charges	18,030,342		18,030,342	16,614,360
Principal payments and redemptions on debt	(53,655,000)	(8,648,461)	(62,303,461)	(57,335,822)
Contributions from governmental agencies	6,324,132	13,995,640	20,319,772	1,966,066
Cash transfers (to) from other Port divisions, net	(2,194,115)	2,194,115		
Other, primarily nonoperating (expense) income	(5,613,364)	3,969,134	(1,644,230)	(732,503)
Net cash (used in) provided by capital and related financing activities	<u>(511,377,789)</u>	<u>21,820,888</u>	<u>(489,556,901)</u>	<u>205,710,086</u>
Cash flows from investing activities:				
Interest received	30,684,707	11,661,986	42,346,693	35,431,061
Investment activity:				
Purchases	(421,478,821)	(36,564,535)	(458,043,356)	(926,300,309)
Proceeds from sales or maturities	721,802,956	70,688,915	792,491,871	536,393,456
Net cash provided by (used in) investing activities	<u>331,008,842</u>	<u>45,786,366</u>	<u>376,795,208</u>	<u>(354,475,792)</u>
Net increase in cash and cash equivalents		93,029,329	93,029,329	23,335,203
Cash and cash equivalents - beginning of year	38,340	131,308,588	131,346,928	108,011,725
Cash and cash equivalents - end of year	<u>\$ 38,340</u>	<u>\$ 224,337,917</u>	<u>\$ 224,376,257</u>	<u>\$ 131,346,928</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 42,456,753	\$ (11,304,252)	\$ 31,152,501	\$ 11,725,028
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization expense	122,030,076	21,125,880	143,155,956	129,551,082
Cost of land sales		6,540,794	6,540,794	1,661,936
Non cash pension and OPEB expense	(6,038)	449,743	443,705	(658,333)
Amortization of unearned revenue	(1,058,618)	(1,592,366)	(2,650,984)	(2,677,363)
Change in assets and liabilities:				
Receivables and other current assets	(14,781,391)	(8,128,458)	(22,909,849)	21,137,952
Lease receivable	26,332,880	8,610,404	34,943,284	49,253,616
Deferred lease inflows	(28,935,501)	(11,567,915)	(40,503,416)	(54,907,152)
Accounts payable and accruals	2,939,222	3,591,314	6,530,536	(6,346,377)
Lease payable	(122,053)	1,462,675	1,340,622	1,734,023
Long-term environmental and other accruals	(3,550,310)	(784,823)	(4,335,133)	605,620
Additions to unearned revenue		1,146,063	1,146,063	1,028,227
Net cash provided by operating activities	<u>\$ 145,305,020</u>	<u>\$ 9,549,059</u>	<u>\$ 154,854,079</u>	<u>\$ 152,108,259</u>

The accompanying notes are an integral part of these financial statements.

**THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

1. Description of the Port and Summary of Significant Accounting Policies:

The Port

The Port of Portland (the Port) is a special municipal district created by the Oregon State Legislature. It is governed by a nine-member Board of Commissioners who are appointed by the Governor of the State; Commissioners serve four-year terms without compensation. The Port facilitates aviation and marine trade within the Port District (Multnomah, Clackamas, and Washington Counties), and its influence spreads over a multi-state region. The Port owns and operates Portland International Airport (the Airport), which provides the metropolitan area with commercial airline passenger service, air cargo services, and general aviation service. The Port also owns two general aviation airports, four marine terminals, a dredge, six industrial and business parks, and develops land principally to support, enhance, and expand its core transportation operations. Principal funding sources are charges to users, revenue bonds, grants, interest earnings, passenger facility charges, customer facility charges, and, to a lesser extent, property tax levies. Its activities are carried out by a staff of approximately 776 full-time equivalent persons.

Basis of Accounting

The accounting and reporting policies of the Port conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to proprietary funds of local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Accordingly, the Port utilizes the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

Intra-Port Charges and Expense Allocations

Labor and associated costs for services performed by one functional area of the Port to another area, most commonly by administrative departments, are charged in the accounting records as an expense to the receiver of services and as a credit to expense to the provider of services. The amount charged includes labor, fringe benefits, and an allocated portion of other costs, including materials and supplies, utilities, contract services, insurance, rent and depreciation. All other administrative department costs not charged in this manner are allocated as overhead based on a formula involving full time equivalent positions, legal services rendered, and operating expenses.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Operating Revenues and Expenses

Revenues and expenses that are earned or incurred during the course of normal business operations are classified as operating. Revenues and expenses that are earned or incurred outside of the course of normal operations, including interest income and expense, property tax revenue, customer facility charges, and passenger facility charges, are classified as nonoperating.

Restricted Assets and Related Liabilities

Assets and related liabilities restricted to specific purposes by state statute, bond indenture or otherwise are segregated on the balance sheet. These assets and liabilities are primarily restricted for construction and debt service purposes. When both restricted and unrestricted resources are available for use, it is the Port's policy to generally consider restricted assets to be used first over unrestricted assets.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

1. Description of the Port and Summary of Significant Accounting Policies, continued:

Land Held for Sale

Land held for sale includes costs of land acquisition and development on property held for eventual sale. Land held for sale is stated at the lower of average cost or net realizable value. Costs that are capitalized consist of acquisition and development costs incurred to bring the land to salable condition. At closing, sales and related cost of land are recorded as operating revenues and expenses.

Properties and Depreciation

Properties, other than lease improvements acquired upon termination of operating leases, are stated at cost less accumulated depreciation. Properties with an individual purchase cost exceeding \$5,000 with a useful life exceeding one year are capitalized, and depreciable properties are depreciated over their estimated useful lives on a straight-line basis. The useful lives generally range from 5 to 40 years for land improvements; 5 to 40 years for buildings, building components, and terminals; and 2 to 15 years for equipment. Normal maintenance and repairs are charged to operating expense as incurred; expenditures for major additions, improvements, infrastructure, and replacements are capitalized. The cost of assets retired or otherwise disposed of and related accumulated depreciation are eliminated from the accounts in the year of disposal with the resulting gain or loss credited or charged to nonoperating revenue or expense.

Leases

The Port as a lessor leases to others certain land, buildings, and equipment. At the commencement of the lease term, the Port recognizes a lease receivable and a deferred inflow of resources, with certain exceptions for leases held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

The Port as a lessee leases from others certain building space and equipment. The Port recognizes a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability is measured at the present value of lease payments expected to be made during the lease term. The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

Subscription-Based Information Technology Arrangements

The Port enters into subscription-based contracts to utilize vendor-provided information technology software. These contracts convey control of the right to use a vendor's information technology software as specified in the contract. The Port recognizes a right-of-use subscription asset and a corresponding subscription liability for these contracts. Material implementation costs to place the subscription asset into service are capitalized as an addition to the subscription asset.

Amortization of Bond Issue Costs

Bond issue costs related to prepaid insurance costs are amortized over the life of the related debt and reported as a noncurrent asset on the balance sheet. The difference between the reacquisition price and the net carrying amount of old debt arising from defeasance and refunding transactions is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is reported as a deferred outflow of resources on the balance sheet. Amortization is included in interest expense. All other bond issuance costs are expensed as incurred.

Accrued Vacation and Sick Leave Pay

Vacation and sick leave pay are accrued as earned for most employees, based on length of past service, up to a maximum number of hours per employee. Vacation and sick leave liabilities are reduced when leave is taken, and unused portions are paid off upon termination to the extent allowed for in Port policy.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

1. Description of the Port and Summary of Significant Accounting Policies, continued:

Unearned Revenue

Unearned revenue typically represents prepaid lease financing related to real property development projects and transactions and is generally amortized over the life of the related lease. Lease terms generally range from 5 to 55 years. Unearned revenue is reported as a noncurrent liability on the balance sheet.

Accounting for Contributions from Federal Government and Other

Capital grants and other contributions from governmental agencies are recorded as net position when earned. Operating grants are recorded as revenue when earned. Lease improvements acquired upon termination of leases are included in properties and credited to net position at estimated fair value at date of acquisition.

Property Taxes

Property taxes are used for capital and debt service purposes. Property taxes are recorded as nonoperating revenue in the year levied. Property taxes are levied and attached as an enforceable lien on property as of July 1. Taxes are payable in three installments on November 15, February 15, and May 15.

Cash and Cash Equivalents

Highly liquid investments (excluding restricted investments) with a maturity of three months or less when purchased are considered cash equivalents.

Environmental Remediation Liabilities

The Port records future pollution remediation costs that meet measurement criteria outlined in GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations." Those criteria require accrual of pollution remediation obligation amounts when a) one of certain obligating events occurs, and b) the amount can be reasonably estimated. Obligating events include imminent endangerment to public health or welfare or the environment; violation of a pollution prevention-related permit or license; evidence that the Port will be named as a responsible party, or potentially responsible party, for sharing costs; evidence that the Port will be named in a lawsuit to compel participation in remediation; and the Port commencing or legally obligating itself to commence pollution remediation. Costs for pollution remediation obligations are expensed unless expenditures meet specific criteria which allow them to be capitalized. Capitalization criteria include preparation of an asset for sale; preparation of property for use when the property was acquired with known or suspected pollution that was expected to be remediated; performing pollution remediation that restores a pollution-caused decline in service utility that was recognized as an asset impairment; and acquisition of property, plant and equipment that have a future alternative use.

Passenger Facility Charges

Passenger facility charges (PFCs) are imposed on enplaned passengers at the Airport. PFC revenue is recorded as nonoperating revenue and is required to be used to fund Federal Aviation Administration approved expenditures for capital projects or debt repayments eligible under federal legislation permitting the imposition of PFCs.

Customer Facility Charges

Customer facility charges (CFCs) are imposed on rental car transactions at the Airport. CFC revenue is recorded as nonoperating revenue and is required by Port ordinance to be used to fund rental car-related projects, programs and related expenses.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

1. Description of the Port and Summary of Significant Accounting Policies, continued:

Cash and Equity in Pooled Investments

The Port pools the majority of its cash and investments and uses a controlled disbursement system in order to maximize earnings on available funds. Investments are stated at fair value based upon evaluated quotes from independent pricing vendors. Oregon Revised Statutes, Chapter 294 or Port ordinances, if more restrictive, authorize the Port to invest in obligations of the U.S. Treasury and U.S. Government agencies and instrumentalities, bankers' acceptances guaranteed by an Oregon financial institution, repurchase agreements, and certain corporate indebtedness. In addition, the Marine & Other activity is authorized to invest in a State of Oregon local government investment pool and various interest bearing municipal bonds.

Budgets

The Port budgets all funds in accordance with the requirements of State of Oregon (State) law. The Port Commission authorizes appropriations for each fund, setting the level by which expenditures cannot legally exceed appropriations. Total expenditures by department in the General Fund, operating expenditures in the Airport Revenue Fund, and capital outlay and debt service in the other funds are the levels of control for each fund. The detail budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse at the end of each fiscal year.

With the approval of the Port Commission, unexpected additional resources may be appropriated through the use of a supplemental budget. The original and supplemental budgets require budget hearings before the public, publications in newspapers, and approval by the Commission for submittal to the Multnomah County Tax Supervising and Conservation Commission (TSCC). The TSCC conducts a review and certification of the original and certain supplemental budgets to comply with State law. After TSCC certification, such budgets are presented to the Port Commission for adoption. Original and supplemental budgets may be modified during the fiscal year by the use of appropriations transfers between the legal categories. Such transfers require approval by the Port Commission. The Port adopted one budget adjustment for the year ended June 30, 2024 and adopted one supplemental budget and two budget adjustments for the year ended June 30, 2023.

The Port budgets all funds on an accrual basis unless otherwise required by State law. For budgetary reporting purposes, State law requires that charges for services provided and certain expense allocations, from one fund to another fund, be reported as transfers to other funds, rather than as operating or capital expenditures.

Transfers Between Activities

The Port's policy is to fund certain general aviation (Marine & Other activity) requirements from the Airport activity. Amounts funded in this manner are shown as transfers on the statement of revenues, expenses, and changes in net position.

Internal Receivables and Payables

Intra-Port receivables and payables between activities are eliminated in the total column of the balance sheet.

Prior Year Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a complete presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Port's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

New Accounting Pronouncements

In April 2022, the GASB issued Statement No. 99, "Omnibus 2022." The statement provides guidance on the requirements related to the extension of the use of LIBOR, accounting for Supplemental Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, as well as terminology updates which were effective immediately

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

1. Description of the Port and Summary of Significant Accounting Policies, continued:

upon issuance. Additionally, the statement provides guidance related to leases, PPPs, and SBITAs which were effective for the Port's fiscal year beginning July 1, 2022. The statement also provides guidance related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 which is effective for the Port's fiscal year beginning July 1, 2023. The adoption of this statement did not have a material effect on the Port's financial statements.

In June 2022, the GASB issued Statement No. 100, "Accounting Changes and Error Corrections," effective for the Port's fiscal year beginning July 1, 2023. The statement defines accounting changes and prescribes the accounting and financial reporting for each type of accounting change and error corrections. The adoption of this statement did not have a material effect on the Port's financial statements.

In June 2022, the GASB issued Statement No. 101, "Compensated Absences," effective for the Port's fiscal year beginning July 1, 2024. The statement updates the recognition and measurement guidance for compensated absences to better meet the information needs of financial statement users. The Port is currently evaluating the effects this statement will have on its financial statements.

In December 2023, the GASB issued Statement No. 102, "Certain Risk Disclosures," effective for the Port's fiscal year beginning July 1, 2024. The statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The Port is currently evaluating the effects this statement will have on its financial statements.

In April 2024, the GASB issued Statement No. 103, "Financial Reporting Model Improvements," effective for the Port's fiscal year beginning July 1, 2025. The statement establishes new accounting and financial reporting requirements – or modifies existing requirements – related to management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The Port is currently evaluating the effects this statement will have on its financial statements.

2. Identifiable Activity Information:

The Airport is an identifiable activity in and of itself, providing commercial airline passenger service, air cargo services, and general aviation services. The activities comprising Marine & Other are the Port's marine terminals, which load, unload, and transfer commodities to and from trucks, railcars, barges, and ships; trade and economic development, which is responsible for real estate development and related services; environmental, which includes costs and recoveries associated with environmental cleanup not directly attributable to specific Port facilities, or which pertain to facilities for which operations have been discontinued; navigation, which performs maintenance dredging for the Columbia River channel and maintains a river level reporting system; general aviation, which provides general aviation relief services; engineering, which provides drafting, environmental planning, permit coordination, and engineering support for the Port; and administrative departments (admin), which provide support and services to the Port's operating departments.

Balance sheet information for Marine & Other is not available at the identifiable activity level. Identifiable activity information available for Marine & Other for the year ended June 30, 2024 was as follows (in thousands):

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

2. Identifiable Activity Information, continued:

	Marine Terminals	Trade & Economic Development	Environmental	Navigation	General Aviation	Engineering & Admin	Total
Operating revenues	\$ 47,783	\$ 25,107		\$ 28,415	\$ 3,875	\$ 395	\$ 105,575
Operating expenses	48,627	17,688	\$ 6,048	21,383	4,052	(2,045)	95,753
Depreciation/amortization expense	7,905	1,113		5,081	4,587	2,440	21,126
Operating (loss) income	<u>\$ (8,749)</u>	<u>\$ 6,306</u>	<u>\$ (6,048)</u>	<u>\$ 1,951</u>	<u>\$ (4,764)</u>	<u>\$</u>	<u>\$ (11,304)</u>
Capital contributions	\$ 185	\$ 59			\$ 7,128		\$ 7,372
Properties activity:							
Additions	\$ 10,283	\$ 340		\$ 5,736	\$ 11,219	\$ 846	\$ 28,424
Deletions	\$ (3,934)	\$ (254)		\$ (1,662)	\$ (38)	\$ (2,899)	\$ (8,787)

3. Cash and Investments:

Following are the Port's balance sheet classifications for cash and investments:

Balance sheet classification:	2024			2023
	Airport	Marine & Other	Total	Total
Unrestricted cash and cash equivalents	\$ 38,340	\$ 224,337,917	\$ 224,376,257	\$ 131,346,928
Unrestricted equity in pooled investments	372,177,719	113,412,447	485,590,166	455,196,614
Restricted cash and equity in pooled investments	553,979,233	21,617,331	575,596,564	930,651,916
	<u>\$ 926,195,292</u>	<u>\$ 359,367,695</u>	<u>\$ 1,285,562,987</u>	<u>\$ 1,517,195,458</u>

At June 30, 2024, the Port had the following cash and investments and maturities for the Airport:

	Investment Maturities (in years)				Value
	Less than 1	1 - 2	2 - 3	3 - 5	
U.S. Treasuries	\$ 255,271,915	\$ 16,136,895	\$ 36,332,951	\$ 43,701,777	\$ 351,443,538
U.S. Agencies	118,708,624	117,369,651	16,770,375	118,056,730	370,905,380
Municipal debt	7,835,399	3,999,177		3,522,156	15,356,732
Corporate indebtedness	15,323,500	27,759,955	24,559,381		67,642,836
Certificates of deposit	441,277				441,277
	<u>\$ 397,580,715</u>	<u>\$ 165,265,678</u>	<u>\$ 77,662,707</u>	<u>\$ 165,280,663</u>	<u>805,789,763</u>
Cash and cash equivalents					38,340
Restricted deposits held in trust accounts					120,367,189
					<u>\$ 926,195,292</u>

Following are the cash and investments and maturities for Marine & Other at June 30, 2024:

	Investment Maturities (in years)				Value
	Less than 1	1 - 2	2 - 3	3 - 5	
U.S. Treasuries	\$ 16,096,938	\$ 4,854,727	\$ 6,430,649	\$ 7,734,873	\$ 35,117,187
U.S. Agencies	21,010,500	20,773,512	2,968,225	20,895,120	65,647,357
Municipal debt	1,386,804	707,823		623,394	2,718,021
Corporate indebtedness	2,712,140	4,913,295	4,346,819		11,972,254
Certificates of deposit	78,102				78,102
	<u>\$ 41,284,484</u>	<u>\$ 31,249,357</u>	<u>\$ 13,745,693</u>	<u>\$ 29,253,387</u>	<u>115,532,921</u>
State of Oregon local government investment pool					62,065,213
Construction escrow					18,518,000
Cash and deposits with financial institutions					163,251,561
					<u>\$ 359,367,695</u>

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

3. Cash and Investments, continued:

Deposits with financial institutions include bank demand deposits. The total bank balance as shown on the bank statements was \$164,708,431. Of these deposits, \$250,000 was covered by federal depository insurance and \$164,458,431 was covered by collateral pledged by the Port's qualified depositories. In accordance with ORS 295, the collateral pledged is held by the agent of the qualified depositories; is designated as subject to the Pledge Agreement between the agent, the qualified depositories, and the Oregon Office of the State Treasurer (OST); and is held for the benefit of the OST on behalf of the Port.

Fair value is defined in accounting standards as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine fair value, as follows:

Level 1 – Unadjusted quoted prices in active markets for identical instruments.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Not leveled – Cash and cash equivalents and the Oregon Short-Term Fund investment pool are not measured at fair value and, thus, are not subject to the fair value disclosure requirements.

The Port's investments are valued using evaluated quotes from independent pricing vendors. The third-party vendors use a variety of methods when pricing these securities that incorporate relevant observable market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions. All of the Port's investments at June 30, 2024 are considered level 2.

To address interest rate risk and limit its exposure to fair value losses arising from rising interest rates, the Port's investment policy places restrictions on the maturities of the Port's investment portfolio. Investment maturities are limited as follows:

<u>Maturity</u>	<u>Minimum Investment</u>
Two years and under	55% of par value
Three years and under	75% of par value
Five years and under	100% of par value

Oregon Revised Statutes (ORS) limit investments in corporate indebtedness to those rated P-1 or Aa or better by Moody's Investors Service or A-1 or AA or better by Standard and Poor's Corporation or equivalent rating by any nationally recognized statistical rating organization. Port investment policy on credit risk follows ORS requirements. All investments in corporate indebtedness made during fiscal 2024 met or exceeded these ratings requirements.

Oregon Revised Statutes (ORS) limit investments in municipal debt to those lawfully issued debt obligations of the agencies and instrumentalities of the State of Oregon and its political subdivisions that have a long-term rating of A or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization. In addition, lawfully issued debt obligations of the agencies and instrumentalities of the States of California, Idaho and Washington and political subdivisions of those states are authorized if the obligations have a long-term rating of AA or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization. Port investment policy on credit risk follows ORS requirements. All investments in municipal debt made during fiscal 2024 met or exceeded these ratings requirements.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

3. Cash and Investments, continued:

A portion of the Port's investments are invested in an external investment pool, the Oregon Short-Term Fund (Fund). Numerous local governments in Oregon, as well as State agencies, participate in the Fund. The fair value of the Port's position in the pool is the same as the value of the pool shares. The Fund is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by Oregon Revised Statutes and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council. Investments in the Fund are further governed by portfolio guidelines issued by the Fund Board. While the Fund itself is not rated, the Fund's policies provide that the composite minimum weighted average credit quality rating for the Fund's holdings are the equivalent of AA for Standard and Poor's.

As required by federal law, the Port held investments (classified as restricted assets) with a par value of \$2,000,000 and \$2,500,000 at June 30, 2024 and 2023, respectively, as collateral for certain accrued liabilities for workers' compensation (Note 11). Federal law requires these investments to be in only certain prescribed negotiable securities.

Certain investment earnings are paid to the Airport from the Port General Fund pooled investments when earned. At June 30, 2024 and 2023, approximately \$641,465,000 and \$586,640,000, respectively, of the Airport's investments represent an allocated share of the Port's total investments.

4. Receivables:

Port operations are concentrated within the aviation industry for the Airport and the industrial property market and marine shipping industry for Marine & Other. Principal customers in these industries are national airlines, tenants of large Port industrial properties, and international steamship lines/agents. Each of these principal customers is affected by changes in industry market and other economic conditions. The Port evaluates the financial capacity of prospective and current customers to determine their ability to pay amounts due on a timely basis. Various forms of collateral, including irrevocable standby letters of credit and pledges from other related industry customers under a joint agreement, are obtained from certain customers, mainly for the Airport, where these pledges encompass substantially all trade receivables. Accounts receivable are monitored on an ongoing basis, and allowances for doubtful accounts are established and maintained. Total trade receivables for the aviation industry were approximately \$35,500,000 at June 30, 2024 and \$16,200,000 at June 30, 2023. Total trade receivables for the marine shipping industry were approximately \$7,700,000 at June 30, 2024 and \$5,700,000 at June 30, 2023. Total grants receivable for the Airport were approximately \$5,700,000 at June 30, 2024 and \$8,600,000 at June 30, 2023. Total grant receivables for Marine and Other were approximately \$4,600,000 at June 30, 2024 and \$4,500,000 at June 30, 2023. Other significant receivables include interest on investments, a dredging contract, and an environmental insurance settlement.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

5. Properties:

Properties activity for the year ended June 30, 2024 was as follows:

	Beginning Balances	Additions	Disposals & Transfers	Completed Projects	Ending Balances
Airport:					
<i>Assets being depreciated or amortized:</i>					
Land improvements	\$ 1,034,490,149		\$ (30,058,889)	\$ 7,260,457	\$ 1,011,691,717
Buildings and equipment	2,222,791,948		(25,089,291)	3,355,813	2,201,058,470
Intangible right-of-use assets	1,009,100	\$ 89,342			1,098,442
Total assets being depreciated or amortized	3,258,291,197	89,342	(55,148,180)	10,616,270	3,213,848,629
Less accumulated depreciation and amortization					
Land improvements	608,076,506	33,287,197	(29,802,193)		611,561,510
Buildings & equipment	1,052,691,531	88,487,536	(22,911,416)		1,118,267,651
Intangible right-of-use assets	396,931	255,342			652,273
Total accumulated depreciation and amortization	1,661,164,968	122,030,075	(52,713,609)		1,730,481,434
Total assets being depreciated or amortized, net	1,597,126,229	(121,940,733)	(2,434,571)	10,616,270	1,483,367,195
<i>Assets not being depreciated or amortized:</i>					
Land	68,042,167				68,042,167
Construction in progress	987,103,141	492,488,450	(168,148)	(10,616,270)	1,468,807,173
Total assets not being depreciated or amortized	1,055,145,308	492,488,450		(10,616,270)	1,536,849,340
Airport assets, net	\$ 2,652,271,537	\$ 370,547,717	\$ (2,602,719)	\$	\$ 3,020,216,535
Marine & Other:					
<i>Assets being depreciated or amortized:</i>					
Land improvements	\$ 323,707,400		\$ (1,571,577)	\$ 2,822,221	\$ 324,958,044
Buildings and equipment	278,090,555		(6,646,258)	5,945,618	277,389,915
Intangible right-of-use assets	5,071,011	\$ 2,581,369			7,652,380
Total assets being depreciated or amortized	606,868,966	2,581,369	(8,217,835)	8,767,839	610,000,339
Less accumulated depreciation and amortization					
Land improvements	235,357,662	9,313,863	(3,400,106)		241,271,419
Buildings & equipment	211,869,422	10,399,741	(4,853,221)		217,415,942
Intangible right-of-use assets	2,639,624	1,412,275			4,051,899
Total accumulated depreciation and amortization	449,866,708	21,125,879	(8,253,327)		462,739,260
Total assets being depreciated or amortized, net	157,002,258	(18,544,510)	35,492	8,767,839	147,261,079
<i>Assets not being depreciated or amortized:</i>					
Land	81,144,282		(695)		81,143,587
Construction in progress	37,190,637	28,422,776		(8,767,839)	56,845,574
Total assets not being depreciated or amortized	118,334,919	28,422,776	(695)	(8,767,839)	137,989,161
Marine & Other assets, net	\$ 275,337,177	\$ 9,878,266	\$ 34,797	\$	\$ 285,250,240

The ordinances authorizing the issuance of Airport revenue and PFC revenue bonds do not convey title to or mortgage the Airport or any part thereof; however, the Port covenants not to encumber or dispose of Airport properties other than as specifically permitted in the ordinances and in certain grant agreements. In Marine & Other, the Port has granted a lender a first lien on a vessel used by its navigation activity as security for a related loan.

6. Leases:

The Port leases nonfinancial assets to and from other entities as a lessor and lessee, respectively. In accordance with GASB 87, the Port as a lessor has recognized lease receivables and deferred inflows of resources, with exceptions for short-term leases and certain regulated leases. The Port as a lessee has recognized intangible right-of-use assets and corresponding lease liabilities.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

6. Leases, continued:

The Port as a Lessor

The Port, as a lessor, leases to others certain land and buildings at various locations for terms generally ranging from 2 to 55 years. The leases typically include provisions for periodic consumer price index or fair market value escalations, as well as volume or activity-based rents, resulting in additional variable revenues that are not included in the measurement of lease receivables.

For the year ended June 30, 2024 the Airport, as a lessor, recognized approximately \$40,963,000 and \$7,371,000 as charges for services operating revenue and nonoperating interest revenue, respectively. For the year ended June 30, 2023 the Airport, as a lessor, recognized approximately \$35,308,000 and \$7,981,000 as charges for services operating revenue and nonoperating interest revenue, respectively. For the years ended June 30, 2024 and 2023, the Airport also recognized approximately \$9,112,000 and \$8,544,000, respectively, in charges for services operating revenue for variable and other payments not previously included in the measurement of lease receivables. For the year ended June 30, 2024 Marine & Other, as a lessor, recognized approximately \$21,120,000 and \$5,807,000 as charges for services operating revenue and nonoperating interest revenue, respectively. For the year ended June 30, 2023 Marine & Other, as a lessor, recognized approximately \$18,438,000 and \$5,841,000 as charges for services operating revenue and nonoperating interest revenue, respectively. For the years ended June 30, 2024 and 2023, Marine & Other also recognized approximately \$3,309,000 and \$2,299,000 respectively, in charges for services operating revenue for variable and other payments not previously included in the measurement of lease receivables.

Following is a schedule showing the future payments that are included in the measurement of lease receivables for the five succeeding fiscal years and in five-year increments thereafter:

	Airport		Marine & Other		Total Port	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 31,277,571	\$ 6,429,399	\$ 12,342,983	\$ 5,480,267	\$ 43,620,554	\$ 11,909,666
2026	27,790,632	5,483,354	12,056,087	5,066,041	39,846,719	10,549,395
2027	26,686,889	4,663,457	11,535,880	5,059,466	38,222,769	9,722,923
2028	27,418,976	3,787,343	11,024,447	5,224,356	38,443,423	9,011,699
2029	27,827,129	2,895,294	11,807,674	4,743,704	39,634,803	7,638,998
2030-2034	66,307,902	4,025,555	37,235,535	18,136,966	103,543,437	22,162,521
2035-2039	2,528,201	1,090,670	20,858,776	11,815,520	23,386,977	12,906,190
2040-2044	2,644,169	692,332	7,300,808	9,401,851	9,944,977	10,094,183
2045-2049	2,458,634	250,590	9,982,321	7,491,640	12,440,955	7,742,230
2050-2054	475,547	12,176	3,102,333	6,151,746	3,577,880	6,163,922
2055-2059			4,542,128	5,352,618	4,542,128	5,352,618
2060-2064			6,531,357	4,209,202	6,531,357	4,209,202
2065-2069			9,214,715	2,562,864	9,214,715	2,562,864
2070-2074			7,245,200	482,670	7,245,200	482,670
Total	<u>\$ 215,415,650</u>	<u>\$ 29,330,170</u>	<u>\$ 164,780,244</u>	<u>\$ 91,178,911</u>	<u>\$ 380,195,894</u>	<u>\$ 120,509,081</u>

The Port is the lessor for certain aviation leases with air carriers and other aeronautical users, which are subject to regulation by the U.S. Department of Transportation and the Federal Aviation Administration. In accordance with GASB 87, the Port does not recognize a lease receivable or deferred inflow of resources for these regulated leases. Inflows of resources from regulated leases are recognized in operating revenues as earned during the year.

Regulated leases at the Airport include lease and operating agreements with passenger and cargo airlines serving the Airport. These lease and operating agreements were effective on July 1, 2015 for a fifteen year term ending June 30, 2030, and govern the use of certain Airport facilities including ramp, terminal, baggage claim, ticket counters and gate areas and certain cargo and other facilities, and permit the signatory passenger airlines to lease exclusive space, preferential space and shared space in the airport terminal. Exclusive space includes ticket counter space, office space, operations space, airline club lounges, baggage makeup space and baggage service area space, which makes up approximately 332,000

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

6. Leases, continued:

square feet in the Airport terminal. Preferential space includes aircraft loading bridges and/or support equipment to which the airline has a higher and continuous priority over other air carriers and includes 27 of the 42 available loading bridges at the Airport. The Port has additional regulated leases for certain land and buildings with other aeronautical users at the Airport and at general aviation airports reported in Marine & Other.

Operating revenues earned under the lease and operating agreements with airlines are reported on the Statement of Revenues, Expenses, and Changes in Net position as charges for services, and were approximately \$114,602,000 and \$95,301,000 for the years ending June 30, 2024 and 2023, respectively. Due to the variable nature of revenues from year-to-year under the lease and operating agreements with airlines serving the Airport, expected future minimum payments are not determinable. Operating revenues earned under regulated leases with other aeronautical users that are not short-term leases were \$12,374,000 and \$17,641,000 for fiscal 2024 and 2023, respectively. Marine & Other operating revenues earned under regulated leases with aeronautical users that are not short-term leases were approximately \$1,554,000 and \$1,580,000 for fiscal years 2024 and 2023, respectively. Expected future minimum payments for regulated leases with other aeronautical users are as follows:

	Airport	Marine & Other	Total Port
2025	\$ 11,684,000	\$ 1,516,000	\$ 13,200,000
2026	11,222,000	1,299,000	12,521,000
2027	9,863,000	1,092,000	10,955,000
2028	7,788,000	1,009,000	8,797,000
2029	7,617,000	900,000	8,517,000
2030-2034	22,076,000	4,075,000	26,151,000
2035-2039	17,751,000	3,408,000	21,159,000
2040-2044	7,996,000	3,013,000	11,009,000
2045-2049	1,267,000	1,324,000	2,591,000
2050-2054		760,000	760,000
2055-2059		51,000	51,000
Total	<u>\$ 97,264,000</u>	<u>\$ 18,447,000</u>	<u>\$ 115,711,000</u>

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

6. Leases, continued:

The Port as a Lessee

The Port leases from others certain office and warehouse space as well as security and office equipment, with lease terms ranging from 1 to 8 years. The intangible right-of-use assets that the Port has recorded under these leases are included in depreciable properties, net of accumulated depreciation and amortization on the balance sheet. Following is a schedule of changes in the right-of-use assets with the accumulated amortization for the fiscal year ended June 30, 2024:

	Beginning Balances	Additions	Reductions	Ending Balances
Airport:				
Right-of-use assets:				
Security equipment	\$ 64,675	\$ 89,343		\$ 154,018
Office equipment	567,117			567,117
Total right-of-use assets	631,792	89,343		721,135
Less accumulated amortization:				
Security equipment	10,729	57,668		68,397
Office equipment	220,655	113,423		334,078
Total accumulated amortization	231,384	171,091		402,475
Total right-of-use assets, net	<u>\$ 400,408</u>	<u>\$ (81,748)</u>	<u>\$</u>	<u>\$ 318,660</u>
Marine & Other:				
Right-of-use assets:				
Office and warehouse space	\$ 418,345	\$ 2,375,032		\$ 2,793,377
Office equipment	158,391	2,217		160,608
Total right-of-use assets	576,736	2,377,249		2,953,985
Less accumulated amortization:				
Office and warehouse space	376,510	239,754		616,264
Office equipment	55,437	32,356		87,793
Total accumulated amortization	431,947	272,110		704,057
Total right-of-use assets, net	<u>\$ 144,789</u>	<u>\$ 2,105,139</u>	<u>\$</u>	<u>\$ 2,249,928</u>

Minimum future lease payments for the leases for the five succeeding fiscal years and thereafter are as follows:

	Airport		Marine & Other		Total Port	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 137,629	\$ 9,183	\$ 217,553	\$ 128,232	\$ 355,182	\$ 137,415
2026	137,323	4,368	239,573	115,507	376,896	119,875
2027	33,911	1,070	235,745	101,867	269,656	102,937
2028			250,593	87,952	250,593	87,952
2029			276,030	72,672	276,030	72,672
2030-2034			1,094,711	111,385	1,094,711	111,385
Total	<u>\$ 308,863</u>	<u>\$ 14,621</u>	<u>\$ 2,314,205</u>	<u>\$ 617,615</u>	<u>\$ 2,623,068</u>	<u>\$ 632,236</u>

Subscription-Based Information Technology Arrangements (SBITAs)

The Port enters into subscription-based contracts to utilize vendor-provided information technology software, with contract terms ranging from 1 to 4 years. The intangible right-of-use subscription assets that the Port has recorded under these contracts are included in the depreciable properties, net of accumulated depreciation and amortization on the balance sheet. Following is a schedule of changes in the right-of-use subscription assets with the accumulated amortization for the fiscal year ended June 30, 2024:

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

6. Leases, continued:

	Beginning Balances	Additions	Reductions	Ending Balances
Airport:				
Subscription assets	\$ 377,308			\$ 377,308
Less accumulated amortization	165,547	\$ 84,250		249,797
Total subscription assets, net	<u>\$ 211,761</u>	<u>\$ (84,250)</u>	<u>\$</u>	<u>\$ 127,511</u>
Marine & Other:				
Subscription assets	\$ 4,494,275	\$ 204,120		\$ 4,698,395
Less accumulated amortization	2,207,677	1,140,166		3,347,843
Total subscription assets, net	<u>\$ 2,286,598</u>	<u>\$ (936,046)</u>	<u>\$</u>	<u>\$ 1,350,552</u>

Minimum future payments for SBITAs for the four succeeding fiscal years are as follows:

	Airport		Marine & Other		Total Port	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 72,467	\$ 2,788	\$ 832,659	\$ 58,348	\$ 905,126	\$ 61,136
2026	74,792	396	837,663	22,012	912,455	22,408
2027	3,069	25	265,456	6,349	268,525	6,374
2028			67,904	238	67,904	238
Total	<u>\$ 150,328</u>	<u>\$ 3,209</u>	<u>\$ 2,003,682</u>	<u>\$ 86,947</u>	<u>\$ 2,154,010</u>	<u>\$ 90,156</u>

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

7. Long-Term Debt:

At June 30, 2024, long-term debt consisted of the following:

	<u>Pension</u>	<u>Airport Revenue</u>	<u>Passenger Facility Charge Revenue</u>	<u>Customer Facility Charge Revenue</u>
Limited Tax Pension bonds:				
2002 Series (issued in fiscal 2002, original issue \$54,952,959):				
6.85%, due serially from fiscal 2021 through fiscal 2028	\$ 18,785,000			
6.6%, due fiscal 2025	6,205,000			
2005 Series (issued in fiscal 2006, original issue \$20,230,000):				
5.004%, due fiscal 2028	7,220,000			
Portland International Airport revenue bonds:				
Series Eighteen (issued in fiscal 2008, original issue \$138,890,000 variable interest rate):				
currently 4.65%, due fiscal 2027		\$ 10,780,000		
currently 3.99%, due fiscal 2027		10,785,000		
Series Twenty-Two (issued in fiscal 2015, original issue \$90,050,000):				
5.0%, due serially through fiscal 2035		31,945,000		
5.0%, due fiscal 2040		21,245,000		
5.0%, due fiscal 2045		27,110,000		
Series Twenty-Three (issued in fiscal 2015, original issue \$109,440,000):				
5.0%, due serially through fiscal 2036		65,355,000		
5.0%, due fiscal 2039		23,250,000		
Series Twenty-Four (issued in fiscal 2017, original issue \$233,240,000):				
5.0%, due serially through fiscal 2038		94,550,000		
5.0%, due fiscal 2043		52,770,000		
5.0%, due fiscal 2048		67,360,000		
Series Twenty-Five (issued in fiscal 2019, original issue \$208,255,000):				
5.0%, due serially through fiscal 2040		93,075,000		
5.0%, due fiscal 2045		47,455,000		
5.0%, due fiscal 2050		60,565,000		
Series Twenty-Six (issued in fiscal 2020, original issue \$72,725,000):				
5.0%, due fiscal 2027		3,900,000		
5.0%, due serially through fiscal 2029		28,465,000		
5.0%, due fiscal 2030		4,110,000		
5.0%, due fiscal 2034		5,110,000		
4.0% to 5.0%, due fiscal 2038		6,170,000		
4.0% to 5.0%, due fiscal 2041		5,430,000		
Series Twenty-Seven (issued in fiscal 2021, original issue \$312,460,000):				
1.2% to 5.0%, due serially through fiscal 2041		144,545,000		
5.0%, due fiscal 2046		69,510,000		
4.0% to 5.0%, due fiscal 2051		87,060,000		
Series Twenty-Eight (issued in fiscal 2022, original issue \$527,005,000):				
4.0% to 5.0%, due serially through fiscal 2043		269,045,000		
4.0%, due fiscal 2048		114,835,000		
5.0%, due fiscal 2053		142,535,000		
Series Twenty-Nine (issued in fiscal 2023, original issue \$566,120,000):				
5.0% to 5.25%, due serially through fiscal 2044		249,245,000		
5.5%, due fiscal 2049		160,765,000		
5.5%, due fiscal 2054		156,110,000		
Passenger Facility Charge revenue bonds:				
Series 2012A (issued and privately placed in fiscal 2013, original issue \$57,725,000):				
variable interest rate, currently 4.813%, due fiscal 2025			\$ 10,260,000	
Series 2022A (issued in fiscal 2022, original issue \$51,620,000):				
5.00%, due serially through fiscal 2032			51,620,000	
Customer Facility Charge revenue bonds:				
Series 2019 (issued in fiscal 2019, original issue \$163,290,000):				
2.948% to 3.865%, due serially through fiscal 2033				\$ 36,130,000
3.915%, due serially through fiscal 2035				9,730,000
4.067%, due serially through fiscal 2040				27,940,000
4.237%, due serially through fiscal 2050				76,340,000
Totals, including \$8,040,000, \$44,730,000, \$10,260,000, and \$3,520,000 respectively, due within one year	\$ 32,210,000	\$ 2,053,080,000	\$ 61,880,000	\$ 150,140,000

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

7. Long-Term Debt, continued:

	Direct Borrowings - Contracts and Loans Payable at June 30, 2024
State of Oregon Business Development Department Special Public Works Fund loan (issued in fiscal 2009, original amount available \$8,700,000), 5.00% in annual installments ranging from \$362,431 due December 1, 2024 to \$488,663 due December 1, 2030, including \$362,431 due within one year	\$ 2,963,314
Banc of America Leasing & Capital, LLC, (issued in fiscal 2013, original amount \$15,100,000, secured by a lien on the financed asset), 4.5%, payable in monthly installments ranging from \$96,820 due August 1, 2024 to \$115,011 due June 1, 2028, including \$1,186,099 due within one year	4,966,016
Banc of America Leasing & Capital, LLC, (issued in fiscal 2024, original amount \$4,533,000, secured by a lien on the financed asset), 6.444%, payable in monthly installments ranging from \$16,684 due June 8, 2025 to \$437,084 due May 8, 2039, including \$16,684 due within one year	4,533,000
Banc of America Leasing & Capital, LLC, (issued in fiscal 2024, original amount \$13,985,000, secured by a lien on the financed asset), 6.444%, payable in monthly installments ranging from \$439,173 due November 8, 2025 to \$1,374,032 due May 8, 2039	13,985,000
Total, including \$1,565,214 due within one year	\$ 26,447,330

Future debt service requirements on bonds, contracts and loans payable at June 30, 2024 are as follows:

Airport									
Revenue Bonds				Directly Placed 2012A					
Principal		Interest		PFC Revenue Bonds		PFC Revenue Bonds		CFC Revenue Bonds	
				Principal	Interest	Principal	Interest	Principal	Interest
2025 \$	44,730,000	\$	99,619,797		\$ 2,581,000	\$	10,260,000	\$	3,520,000
2026	44,585,000		97,661,859		2,581,000				5,843,839
2027	45,705,000		95,544,296	\$	2,670,000		2,514,250		3,735,000
2028	40,905,000		93,255,575		8,860,000		2,226,000		3,855,000
2029	45,085,000		91,105,825		9,300,000		1,772,000		3,985,000
2030-2034	279,245,000		416,349,875		30,790,000		2,359,250		22,180,000
2035-2039	355,325,000		338,675,900						25,014,978
2040-2044	395,410,000		249,039,075						26,855,000
2045-2049	479,000,000		141,475,888						20,214,814
2050-2054	323,090,000		36,259,200						32,845,000
\$	2,053,080,000	\$	1,658,987,290	\$	51,620,000	\$	14,033,500	\$	10,260,000
							\$ 493,849		\$ 493,849
								\$	150,140,000
									\$ 94,460,972

Marine & Other					
Pension Bonds			Direct Borrowings		
	Principal	Interest		Principal	Interest
2025 \$	8,040,000	\$ 2,057,592	\$	1,565,214	\$ 374,436
2026	8,980,000	1,556,238		2,267,655	1,283,375
2027	10,015,000	978,305		2,617,582	1,502,760
2028	5,175,000	332,982		2,641,007	1,362,145
2029				1,482,720	1,248,068
2030-2034				7,296,340	4,830,063
2035-2039				8,576,812	2,339,131
\$	32,210,000	\$ 4,925,117	\$	26,447,330	\$ 12,939,978

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

7. Long-Term Debt, continued:

Changes in long-term debt on the balance sheet for the year ended June 30, 2024 were as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Airport:				
Long-term privately placed bonds outstanding	\$ 20,010,000		\$ (9,750,000)	\$ 10,260,000
less: current portion	(9,750,000)	\$ (10,260,000)	9,750,000	(10,260,000)
Long-term bonds outstanding	2,298,745,000		(43,905,000)	2,254,840,000
less: current portion	(43,905,000)	(48,250,000)	43,905,000	(48,250,000)
Unamortized bond issue premium	253,456,235		(17,068,952)	236,387,283
Long-term debt	<u>\$ 2,518,556,235</u>	<u>\$ (58,510,000)</u>	<u>\$ (17,068,952)</u>	<u>\$ 2,442,977,283</u>
Marine & Other:				
Long-term direct borrowings outstanding	\$ 9,412,791	\$ 18,518,000	\$ (1,483,461)	\$ 26,447,330
less: current portion	(1,483,461)	(1,565,214)	1,483,461	(1,565,214)
Long-term bond debt outstanding	39,375,000		(7,165,000)	32,210,000
less: current portion	(7,165,000)	(8,040,000)	7,165,000	(8,040,000)
Long-term debt	<u>\$ 40,139,330</u>	<u>\$ 8,912,786</u>	<u>\$</u>	<u>\$ 49,052,116</u>

In addition, at June 30, 2024 and 2023, the Port has recorded \$7,763,206 and \$10,110,154 respectively, within the Airport activity, for the difference between the reacquisition price and the net carrying amount of refunded bonds, which is recorded as a deferred outflow of resources on the balance sheet.

CONTRACTS, LOANS AND PENSION BONDS

Contracts and loans in Marine & Other are direct borrowings payable from revenues of the Port, including existing property tax levies. The contracts and loans provide that in the event of default, outstanding amounts may be immediately due and payable. One of the loans also grants a lien under which the lender may choose to sell the secured property in the event of default.

In February 2021, the State refinanced a loan payable by the Port, resulting in a reduction in the principal balance of approximately \$899,000 and an increase in the interest rate to 5 percent. The reduction in the principal balance is recorded as a deferred inflow of resources on the balance sheet, and is being amortized as a reduction of interest expense over the remaining term of the loan.

Limited Tax Pension Bonds were issued to fund the Port's estimated unfunded actuarial accrued liability as of April 1, 2002 (Note 9). These bonds are backed by a pledge of the full faith and credit of the Port's Marine & Other activity, and debt service is payable from Marine & Other revenues, including existing property tax levies. Additional property taxes may not be levied for debt service on these bonds. Bonds maturing on June 1, 2025 are redeemable at the option of the Port on or after June 1, 2007 at par, in whole or in part, by lot, on any date up to June 1, 2025. Bonds maturing on June 1, 2028 are subject to mandatory redemption, at par, prior to maturity, in part, by lot, beginning June 1, 2020, and on each June 1 thereafter.

Limited Tax Pension Bonds were also issued to fund the Port's estimated unfunded actuarial accrued liability as of October 1, 2005 (Note 9). These bonds are backed by a pledge of the full faith and credit of the Port's Marine & Other activity, and debt service is payable from Marine & Other revenues, including existing property tax levies. Additional property taxes may not be levied for debt service on these bonds. These bonds are subject to optional redemption by the Port, in whole or in part, on any date, at a price equal to the greater of par or a discounted value, as defined. Bonds maturing on June 1, 2028 are subject to mandatory redemption, beginning June 1, 2021, and on each June 1 thereafter.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

7. Long-Term Debt, continued:

PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS

Port Ordinance No. 155, enacted November 10, 1971, and Ordinance No. 323, enacted October 9, 1985, both subsequently amended (Ordinances), authorize the issuance of Portland International Airport Revenue Bonds (Airport revenue bonds) to pay the costs of acquiring and constructing Airport and other Port improvements. Port Ordinance No. 323 further restricts sales of Airport revenue bonds except for the purpose of paying the costs of construction of additions, expansion, and improvements at the Airport and the costs of acquisition and construction of general aviation airports. Both Ordinances also allow for the issuance of refunding bonds. The revenue bonds are not in any manner or to any extent a general obligation, a lien on tax revenues of the Port, or a charge upon any revenues or property of the Port not specifically pledged thereto. The proceeds of all such revenue bonds issued to date have been deposited in funds (accounts) designated for, and have been used for, Airport purposes only.

These Ordinances require that Airport revenues and costs of operation and maintenance be accounted for in an Airport revenue fund. Any excess of revenues over costs other than depreciation is to be credited in the following order for uses specified in Ordinance No. 155:

- General account for payment to an Airport revenue bond fund to provide for the punctual payment of bond interest and principal.
- General account for all other permitted uses.

Proceeds from sales of bonds not expended for allowable acquisitions or construction shall be used for repayment of bonds.

These Ordinances established debt service reserve accounts in an Airport revenue bond fund to accumulate the maximum debt service requirements, as defined in the Ordinances, for any future fiscal year for all outstanding bonds. Debt service reserve insurance may be substituted for any portion of the bond reserve requirement. For all outstanding Airport revenue bonds, the bond reserve requirement has been met. The Ordinances state that upon the occurrence of a default, outstanding amounts may be declared immediately due and payable upon written request by a majority of bond holders based upon aggregate principal.

Section 16(ii) of Ordinance No. 155 and Section 5f of Ordinance No. 323 further stipulate that defined net revenues in each fiscal year must equal at least 130 percent of defined debt service requirements. The Airport has complied with this provision of the Ordinances for the years ended June 30, 2024 and 2023.

On July 1, 2015, ten year contracts with major airline customers became effective in which the airlines have provided financial guarantees sufficient to meet the net revenues requirement for airline supported activities, primarily airfield and terminal operations; effective January 1, 2019, the term of those contracts was extended to fifteen years. Net revenues of other activities, primarily parking, air cargo, and a portion of rental car operations are neither guaranteed nor limited to specified levels by these contracts. The contracts also contain an annual revenue sharing provision through June 30, 2030 in which fees to signatory airlines are discounted \$6,000,000 annually. The annual discount is subject to certain 1) reductions, contingent on the Port managing operating expenses to a defined target level and 2) increases, contingent on Airport coverage ratio thresholds. The discount amount was increased by \$8,230,240 for fiscal 2024 and by \$6,386,360 for fiscal 2023.

Series Twenty-Nine bonds maturing on or before July 1, 2033 are not subject to optional redemption prior to their stated maturity. Series Twenty-Nine bonds maturing on or after July 1, 2034 are redeemable at the option of the Port, on or after July 1, 2033, at 100 percent of the principal amount plus accrued interest.

Series Twenty-Eight bonds maturing on or before July 1, 2032 are not subject to optional redemption prior to their started maturity. Series Twenty-Eight bonds maturing on or after July 1, 2033, are redeemable at the option of the Port, on or after July 1, 2032, at 100 percent of the principal amount plus accrued interest.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

7. Long-Term Debt, continued:

Series Twenty-Seven A bonds maturing on or before July 1, 2030, are not subject to optional redemption prior to their stated maturity. Series Twenty-Seven A Bonds maturing on or after July 1, 2031 are redeemable at the option of the Port on or after July 1, 2030 at 100 percent of the principal amount plus accrued interest. Series Twenty-Seven B Bonds are subject to redemption at the option of the Port, in whole or in part, on any date, at a redemption price equal to the greater of 100% of the principal amount of the redeemed bonds plus accrued interest; or the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date of the redeemed bonds, discounted to the date of redemption on a semi-annual basis, at a rate for a US Treasury security with a maturity comparable to the average remaining life of the bonds being redeemed plus 15 basis points in maturities 2023-2024, and plus 20 basis points in maturity 2025, plus accrued interest.

Series Twenty-Six bonds maturing on or before July 1, 2029 are not subject to optional redemption prior to maturity. Series Twenty-Six A and B bonds maturing on or after July 1, 2033 are redeemable at the option of the Port on or after July 1, 2030 at 100 percent of the principal amount plus accrued interest. Series Twenty-Six C bonds are not subject to optional redemption prior to their stated maturity.

Series Twenty-Five bonds maturing on or before July 1, 2029 are not subject to optional redemption prior to maturity. Series Twenty-Five bonds maturing on or after July 1, 2030 are redeemable at the option of the Port, on or after January 1, 2029 at 100 percent of the principal amount plus accrued interest.

Series Twenty-Four bonds maturing on or before July 1, 2027 are not subject to optional redemption prior to maturity. Series Twenty-Four bonds maturing on or after July 1, 2028 are redeemable at the option of the Port on or after July 1, 2027 at 100 percent of the principal amount plus accrued interest.

Series Twenty-Three bonds maturing on or before July 1, 2025 are not subject to optional redemption prior to maturity. Series Twenty-Three bonds maturing on or after July 1, 2026 are redeemable at the option of the Port on or after July 1, 2025 at 100 percent of the principal amount plus accrued interest.

Series Twenty-Two bonds maturing on or before July 1, 2024 are not subject to optional redemption prior to maturity. Series Twenty-Two bonds maturing on or after July 1, 2025 are redeemable at the option of the Port on or after July 1, 2024 at 100 percent of the principal amount plus accrued interest.

Series Eighteen variable rate demand bonds bear an interest rate that is generally reset weekly by remarketing agents, and cannot exceed 12.0 percent. Payments of principal and interest on the Series Eighteen bonds and the purchase price of Series Eighteen bonds that are subject to optional or mandatory purchase and not remarketed will be payable by draws on an irrevocable direct pay letter of credit. Series Eighteen bonds are redeemable at the option of the Port, at par, prior to maturity, in whole or in part, by lot, on any business day. In the event that Series Eighteen bonds are not remarketed and the irrevocable direct pay letter of credit is drawn upon, the draw will constitute a liquidity advance by the letter of credit bank. The Port must repay the liquidity advance over a term of three years at a variable rate of interest that increases over time, reaching a maximum rate of the greater of the federal funds rate plus 2.5 percent, or the bank's prime rate plus 2.0 percent. In the event of default, outstanding amounts become immediately due and payable.

All Airport revenue bonds principal and interest are payable solely from revenues derived from the operation and related services of the Airport.

PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE BONDS

Port Ordinance No. 395-B, enacted June 10, 1999, authorized the issuance of Portland International Airport Passenger Facility Charge Revenue Bonds (PFC revenue bonds) to pay the costs of construction of certain Federal Aviation Administration approved PFC projects. The PFC revenue bonds are backed by a pledge and assignment of PFC revenues. The PFC revenue bonds are not in any manner or to any extent a general obligation, a lien on tax revenues of the Port, or a charge upon any other revenues or property of the Port not specifically pledged thereto. The proceeds of all PFC revenue bonds issued to date have been deposited in funds (accounts) designated for, and have been used for, prescribed purposes only.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

7. Long Term Debt, continued:

Ordinance No. 395-B established a debt service reserve account in an amount equal to the maximum annual debt service. The reserve account was fully funded from PFC bond proceeds. Ordinance No. 395-B requires that PFC revenues be accounted for in a PFC fund and used for, in order of priority, payments into a PFC bond fund to provide for payment of PFC bond interest and principal, payments into the reserve account, any required payments into an obligations account, any required payments into an obligations reserve account, and then to a PFC capital account. The capital account may be used to pay costs of construction, additions, improvements, repairs to, or extensions of approved PFC projects or be used for any other lawful Port purpose to the extent permitted by PFC regulations. Until so applied, amounts in the capital account are pledged to payment of and subject to a lien and charge in favor of registered owners of the PFC revenue bonds.

In connection with the PFC revenue bonds, the Port has also covenanted to comply with PFC laws and regulations, noise regulations, and to manage the PFC program so that remaining PFC authority (as defined in Ordinance No. 395-B) less contractual commitments, shall exceed 105 percent of defined unpaid debt service.

The Series 2022A Passenger Facility Charge Refunding Revenue bonds are not subject to optional redemption prior to their stated maturity.

The Series 2012A variable rate bonds were issued in the form of index bonds bearing an interest rate that is generally reset weekly based on an applicable spread of 55 basis points plus 80 percent of 1 month LIBOR, and cannot exceed 12.0 percent. During fiscal 2023, the Port replaced LIBOR with the Secured Overnight Financing Rate (SOFR) as the index rate for the 2012A bonds; all other components of the interest rate calculation remain the same. The Series 2012A bonds have a maturity date of July 1, 2024 and are subject to mandatory sinking account payments prior to maturity. The Series 2012A bonds were directly purchased by a single buyer for an initial purchase period ending July 1, 2024. Series 2012A bonds are redeemable at the option of the Port, at par, prior to maturity, in whole or in part. In the event of default, outstanding amounts become immediately due and payable.

PFC revenue bonds principal and interest are payable solely from PFC revenues.

PORTLAND INTERNATIONAL AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS

Port Ordinance 461-B, enacted February 13, 2019, authorized the issuance and sale of Portland International Airport Customer Facility Charge Revenue Bonds (CFC revenue bonds) to finance and refinance costs of rental car facilities and related projects at Portland International Airport. CFC revenue bonds are secured by and payable solely from customer facility charges (CFCs) collected from rental car customers who rent cars from rental car companies operating at the Airport, with the backstop of a contingent fee payment from the rental car companies operating at the Airport in the event that there is a deficiency in CFCs needed to make payments or meet covenants pursuant to the CFC bond ordinances. The CFC revenue bonds are not in any manner or to any extent a general obligation, nor a charge upon any other revenues or property of the Port not specifically pledged thereto. The proceeds of all CFC revenue bonds issued to date have been deposited in funds (accounts) designated for, and have been used for, prescribed purposes only.

Series 2019 CFC revenue bonds maturing on or after July 1, 2030, are redeemable at the option of the Port, on any date on or after July 1, 2029 at 100 percent of the principal amount plus interest. In addition, the Series 2019 CFC revenue bonds are subject to redemption prior to July 2029, at the option of the Port, on any date at a make-whole redemption price equal to either 1) the greater of 100 percent of the principal amount plus accrued interest, or 2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the bonds being redeemed plus a make-whole spread, plus accrued interest.

PORTLAND INTERNATIONAL AIRPORT COMMERCIAL PAPER

Port Ordinance No. 463-CP, enacted November 8, 2017, authorized the issuance of Portland International Airport Third Lien Commercial Paper Notes (commercial paper) of up to \$300 million aggregate principal amount outstanding at any one time to pay, refinance, or reimburse the Port for the payment of costs of constructing, renovating, acquiring, equipping and installing improvements at the Airport, to pay costs of issuing commercial paper, and for any other lawful purposes of the Port. Commercial paper is issued pursuant to Section 6B of Port Ordinance 323 and is payable solely from the defined net revenues of the Airport that are available in the Third Lien Obligation Fund.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

7. Long Term Debt, continued:

In fiscal 2024, the Port issued Series B commercial paper to fund the costs of constructing improvements at the Airport and to pay interest on maturing commercial paper. Commercial paper outstanding totaled \$79,600,000 and \$0 at June 30, 2024 and 2023, respectively. Commercial paper balances are included in current portion of long-term debt on the balance sheet. In the event of default, outstanding amounts become immediately due and payable.

8. Industrial Revenue Bonds:

The Port facilitates the issuance of industrial revenue bonds by others to finance construction of industrial facilities within the Port district which it leases or sells on installment contracts to the industrial users. Such facilities and the related receipts from lease rentals and contract payments are pledged for payment of the bonds. The bonds are not a liability or contingent liability of the Port or a lien on any of its properties or revenues other than the industrial facilities for which they were issued. Accordingly, the bond liability and related receivables are not reflected in the Port's financial statements.

Industrial revenue bonds for Airport industrial facilities were outstanding in the amount of \$17,300,000 at both June 30, 2024 and 2023.

9. Pension Plans and Deferred Compensation Plan:

Most employees, after six months of employment, are participants in the State of Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan (Plan), administered by PERS, to which employees and employers both contribute. Benefits generally vest after five years of service. Retirement is allowed at age 58 with unreduced benefits, but retirement is generally available after age 55 with reduced benefits. Retirement benefits are generally based on salary and length of service or retiree account balance, are calculated using a formula, and are payable in a lump sum or monthly using several payment options. Monthly benefits are adjusted annually through cost-of-living adjustments (COLA). A prospective cap on the COLA which took effect in fiscal 2015 and beyond varies based upon the amount of the annual benefit. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes.

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of PERS, and additions to/deductions from PERS' fiduciary net position, have been determined on the same basis as they are reported by PERS. PERS uses accrual basis accounting for all funds, recognizing revenues when earned, contributions when due, benefits in the month they are earned, and withdrawals in the month they are due and payable. PERS issues a publicly available financial report, which may be obtained at www.oregon.gov/pers or by writing to PERS, PO Box 23700, Tigard, Oregon 97281. The rate of employee contributions (6 percent of annual covered salary) is established by state statute, and the rate of employer contributions to PERS is set periodically by PERS based on actuarial valuations. The Port's contribution rates were 14.11 and 12.84 percent of annual covered payroll for fiscal years 2024 and 2023, respectively. The Port also pays the required employee contribution. The Port, by electing to join the State and Local Government Rate Pool, effective January 1, 2002, is part of the cost-sharing multiple-employer segment of the pension plan. Limited tax pension bonds were issued to fund the Port's estimated unfunded actuarial accrued liability (UAL) of \$54,068,039 as of April 1, 2002, and \$20,012,029 as of October 1, 2005. The proceeds from these bond issues are held by PERS in side accounts specific to the Port, and are factors in the calculation of the Port's employer contribution rates and the Port's proportionate share of the collective Net Pension Liability (NPL) or Net Pension Asset (NPA). Of these bond issue amounts, \$25,550,920 and \$11,244,225 were applicable to the Airport, and were recorded on the Airport balance sheet as liabilities (due to Marine & Other). The Airport liability is reduced proportionately as the Marine & Other activity makes principal payments on the pension bonds. Principal payments on the pension bonds were made in the amounts of \$7,165,000 and \$6,350,000 in fiscal 2024 and 2023, respectively, of which \$3,535,310 and \$3,135,853 were applicable to the Airport.

In December 2019, the Port contributed \$30 million to PERS in order to create two new Port-specific side accounts to provide future pension contribution rate relief for the Port. Both new accounts were funded by the Marine & Other activity. One side account in the amount of \$20 million qualified for nearly \$5 million in matching funds from the Oregon

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

9. Pension Plans and Deferred Compensation Plan, continued:

State Employer Incentive Fund; this account is being amortized to provide pension rate relief over 16 years beginning January 1, 2020. The second side account was established in the amount of \$10 million and is being amortized to provide pension rate relief over 10 years, with rate relief deferred to commence on July 1, 2029. The intent of creating these side accounts was to effectively offset a portion of the Port's proportionate share of the collective NPL attributable to the Marine & Other activity and reduce future Port pension contributions for the Marine & Other activity over a total of 20 years. PERS does not recognize the Airport as a separate activity of the Port, so internal accounting adjustments are necessary for rate relief from the new side accounts to be credited only to the Marine & Other activity.

The 2003 Oregon legislature adopted a number of amendments to the benefit structure of PERS, later modified by the Oregon Supreme Court. In addition to adopting amendments to the benefit structure of PERS, the 2003 legislature passed HB 2020, which established a successor pension plan to PERS, the Oregon Public Service Retirement Plan (OPSRP). All public employees hired on or after August 29, 2003, unless membership was previously established in PERS, become participants in OPSRP, generally after six months of employment. OPSRP is a hybrid pension plan with two components, the Pension Program (a defined benefit program) and the Individual Account Program (IAP) (a defined contribution program), and is administered by PERS, the agency. The Pension Program is funded by employer contributions. For general service members, normal retirement age is 65 or age 58 with 30 years of service, and for police and fire members, normal retirement age is 60 or age 53 with 25 years of service. Retirement benefits under the Pension Program are calculated using a formula based on final average salary, as defined, and years of service.

The IAP is funded by a 6 percent employee contribution (which may be paid by the employer for the employee). The Port pays the employee contribution. Employee contributions are placed in an employee account, accounts are adjusted for earnings or losses, and are paid at retirement, either as a lump sum or in installments. Effective January 1, 2004, required 6 percent employee contributions for PERS members were paid to the member's IAP account rather than the member's PERS account, as required by the 2003 legislation. In 2019, Oregon Legislature enacted Senate Bill 1049, which made a number of amendments to PERS, including redirecting 2.5 percent for PERS members and 0.75 percent for OPSRP members of the required employee 6 percent contributions from a member's IAP account to the member's employee pension stability account, effective July 1, 2020. The Port's employer contribution rate to OPSRP, set periodically by PERS based on actuarial valuations, was 9.24 percent of annual covered payroll for general service members and 14.03 percent for police and fire members for fiscal 2024, and 7.94 percent of annual covered payroll for general service members and 12.30 percent for police and fire members for fiscal 2023. The Port also pays the required employee contributions of 6 percent of annual covered salary.

The Port's fiscal 2024 and 2023 regular pension contributions recognized by PERS were \$11,923,360 and \$11,018,267. Actuarial determinations are not made solely as to Airport employees. PERS contributions of \$6,032,095 and \$5,545,611 were applicable to the Airport for fiscal years 2024 and 2023, respectively, based upon Port payroll expense.

GASB Statement No. 68 (GASB 68) establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense. For defined benefit pensions, GASB 68 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. GASB 68 requires the liability of employers to employees for defined benefit plans (NPL or NPA) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (Total Pension Liability (TPL) or Total Pension Asset (TPA)), less the amount of the pension plan's fiduciary net position. Employers participating in cost-sharing plans recognize their proportionate share of the collective pension amounts for all benefits provided through the plan based on an allocation methodology.

The Port recognizes its proportion of the PERS NPL or NPA, Deferred Outflows of Resources, Deferred Inflows of Resources, and pension expense. The TPL at June 30, 2024, was determined based on an actuarial valuation as of December 31, 2021, and rolled forward to the measurement date of June 30, 2023; the TPL at June 30, 2023, was determined based on an actuarial valuation as of December 31, 2020, and rolled forward to the measurement date of June 30, 2022. The basis for the Port's proportion is actuarially determined by comparing the employer's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employers.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

9. Pension Plans and Deferred Compensation Plan, continued:

For the year ended June 30, 2024, the Port's proportionate share of the collective NPL of PERS is \$86,846,701, or 0.46366001 percent of the total, and the Port recognized pension expense of \$13,062,392 as its proportionate share of PERS pension expense. For the year ended June 30, 2023, the Port's proportionate share of the collective NPL of PERS is \$77,868,793, or 0.50854729 percent of the total, and the Port recognized pension expense of \$10,708,585 as its proportionate share of PERS pension expense. Actuarial determinations are not made solely as to Airport employees. For the year ended June 30, 2024, \$57,062,678 of the NPL, and \$6,441,392 of pension expense, was applicable to the Airport. For the year ended June 30, 2023, \$52,803,103 of the NPL, and \$5,279,482 of pension expense, was applicable to the Airport.

Actuarial assumptions used in the 2021 valuation rolled forward to the measurement date of June 30, 2023, and the 2020 valuation rolled forward to the measurement date of June 30, 2022, were as follows:

- Investment Rate of Return: 6.90 percent per annum
- Projected Salary Increases: 3.40 percent overall payroll growth
- Inflation Rate: 2.40 percent per annum

For the 2021 valuation rolled forward to the measurement date of June 30, 2023, and for the 2020 valuation rolled forward to the measurement date of June 30, 2022, mortality assumptions for healthy retirees and beneficiaries are based on Pub-2010 generational Healthy Retiree mortality tables with group-specific job category and setback adjustments. Active members' mortality assumptions are based on Pub-2010 Employee, sex distinct, generational projection with Unisex Social Security Data Scale. Disabled retirees' mortality assumptions are based on Pub-2010 generational Disabled Retiree mortality tables with group-specified job category and setback adjustments.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study, which reviewed experience for the four-year period ended on December 31, 2020.

GASB 68 generally requires that a blended discount rate be used to measure the TPL (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is PERS' independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

9. Pension Plans and Deferred Compensation Plan, continued:

The discount rate used to measure the TPL of PERS was 6.90 percent for the measurement dates of June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, PERS' fiduciary net position was projected to be available to make all projected future benefit payments of current PERS members. Therefore, the long-term expected rate of return on PERS investments was applied to all periods of projected benefit payments to determine the TPL.

For fiscal 2024, the Port's \$86,846,701 proportionate share of the NPL was calculated using the discount rate of 6.90 percent as of the measurement date of June 30, 2023. If a discount rate 1 percentage point lower (5.90 percent) were used in the calculation, it would result in an NPL for the Port of \$143,454,398. If a discount rate 1 percentage point higher (7.90 percent) were used in the calculation, it would result in an NPL for the Port of \$39,472,058. For fiscal 2023, the Port's \$77,868,793 proportionate share of the NPL was calculated using the discount rate of 6.90 percent as of the measurement date of June 30, 2022. If a discount rate 1 percentage point lower (5.90 percent) were used in the calculation, it would result in an NPL for the Port of \$138,093,569. If a discount rate 1 percentage point higher (7.90 percent) were used in the calculation, it would result in an NPL for the Port of \$27,463,437.

To develop an analytical basis for the selection of the long-term expected rate of return assumption used in the calculation of the TPL at June 30, 2023 and 2022, the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors in 2023 and 2021, respectively. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset class	Target allocation	20-year annualized geometric mean
Global equity	27.50%	7.07%
Private equity	25.50%	8.83%
Core fixed income	25.00%	4.50%
Real estate	12.25%	5.83%
Master limited partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge fund of funds - multistrategy	1.25%	6.27%
Hedge fund equity - hedge	0.63%	6.48%
Hedge fund - macro	5.62%	4.83%
Assumed inflation - mean	n/a	2.35%

Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

Deferred items are calculated at the PERS level and allocated to the Port based upon its proportionate share. For the measurement dates of June 30, 2023 and 2022, there were deferred outflows and inflows of resources related to the following sources:

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

9. Pension Plans and Deferred Compensation Plan, continued:

Measurement date of June 30,	Deferred outflows of resources		Deferred inflows of resources	
	2023	2022	2023	2022
Differences between expected and actual experience	\$ 2,303,824	\$ 1,836,657	\$ 344,355	\$ 485,604
Changes of assumptions	7,714,947	12,218,034	57,523	111,624
Net difference between projected and actual earnings on plan investments	1,560,990			13,921,434
Differences between contributions and Port's proportionate share of system contributions	5,692,538	8,598,447	15,852,386	14,159,725
Total	<u>\$ 17,272,299</u>	<u>\$ 22,653,138</u>	<u>\$ 16,254,264</u>	<u>\$ 28,678,387</u>

Port employer contributions for PERS made after the measurement date are reported as deferred outflows on the balance sheet at June 30, 2024 and 2023 in the amount of \$11,923,360 and \$11,018,267, respectively; these contributions are recognized as a reduction in the Port's NPL in the ensuing year. \$6,032,095 and \$5,545,611 of the deferred outflows were applicable to the Airport at June 30, 2024 and 2023, respectively.

Cumulative deferred inflows and outflows related to PERS will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/ (Inflows) of Resources - Airport	Deferred Outflows/ (Inflows) of Resources - Marine & Other	Deferred Outflows/ (Inflows) of Resources - Total
2025	\$ 303,546	\$ 214,324	\$ 517,870
2026	(3,219,570)	(2,273,228)	(5,492,798)
2027	3,159,154	2,230,571	5,389,725
2028	516,883	364,953	881,836
2029	(163,298)	(115,299)	(278,597)
Total	<u>\$ 596,715</u>	<u>\$ 421,321</u>	<u>\$ 1,018,036</u>

The Port sponsors an eligible deferred compensation plan under IRC Section 457(b) known as the Port of Portland Deferred Compensation Plan (the Plan) which is available to all Port employees. The Plan qualifies as a defined contribution pension plan under the criteria in GASB Statement No. 68, and permits eligible employees to defer a portion of their current salary until future years. The Port may at any time either prospectively or retroactively amend the Plan. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of an employee trust, held for the exclusive benefit of participants and their beneficiaries, and are not subject to the claims of the Port's general creditors. Employees in the Plan are able to direct their funds to any investment options available in the Plan, and the Port makes no contributions to, recognizes no expense and has no liability for, and has little administrative involvement with the Plan. The Port has concluded that the Plan does not meet the criteria to be reported as a fiduciary activity, and the Plan assets are not included in the Port's financial statements.

10. Postemployment Healthcare Benefits:

The Port administers a single-employer defined-benefit healthcare plan which provides certain qualifying employees retiring under PERS or OPSRP with Port-paid healthcare coverage for the qualifying retiree until age 65. This program is being phased out and is closed to any employees that did not meet age and length-of-service eligibility requirements by December 31, 2011. The Port does not issue a publicly available report on the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75, and contributions to the plan are made on a pay-as-you-go basis.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

10. Postemployment Healthcare Benefits, continued:

Under Oregon State law, employees retiring under PERS or OPSRP may make a one-time election at retirement to continue their health insurance coverage through the Port until eligible for Medicare (usually age 65). Coverage may be elected for the retiring employee, their spouse, and for qualifying dependents. Premiums are paid by the retiree at the Port's pooled rate, which is the same rate paid for active employees. Retirees, on average, are expected to have higher health care costs than active employees, primarily due to the older average age of retirees. Since the same premium applies to both groups, the premiums paid for active employees by the Port are subsidizing the premiums for retirees. As a result, there is an 'implicit subsidy' paid by the Port; the implicit subsidy associated with retiree health care costs paid during the last year is also considered to be a contribution from the Port.

At June 30, 2023, the following employees were covered by the benefits terms of the plan:

Inactive employees currently receiving benefit payments	23
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>782</u>
	<u>805</u>

For the year ended June 30, 2024, the Port's total other postemployment benefit (OPEB) liability of \$2,961,194 was determined based upon a July 1, 2023 actuarial valuation, measured as of June 30, 2024, with a reporting date of June 30, 2024; \$1,502,324 of this OPEB liability was attributable to the Airport. The Port recognized OPEB benefit of \$(335,993) in fiscal 2024, with \$(210,426) of OPEB benefit applicable to the Airport. For the year ended June 30, 2023, the Port's total OPEB liability of \$2,917,927 was determined based upon a July 1, 2023 actuarial valuation, measured as of June 30, 2023, with a reporting date of June 30, 2023; \$1,469,665 of this OPEB liability was attributable to the Airport. The Port recognized OPEB benefit of \$(266,725) in fiscal 2023, with \$(165,900) of OPEB benefit applicable to the Airport.

The OPEB liability in the July 1, 2023 actuarial valuation measured as of June 30, 2024 and June 30, 2023 was determined using the following actuarial assumptions:

- A discount rate of 4.13 percent based on the S&P Municipal Bond 20-Year High Grade Index as of June 30, 2023
- A healthcare cost trend rate of 6.25 percent grading uniformly to 5.20 percent over 2 years and following the Getzen model thereafter to an ultimate rate of 3.94 percent in the year 2075
- Mortality rates were based on the Pub-2010 General Government and Safety Headcount weighted tables with improvements projected using scale MP-2021

Changes in the OPEB liability during fiscal 2024 are shown in the following table:

	Airport	Marine & Other	Total Port
Balance at 6/30/2023	\$ 1,469,665	\$ 1,448,262	\$ 2,917,927
Service cost	62,497	47,590	110,087
Interest	59,585	57,862	117,447
Benefit payments	(89,423)	(94,844)	(184,267)
Net change	32,659	10,608	43,267
Balance at 6/30/2024	<u>\$ 1,502,324</u>	<u>\$ 1,458,870</u>	<u>\$ 2,961,194</u>

The following table presents the total OPEB liability of the Port, as well as what the Port's total OPEB liability would have been if it were calculated using a health care trend rate assumption that is 1-percentage-point lower or 1-percentage-point higher than the current health care trend rate assumption:

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

10. Postemployment Healthcare Benefits, continued:

		6.25% decreasing to 5.20% over 2 years, following the Getzen model thereafter	
	1% Decrease		1% increase
Total OPEB liability, 6/30/2024	\$ 2,662,543	\$ 2,961,194	\$ 3,308,796
Total OPEB liability, 6/30/2023	\$ 2,650,152	\$ 2,917,927	\$ 3,227,902

The following table presents the total OPEB liability of the Port, as well as what the Port's total OPEB liability would have been if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (3.13%)	Discount Rate (4.13%)	1% increase (5.13%)
Total OPEB liability, 6/30/2024	\$ 3,218,234	\$ 2,961,194	\$ 2,728,188
Total OPEB liability, 6/30/2023	\$ 3,170,383	\$ 2,917,927	\$ 2,689,237

At June 30, 2024, there were deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience		\$ 2,333,182
Changes of assumptions	\$ 111,958	
Total	\$ 111,958	\$ 2,333,182

Cumulative deferred inflows and outflows related to OPEB will be recognized in pension expense as follows:

	Deferred Outflows/(Inflows) of Resources - Airport	Deferred Outflows/(Inflows) of Resources - Marine & Other	Deferred Outflows/(Inflows) of Resources - Total
Fiscal Year Ending June 30,			
2025	\$ (332,508)	\$ (231,018)	\$ (563,526)
2026	(315,145)	(253,598)	(568,743)
2027	(315,141)	(253,599)	(568,740)
2028	(145,738)	(114,373)	(260,111)
2029	(145,729)	(114,375)	(260,104)
Total	\$ (1,254,261)	\$ (966,963)	\$ (2,221,224)

11. Risk Management:

The Port has a comprehensive risk management program which primarily utilizes commercial insurance, with certain self-insurance, to provide protection from losses involving property, liability, injuries to personnel and errors and omissions, with various deductibles and self-insured retentions. Claims, litigation and other settlements have not exceeded the limits of available insurance coverage in any of the past three years, when insurance was applicable.

The Airport is a full participant in the Port's risk management program. The Airport's expenses related to this program are recorded when incurred, with cash being paid to the Port's General Fund for ease of administration.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

11. Risk Management, continued:

The Port self-insures for certain workers' compensation losses for amounts up to \$1,000,000 per accident. For amounts in excess of self-insured limits, insurance in the amount of the statutory limit per loss (unlimited) is maintained. Claim expenses and liabilities are recorded when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

Liabilities include an estimate for claims that have been incurred but not reported. Claims liabilities are based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends through a case-by-case review of all claims. Effective May 8, 1993, certain workers' compensation losses incurred after such date are the responsibility of an independent marine terminal management company.

Changes in the reported liability for workers' compensation resulted from the following:

	Fiscal Year Ended June 30,	
	<u>2024</u>	<u>2023</u>
Beginning liability	\$ 1,207,878	\$ 662,486
Current year claims and changes in estimates	474,449	1,037,320
Claim payments	(684,471)	(491,928)
Ending liability	<u>\$ 997,856</u>	<u>\$ 1,207,878</u>

Approximately \$607,629 and \$615,297 of the liability was applicable to the Airport at June 30, 2024 and 2023, respectively.

12. Commitments and Contingencies:

At June 30, 2024, land acquisition and construction contract commitments aggregated approximately \$1,438,500,000 for the Airport, \$35,900,000 for Marine & Other, and \$1,474,400,000 in total.

The Port is subject to federal, state, and local environmental laws and regulations. Pursuant to these laws and regulations, the Port has identified a number of contaminated sites on Port properties that will require remedial investigation and action. Some properties owned or operated by the Port may have unacceptable levels of contaminants in soil, sediments, or groundwater. In some cases, the Port has been designated by Federal or State government as a potentially responsible party (PRP) for the investigation and cleanup of properties owned by the Port or where the Port may have contributed to site contamination.

In December 2000, the Environmental Protection Agency (EPA) listed the Portland Harbor, including uplands portions, on the National Priorities List of Superfund sites pursuant to the Comprehensive Environmental Response Compensation and Liability Act. The EPA and the Oregon Department of Environmental Quality (DEQ) have identified the Port and other PRPs as potentially liable for cleanup of the site. The Port and other PRPs have signed an Administrative Settlement Agreement and Order on Consent (ASAO) to perform remedial investigation and action activities for the site. Uplands activities are being conducted under the supervision of the DEQ. The Port has accrued approximately \$2,100,000 for its estimated remaining share of the costs of these Portland Harbor investigative and remedial activities at June 30, 2024. In January 2017, the EPA released a Record of Decision (ROD) for the Portland Harbor. Cleanup costs for the Portland Harbor remain uncertain under the ROD and are not yet estimable and the Port's ultimate share of cleanup costs is not known. Within the Portland Harbor, there are certain Port-owned, or formerly owned facilities that require remedial investigation and/or cleanup. The Port has entered into separate ASAOs with the EPA governing early action cleanup activities on two of these sites. The Port has accrued approximately \$24,700,000 and \$1,700,000 in estimated costs for these cleanups at June 30, 2024. At another site, the Port has accrued approximately \$25,000,000 in estimated remaining costs at June 30, 2024. These sites are accounted for within the Marine & Other activity.

Operating expense and the corresponding liability measured at current value using the expected cash flow method have been recognized for certain pollution remediation obligations that may not have been previously required to be recognized. Certain other environmental contingencies may have limited measurable transactions and events at initial recognition, but

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

12. Commitments and Contingencies, continued:

estimates will increase over time as more components become reasonably estimable. Liabilities will also be remeasured when new information indicates increases or decreases in estimated outlays.

Changes in estimated long-term environmental liabilities were as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Airport:				
Environmental liabilities	\$ 780,000	\$ 8,029	\$ (23,029)	\$ 765,000
less: current portion	(15,000)			(15,000)
Long-term liability	<u>\$ 765,000</u>	<u>\$ 8,029</u>	<u>\$ (23,029)</u>	<u>\$ 750,000</u>
Marine & Other:				
Environmental liabilities	\$ 63,600,679	\$ 3,241,386	\$ (6,725,078)	\$ 60,116,987
less: current portion	(8,524,338)	(7,662,621)	7,126,180	(9,060,779)
Long-term liability	<u>\$ 55,076,341</u>	<u>\$ (4,421,235)</u>	<u>\$ 401,102</u>	<u>\$ 51,056,208</u>

13. Tax Abatements:

The Port is subject to property tax abatements granted by counties within the Port District pursuant to State statute. Tax abatements granted within the Port District reduce the amount of property taxes collected under the Port's property tax levy in each county. Port property tax revenues were reduced by approximately \$219,000 under agreements entered into by Multnomah County, \$502,000 under agreements entered into by Clackamas County, and \$1,439,000 under agreements entered into by Washington County.

14. Net Position Deficit and Budget Overexpenditures:

The Port has net position deficits of \$455,828,918 and \$98,879,012 in the Airport Revenue Fund and CFC Fund (funds within the Airport activity) as of June 30, 2024. These deficits exist because bond proceeds are recorded in or reimbursed to construction funds and related long-term debt is recorded in these funds.

In the Airport Construction Fund, the Port overexpended two budget appropriation items. An overexpenditure for capital outlay of \$4,572,494 resulted from the non-cash budgetary impact of accounting expense accruals that took place after final appropriations were made for the fiscal year. A second overexpenditure of \$131,313 occurred as a result of bond issuance costs incurred in advance of the Series Thirty airport revenue bond issuance budgeted in fiscal 2025.

15. Subsequent Events:

On August 15, 2024, the Port successfully closed on Series Thirty airport revenue bonds with a par amount of \$589,905,000. The bonds were issued to pay, or reimburse the Port for the payment of, costs of the design, construction, renovation, acquisition, equipping and installation of capital improvements at the Airport, to repay certain Commercial Paper Notes issued to finance a portion of the Series Thirty projects, to refund all of the outstanding Series Twenty-Two airport revenue bonds, to capitalize a portion of bond interest during construction, to fund a portion of a debt service reserve, and to pay costs of issuing the Series Thirty bonds.

REQUIRED SUPPLEMENTARY INFORMATION

(UNAUDITED)

THE PORT OF PORTLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability - beginning	\$ 2,917,927	\$ 4,615,323	\$ 4,648,002	\$ 6,619,654	\$ 6,477,793	\$ 6,283,870	\$ 6,318,267	\$ 6,332,670
Service cost	110,087	207,641	197,753	310,168	295,398	281,331	146,462	139,488
Interest	117,447	89,161	98,467	188,153	179,675	186,044	190,716	191,760
Differences between expected and actual experience		(1,261,187)		(2,283,987)		(376,487)		
Changes of assumptions		(559,583)		123,566		413,000		
Benefit payments	(184,267)	(173,428)	(328,899)	(309,552)	(333,212)	(309,965)	(371,575)	(345,651)
Net change	43,267	(1,697,396)	(32,679)	(1,971,652)	141,861	193,923	(34,397)	(14,403)
Total OPEB liability - ending	\$ 2,961,194	\$ 2,917,927	\$ 4,615,323	\$ 4,648,002	\$ 6,619,654	\$ 6,477,793	\$ 6,283,870	\$ 6,318,267
Covered-employee payroll	\$ 65,516,829	\$65,516,826	\$54,531,536	\$54,531,536	\$57,832,773	\$57,832,773	\$62,444,085	\$62,444,085
Total OPEB liability as a percentage of covered-employee payroll	4.5%	4.5%	8.5%	8.5%	11.4%	11.2%	10.1%	10.1%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria of paragraph 4 of Statement 75.

THE PORT OF PORTLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF PERS NET PENSION LIABILITY (ASSET)

Measurement date as-of June 30,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Port share of Net Pension Liability (Asset) - percentage	0.463660%	0.508547%	0.523302%	0.539894%	0.656754%
Port share of Net Pension Liability (Asset) - amount [A]	\$ 86,846,701	\$ 77,868,793	\$ 62,620,834	\$ 117,823,511	\$ 113,602,700
Port covered-employee payroll [B]	\$ 78,726,000	\$ 73,197,000	\$ 72,503,000	\$ 76,097,000	\$ 72,101,000
Port share of Net Pension Liability (Asset) as a percentage of Port covered-employee payroll [A/B]	110.3%	106.4%	86.4%	154.8%	157.6%
PERS fiduciary net position as a percentage of TPL	81.7%	84.5%	87.6%	75.8%	80.2%

Measurement date as-of June 30,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Port share of Net Pension Liability (Asset) - percentage	0.659650%	0.643710%	0.687390%	0.627646%	0.636022%
Port share of Net Pension Liability (Asset) - amount [A]	\$ 99,928,241	\$ 86,772,304	\$ 103,193,124	\$ 36,036,033	\$ (14,416,804)
Port covered-employee payroll [B]	\$ 71,239,000	\$ 70,942,000	\$ 66,585,000	\$ 66,637,000	\$ 61,267,000
Port share of Net Pension Liability (Asset) as a percentage of Port covered-employee payroll [A/B]	140.3%	122.3%	155.0%	54.1%	-23.5%
PERS fiduciary net position as a percentage of TPL	82.1%	83.1%	80.5%	91.9%	103.6%

THE PORT OF PORTLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO PERS (\$000)

Fiscal Year:	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016⁽¹⁾</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 11,923	\$ 11,018	\$ 10,418	\$ 8,899	\$ 10,871	\$ 8,714	\$ 8,143	\$ 5,549	\$ 5,549	\$ 5,332
Contribution in relation to Actuarially Determined Contribution	\$ 11,923	\$ 11,018	\$ 10,418	\$ 8,899	\$ 10,871	\$ 8,714	\$ 8,143	\$ 5,549	\$ 5,549	\$ 5,332
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 86,001	\$ 78,726	\$ 73,197	\$ 72,503	\$ 76,097	\$ 72,101	\$ 71,239	\$ 70,942	\$ 66,585	\$ 66,637
Contribution as a percentage of Covered Employee Payroll	13.9%	14.0%	14.2%	12.3%	14.3%	12.1%	11.4%	7.8%	8.3%	8.0%

⁽¹⁾ Effective in Port fiscal year 2016, the actuarial methodology utilized by PERS for determining employer contributions changed from projected unit credit to entry age normal.

SUPPLEMENTARY INFORMATION

(UNAUDITED)

THE PORT OF PORTLAND ORGANIZATION AND INTERNAL FUND DIVISIONS

The Port of Portland is a municipal corporation created in its present form by the 1971 merger of The Port of Portland and the Commission of Public Docks. A nine-member commission establishes and maintains Port policy for a staff under the guidance of an executive director.

The original Port of Portland was created in 1891 by the Oregon Legislative Assembly with the objective of dredging and maintaining a channel between Portland and the Pacific Ocean. As its operations and responsibilities increased, the Port acquired its aviation and land development interests.

The City of Portland in 1910 created the Commission of Public Docks to promote and develop maritime commerce through Portland Harbor and, in 1970, the voters approved a merger of these two organizations. In 1973, the Port district was expanded to include all of Multnomah, Clackamas, and Washington Counties.

For financial reporting and operating purposes, management considers the activities of the Port to be that of a unitary enterprise operation. For budgetary and bond ordinance requirement purposes only, the primary divisions of the accounts of the Port consist of the following funds (accounts):

General Fund

Used to finance the general operations of the Port and, subject to restrictions of the local budget law, its assets may be transferred to another fund for any authorized purpose. Principal revenue sources are marine facilities operations, land sales, and leases.

Bond Construction Fund

This fund finances the acquisition, construction, expansion, and improvement of new and existing structures and facilities. Resources are from transfers from the General Fund, grants, interest on investments, and a property tax levy for Port improvements.

Airport Revenue Fund

This fund is to be held and administered by the Port as long as any Portland International Airport Revenue Bonds are outstanding. The monies deposited in this fund are not commingled with any other monies of the Port and are used and applied only in the manner as specified by Section 13, Ordinance No. 155 and Section 6, Ordinance No. 323. Airport operations are accounted for in this fund. Principal revenue sources are flight fees, rentals, parking, and concession income.

Airport Revenue Bond Fund

This fund is administered by a trustee appointed under Section 11, Ordinance No. 323. The monies in this fund are used solely for the payment of principal and interest due on Portland International Airport Revenue Bonds. Principal resources are revenue bond proceeds, interest, and transfers from the Airport Revenue Fund and the Airport Construction Fund.

Airport Construction Fund

The monies credited to this fund are used and applied solely to the payment of costs of additions, expansions, and improvements to the Airport in accordance with Section 12, Ordinance No. 155 and Section 8, Ordinance No. 323. Principal resources are interest, grants, and revenue bond proceeds.

PFC Fund

This fund is used to account for PFC revenue. Amounts credited to this fund are used to provide for debt service on Portland International Airport Passenger Facility Charge Revenue Bonds and to construct certain assets in accordance with Section 2, Ordinance No. 395-B. Principal resources are PFC revenue, bond proceeds, and interest.

PFC Bond Fund

This fund, created in accordance with Section 8, Ordinance No. 395-B, is administered by a trustee, for the payment of principal and interest on Portland International Airport Passenger Facility Charge Revenue Bonds. Principal resources are transfers from the PFC Fund, bond proceeds, and interest.

THE PORT OF PORTLAND
ORGANIZATION AND INTERNAL FUND DIVISIONS, Continued

CFC Fund

This fund is used to account for CFC revenues. The monies credited to this fund are used and applied solely to the payment of costs of projects related to rental car facilities, related Port-approved enabling projects, and program costs at the Airport in accordance with Section 4, Ordinance No. 448. The principal resources for this fund are a customer facility charge imposed on rental car customers who rent automobiles from Airport facilities and interest.

CFC Bond Fund

This fund, created in accordance with Section 5, Ordinance 461-B, is administered by a trustee for the payment of principal and interest on Portland International Airport Customer Facility Charge Revenue Bonds. Principal resources are transfers from the CFC Fund, bond proceeds, and interest.

THE PORT OF PORTLAND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES TO INCOME BEFORE
CONTRIBUTIONS AND TRANSFERS
for the year ended June 30, 2024

	Budgetary Basis *		Excess Revenues (Expenditures)
	Revenues	Expenditures	
Port Funds:			
General Fund	\$ 144,413,258	\$ 159,342,901	\$ (14,929,643)
Bond Construction Fund	24,303,674	26,470,803	(2,167,129)
Airport Revenue Fund	398,746,549	156,889,729	241,856,820
Airport Revenue Bond Fund	3,950,170	145,081,382	(141,131,212)
Airport Construction Fund	27,109,711	473,940,775	(446,831,064)
PFC Fund	36,841,493	8,500	36,832,993
PFC Bond Fund	570,201	13,341,495	(12,771,294)
CFC Fund	22,148,335	23,117	22,125,218
CFC Bond Fund	459,240	9,524,050	(9,064,810)
Totals - budgetary reporting basis	\$ <u>658,542,631</u>	\$ <u>984,622,752</u>	(326,080,121)
Add (deduct) adjustments to budgetary reporting basis which are necessary to reflect results of operations on financial reporting basis in accordance with generally accepted accounting principles:			
Capital outlay expenditures			498,978,527
Internal costs on capital projects			21,690,221
Depreciation and amortization expense			(143,155,956)
Expenses that will be expended in future years			4,035,133
Contributions from governmental agencies			(18,505,197)
Bond and contract payable principal expenditures			84,867,615
Change in unearned revenues and certain noncurrent receivables			(1,846,251)
Difference between income and proceeds from sales of land			(6,540,794)
Noncash pension and OPEB expense			(509,271)
Amortization of bond issuance costs and deferred charges on refunding bonds			(1,971,017)
Amortization of deferred lease inflows			5,574,872
Difference between property sale proceeds and loss on sales			(2,669,362)
Other			<u>582,749</u>
Income before contributions and transfers per Statement of Revenues, Expenses, and Changes in Net Position			\$ <u>114,451,148</u>

* The Port budgets all funds on the accrual basis of accounting.

THE PORT OF PORTLAND
RECONCILIATION OF AIRPORT BUDGETARY REVENUES AND EXPENDITURES TO INCOME BEFORE
CONTRIBUTIONS AND TRANSFERS
for the year ended June 30, 2024

	Budgetary Basis *		Excess Revenues (Expenditures)
	Revenues	Expenditures	
Airport Funds:			
Airport Revenue Fund	\$ 398,746,549	\$ 156,889,729	\$ 241,856,820
Airport Revenue Bond Fund	3,950,170	145,081,382	(141,131,212)
Airport Construction Fund	27,109,711	473,940,775	(446,831,064)
PFC Fund	36,841,493	8,500	36,832,993
PFC Bond Fund	570,201	13,341,495	(12,771,294)
CFC Fund	22,148,335	23,117	22,125,218
CFC Bond Fund	459,240	9,524,050	(9,064,810)
Totals - budgetary reporting basis	<u>\$ 489,825,699</u>	<u>\$ 798,809,048</u>	(308,983,349)
Add (deduct) adjustments to budgetary reporting basis which are necessary to reflect results of operations on financial reporting basis in accordance with generally accepted accounting principles:			
Capital outlay expenditures			472,823,056
Internal costs on capital projects			4,758,369
Depreciation and amortization expense			(122,030,076)
Contributions from governmental agencies			(10,094,119)
Bond principal expenditures			75,262,401
Amortization of bond issuance costs and deferred charges on refunding bonds			(2,094,194)
Amortization of deferred lease inflows			2,617,362
Allocation of pension debt service			(4,764,840)
Change in unearned revenues and certain noncurrent receivables			1,880,215
Intra-Port services received, provided, and overhead			(35,194,703)
Difference between property sale proceeds and loss on sales			(2,329,928)
Other			499,064
Income before contributions and transfers per Statement of Revenues, Expenses, and Changes in Net Position			<u>\$ 72,349,258</u>

* The Airport budgets all funds on the accrual basis of accounting.

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
GENERAL FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	Resources			Actual	Over (Under) Budget
	Original	Transfers In (Out)	Revised		
REVENUES:					
Operating revenues:					
Administration	\$ 178,750		\$ 178,750	\$ 394,934	\$ 216,184
Marine	46,510,462		46,510,462	49,232,420	2,721,958
Trade and Economic Development	8,432,468		8,432,468	25,930,350	17,497,882
Navigation	29,636,911		29,636,911	28,574,423	(1,062,488)
General Aviation	4,018,657		4,018,657	3,905,831	(112,826)
	<u>88,777,248</u>		<u>88,777,248</u>	<u>108,037,958</u>	<u>19,260,710</u>
Bonds, loans and other	30,000,000		30,000,000		(30,000,000)
Fixed asset sales and other	3,000,000		3,000,000	23,513,653	20,513,653
Interest	3,486,082		3,486,082	12,861,647	9,375,565
Total revenues	<u>125,263,330</u>		<u>125,263,330</u>	<u>144,413,258</u>	<u>19,149,928</u>
TRANSFERS FROM OTHER FUNDS:					
Bond Construction Fund	3,341,977		3,341,977	2,268,533	(1,073,444)
Airport Construction Fund	14,620,659	\$ 2,000,000	16,620,659	14,663,318	(1,957,341)
Airport Revenue Fund	42,090,661		42,090,661	44,336,532	2,245,871
Total transfers	<u>60,053,297</u>	<u>2,000,000</u>	<u>62,053,297</u>	<u>61,268,383</u>	<u>(784,914)</u>
Total revenues and transfers	<u>185,316,627</u>	<u>2,000,000</u>	<u>187,316,627</u>	<u>205,681,641</u>	<u>18,365,014</u>
BEGINNING WORKING CAPITAL	266,439,591		266,439,591	267,761,858	1,322,267
Total resources	<u>\$ 451,756,218</u>	<u>\$ 2,000,000</u>	<u>\$ 453,756,218</u>	<u>\$ 473,443,499</u>	<u>\$ 19,687,281</u>

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
GENERAL FUND
(BUDGETARY BASIS), Continued
for the year ended June 30, 2024

	Appropriations			Actual	(Over) Under Budget
	Original	Transfers In (Out)	Revised		
EXPENDITURES:					
Administration	\$ 68,476,869		\$ 68,476,869	\$ 63,100,025	\$ 5,376,844
Marine	49,017,269	\$ 1,000,000	50,017,269	45,807,741	4,209,528
Trade and Economic Development	9,186,274	800,000	9,986,274	9,312,011	674,263
Navigation	20,065,921		20,065,921	18,770,925	1,294,996
General Aviation	3,313,715		3,313,715	2,945,322	368,393
Long-term debt payments	67,684,706		67,684,706	12,851,562	54,833,144
System development charges/other	375,000	225,000	600,000		600,000
Other environmental	11,877,864		11,877,864	6,555,315	5,322,549
Contingencies	210,717,789	(25,000)	210,692,789		210,692,789
Total expenditures	<u>440,715,407</u>	<u>2,000,000</u>	<u>442,715,407</u>	<u>159,342,901</u>	<u>283,372,506</u>
TRANSFERS TO OTHER FUNDS:					
Bond Construction Fund	10,520,762		10,520,762		10,520,762
Airport Revenue Fund	520,049		520,049	674,363	(154,314)
Total transfers	<u>11,040,811</u>		<u>11,040,811</u>	<u>674,363</u>	<u>10,366,448</u>
Total expenditures and transfers	<u>\$ 451,756,218</u>	<u>\$ 2,000,000</u>	<u>\$ 453,756,218</u>	<u>160,017,264</u>	<u>\$ 293,738,954</u>
ENDING WORKING CAPITAL				<u>\$ 313,426,235</u>	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
BOND CONSTRUCTION FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
REVENUES:			
Interest and other	\$ 332,065	\$ 1,056,345	\$ 724,280
Grants	30,067,605	7,371,515	(22,696,090)
	<u>30,399,670</u>	<u>8,427,860</u>	<u>(21,971,810)</u>
Tax and tax items:			
Current property tax levy - net	15,538,591	15,916,506	377,915
Interest on taxes	10,000	(40,692)	(50,692)
	<u>15,548,591</u>	<u>15,875,814</u>	<u>327,223</u>
Total revenues	<u>45,948,261</u>	<u>24,303,674</u>	<u>(21,644,587)</u>
TRANSFERS FROM OTHER FUNDS:			
General Fund	10,520,762		(10,520,762)
Airport Revenue Fund	23,875,002	7,952,783	(15,922,219)
Total transfers	<u>34,395,764</u>	<u>7,952,783</u>	<u>(26,442,981)</u>
BEGINNING WORKING CAPITAL	10,000,000	23,729,425	13,729,425
Total resources	<u>\$ 90,344,025</u>	<u>55,985,882</u>	<u>\$ (34,358,143)</u>
EXPENDITURES:			
Capital outlay	\$ 76,955,671	26,470,803	\$ 50,484,868
Contingencies	10,000,000		10,000,000
Total expenditures	<u>86,955,671</u>	<u>26,470,803</u>	<u>60,484,868</u>
TRANSFERS TO OTHER FUNDS:			
General Fund	3,341,977	2,268,533	1,073,444
Airport Revenue Fund	46,377	5,926,443	(5,880,066)
Total transfers	<u>3,388,354</u>	<u>8,194,976</u>	<u>(4,806,622)</u>
Total expenditures and transfers	<u>\$ 90,344,025</u>	<u>34,665,779</u>	<u>\$ 55,678,246</u>
ENDING WORKING CAPITAL		<u>\$ 21,320,103</u>	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
AIRPORT REVENUE FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
REVENUES:			
Operating revenue - Portland International Airport	\$ 355,363,331	\$ 350,876,171	\$ (4,487,160)
Interest and other	4,280,422	15,306,451	11,026,029
Commercial paper proceeds	250,000,000		(250,000,000)
Grants	8,000,000	32,563,927	24,563,927
Total revenues	<u>617,643,753</u>	<u>398,746,549</u>	<u>(218,897,204)</u>
TRANSFERS FROM OTHER FUNDS:			
General Fund	520,049	674,362	154,313
Bond Construction Fund	46,377	5,926,443	5,880,066
Airport Construction Fund	<u>269,736,253</u>	<u>6,749,273</u>	<u>(262,986,980)</u>
Total transfers	<u>270,302,679</u>	<u>13,350,078</u>	<u>(256,952,601)</u>
Total revenues and transfers	887,946,432	412,096,627	(475,849,805)
BEGINNING WORKING CAPITAL	<u>140,000,000</u>	<u>315,436,643</u>	<u>175,436,643</u>
Total resources	<u>\$ 1,027,946,432</u>	<u>727,533,270</u>	<u>\$ (300,413,162)</u>
	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
EXPENDITURES:			
Operating expenditures	\$ 156,760,074	154,485,471	\$ 2,274,603
Commercial paper debt service payments	263,736,500	221,574	263,514,926
System development charges/letter of credit/other	2,500,000	2,182,684	317,316
Contingencies	<u>140,000,000</u>		<u>140,000,000</u>
Total expenditures	<u>562,996,574</u>	<u>156,889,729</u>	<u>406,106,845</u>
TRANSFERS TO OTHER FUNDS:			
General Fund	42,090,661	44,336,532	(2,245,871)
Bond Construction Fund	23,875,002	7,952,783	15,922,219
Airport Construction Fund	300,656,831	104,119,950	196,536,881
Airport Revenue Bond Fund	<u>98,327,364</u>	<u>89,498,428</u>	<u>8,828,936</u>
Total transfers	<u>464,949,858</u>	<u>245,907,693</u>	<u>219,042,165</u>
Total expenditures and transfers	<u>\$ 1,027,946,432</u>	<u>402,797,422</u>	<u>\$ 625,149,010</u>
ENDING WORKING CAPITAL		<u>\$ 324,735,848</u>	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
AIRPORT REVENUE BOND FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	<u>Original</u>	<u>Transfers In (Out)</u>	<u>Revised</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES:					
Interest and other	\$ 40,596		\$ 40,596	\$ 3,950,170	\$ 3,909,574
Total revenues	<u>40,596</u>		<u>40,596</u>	<u>3,950,170</u>	<u>3,909,574</u>
TRANSFERS FROM OTHER FUNDS:					
Airport Revenue Fund	98,327,364		98,327,364	89,498,428	(8,828,936)
Airport Construction Fund	<u>42,648,000</u>	\$ <u>4,730,775</u>	<u>47,378,775</u>	<u>40,896,388</u>	<u>(6,482,387)</u>
Total transfers	<u>140,975,364</u>	<u>4,730,775</u>	<u>145,706,139</u>	<u>130,394,816</u>	<u>(15,311,323)</u>
Total revenues and transfers	141,015,960	4,730,775	145,746,735	134,344,986	(11,401,749)
BEGINNING RESTRICTED ASSETS AVAILABLE FOR FUTURE DEBT SERVICE	142,565,098		142,565,098	160,017,194	17,452,096
Total resources	<u>\$ 283,581,058</u>	<u>\$ 4,730,775</u>	<u>\$ 288,311,833</u>	<u>294,362,180</u>	<u>\$ 6,050,347</u>
EXPENDITURES:					
Long-term debt payments	\$ 141,015,960	\$ 4,730,775	\$ 145,746,735	145,081,382	\$ 665,353
Total expenditures	<u>141,015,960</u>	<u>4,730,775</u>	<u>145,746,735</u>	<u>145,081,382</u>	<u>\$ 665,353</u>
UNAPPROPRIATED BALANCE	<u>142,565,098</u>		<u>142,565,098</u>		
	<u>\$ 283,581,058</u>	<u>\$ 4,730,775</u>	<u>\$ 288,311,833</u>		
ENDING RESTRICTED ASSETS AVAILABLE FOR FUTURE DEBT SERVICE				\$ <u>149,280,798</u>	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
AIRPORT CONSTRUCTION FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	Resources			Actual	Over (Under) Budget
	Original	Transfers In (Out)	Revised		
REVENUES:					
Grants	\$ 21,643,851		\$ 21,643,851	\$ 10,094,119	\$ (11,549,732)
Interest and other	4,209,373		4,209,373	17,015,592	12,806,219
Total revenues	<u>25,853,224</u>		<u>25,853,224</u>	<u>27,109,711</u>	<u>1,256,487</u>
TRANSFERS FROM OTHER FUNDS:					
Airport Revenue Fund	300,656,831		300,656,831	104,119,950	(196,536,881)
CFC Fund	6,000,000		6,000,000	562,707	(5,437,293)
PFC Fund	75,000,000		75,000,000	47,169,956	(27,830,044)
Total transfers	<u>381,656,831</u>		<u>381,656,831</u>	<u>151,852,613</u>	<u>(229,804,218)</u>
BEGINNING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION	<u>575,672,054</u>		<u>575,672,054</u>	<u>410,855,211</u>	<u>(164,816,843)</u>
Total resources	<u>\$ 983,182,109</u>		<u>\$ 983,182,109</u>	<u>589,817,535</u>	<u>\$ (393,364,574)</u>
	Appropriations			Actual	(Over) Under Budget
	Original	Transfers In (Out)	Revised		
EXPENDITURES:					
Capital outlay	\$ 369,231,967	\$ 100,000,000	\$ 469,231,967	473,804,462	\$ (4,572,495)
Bond issue costs/other	5,000		5,000	136,313	(131,313)
Contingencies	286,940,230	(106,730,775)	180,209,455		180,209,455
Total expenditures	<u>656,177,197</u>	<u>(6,730,775)</u>	<u>649,446,422</u>	<u>473,940,775</u>	<u>175,505,647</u>
TRANSFERS TO OTHER FUNDS:					
General Fund	14,620,659	2,000,000	16,620,659	14,663,318	1,957,341
Airport Revenue Fund	269,736,253		269,736,253	6,749,273	262,986,980
Airport Revenue Bond Fund	42,648,000	4,730,775	47,378,775	40,896,388	6,482,387
Total transfers	<u>327,004,912</u>	<u>6,730,775</u>	<u>333,735,687</u>	<u>62,308,979</u>	<u>271,426,708</u>
Total expenditures and transfers	<u>\$ 983,182,109</u>	<u>\$</u>	<u>\$ 983,182,109</u>	<u>536,249,754</u>	<u>\$ 446,932,355</u>
ENDING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION				<u>\$ 53,567,781</u>	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
PFC FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
REVENUES:			
Interest and other	\$ 1,058,336	\$ 4,392,595	\$ 3,334,259
Passenger facility charges	<u>33,030,355</u>	<u>32,448,898</u>	<u>(581,457)</u>
Total revenues	<u>34,088,691</u>	<u>36,841,493</u>	<u>2,752,802</u>
BEGINNING RESTRICTED ASSETS			
AVAILABLE FOR APPROPRIATION	<u>109,818,137</u>	<u>112,415,413</u>	<u>2,597,276</u>
Total resources	<u>\$ 143,906,828</u>	<u>149,256,906</u>	<u>\$ 5,350,078</u>
	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
EXPENDITURES:			
Other	\$ 98,000	8,500	\$ 89,500
Contingencies	<u>55,093,269</u>	<u></u>	<u>55,093,269</u>
Total expenditures	<u>55,191,269</u>	<u>8,500</u>	<u>55,182,769</u>
TRANSFERS TO OTHER FUNDS:			
PFC Bond Fund	13,715,559	12,227,781	1,487,778
Airport Construction Fund	<u>75,000,000</u>	<u>47,169,956</u>	<u>27,830,044</u>
Total transfers	<u>88,715,559</u>	<u>59,397,737</u>	<u>29,317,822</u>
Total expenditures and transfers	<u>\$ 143,906,828</u>	<u>59,406,237</u>	<u>\$ 84,500,591</u>
ENDING RESTRICTED ASSETS			
AVAILABLE FOR APPROPRIATION		<u>\$ 89,850,669</u>	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
PFC BOND FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
REVENUES:			
Interest and other	\$ 5,441	\$ 570,201	\$ 564,760
Total revenues	<u>5,441</u>	<u>570,201</u>	<u>564,760</u>
TRANSFERS FROM OTHER FUNDS:			
PFC Fund	13,715,559	12,227,781	(1,487,778)
BEGINNING RESTRICTED ASSETS			
AVAILABLE FOR FUTURE DEBT SERVICE	12,104,427	13,505,599	1,401,172
Total resources	<u>\$ 25,825,427</u>	<u>26,303,581</u>	<u>\$ 478,154</u>
EXPENDITURES:			
Long-term debt payments	\$ 13,741,000	13,341,495	\$ 399,505
Total expenditures	<u>13,741,000</u>	<u>13,341,495</u>	<u>\$ 399,505</u>
UNAPPROPRIATED BALANCE	<u>12,084,427</u>		
	<u>\$ 25,825,427</u>		
ENDING RESTRICTED ASSETS			
AVAILABLE FOR FUTURE DEBT SERVICE		<u>\$ 12,962,086</u>	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
CFC FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
REVENUES:			
Interest and other	\$ 487,454	\$ 3,823,927	\$ 3,336,473
Customer facility charges	15,732,693	18,324,408	2,591,715
Total revenues	<u>16,220,147</u>	<u>22,148,335</u>	<u>5,928,188</u>
BEGINNING RESTRICTED ASSETS			
AVAILABLE FOR APPROPRIATION	<u>25,565,661</u>	<u>34,908,812</u>	<u>9,343,151</u>
Total resources	<u>41,785,808</u>	<u>57,057,147</u>	<u>\$ 15,271,339</u>
EXPENDITURES:			
Bank fees and other	\$ 50,000	23,117	\$ 26,883
Contingencies	26,110,699		26,110,699
Total expenditures	<u>26,160,699</u>	<u>23,117</u>	<u>26,137,582</u>
TRANSFERS TO OTHER FUNDS:			
Airport Construction Fund	6,000,000	562,707	5,437,293
CFC Bond Fund	9,625,109	8,730,335	894,774
Total transfers	<u>15,625,109</u>	<u>9,293,042</u>	<u>6,332,067</u>
UNAPPROPRIATED BALANCE			
Total expenditures and transfers	<u>\$ 41,785,808</u>	<u>9,316,159</u>	<u>\$ 32,469,649</u>
ENDING RESTRICTED ASSETS			
AVAILABLE FOR APPROPRIATION		<u>\$ 47,740,988</u>	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
CFC BOND FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
REVENUES:			
Interest and other	\$ <u>3,941</u>	\$ <u>459,240</u>	\$ <u>455,299</u>
Total revenues	<u>3,941</u>	<u>459,240</u>	<u>455,299</u>
TRANSFERS FROM OTHER FUNDS:			
CFC Fund	<u>9,625,109</u>	<u>8,730,335</u>	<u>(894,774)</u>
Total transfers	<u>9,625,109</u>	<u>8,730,335</u>	<u>(894,774)</u>
Total revenues and transfers	9,629,050	9,189,575	(439,475)
BEGINNING RESTRICTED ASSETS			
AVAILABLE FOR APPROPRIATION	<u>9,761,665</u>	<u>10,817,670</u>	<u>1,056,005</u>
Total resources	\$ <u><u>19,390,715</u></u>	<u>20,007,245</u>	\$ <u><u>616,530</u></u>
EXPENDITURES:			
Long-term debt payments	\$ <u>9,629,050</u>	<u>9,524,050</u>	\$ <u>105,000</u>
Total expenditures	<u>9,629,050</u>	<u>9,524,050</u>	<u>105,000</u>
UNAPPROPRIATED BALANCE	<u>9,761,665</u>		
Total expenditures and transfers	\$ <u><u>19,390,715</u></u>		
ENDING RESTRICTED ASSETS			
AVAILABLE FOR APPROPRIATION		\$ <u><u>10,483,195</u></u>	

THE PORT OF PORTLAND
COMBINING BALANCE SHEET – ALL FUNDS
June 30, 2024

ASSETS	Marine & Other				Airport							
	Combined All Funds	Total Marine & Other	General Fund	Bond Construction Fund	Total Airport	Revenue Fund	Revenue Bond Fund	Construction Fund	PFC Fund	PFC Bond Fund	CFC Fund	CFC Bond Fund
Current assets:												
Cash and cash equivalents	\$ 224,376,257	\$ 224,337,917	\$ 224,286,745	\$ 51,172	\$ 38,340	\$ 38,340						
Equity in pooled investments	485,590,166	113,412,447	95,295,761	18,116,686	372,177,719	372,177,719						
Restricted cash and equity in pooled investments	182,130,874				182,130,874		\$ 94,551,995	\$ 69,465,944	\$ 2,000	\$ 11,588,910		\$ 6,522,025
Receivables, net of allowance for doubtful accounts	60,082,850	29,655,201	24,641,158	5,014,043	30,427,649	30,427,649						
Lease receivable	43,620,554	12,342,983	12,342,983		31,277,571	31,277,571						
Prepaid insurance and other assets	9,045,138	3,635,343	2,754,055	881,288	5,409,795	5,409,795						
Total current assets	<u>1,004,845,839</u>	<u>383,383,891</u>	<u>359,320,702</u>	<u>24,063,189</u>	<u>621,461,948</u>	<u>439,331,074</u>	<u>94,551,995</u>	<u>69,465,944</u>	<u>2,000</u>	<u>11,588,910</u>		<u>6,522,025</u>
Noncurrent assets:												
Restricted assets:												
Cash and equity in pooled investments	393,465,690	21,617,331	21,617,331		371,848,359	22,356,851	148,791,591	47,542,604	84,271,601	12,844,169	\$ 45,648,289	10,393,254
Receivables	13,318,427				13,318,427		489,207	4,949,595	5,579,068	117,917	2,092,699	89,941
Contract retainage deposits	1,075,582				1,075,582			1,075,582				
Total restricted assets	<u>407,859,699</u>	<u>21,617,331</u>	<u>21,617,331</u>		<u>386,242,368</u>	<u>22,356,851</u>	<u>149,280,798</u>	<u>53,567,781</u>	<u>89,850,669</u>	<u>12,962,086</u>	<u>47,740,988</u>	<u>10,483,195</u>
Land held for sale	33,532,410	33,532,410	30,537,828	2,994,582								
Depreciable properties, net of accumulated depreciation and amortization	1,630,628,274	147,261,079	147,261,079		1,483,367,195	1,483,367,195						
Nondepreciable properties	1,674,838,501	137,989,161	81,143,588	56,845,573	1,536,849,340	68,042,167		1,468,807,173				
Lease receivable	336,575,340	152,437,261	152,437,261		184,138,079	184,138,079						
Due from other funds		15,314,678 *	15,314,678 *									
Unamortized bond issue costs and other noncurrent assets	4,115,351	187,089	187,089		3,928,262	3,917,982			10,280			
Total noncurrent assets	<u>4,087,549,575</u>	<u>508,339,009</u>	<u>448,498,854</u>	<u>59,840,155</u>	<u>3,594,525,244</u>	<u>1,761,822,274</u>	<u>149,280,798</u>	<u>1,522,374,954</u>	<u>89,860,949</u>	<u>12,962,086</u>	<u>47,740,988</u>	<u>10,483,195</u>
Deferred outflows of resources:												
Deferred charges on refunding bonds	7,763,206				7,763,206	7,699,625			63,581			
Deferred charges on pensions and OPEB	29,307,617	14,588,262	14,588,262		14,719,355	14,719,355						
Total deferred outflows of resources	<u>37,070,823</u>	<u>14,588,262</u>	<u>14,588,262</u>		<u>22,482,561</u>	<u>22,418,980</u>			<u>63,581</u>			
Total assets	<u>\$ 5,129,466,237</u>	<u>\$ 906,311,162</u>	<u>\$ 822,407,818</u>	<u>\$ 83,903,344</u>	<u>\$ 4,238,469,753</u>	<u>\$ 2,223,572,328</u>	<u>\$ 243,832,793</u>	<u>\$ 1,591,840,898</u>	<u>\$ 89,926,530</u>	<u>\$ 24,550,996</u>	<u>\$ 47,740,988</u>	<u>\$ 17,005,220</u>
LIABILITIES												
Current liabilities (payable from current assets):												
Current portion of long-term debt	\$ 89,205,214	\$ 9,605,214	\$ 9,605,214		\$ 79,600,000	\$ 79,600,000						
Accounts payable, lease and other accrued liabilities	49,366,590	24,622,293	21,879,207	\$ 2,743,086	24,744,297	24,744,297						
Accrued wages, vacation and sick leave pay	19,572,691	9,863,460	9,863,460		9,709,231	9,709,231						
Workers' compensation and other accrued liabilities	5,088,284	4,546,586	4,546,586		541,698	541,698						
Total current liabilities (payable from current assets)	<u>163,232,779</u>	<u>48,637,553</u>	<u>45,894,467</u>	<u>2,743,086</u>	<u>114,595,226</u>	<u>114,595,226</u>						
Restricted liabilities (payable from restricted assets):												
Current portion of long-term debt and other	58,510,000				58,510,000		\$ 44,730,000			\$ 10,260,000		\$ 3,520,000
Accrued interest payable	54,325,687	172,757	172,757		54,152,930		49,821,995			1,328,910		3,002,025
Accounts payable	67,994,397				67,994,397			\$ 67,992,397	\$ 2,000			
Contract retainage payable	1,473,547				1,473,547			1,473,547				
Total restricted current liabilities (payable from restricted assets)	<u>182,303,631</u>	<u>172,757</u>	<u>172,757</u>		<u>182,130,874</u>		<u>94,551,995</u>	<u>69,465,944</u>	<u>2,000</u>	<u>11,588,910</u>		<u>6,522,025</u>
Total current liabilities	<u>345,536,410</u>	<u>48,810,310</u>	<u>46,067,224</u>	<u>2,743,086</u>	<u>296,726,100</u>	<u>114,595,226</u>	<u>94,551,995</u>	<u>69,465,944</u>	<u>2,000</u>	<u>11,588,910</u>		<u>6,522,025</u>
Noncurrent liabilities:												
Long-term environmental and other accruals	55,841,138	54,842,042	54,842,042		999,096	999,096						
Long-term debt	2,492,029,399	49,052,116	49,052,116		2,442,977,283	2,235,161,292			61,195,991		\$ 146,620,000	
Unearned revenue and other	62,695,954	23,465,381	23,465,381		39,230,573	39,230,573						
Net pension and OPEB liability	89,807,893	31,242,891	31,242,891		58,565,002	58,565,002						
Due to other funds					15,314,678 *	15,314,678 *						
Total noncurrent liabilities	<u>2,700,374,384</u>	<u>158,602,430</u>	<u>158,602,430</u>		<u>2,557,086,632</u>	<u>2,349,270,641</u>			<u>61,195,991</u>		<u>146,620,000</u>	
Deferred inflows of resources:												
Deferred lease inflows	358,712,820	152,522,248	152,522,248		206,190,572	206,190,572						
Deferred pension inflows and other deferred inflows of resources	19,022,343	9,677,536	9,677,536		9,344,807	9,344,807						
Total deferred inflows of resources	<u>377,735,163</u>	<u>162,199,784</u>	<u>162,199,784</u>		<u>215,535,379</u>	<u>215,535,379</u>						
Total liabilities	<u>3,423,645,957</u>	<u>369,612,524</u>	<u>366,869,438</u>	<u>2,743,086</u>	<u>3,069,348,111</u>	<u>2,679,401,246</u>	<u>94,551,995</u>	<u>69,465,944</u>	<u>61,197,991</u>	<u>11,588,910</u>	<u>146,620,000</u>	<u>6,522,025</u>
NET POSITION												
Net investment in capital assets	758,369,313	310,836,636	250,996,481	59,840,155	447,532,677	(774,157,408)	(44,730,000)	1,487,942,215	(61,122,130)	(10,260,000)	(146,620,000)	(3,520,000)
Restricted for capital and debt service	407,942,149	2,943,258	2,943,258		404,998,891	1,738,416	194,010,798	34,432,739	89,850,669	23,222,086	47,740,988	14,003,195
Unrestricted	539,508,818	222,918,744	201,598,641	21,320,103	316,590,074	316,590,074						
Total net position	<u>1,705,820,280</u>	<u>536,698,638</u>	<u>455,538,380</u>	<u>81,160,258</u>	<u>1,169,121,642</u>	<u>(455,828,918)</u>	<u>149,280,798</u>	<u>1,522,374,954</u>	<u>28,728,539</u>	<u>12,962,086</u>	<u>(98,879,012)</u>	<u>10,483,195</u>
Total liabilities and net position	<u>\$ 5,129,466,237</u>	<u>\$ 906,311,162</u>	<u>\$ 822,407,818</u>	<u>\$ 83,903,344</u>	<u>\$ 4,238,469,753</u>	<u>\$ 2,223,572,328</u>	<u>\$ 243,832,793</u>	<u>\$ 1,591,840,898</u>	<u>\$ 89,926,530</u>	<u>\$ 24,550,996</u>	<u>\$ 47,740,988</u>	<u>\$ 17,005,220</u>

* Amount eliminated in the Combined All Funds column.

THE PORT OF PORTLAND
SCHEDULE OF NET REVENUES
for the year ended June 30, 2024

Operating revenues:	
Airline revenues	\$ 181,818,271
Concessions and other rentals	163,447,188
Other	<u>38,505,183</u>
	383,770,642
Interest income - revenue fund and revenue bond fund	<u>15,893,729</u>
	<u>399,664,371</u>
Costs of operation and maintenance, excluding depreciation:	
Salaries, wages and fringe benefits	68,648,833
Contract, professional and consulting services	48,318,064
Materials and supplies	7,986,608
Utilities	12,901,720
Equipment rents, repair and fuel	1,934,822
Insurance	8,645,090
Lease and rent	4,925
Travel and management expense	2,984,374
Allocation of general and administration expense of the Port of Portland	31,502,209
Other	<u>3,766,750</u>
	<u>186,693,395</u>
Net revenues, as defined by Section 2(r) of Ordinance No. 155 *	<u><u>\$ 212,970,976</u></u>

* Presented in accordance with provisions of Ordinance Nos. 155 and 323 (ordinances authorizing issuance of Airport revenue bonds), which are different from generally accepted accounting principles.

THE PORT OF PORTLAND
SCHEDULE OF COMPLIANCE WITH ORDINANCE NOS. 155 AND 323
DEBT SERVICE COVERAGE REQUIREMENTS
for the year ended June 30, 2024

Section 16(ii) of Ordinance No. 155 and Section 5f of Ordinance No. 323 authorizing the issuance of Portland International Airport revenue bonds require that net revenues, as defined by Ordinance No. 155, in each fiscal year must equal at least 130 percent of the prior lien bond (PLB) and subordinate lien bond (SLB) debt service requirements, as defined, for such fiscal year on all outstanding Portland International Airport revenue bonds. The Airport paid off the last of the PLBs in 1993, and has covenanted not to issue any further PLBs.

The Airport has complied with this provision computed in accordance with ordinance definitions as follows:

Net revenues, per accompanying schedule of net revenues	\$ 212,970,976
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SLB debt service requirement:

Interest and principal amount	\$ 97,921,068	
	x 130%	
Total net revenues required	127,297,388	
Excess of net revenues over 130% of SLB debt service requirement		\$ 85,673,588

Section 5f of Ordinance No. 323 also requires that in a fiscal year when there is excess principal due, as defined in Section 5f of Ordinance No. 323, the net revenues in excess of 130% of the SLB debt service requirement equal 100% of such excess principal amount.

Excess of net revenues over 130% of SLB debt service requirement	\$ 85,673,588
Excess principal amount	\$
	x 100%
Total additional net revenues required	_____
Excess of net revenues over 130% of SLB debt service requirement and 100% of excess principal requirement	\$ 85,673,588

In addition, Section 5f of Ordinance No. 323 requires that the net revenues, together with other amounts that are available to pay other swap obligations, as defined in Ordinance No. 323, are sufficient to pay all other swap obligations and junior lien obligations (Other Obligations) when due.

Excess of net revenues over 130% of SLB debt service requirement and 100% of excess principal requirement	\$ 85,673,588
Other amounts available to pay other swap obligations	_____
Total available to pay Other Obligations	85,673,588
Total Other Obligations	_____
Excess amount over 130% of SLB debt service requirement, 100% of excess principal requirement, and Other Obligations	\$ 85,673,588

THE PORT OF PORTLAND
PORTLAND INTERNATIONAL AIRPORT
SCHEDULE OF REVENUE BOND
CONSTRUCTION ACCOUNT ACTIVITY
for the year ended June 30, 2024

	Bond Proceeds <u>Portion</u>	Capitalized Interest <u>Portion</u>
Construction account, June 30, 2023	\$ 271,107,251	\$ 48,641,429
Interest income	<u>4,780,898</u>	<u>1,039,959</u>
	275,888,149	49,681,388
Construction expenditures	257,714,437	
Transfers to revenue bond fund	<u> </u>	<u>48,720,058</u>
Construction account, June 30, 2024	<u><u>\$ 18,173,712</u></u>	<u><u>\$ 961,330</u></u>

NOTE: This schedule is provided in compliance with Section 8(d) of Ordinance No. 323.

THE PORT OF PORTLAND
SCHEDULE OF GENERAL ACCOUNT AMOUNT AVAILABLE FOR
PAYMENT TO AIRPORT REVENUE BOND FUND AND RATIO TO
REVENUE BOND DEBT SERVICE REQUIREMENT
for the year ended June 30, 2024

Net revenues, per accompanying schedule of net revenues	\$ 212,970,976
Less revenue bond fund interest income	<u>(3,950,170)</u>
Applied to General Account, available to be applied to debt service of bonds	\$ <u>209,020,806</u> (1)
Bond debt service requirement, per accompanying schedule of compliance with Ordinance Nos. 155 and 323	\$ <u>97,921,068</u> (2)
Ratio (1)/(2)	<u>2.13</u>
Required ratio	<u>1.30</u>

NOTE: This schedule is provided in compliance with Section 5g of Ordinance No. 323.

THE PORT OF PORTLAND
SCHEDULE OF PASSENGER FACILITY CHARGE ACTIVITY
for the year ended June 30, 2024

	First Lien Bond <u>Account</u>	First Lien Reserve <u>Account</u>	Capital <u>Account</u>
Balances at June 30, 2023	\$ 1,459,563	\$ 12,096,037	\$ 112,365,413
PFC revenues:			
PFC bond account	12,177,781		
Capital account			20,271,117
Interest earnings		570,200	4,392,594
Transfer from reserve account to bond account	570,200	(570,200)	
Bond payments to trustee	(13,341,495)		
Costs of approved PFC projects			(47,169,955)
Other, net	<u> </u>	<u> </u>	<u>(8,500)</u>
Balances at June 30, 2024	\$ <u>866,049</u>	\$ <u>12,096,037</u>	\$ <u>89,850,669</u>

NOTE: This schedule is provided in compliance with Section 9(d) of Ordinance No. 395-B.

THE PORT OF PORTLAND
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES
for the year ended June 30, 2024

Fiscal Year	Property Taxes Receivable June 30, 2023	Current Levy as Extended by Assessors	Deduct Cash Collections	Deduct Discounts Allowed	Cancellations and Adjustments	Property Taxes Receivable June 30, 2024	Interest Collected
2023-24		\$ 16,481,008	\$ (15,704,646)	\$ (436,268)	\$ (101,567)	\$ 238,527	\$ 14,297
2022-23	\$ 193,096		(91,509)		(20,776)	80,811	6,812
2021-22	68,763		(25,038)		(3,216)	40,509	2,258
2020-21	36,343		(17,382)		(1,383)	17,578	2,594
2019-20	15,865		(9,597)		(548)	5,720	1,874
2018-19 and prior	23,664		(2,986)		(744)	19,934	672
	<u>\$ 337,731</u>	<u>\$ 16,481,008</u>	<u>\$ (15,851,158)</u>	<u>\$ (436,268)</u>	<u>\$ (128,234)</u>	<u>\$ 403,079</u>	<u>\$ 28,507</u>

Reconciliation to income from property taxes:

Current levy	\$ 16,481,008
Deduct discounts allowed	(436,268)
Cancellations and adjustments	(128,234)
	<u>\$ 15,916,506</u>

THE PORT OF PORTLAND
SCHEDULE OF BOND AND OTHER LONG-TERM DEBT PRINCIPAL TRANSACTIONS – BY SERIES
FOR THE YEAR ENDED JUNE 30, 2024

			2023-2024 Transactions			Outstanding June 30, 2024	
	Maturity Date	Outstanding at June 30, 2023	Issued	Matured	Redeemed	Total	Due Within One Year
<u>LIMITED TAX PENSION BONDS:</u>							
Series 2002B, 6.60% to 6.85%	06/01/28	\$ 30,485,000		\$ 5,495,000	\$ 5,495,000	\$ 24,990,000	\$ 6,205,000
Series 2005, 4.00% to 5.50%	06/01/28	8,890,000		1,670,000	1,670,000	7,220,000	1,835,000
Total Limited Tax Pension Bonds		<u>39,375,000</u>		<u>7,165,000</u>	<u>7,165,000</u>	<u>32,210,000</u>	<u>8,040,000</u>
<u>PORTLAND INTERNATIONAL AIRPORT</u>							
<u>REVENUE BONDS:</u>							
Series 18A, 4.65% *	07/01/26	14,230,000		3,450,000	3,450,000	10,780,000	3,605,000
Series 18B, 3.99% *	07/01/26	14,235,000		3,450,000	3,450,000	10,785,000	3,610,000
Series 21C, 4.375% to 5.00%	07/01/23	6,050,000		6,050,000	6,050,000		
Series 22, 4.00% to 5.00%	07/01/44	82,440,000		2,140,000	2,140,000	80,300,000	2,250,000
Series 23, 5.00%	07/01/38	92,515,000		3,910,000	3,910,000	88,605,000	4,110,000
Series 24A, 5.00%	07/01/47	21,965,000				21,965,000	
Series 24B, 5.00%	07/01/47	197,310,000		4,595,000	4,595,000	192,715,000	4,825,000
Series 25A, 5.00%	07/01/49	21,825,000				21,825,000	
Series 25B, 5.00%	07/01/49	183,015,000		3,745,000	3,745,000	179,270,000	3,935,000
Series 26A, 4.00% to 5.00%	07/01/40	11,030,000		670,000	670,000	10,360,000	695,000
Series 26B, 5.00%	07/01/40	14,410,000		50,000	50,000	14,360,000	540,000
Series 26C, 5.00%	07/01/28	34,605,000		6,140,000	6,140,000	28,465,000	6,435,000
Series 27A, 4.00% to 5.00%	07/01/50	289,535,000				289,535,000	
Series 27B, 0.80% to 1.30%	07/01/25	17,275,000		5,695,000	5,695,000	11,580,000	5,755,000
Series 28, 4.00% to 5.00%	07/01/52	527,005,000		590,000	590,000	526,415,000	8,970,000
Series 29, 5.00% to 5.50%	07/01/53	566,120,000				566,120,000	
Total Portland Int'l Airport Revenue Bonds		<u>2,093,565,000</u>		<u>40,485,000</u>	<u>40,485,000</u>	<u>2,053,080,000</u>	<u>44,730,000</u>
<u>PORTLAND INTERNATIONAL AIRPORT</u>							
<u>PASSENGER FACILITY CHARGE REVENUE BONDS:</u>							
Series 2012A, 4.813% *	07/01/24	20,010,000		9,750,000	9,750,000	10,260,000	10,260,000
Series 2022A, 5.00%	07/01/31	51,620,000				51,620,000	
Total Portland Int'l Airport Passenger Facility Charge Revenue Bonds		<u>71,630,000</u>		<u>9,750,000</u>	<u>9,750,000</u>	<u>61,880,000</u>	<u>10,260,000</u>
<u>PORTLAND INTERNATIONAL AIRPORT</u>							
<u>CUSTOMER FACILITY CHARGE REVENUE BONDS:</u>							
Series 2019, 2.635% to 4.237%	07/01/49	153,560,000		3,420,000	3,420,000	150,140,000	3,520,000
Total Portland Int'l Airport Customer Facility Charge Revenue Bonds		<u>153,560,000</u>		<u>3,420,000</u>	<u>3,420,000</u>	<u>150,140,000</u>	<u>3,520,000</u>
Total Port Bonds		<u>\$ 2,358,130,000</u>		<u>\$ 60,820,000</u>	<u>\$ 60,820,000</u>	<u>\$ 2,297,310,000</u>	<u>\$ 66,550,000</u>
<u>CONTRACTS & LOANS PAYABLE:</u>							
Oregon Business Development Dept., B08005, 5.00%	12/01/30	\$ 3,312,772		\$ 349,458	\$ 349,458	\$ 2,963,314	\$ 362,431
Banc of America Leasing & Capital, LLC, 4.5%	06/01/28	6,100,019		1,134,003	1,134,003	4,966,016	1,186,099
Banc of America Leasing & Capital, LLC, 6.4440%	05/08/39		\$ 4,533,000			4,533,000	16,684
Banc of America Leasing & Capital, LLC, 6.4440%	05/08/39		13,985,000			13,985,000	
Total Contracts & Loans Payable		<u>\$ 9,412,791</u>	<u>\$ 18,518,000</u>	<u>\$ 1,483,461</u>	<u>\$ 1,483,461</u>	<u>\$ 26,447,330</u>	<u>\$ 1,565,214</u>
TOTAL PORT LONG-TERM DEBT		<u>\$ 2,367,542,791</u>	<u>\$ 18,518,000</u>	<u>\$ 62,303,461</u>	<u>\$ 62,303,461</u>	<u>\$ 2,323,757,330</u>	<u>\$ 68,115,214</u>

Note: Interest rates relate to original issue. Certain coupons are no longer outstanding.

* Interest rate at June 30, 2024. Rate is variable, depending on weekly resets.

THE PORT OF PORTLAND
SCHEDULE OF BOND AND OTHER LONG-TERM DEBT INTEREST TRANSACTIONS – BY SERIES
FOR THE YEAR ENDED JUNE 30, 2024

		2023 - 24 Transactions				
	Outstanding at June 30, 2023	Issued	Interest Matured and Paid	Interest Fluctuations and Redemptions	Outstanding at June 30, 2024	Maturing Within One Year
<u>LIMITED TAX PENSION BONDS:</u>						
Series 2002B, 6.60% to 6.85%	\$ 6,140,141		\$ 2,072,710		\$ 4,067,431	\$ 1,696,303
Series 2005, 4.00% to 5.50%	1,302,542		444,856		857,686	361,289
Total Limited Tax Pension Bonds	7,442,683		2,517,566		4,925,117	2,057,592
<u>PORTLAND INTERNATIONAL AIRPORT</u>						
<u>REVENUE BONDS:</u>						
Series 18A, 4.65% *	1,618,663		443,785	\$ 182,335	992,543	501,270
Series 18B, 3.99% *	1,637,140		416,186	368,888	852,066	430,322
Series 21C, 4.375% to 5.00%	147,969		147,969			
Series 22, 4.00% to 5.00%	53,280,250		4,068,500		49,211,750	3,958,750
Series 23, 5.00%	41,754,625		4,528,000		37,226,625	4,327,500
Series 24A, 5.00%	24,817,375		1,098,250		23,719,125	1,098,250
Series 24B, 5.00%	139,374,500		9,750,625		129,623,875	9,515,125
Series 25A, 5.00%	26,842,125		1,091,250		25,750,875	1,091,250
Series 25B, 5.00%	140,904,875		9,057,125		131,847,750	8,865,125
Series 26A, 4.00% to 5.00%	4,162,925		492,700		3,670,225	458,575
Series 26B, 5.00%	7,678,250		719,250		6,959,000	704,500
Series 26C, 5.00%	5,264,375		1,576,750		3,687,625	1,262,375
Series 27A, 4.00% to 5.00%	233,679,825		13,418,950		220,260,875	13,418,950
Series 27B, 0.80% to 1.30%	321,378		173,260		148,118	110,255
Series 28, 4.00% to 5.00%	440,323,725		23,965,500		416,358,225	23,726,500
Series 29, 5.00% to 5.50%	632,129,430		23,450,817		608,678,613	30,151,050
Total Portland Int'l Airport Revenue Bonds	1,753,937,430		94,398,917	551,223	1,658,987,290	99,619,797
<u>PORTLAND INTERNATIONAL AIRPORT</u>						
<u>PASSENGER FACILITY CHARGE REVENUE BONDS:</u>						
Series 2012A, 4.813% *	1,416,094		540,093	382,152	493,849	493,849
Series 2022A, 5.00%	16,614,500		2,581,000		14,033,500	2,581,000
Total Portland Int'l Airport Passenger Facility Charge Revenue Bonds	18,030,594		3,121,093	382,152	14,527,349	3,074,849
<u>PORTLAND INTERNATIONAL AIRPORT</u>						
<u>CUSTOMER FACILITY CHARGE REVENUE BONDS:</u>						
Series 2019, 2.635% to 4.237%	100,513,723		6,052,751		94,460,972	5,952,165
Total Portland Int'l Airport Customer Facility Charge Revenue Bonds	100,513,723		6,052,751		94,460,972	5,952,165
Total Port Bonds	\$ 1,879,924,430		\$ 106,090,327	\$ 933,375	\$ 1,772,900,728	\$ 110,704,403
<u>CONTRACTS & LOANS PAYABLE:</u>						
Oregon Business Development Dept., B08005, 5.00%	\$ 787,502		\$ 165,639		\$ 621,863	\$ 148,166
Banc of America Leasing & Capital, LLC, 4.5%	711,061		251,302		459,759	199,206
Banc of America Leasing & Capital, LLC, 6.4440%		\$ 2,816,979			2,816,979	27,065
Banc of America Leasing & Capital, LLC, 6.4440%		9,041,377			9,041,377	
Total Contracts & Loans Payable	\$ 1,498,563	\$ 11,858,356	\$ 416,941		\$ 12,939,978	\$ 374,437
TOTAL PORT LONG-TERM DEBT	\$ 1,881,422,993	\$ 11,858,356	\$ 106,507,268	\$ 933,375	\$ 1,785,840,706	\$ 111,078,840

Note: Interest rates relate to original issue. Certain coupons are no longer outstanding.

* Interest rate at June 30, 2024. Rate is variable, depending on weekly resets.

THE PORT OF PORTLAND
SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF BONDED AND OTHER LONG-TERM DEBT – BY SERIES
AS OF JUNE 30, 2024

		Date of Issue	Total Requirements	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30 to 2033-34	2034-35 to 2038-39	2039-40 to 2043-44	2044-45 to 2048-49	2049-50 to 2053-54
<u>LIMITED TAX PENSION BONDS:</u>													
Series 2002B	-Principal	03/28/02	\$ 24,990,000	\$ 6,205,000	\$ 6,965,000	\$ 7,810,000	\$ 4,010,000						
6.60% to 6.85%	-Interest		4,067,431	1,696,303	1,286,773	809,670	274,685						
Series 2005	-Principal	09/23/05	7,220,000	1,835,000	2,015,000	2,205,000	1,165,000						
4.00% to 5.50%	-Interest		857,686	361,289	269,465	168,635	58,297						
Total Limited Tax Pension Bonds	-Principal		<u>\$ 32,210,000</u>	<u>\$ 8,040,000</u>	<u>\$ 8,980,000</u>	<u>\$ 10,015,000</u>	<u>\$ 5,175,000</u>						
Total Limited Tax Pension Bonds	-Interest		<u>\$ 4,925,117</u>	<u>\$ 2,057,592</u>	<u>\$ 1,556,238</u>	<u>\$ 978,305</u>	<u>\$ 332,982</u>						
<u>PORTLAND INTERNATIONAL AIRPORT</u>													
<u>REVENUE BONDS:</u>													
Series 18A	-Principal	06/11/08	\$ 10,780,000	\$ 3,605,000	\$ 3,785,000	\$ 3,390,000							
4.65%**	-Interest		992,543	501,270	333,638	157,635							
Series 18B	-Principal	06/11/08	10,785,000	3,610,000	3,780,000	3,395,000							
3.99%**	-Interest		852,066	430,322	286,283	135,461							
Series 22	-Principal	09/25/14	80,300,000	2,250,000	2,360,000	2,480,000	\$ 2,605,000	\$ 2,735,000	\$ 15,855,000	\$ 20,230,000	\$ 25,820,000	\$ 5,965,000	
4.00% to 5.00%	-Interest		49,211,750	3,958,750	3,843,500	3,722,500	3,595,375	3,461,875	15,062,375	10,573,750	4,844,500	149,125	
Series 23	-Principal	03/31/15	88,605,000	4,110,000	4,310,000	4,525,000	4,750,000	4,990,000	28,960,000	36,960,000			
5.00%	-Interest		37,226,625	4,327,500	4,117,000	3,896,125	3,664,250	3,420,750	13,001,000	4,800,000			
Series 24A	-Principal	01/25/17	21,965,000								3,975,000	17,990,000	
5.00%	-Interest		23,719,125	1,098,250	1,098,250	1,098,250	1,098,250	1,098,250	5,491,250	5,491,250	5,391,875	1,853,500	
Series 24B	-Principal	01/25/17	192,715,000	4,825,000	5,070,000	5,315,000	5,585,000	5,865,000	34,025,000	43,415,000	51,435,000	37,180,000	
5.00%	-Interest		129,623,875	9,515,125	9,267,750	9,008,125	8,735,625	8,449,375	37,426,625	27,792,125	15,597,375	3,831,750	
Series 25A	-Principal	04/24/19	21,825,000									17,025,000	\$ 4,800,000
5.00%	-Interest		25,750,875	1,091,250	1,091,250	1,091,250	1,091,250	1,091,250	5,456,250	5,456,250	5,456,250	3,805,875	120,000
Series 25B	-Principal	04/24/19	179,270,000	3,935,000	4,130,000	4,335,000	4,550,000	4,780,000	27,745,000	35,420,000	45,195,000	40,655,000	8,525,000
5.00%	-Interest		131,847,750	8,865,125	8,663,500	8,451,875	8,229,750	7,996,500	36,052,625	28,194,250	18,164,875	7,016,125	213,125
Series 26A	-Principal	04/24/20	10,360,000	695,000	735,000	770,000	810,000	845,000	2,300,000	2,890,000	1,315,000		
4.00% to 5.00%	-Interest		3,670,225	458,575	422,825	385,200	345,700	304,325	1,139,500	561,000	53,100		
Series 26B	-Principal	04/24/20	14,360,000	540,000	560,000	600,000	645,000	680,000	3,940,000	5,010,000	2,385,000		
5.00%	-Interest		6,959,000	704,500	677,000	648,000	616,875	583,750	2,360,500	1,247,500	120,875		
Series 26C	-Principal	04/24/20	28,465,000	6,435,000	4,610,000	4,840,000	5,090,000	7,490,000					
5.00%	-Interest		3,687,625	1,262,375	986,250	750,000	501,750	187,250					
Series 27A	-Principal	09/30/20	289,535,000			6,165,000	6,480,000	6,795,000	39,460,000	50,345,000	63,385,000	79,990,000	36,915,000
4.00% to 5.00%	-Interest		220,260,875	13,418,950	13,418,950	13,264,825	12,948,700	12,616,825	57,495,500	46,322,375	33,087,325	16,174,700	1,512,725
Series 27B	-Principal	09/30/20	11,580,000	5,755,000	5,825,000								
0.80% to 1.30%	-Interest		148,118	110,255	37,863								
Series 28	-Principal	02/17/22	526,415,000	8,970,000	9,420,000	9,890,000	10,390,000	10,905,000	63,270,000	79,770,000	97,630,000	119,430,000	116,740,000
4.00% to 5.00%	-Interest		416,358,225	23,726,500	23,266,750	22,784,000	22,277,000	21,744,625	99,759,500	83,169,025	64,937,450	42,663,375	12,030,000
Series 29	-Principal	03/21/23	566,120,000						63,690,000	81,285,000	104,270,000	160,765,000	156,110,000
5.00% to 5.50%	-Interest		608,678,613	30,151,050	30,151,050	30,151,050	30,151,050	30,151,050	143,104,750	125,068,375	101,385,450	65,981,438	22,383,350
Total Portland Int'l Airport Revenue Bonds	-Principal		<u>\$2,053,080,000</u>	<u>\$ 44,730,000</u>	<u>\$ 44,585,000</u>	<u>\$ 45,705,000</u>	<u>\$ 40,905,000</u>	<u>\$ 45,085,000</u>	<u>\$ 279,245,000</u>	<u>\$ 355,325,000</u>	<u>\$ 395,410,000</u>	<u>\$ 479,000,000</u>	<u>\$ 323,090,000</u>
Total Portland Int'l Airport Revenue Bonds	-Interest		<u>\$1,658,987,290</u>	<u>\$ 99,619,797</u>	<u>\$ 97,661,859</u>	<u>\$ 95,544,296</u>	<u>\$ 93,255,575</u>	<u>\$ 91,105,825</u>	<u>\$ 416,349,875</u>	<u>\$ 338,675,900</u>	<u>\$ 249,039,075</u>	<u>\$ 141,475,888</u>	<u>\$ 36,259,200</u>
<u>PORTLAND INTERNATIONAL AIRPORT</u>													
<u>PASSENGER FACILITY CHARGE REVENUE BONDS:</u>													
Series 2012A	-Principal	08/15/12	\$ 10,260,000	\$ 10,260,000									
4.813%**	-Interest		493,849	493,849									
Series 2022A	-Principal	11/10/11	51,620,000			\$ 2,670,000	\$ 8,860,000	\$ 9,300,000	\$ 30,790,000				
5.00%	-Interest		14,033,500	2,581,000	\$ 2,581,000	2,514,250	2,226,000	1,772,000	2,359,250				
Total Portland Int'l Airport PFC Revenue Bonds	-Principal		<u>\$ 61,880,000</u>	<u>\$ 10,260,000</u>	<u>\$ -</u>	<u>\$ 2,670,000</u>	<u>\$ 8,860,000</u>	<u>\$ 9,300,000</u>	<u>\$ 30,790,000</u>				
Total Portland Int'l Airport PFC Revenue Bonds	-Interest		<u>\$ 14,527,349</u>	<u>\$ 3,074,849</u>	<u>\$ 2,581,000</u>	<u>\$ 2,514,250</u>	<u>\$ 2,226,000</u>	<u>\$ 1,772,000</u>	<u>\$ 2,359,250</u>				
<u>PORTLAND INTERNATIONAL AIRPORT</u>													
<u>CUSTOMER FACILITY CHARGE REVENUE BONDS:</u>													
Series 2019	-Principal	04/29/19	\$ 150,140,000	\$ 3,520,000	\$ 3,625,000	\$ 3,735,000	\$ 3,855,000	\$ 3,985,000	\$ 22,180,000	\$ 26,855,000	\$ 32,845,000	\$ 40,405,000	\$ 9,135,000
2.769% to 4.237%	-Interest		94,460,972	5,952,165	5,843,839	5,727,377	5,603,458	5,470,522	25,014,978	20,214,814	14,083,205	6,357,089	193,525
Total Portland Int'l Airport CFC Revenue Bonds	-Principal		<u>\$ 150,140,000</u>	<u>\$ 3,520,000</u>	<u>\$ 3,625,000</u>	<u>\$ 3,735,000</u>	<u>\$ 3,855,000</u>	<u>\$ 3,985,000</u>	<u>\$ 22,180,000</u>	<u>\$ 26,855,000</u>	<u>\$ 32,845,000</u>	<u>\$ 40,405,000</u>	<u>\$ 9,135,000</u>
Total Portland Int'l Airport CFC Revenue Bonds	-Interest		<u>\$ 94,460,972</u>	<u>\$ 5,952,165</u>	<u>\$ 5,843,839</u>	<u>\$ 5,727,377</u>	<u>\$ 5,603,458</u>	<u>\$ 5,470,522</u>	<u>\$ 25,014,978</u>	<u>\$ 20,214,814</u>	<u>\$ 14,083,205</u>	<u>\$ 6,357,089</u>	<u>\$ 193,525</u>
Total Port Bonds	-Principal		<u>\$2,297,310,000</u>	<u>\$ 66,550,000</u>	<u>\$ 57,190,000</u>	<u>\$ 62,125,000</u>	<u>\$ 58,795,000</u>	<u>\$ 58,370,000</u>	<u>\$ 332,215,000</u>	<u>\$ 382,180,000</u>	<u>\$ 428,255,000</u>	<u>\$ 519,405,000</u>	<u>\$ 332,225,000</u>
Total Port Bonds	-Interest		<u>\$1,772,900,728</u>	<u>\$ 110,704,403</u>	<u>\$ 107,642,936</u>	<u>\$ 104,764,228</u>	<u>\$ 101,418,015</u>	<u>\$ 98,348,347</u>	<u>\$ 443,724,103</u>	<u>\$ 358,890,714</u>	<u>\$ 263,122,280</u>	<u>\$ 147,832,977</u>	<u>\$ 36,452,725</u>

THE PORT OF PORTLAND
SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF BONDED AND OTHER LONG-TERM DEBT – BY SERIES
AS OF JUNE 30, 2024, Continued

		Date of Issue	Total Requirements	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30 to 2033-34	2034-35 to 2038-39	2039-40 to 2043-44	2044-45 to 2048-49	2049-50 to 2053-54
<u>CONTRACTS & LOANS PAYABLE:</u>													
Oregon Business Development Dept. B08005	-Principal	08/31/10	\$ 2,963,314	\$ 362,431	\$ 380,553	\$ 403,830	\$ 422,272	\$ 440,885	\$ 953,343				
5.00%	-Interest		621,863	148,166	130,044	111,017	90,825	69,711	72,100				
Banc of America Leasing & Capital, LLC	-Principal	06/06/13	4,966,016	1,186,099	1,240,588	1,297,580	1,241,749						
4.5%	-Interest		459,759	199,205	144,717	87,723	28,114						
Banc of America Leasing & Capital, LLC	-Principal	05/08/24	4,533,000	16,684	207,341	221,104	235,780	251,430	1,530,783	\$ 2,069,878			
6.4440%	-Interest		2,816,979	27,065	317,658	303,895	289,218	273,568	1,094,211	511,364			
Banc of America Leasing & Capital, LLC	-Principal	05/08/24	13,985,000		439,173	695,068	741,206	790,405	4,812,214	6,506,934			
6.4440%	-Interest		9,041,377		690,956	1,000,125	953,988	904,789	3,663,752	1,827,767			
Total Contracts & Loans Payable	-Principal		\$ 26,447,330	\$ 1,565,214	\$ 2,267,655	\$ 2,617,582	\$ 2,641,007	\$ 1,482,720	\$ 7,296,340	\$ 8,576,812			
Total Contracts & Loans Payable	-Interest		\$ 12,939,978	\$ 374,436	\$ 1,283,375	\$ 1,502,760	\$ 1,362,145	\$ 1,248,068	\$ 4,830,063	\$ 2,339,131			
TOTAL PORT LONG-TERM DEBT	-Principal		\$2,323,757,330	\$ 68,115,214	\$ 59,457,655	\$ 64,742,582	\$ 61,436,007	\$ 59,852,720	\$ 339,511,340	\$ 390,756,812	\$ 428,255,000	\$ 519,405,000	\$ 332,225,000
TOTAL PORT LONG-TERM DEBT	-Interest		\$1,785,840,706	\$ 111,078,839	\$ 108,926,311	\$ 106,266,988	\$ 102,780,160	\$ 99,596,415	\$ 448,554,166	\$ 361,229,845	\$ 263,122,280	\$ 147,832,977	\$ 36,452,725

Note: Interest rates relate to original issue. Certain coupons are no longer outstanding.

** Interest rate at June 30, 2024. Rate is variable, depending on weekly resets.

INDUSTRIAL DEVELOPMENT REVENUE BONDS:

Horizon Air Project:	-Principal	08/07/97	\$ 17,300,000			\$ 17,300,000							
1997 Series, 5.04% *	-Interest		2,543,100	\$ 871,920	\$ 871,920	799,260							
TOTAL INDUSTRIAL REVENUE BONDS	-Principal		\$ 17,300,000			\$ 17,300,000							
TOTAL INDUSTRIAL REVENUE BONDS	-Interest		\$ 2,543,100	\$ 871,920	\$ 871,920	\$ 799,260							

* Interest rate at June 30, 2024. Rate is variable, depending on prime.

Note: Interest rates relate to original issue. Certain coupons are no longer outstanding. This schedule is provided for information purposes only. Industrial development revenue bonds are not a liability or contingent liability of the Port.

AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS

Report of Independent Auditors Required by Oregon State Regulations

The Board of Commissioners
Port of Portland

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Airport and Marine & Other Activities of the Port of Portland, which comprise the balance sheet as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows of the Airport and Marine & Other Activities of the Port of Portland for the year then ended, and the related notes to the financial statements, which collectively comprise the Port of Portland's basic financial statements, and have issued our report thereon dated October 22, 2024.

Compliance

As part of obtaining reasonable assurance about whether the Port of Portland's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to, the following:

- Accounting records and internal control
- Public fund deposits
- Indebtedness
- Budget
- Insurance and fidelity bonds
- Investments
- Public contracts and purchasing

In connection with our testing, nothing came to our attention that caused us to believe the Port of Portland was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

The Port experienced two over-expenditures in one fund which is detailed in the notes to the financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Port of Portland's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port of Portland's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port of Portland's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Commissioners and management of the Port of Portland and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Ashley Osten, Partner
for Moss Adams LLP
Portland, Oregon
October 22, 2024

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT REVENUE BOND ORDINANCES

This appendix summarizes certain provisions of the Airport Revenue Bond Ordinances as of the date the Series 2025A Bonds are issued. The Official Statement, including this appendix, occasionally uses terms that differ from terms that are used in the Airport Revenue Bond Ordinances. For example, Ordinance No. 323 uses the term “Subordinate Lien Bonds” because the obligations secured by a pledge of the Revenues that is on a parity with the pledge securing the Series 2025A Bonds had a subordinate claim on the Revenues when Ordinance No. 323 originally was enacted by the Port. All senior lien obligations have been retired, and the “Subordinate Lien Bonds” are now secured by a prior pledge of the Net Revenues, so the Official Statement, including this appendix, uses the term “SLB” in place of “Subordinate Lien Bond” to avoid confusion. See “SECURITY AND SOURCES OF PAYMENT FOR THE SLBs” in the front portion of this Official Statement.

Definitions

Unless the context clearly requires otherwise, capitalized terms used in this appendix have the meanings assigned such terms in this “Definitions” section, and capitalized terms used in this appendix that are not defined in this “Definitions” section have the meanings assigned such terms in the front portion of this Official Statement or the Airport Revenue Bond Ordinances.

“Additional SLBs” means SLBs issued on parity with Outstanding SLBs and in compliance with the requirements of the SLB Ordinance. See “Additional SLBs.”

“Airport” means the (1) the presently existing airport owned or operated by the Port known as the “Portland International Airport” and (2) the Portland International Airport as enlarged, expanded, changed and improved, pursuant to the Airport Capital Improvement Program, as amended from time to time. The term “Airport” does not include: (a) properties sold, leased or otherwise disposed of or transferred in compliance with the limitations of Ordinance No. 155; (b) except as otherwise provided in the Airport Revenue Bond Ordinances, properties subject to a Net Rent Lease; and (c) General Aviation Airports. The Port has reserved the right to amend the definition of “Airport.” See “Amendments of the Airport Revenue Bond Ordinances—Special Amendments.”

“Airport Consultant” means an independent firm or corporation not in the regular employ or under the control of the Port and who shall have a widely known and favorable reputation for special skill, knowledge, and experience in methods of the development, operation and management of airports of the approximate size and character as the properties constituting the Airport. The Airport Consultant shall be available to advise the Port upon request, and make such investigations, certifications and determinations as may be necessary or required from time to time under the provisions of Ordinance No. 155.

“Airport Fund” means the special fund of the Port created pursuant to Ordinance No. 155, designated “The Port of Portland Airport Revenue Fund.”

“Commercial Airport” means any airport, a major portion of the revenues derived from which are realized (1) from the operations of certificated air carriers engaged in the public utility business of transporting passengers or freight, or both, by air, whether such operations be on a scheduled or non-scheduled basis, and (2) from the supplying by the owner or operator of such airport of goods and services to the customers, patrons and passengers of such carriers.

“Completion Bonds” means Additional SLBs issued to pay the cost of completing any project for which SLBs have been previously issued, and which are issued under the provisions of the SLB Ordinance.

“Contingent Fee Payments” means the contingent fee payments, if any, received by the Port from a rental car or car sharing entity that, at the time, is a signatory to a Rental Car Concession Lease and Operating Agreement, as further described in Ordinance No. 461-B.

“Costs of Construction” shall include any and all of the following pertaining to the construction of additions, expansion and improvements at the Airport as set forth in the Airport Capital Improvement Program, as amended from time to time: (a) the cost of acquiring by purchase or the exercise of the power of eminent domain of any building or facility and the site thereof; (b) the cost, if and as determined by the Port, of the payment to the Port of the lesser of the depreciated value of any building or facility and the site thereof, or the cost to the Port of such building or facility and the site thereof, owned by the Port and not then constituting part of the Airport, if such building or facility and the site thereof are thereafter to be used solely for purposes of the Airport and to constitute part of the Airport; (c) costs of acquiring by purchase or the exercise of the power of eminent domain such land rights, rights of way, leases, easements or other interest in land or other properties (real, personal or mixed) as may be deemed necessary or convenient by the Port for the construction or operation of the Airport, including costs of options and partial payments, escrow deposits, preliminary and final awards or judgments and settlements or compromises, with respect to the foregoing; costs of reclaiming land; costs of dredging or filling incurred in the creation of land; and site preparation, including the costs of demolishing, removing or relocating any building or facility and the costs of any lands to which such building or facility may be removed or relocated; (d) costs of acquiring by purchase or the exercise of the power of eminent domain any rights, interests or franchises deemed necessary or convenient by the Port for the construction or operation of the Airport; (e) costs of labor, services, material, supplies, machinery, equipment and apparatus, including payments to contractors, independent contractors, agents, employees, builders and materialmen in connection therewith, and of restoration of property damaged or destroyed in connection with construction work; (f) costs of installation of utility services or connections thereto or relocation thereof; (g) costs and expenses of all preliminary work necessary or incidental to construction; (h) costs and expenses of planning, engineering and other studies, architectural drawings, surveys, tests and specifications, whether preliminary or otherwise; and costs of other engineering and architectural services; (i) costs of supervision and inspection; (j) costs of builders risk insurance, liability insurance on operations in connection with said construction, or other insurance on the buildings and facilities being constructed, or a reasonably allocated share thereof; (k) costs of indemnity and fidelity bonds and expenses of administration properly chargeable to such construction; (l) costs of expenses of financing, including Trustee’s acceptance fees; financial advisors fees; blue sky and legal investment survey expenses; Trustee’s and Paying Agent’s fees and expenses during such period, if any, as shall be determined by the Port, but not to exceed the actual period of construction and for such period thereafter as the Port may determine; and costs and expenses incurred in issuing and selling the Bonds, including but not limited to printing, engraving and advertising; and other similar costs; (m) costs of the initial furnishings of any building or structure; (n) costs of publication, advertising, filing and recording, including the publication of a summary of this Ordinance and a summary of each Series Ordinance and any Supplemental Ordinance pertaining to the issuance of Bonds; (o) taxes and assessments; (p) expenses incurred in enforcing any remedy against a contractor or subcontractor in respect of any default; (q) costs of estimates of costs and economic feasibility reports whether preliminary or otherwise; fees, costs and expenses of appraising, printing, advice, accounting and fiscal services, airport consultants and attorneys (including bond counsel); (r) the payment and discharge of the principal of and interest and premium, if any, on any term or temporary construction financing or loans, including the reimbursement to the Port of moneys advanced from its tax revenues, or any other funds not held hereunder, for such construction; (s) if and to the extent determined by the Port, interest on the Bonds issued to finance the construction of any project during the actual period of construction and for such period thereafter as the Port may determine; and (t) any and all other costs and expenses necessary or desirable and pertaining or

incident to construction pertaining to the implementation of the Airport Capital Improvement Program, as amended from time to time, as estimated or otherwise ascertained by the Port.

“Costs of Operation and Maintenance” means the reasonable and necessary current expenses of the Port included as a Cost of Operation and Maintenance in the annual Airport budget for operating, maintaining and repairing the Airport, including among other expenses, costs of general administration of the Port reasonably and properly allocable to the Airport; costs of collecting Revenues and from making any refunds therefrom lawfully due to others; engineering, audit reports, legal and other overhead expenses directly related to the administration, operation, maintenance and repair of the Airport; costs of salaries, wages and other compensation of officers and employees and payments to pension, retirement, health and hospitalization funds and other insurance, including self-insurance for the foregoing; costs of routine repairs, replacements, renewals and alterations occurring in the usual course of business; taxes, assessments and other governmental charges, or payments in lieu thereof, imposed on the Airport or on the operation thereof or income therefrom or on any privilege in connection with the ownership or operation of the Airport otherwise imposed on the Airport or the operation thereof or income therefrom; costs of utility services; costs of materials and supplies used in the ordinary course of business; contractual and professional services; costs of insurance and fidelity bonds; costs of carrying out the provisions of the Airport Revenue Bond Ordinances; costs of lease payments due under capital leases for items customarily used in the operation or maintenance of airport facilities or equipment; and all other costs and expenses of operating, maintaining and repairing the Airport arising in the routine and normal course of business. The term “Costs of Operation and Maintenance” does not include: (1) any allowance for depreciation or any amounts for capital replacements, renewals, repairs and maintenance not recurring annually (or at shorter intervals) or reserves therefor; (2) costs of extensions, enlargements, betterments and improvements or reserves therefor, other than cost of preliminary planning; (3) reserves for operation, maintenance and repairs occurring in the normal course of business; (4) payment (including redemption) of bonds or other evidences of indebtedness or interest and premium thereof or reserves therefor; and (5) any operation and maintenance expenses pertaining to Special Facilities or expenses incurred by any lessee under a Net Rent Lease. See “Amendments of the Airport Revenue Bond Ordinances—Special Amendments.”

“Credit Facility” means a letter of credit, a surety bond, a bond insurance policy or other credit facility that provides for the payment when due of principal of and interest on SLBs other than Parity Reimbursement Agreements.

“Fiscal Year” means the fiscal year for the Port as established from time to time by the Port; currently such period being from July 1 in any year to and including the following June 30.

“Fund” means a fund, account or other accounting category which the Port uses to account for funds relating to the Airport. A “Fund” does not need to appear in the Port’s budgets as a separate fund. The Port may commingle amounts in different Funds for investment purposes.

“General Account” means the special account held by the Port established under the Airport Fund.

“General Aviation Airport” means an airport known in the air transport industry as a “general aviation airport,” being an airport, the major portion of the revenues derived from which is not realized from the operations of aircraft operated by certificated air carriers (except possibly air taxi or air tour operations) and from the supplying of goods and services to the people utilizing such aircraft, but is realized from the activities of private, nonpublic aircraft, flying schools, the supplying of goods and services to the foregoing and similar operations not normally part of a public utility business (except possibly air tour or air taxi operations).

“Governmental Obligations” means any of the following which are non-callable and which at the time are legal investments for the moneys proposed to be invested therein: (1) direct general obligations of, or obligations the payment of the principal and interest of which are unconditionally guaranteed by, the United States of America; or (2) Public Housing Bonds, Temporary Notes, or Preliminary Loan Notes, fully secured by contracts with the United States.

“JLO Fund” means the Junior Lien Obligation Fund.

“Junior Lien Obligations” means bonds or other obligations that have a lien on the Net Revenues that is subordinate to the lien of the SLBs and Scheduled Swap Obligations and are payable from amounts deposited in the JLO Fund.

“Liquidity Facility” means a letter of credit, line of credit, standby purchase agreement, bond insurance, surety bond or other credit or liquidity facility that supports the payment of the purchase price of SLBs (other than Parity Reimbursement Agreements). A Credit Facility such as a direct-pay letter of credit may constitute a Liquidity Facility as well as a Credit Facility.

“Net Rent Lease” means a lease of property to be financed with Special Obligation Bonds, under and pursuant to which the lessee agrees to pay to the Port the rentals required by Ordinance No. 155, and to pay in addition all costs connected with the ownership, operation, maintenance, repair, renewals and rehabilitation of the leased property (including, without limitation, insurance, utilities, taxes or payments of taxes and assessments) under such conditions that the amount payable to the Port pursuant to said lease shall be certainly paid free and clear of all charges and whether the leased property is capable of being occupied and used by the lessee or not. A Net Rent Lease shall not be cancelable until provision has been made for the payment of the Special Obligation Bonds secured by the Net Rent Lease.

“Net Revenues” means for any past period the aggregate of the Revenues actually paid into the Airport Fund during such past period, and for any future period the aggregate of the Revenues estimated to be paid into the Airport Fund during such future period, minus for any such past period the aggregate of the Costs of Operation and Maintenance of the Airport actually paid or accrued during such past period, or minus for any such future period the aggregate of the Costs of Operation and Maintenance of the Airport estimated to be paid or accrued during such future period, as the case may be.

“Ordinance No. 155” means Port Ordinance No. 155, as amended, restated and supplemented. The SLB Ordinance requires the Port to comply with certain covenants in Ordinance No. 155 for the benefit of Owners.

“Ordinance No. 323” means Ordinance No. 323, as amended, restated and supplemented

“Ordinance No. 461-B” means Ordinance No. 461-B, enacted by the Board of Commissioners of the Port on February 13, 2019, establishing authorization for the issuance of the Port’s customer facility charge revenue bonds, as the same may be amended, restated and supplemented from time to time.

“Other Swap Obligations” means any payments owed by the Port to a Qualified Swap Provider which are not Scheduled Swap Obligations, including, without limitation, termination payments, fees, charges or indemnifications.

“Other TLO Swap Obligations” means any payments owed by the Port to a Qualified TLO Swap Provider (as defined in the SLB Ordinance) which are not Scheduled TLO Swap Obligations, including without limitation termination payments, fees, charges or indemnifications. See “Third Lien Obligations.”

“Owner” means the person listed in the SLB register on that date as the owner of an Outstanding SLB.

“Parity Reimbursement Agreement” means an agreement of the Port entered into in compliance with the SLB Ordinance to reimburse the provider of a Credit Facility and/or Liquidity Facility for amounts paid by the provider under a Credit Facility or Liquidity Facility.

“Project Certificate” means a certificate signed by an assistant Secretary of the Port and filed with the closing documents for a series of SLBs: (1) describing each project which is expected to be completed with the proceeds of that series of SLBs, and estimating the total cost of each project and the portion of that cost expected to be paid from proceeds of that series of SLBs; and (2) certifying that the foregoing cost estimates are reasonable.

“Qualified Swap” means: (a) any financial arrangement with respect to SLBs which; (i) is entered into by the Port with an entity that is a Qualified Swap Provider at the time such arrangement is entered into; (ii) is a cap, floor or collar, forward rate, future rate, swap (such swap may be based on an amount equal either to the principal amount of such SLBs as may be designated or a notional principal amount relating to all or a portion of the principal amount of such SLB), asset, index, price or market-linked transaction or agreement, other exchange or rate protection transaction agreement, other similar transaction (however designated), or any combination thereof, or any option with respect to any of the foregoing; and (iii) has been designated as a Qualified Swap with respect to such SLBs in a written determination of the Port filed with the SLB Trustee; and, (b) any letter of credit, line of credit, policy of insurance, surety bond, guarantee or similar instrument securing the obligations of the Port under any financial arrangement described in clause (a).

“Qualified Swap Provider” means an entity whose senior unsecured long term obligations, financial program rating, counterparty risk rating or claims paying ability, or whose payment obligations under a Qualified Swap are guaranteed by an entity whose senior unsecured long term obligations, financial program rating, counterparty risk rating or claims paying ability, are rated at the time of the execution of such Qualified Swap at least as high as the third highest Rating Category by at least two Rating Agencies then maintaining a rating for the Qualified Swap Provider or its guarantor, provided that each such Qualified Swap Provider executes an agreement with the Port to deposit collateral with the Port, or in trust for the Port, with a trustee acceptable to the Port, for the benefit of the Port, in the event such ratings are not maintained.

“Rating Agency” means each nationally recognized securities rating agency.

“Rating Category” means a generic rating category used by any Rating Agency, without regard to any “+” or “-” or other qualifier.

“Remaining Contingent Fee Payments” means amounts remaining in the General Account, if any, after giving effect to the disbursements from the General Account required pursuant to clauses FIRST through FOURTH (inclusive), as described below under the section “Flow of Funds;” provided, however, in no case will Remaining Contingent Fee Payments exceed the amount of Contingent Fee Payments received by the Port during the applicable period.

“Remaining Contingent Fee Payments Fund” means the fund created by that name pursuant to the SLB Ordinance.

“Revenues” means and includes all income, receipts and moneys derived by the Port from its ownership or operation and management of the Airport or the furnishing and supplying of the services,

facilities and commodities thereof, including, among other things, (i) all income, receipts and moneys derived from the rates, rentals, fees and charges fixed, imposed and collected by the Port for the use and services of the Airport or otherwise derived from or arising through the ownership, operation and management of the Airport by the Port or derived from the rental by the Port of all or part of the Airport or from the sale or rental by the Port of any commodities or goods in connection with the Airport; (ii) earnings on and the income from the investment of moneys held under the Airport Revenue Bond Ordinances to the extent such earnings or income are deposited in the Airport Fund, but not including any such earnings or income credited to the Airport Construction Fund; and (iii) to the extent provided in the Airport Revenue Bond Ordinances, income derived by the Port from a Net Rent Lease. The term “Revenues” does not include (1) moneys received as proceeds from the sale of SLBs or as grants or gifts, the use of which is limited by the grantor or donor to the construction of capital improvements, except to the extent that any such moneys shall be received as payments for the use of the Airport, (2) passenger facility charges or similar charges that are imposed under authority of federal law and are limited by federal law to expenditure on specific projects or activities and/or on debt service and financing costs related to specific projects or activities or (3) customer facility charges (or any portion thereof) that may be levied by the Port and collected by rental car companies from their customers; and in no event does the term “Revenues” include tax revenues or tax-derived revenues. See “SECURITY AND SOURCES OF PAYMENT FOR THE SLBs—Pledge of Net Revenues” in the front portion of this Official Statement.

“Scheduled Swap Obligations” means, with respect to any Qualified Swap, the net regularly scheduled payments owed by the Port to the Qualified Swap Provider. The net regularly scheduled payments owed by the Port to the Qualified Swap Provider shall be calculated by subtracting the regularly scheduled payments owed to the Port by the Qualified Swap Provider from the regularly scheduled payments owed by the Port to the Qualified Swap Provider. The Term “Scheduled Swap Obligations” does not include any termination payments, fees, charges or indemnifications.

“Short Term/Demand Obligations” means each series of bonds, notes and other obligations issued as SLBs pursuant to the SLB Ordinance (a) the payment of principal of which is either (i) payable on demand by or at the option of the holder at a time sooner than a date on which such principal is deemed to be payable for purposes of computing SLB Debt Service Requirements, or (ii) scheduled to be payable within one year from the date of issuance of additional Short Term/Demand Obligations pursuant to a commercial paper or other similar financing program and (b) the purchase price, payment or refinancing of which is additionally supported by a Credit Facility and/or a Liquidity Facility.

“SLB Construction Account” means the Subordinate Lien Revenue Bond Construction Account in the Construction Fund created under the SLB Ordinance.

“SLB Debt Service Requirement” means, as of any date of calculation, an amount equal to the sum of the following for any period and with respect to all or any portion of the SLBs: (1) interest scheduled to accrue during such period on SLBs, except to the extent provision has been made for the payment of interest from SLB proceeds or earnings thereon according to a schedule contained in a Capitalized Interest Certificate; plus (2) that portion of the principal amount of such SLBs scheduled to be payable during such period (either at maturity or by reason of scheduled mandatory redemptions, but after taking into account all prior optional and mandatory SLB redemptions) which would accrue if such principal amount were deemed to accrue daily in equal amounts, during such period; less (3) earnings on the SLB Reserve Account for that period; and less, (4) any payments due to the Port under an agreement to enter into a Qualified Swap, if the payments are due before the Qualified Swap takes effect and the Port commits to use those payments to pay SLBs or Qualified Swaps.

Provided, however, that the following rules apply to the computation of SLB Debt Service Requirement for Short Term/Demand Obligations, for SLBs that bear interest a floating or variable rate, for Qualified Swaps and for Parity Reimbursement Agreements:

For any series of Short Term/Demand Obligations: future SLB Debt Service Requirements shall be computed on the assumption that the principal amount of such series of Short Term/Demand Obligations shall be refinanced in the first fiscal year for which interest on such Short Term/Demand Obligations has not been capitalized or otherwise funded or provided for, with a series of SLBs which shall be assumed to be amortized over a period not to exceed 30 years from the date of issue in such manner that the maximum Debt Service Requirement in any 12-month period shall not exceed 130% of the minimum Debt Service Requirement for any other 12-month period, and shall be assumed to bear interest at a fixed interest rate calculated as described in clause (b) of the following paragraph.

Except as otherwise specifically provided, Short Term/Demand Obligations and any series of SLBs which bear interest at a variable or adjustable rate shall be assumed to bear interest as follows: (a) for any series of SLBs then Outstanding, at the greater of: (1) the average interest rate derived from the variable or adjustable interest rate borne by, such series of SLBs during a 12- month period ending within 30 days prior to the date of computation; or (2) the actual interest rate derived from such variable or adjustable interest rate formula or computation, or actual interest rate payable on such series of SLBs, on the date of such calculation; (b) for any series of SLBs then proposed to be issued, at an interest rate estimated by the Port's underwriter to be the average rate of interest such series of SLBs will bear during the period, or periods, for which SLB Debt Service Requirements are being calculated, plus one percent (1%); (c) for the principal amount of any series of SLBs in connection with which the Port has entered into a Qualified Swap that provides that the Port is to pay to the Qualified Swap Provider an amount determined based upon a fixed rate of interest on the notional amount of such Qualified Swap corresponding to the principal amount of such SLBs, at the fixed rate of interest to be paid by the Port in accordance with such Qualified Swap; and, (d) for any series of SLBs in connection with which the Port has entered into a Qualified Swap, such as an interest rate cap, that provides that the Qualified Swap Provider is to pay to the Port an amount determined based upon the amount by which the rate at which such SLBs bear interest or a floating rate index exceeds a stated rate of interest on all or any portion of such SLBs, at the lesser of: (1) the rate calculated in accordance with clause (a) above; or (2) the rate of interest in excess of which the Qualified Swap Provider is to make payment to the Port in accordance with such Qualified Swap. In addition, solely for purposes of the rate covenant in the SLB Ordinance, SLBs that bear interest at a variable rate and that are not subject to a Qualified Swap, shall have an SLB Debt Service Requirement that is equal to the actual principal and interest that is required to be paid on those SLBs.

If the Port has entered into a Qualified Swap in connection with any SLBs which bear interest at a fixed rate, and the Qualified Swap provides that the Port is to pay to the Qualified Swap Provider an amount determined based on a variable rate of interest on the notional amount of such Qualified Swap, corresponding to the principal amount of such SLBs, then those SLBs shall be assumed to bear interest at a variable rate of interest that is equal to the rate the Port is required to pay under the Qualified Swap. In addition, the SLB Debt Service Requirements shall be calculated on the assumption that no SLBs Outstanding at the date of calculation will cease to be Outstanding, except by reason of the payment of scheduled principal maturities or scheduled mandatory redemptions of such SLBs, except as provided above for Short Term/Demand Obligations.

Only the principal and interest actually due under a Parity Reimbursement Agreement as a result of the purchase of SLBs by the provider of the Liquidity Facility that is secured by the Parity Reimbursement Agreement shall be included in SLB Debt Service Requirement; and the following shall not be included in the SLB Debt Service Requirement: repayments of amounts advanced by the provider

to pay scheduled interest or principal payments on SLBs under a “direct-pay” Liquidity Facility or Credit Facility, and that are required to be repaid by the Port within five business days, and amounts the Port would have been required to pay on SLBs if those SLBs had not been purchased by the provider.

“SLB Fund” means The Port of Portland Subordinate Lien Airport Revenue Bond Fund.

“SLB Ordinance” means Ordinance No. 323, as amended, restated and supplemented.

“SLB Principal and Interest Account” means the SLB Principal and Interest Account in the SLB Fund.

“SLB Reserve Account” means the SLB Reserve Account in the SLB Fund.

“SLB Reserve Fund Requirement” means an amount equal to the maximum SLB Debt Service Requirement in any future fiscal year; provided that if the ordinance authorizing issuance of a series of SLBs so provides: the portion of the SLB Reserve Fund Requirement attributable to that series may be funded in equal monthly installments over a period of not more than four years, with the first installment due not more than 45 days after that series is issued; or, debt service reserve insurance from a company rated at the time the insurance is issued in the highest category by S&P or Moody’s, or their successors, or any insurer who holds the highest policyholder rating accorded insurers by A. M. Best & Co. or any comparable service, may be substituted for any portion of the SLB Reserve Fund Requirement attributable to that series. The portion of the maximum SLB Debt Service Requirement that is calculated for Short Term/Demand Obligations and SLBs that bear interest at a variable rate shall be recalculated only when a series of Additional SLBs is issued. Changes in interest rates that occur at other times shall not affect the calculation of the SLB Reserve Fund Requirement.

“SLB Trustee” means the entity appointed to act as SLB Trustee under the SLB Ordinance.

“SLBs” means the Additional SLBs and Parity Reimbursement Agreements issued pursuant to the SLB Ordinance.

“Special Facilities” means facilities that are financed with Special Obligation Bonds and are subject to a Net Rent Lease.

“Special Obligation Bonds” means obligations that are issued to finance a Special Facility and that are payable from amounts due from the lessee under a Net Rent Lease and are not payable from Net Revenues. See “Special Facilities, Special Obligation Bonds and Net Rent Leases.”

“Swap Obligations” means Scheduled Swap Obligations and Other Swap Obligations.

“Third Lien Obligations” means bonds or other obligations, including Other TLO Swap Obligations, that have a lien on the Net Revenues that is subordinate to the lien of the SLBs and Junior Lien Obligations and are payable from amounts deposited in the TLO Fund.

“TLO Fund” means the Third Lien Obligation Fund created under the SLB Ordinance and held and administered by the Port.

“Trustee” means the SLB Trustee.

Limitation on Purposes for with SLBs May Be Issued

The Port may issue Additional SLBs pursuant to the SLB Ordinance only to pay Costs of Construction of additions, expansions and improvements at the Airport and the costs of acquisition and construction of General Aviation Airports and to refund Outstanding SLBs. SLBs shall have principal and interest payments due only on July 1 or January 1 of any year, unless the SLBs are Short Term Demand Obligations or Parity Reimbursement Agreements. See “Additional SLBs.”

Parity Reimbursement Agreements

The Port may enter into a Parity Reimbursement Agreement only if: (1) the agreement requires the Port to repay amounts paid by the provider under the related Liquidity Facility or Credit Facility in substantially equal annual amounts over a period of no less than five years; and, (2) the obligations of the Port under the agreement are not subject to acceleration unless all SLBs are accelerated or subject to tender. The limitation in clause (1) of the preceding sentence does not apply to the Port’s obligation to pay the provider of the Liquidity Facility or Credit Facility for: (a) amounts advanced by the provider to pay scheduled interest or principal payments on SLBs under a “direct-pay” Liquidity Facility or Credit Facility, and that are required to be repaid by the Port within five business days; (b) interest required to be paid by the Port on amounts drawn under the Liquidity Facility or Credit Facility; or (c) fees and expenses of the provider of the Liquidity Facility or Credit Facility. Fees and expenses due under a Parity Reimbursement Agreement shall be treated as Costs of Operation and Maintenance of the Airport.

SLBs are Special, Limited Obligations of the Port

Principal, interest and premium, if any, on the SLBs, and any Scheduled Swap Obligations, shall be payable solely from the Net Revenues that are available for deposit in the General Account, and from moneys in the SLB Fund and SLB Construction Account, as provided in the SLB Ordinance. The SLBs and any Swap Obligations shall not, in any manner, or to any extent, be a general obligation of the Port, nor a charge upon any other revenues or property of the Port not specifically pledged thereto by the SLB Ordinance.

General Covenants

In the SLB Ordinance, the Port covenants and agrees with the SLB Trustee, the owners of the SLBs, and Qualified Swap Providers, that so long as any SLBs are Outstanding or the Port is obligated to make payments under a Qualified Swap:

1. The Port shall pay, when due, all principal, interest, and premium, if any, on the SLBs and any Scheduled Swap Obligations, but solely from the Net Revenues, as provided in the Airport Revenue Bond Ordinances.
2. The Port shall pay, when due, any Other Swap Obligations, but solely from the Net Revenues that are available for deposit in the JLO Fund and shall pay any Other TLO Swap Obligations, but solely from the Net Revenues that are available for deposit in the TLO Fund.
3. The Port will, for the benefit of the owners of the SLBs and Qualified Swap Providers, keep certain covenants made by it in Ordinance No. 155.
4. The Port shall not issue any obligations payable from the Revenues or moneys in the General Account which have a claim prior to the claim of the SLBs and Scheduled Swap Obligations.

5. The Port shall not issue obligations having a claim to payment from the Revenues or moneys in the General Account which are equal to, or on a parity with, the claim of the SLBs, except for Qualified Swaps and Additional SLBs.

6. The Port shall impose and prescribe such schedule of rates, rentals, fees, and other charges for the use and services of the facilities and commodities furnished by the Airport, shall revise the same from time to time, whenever necessary, and shall collect the income, receipts, and other moneys derived therefrom, so that:

(a) The Revenues shall be sufficient to discharge all claims, obligations and indebtedness payable from or secured by the Revenues;

(b) The Net Revenues in each fiscal year shall be at least equal to 130% of the SLB Debt Service Requirement for such fiscal year on all SLBs then Outstanding; and

(c) The Net Revenues, together with other amounts that are available to pay Other Swap Obligations, are sufficient to pay all Other Swap Obligations and any Junior Lien Obligations when due.

The Port also covenanted in the Airport Revenue Bond Ordinances to impose and prescribe such schedule of rates, rentals, fees, and other charges for the use and services of the facilities and commodities furnished by the Airport and to revise the same from time to time, whenever necessary and to collect the income, receipts and other moneys derived therefrom, so that the Net Revenues in each Fiscal Year will be at least equal to the sum of: (i) the amounts described in (b) of the paragraph above plus (ii) 100% of the Excess Principal coming due in such Fiscal Year. As defined in the Airport Revenue Bond Ordinances, "Excess Principal" means the principal amount of any Outstanding SLBs which, in accordance with any reimbursement agreement, or other agreement pursuant to which any Credit Facility is given in connection with such SLBs, is due and payable by the Port in a particular Fiscal Year (whether by virtue of scheduled maturity, mandatory redemption or any similar method), but only to the extent the principal amount of such SLBs, which is so due and payable in such Fiscal Year, exceeds the principal amount which in the absence of the provisions of such reimbursement agreement, or other agreement referred to above, would otherwise be due and payable in such Fiscal Year (whether by scheduled maturity or mandatory redemption). The Port has reserved the right, however, to delete provisions relating to "Excess Principal" and to amend the definition of "SLB Debt Service Requirement." See "Amendments of the Airport Revenue Bond Ordinances—Special Amendments."

For purposes of determining the Port's compliance with the rate covenants described above, non-cash, unrealized gains, losses, expenses and/or revenues, including fair value of Qualified Swaps, Qualified TLO Swaps, other swap agreements or other derivative products are to be disregarded.

7. Within 120 days after the close of each fiscal year, the Port shall file with the SLB Trustee and the Airport Consultant, a signed copy of the annual report of the Accountant for the preceding fiscal year showing, among other things, for such year (a) Revenues and Net Revenues; (b) the SLB Debt Service Requirement; and, (c) the aggregate amount of money which was deposited in the General Account and available for the payments into the SLB Fund due under the SLB Ordinance, and the ratio of such amount to the SLB Debt Service Requirement.

The SLB Ordinance provides that in the event that any such report so filed shows that the Revenues and Net Revenues for said preceding fiscal year did not equal at least the amounts covenanted to be produced by, and required for the purposes described in paragraph 6 above for said fiscal year, or that the Revenues were not sufficient to restore any deficiency in the amounts then required to be credited to the

SLB Reserve Account, and to pay or discharge all other claims, charges and liens whatsoever against the Revenues when due and payable, then the Port shall promptly thereafter cause the Airport Consultant to file with the Port and the SLB Trustee, a certificate stating, if deemed necessary by the SLB Trustee, specific changes in operating procedures which may be made, or suggested revisions in the schedule of rates, rentals, fees, and charges, and recommendations respecting any increases thereto, any other changes, or any combination of the foregoing, which will, in the aggregate, in the SLB Trustee's opinion, result in Revenues and Net Revenues estimated as sufficient to make up any existing deficiency and to produce the amounts covenanted to be produced as described in the preceding paragraphs of this section. For purposes of determining the Port's compliance with such rate covenants, non-cash, unrealized gains, losses, expenses and/or revenues, including the fair value of Qualified Swaps, Qualified TLO Swaps, other swap agreements or other derivative products are to be disregarded. The Port is required to send a copy of each such certificate to the SLB Trustee, each Qualified Swap Provider and to any owner of SLBs filing with the Port a request for the same.

Thereafter, if the Port, in its sole discretion, deems any changes in its operating fees and charges, any other changes, or any combination of the foregoing, are necessary to produce the Revenues and Net Revenues required to make up any deficiency and produce the amounts covenanted to be produced by the preceding paragraphs of this section, it shall, as soon as possible, effect such changes in its operating procedures, or such revisions in such schedule of rates, rentals, fees, and charges, or effect such other charges, or take any combination of the foregoing actions, which, in its opinion and sole discretion, are necessary for such purposes. When determining compliance with the Port's covenants, non-cash, unrealized gains, losses, expenses and/or revenues, including the fair value of swaps or other derivative products, shall be disregarded.

8. The Port shall prepare an estimated budget for each fiscal year of Revenues and of Costs of Operation and Maintenance; costs of renewals, repairs and replacements; and other expenditures for such fiscal year.

9. The Port covenants that it owns the Airport and will keep the Airport free from liens and encumbrances, except as permitted by the Airport Revenue Bond Ordinances, and that it will keep the Airport in good operating condition in conformity with standards customarily followed in the aviation industry for airports of like size and character.

10. The Port shall comply with the requirements of the federal government of grants-in-aid accepted by the Port and shall operate and maintain the Airport as a revenue-producing enterprise and shall manage the same in the most efficient manner consistent with sound economy and public advantage.

11. The Port shall maintain proper books, records and accounts for the Airport in accordance with generally accepted accounting principles applicable to enterprises such as the Port, and shall have the financial statements of the Airport audited by an independent certified public accountant.

12. The Port shall retain and appoint from time to time an Airport Consultant.

13. The Port shall not create or give, or cause to be created or given, or permit to be created or given, any mortgage, lien, pledge, charge or other encumbrance upon any real or personal property constituting the Airport or upon the Revenues and the money in the Airport Fund, other than the liens, pledges and charges specifically created in the Airport Revenue Bond Ordinances or specifically permitted thereby. The Port shall not sell, lease or dispose of all, or substantially all, of the properties constituting the Airport without simultaneously with such sale, lease or other disposition depositing with the SLB Trustee cash or governmental securities in an amount sufficient so that no SLBs are any longer deemed outstanding. The Port may, however, execute leases, licenses, easements and other agreements of or

pertaining to properties constituting the Airport in connection with the operation of the Airport and in the normal and customary course of business thereof for aviation or non-aviation purposes, according to the schedule of rates, rentals, fees and charges of the Port or according to commercially reasonable terms in light of the business of the Airport as a whole. All amounts due the Port under such agreements and that will be recognized as Revenues shall be deposited in the Airport Revenue Fund when and to the extent required by the Airport Revenue Bond Ordinances. The Port may also enter into Net Rent Leases as described below under “Special Facilities, Special Obligation Bonds and Net Rent Leases.”

In the event any Airport properties shall be taken by the exercise of the power of eminent domain, the amount of the award received by the Port as a result of such taking shall be held by the Port under the Airport Revenue Bond Ordinances and either used for the acquisition or construction of revenue-producing properties to constitute part of the Airport or be applied to the redemption or purchase of SLBs.

14. The Port will carry insurance with generally recognized responsible insurers with policies payable to the Port against risks, accidents or casualties at least to the extent that similar insurance is usually carried by airport operators operating properties similar to the Airport.

15. The Port shall not construct Commercial Airports or General Aviation Airports that compete with the Revenues, except as permitted by Ordinance No. 155. Ordinance No. 155 generally permits the Port to construct and operate apart from Ordinance No. 155 a Commercial Airport or General Aviation Airport that the Port certifies to the SLB Trustee is substantially non-competitive with the Airport. The following facilities and structures shall be considered substantially non-competitive with the Airport and shall not be considered “competing for Revenues otherwise available for payment of the SLBs”:

(a) Facilities and structures which are not part of a Commercial Airport or a General Aviation Airport and which, at the time they are approved by the Port, are reasonably expected to be used for purposes which do not benefit directly and substantially from close proximity to aircraft, passengers or cargo while traveling through the Airport; and

(b) Facilities and structures which are not part of a Commercial Airport or a General Aviation Airport and which, at the time they are approved by the Port, are reasonably expected to benefit directly and substantially from close proximity to aircraft, passengers or cargo while traveling through the Airport, if the Board reasonably determines that the construction and operation of the facilities or structures will not have a material, adverse effect on the Revenues.

For purposes the preceding clause (b): (1) “material, adverse effect” means a reduction in the Revenues: (A) which would otherwise be projected for the Airport during any of the five full fiscal years following the projected completion of the proposed facility or structure; and, (B) which is directly attributable to the proposed facility or structure; and, (C) which is greater than or equal to five percent of the Net Revenues for the fiscal year immediately preceding a determination of the Board, or which would reduce the Net Revenues below the level required by the rate covenant shown in paragraph 6(b) above.

A determination of the Board shall be conclusively presumed to be reasonable if it is made in reliance upon a projection of the Airport Consultant that the construction and operation of the proposed facilities or structures will not have a material, adverse effect on the Revenues.

The SLB Fund

The Port has created the SLB Fund as a special trust fund to be held by the SLB Trustee. The Port shall set aside and pay into the SLB Fund from the first moneys available in the General Account, to the extent necessary to provide for the punctual payment of: (1) the principal and interest and premium, if any,

on the SLBs as and when the same become due, whether at maturity or by redemption or declaration as provided in the SLB Ordinance or otherwise; (2) any Scheduled Swap Obligations as and when the same become due; and (3) any Excess Principal as and when the same become due. The moneys in the SLB Fund shall be used solely for the payment of principal, interest, and premium, if any, due on the SLBs Scheduled Swap Obligations, and Excess Principal. As described below, the SLB Ordinance provides for the maintenance as separate accounts within the SLB Fund of, among other accounts, the SLB Principal and Interest Account and the SLB Reserve Account.

SLB Principal and Interest Account. The SLB Trustee shall maintain a separate account in the SLB Fund to be known as the “SLB Principal and Interest Account.” So long as the Port remains obligated to make payments on SLBs or Qualified Swaps:

1. In the case of SLBs and any Qualified Swap for which interest or Scheduled Swap Obligations are due semi-annually, or less frequently, on the first business day of each month, the Port shall pay to the SLB Trustee from moneys in the General Account for deposit in the SLB Principal and Interest Account (a) an amount such that, if the same amount were so credited to this account in each succeeding month thereafter, prior to the next date upon which an installment of interest falls due on the SLBs, the aggregate of such amounts, plus other moneys previously deposited and available in the SLB Principal and Interest Account to pay interest on SLBs, or scheduled to be deposited therein pursuant to a Capitalized Interest Certificate, will equal the installment of interest falling due on the SLBs on such interest payment date; plus (b) an amount such that, if the same amount were so credited to this account in each succeeding month thereafter, prior to the next date upon which a Scheduled Swap Obligation is due, the aggregate of such amounts, plus other moneys previously deposited and available in the SLB Principal and Interest Account and available to pay Scheduled Swap Obligations, will equal those Scheduled Swap Obligations on that payment date.

2. In the case of all SLBs and any Qualified Swap for which interest or Scheduled Swap Obligations are due more frequently than semi-annually: on the business day immediately preceding each interest payment date for such SLBs and each payment date for that Scheduled Swap Obligation, the Port shall pay to the SLB Trustee from moneys in the General Account for deposit in the SLB Principal and Interest Account: (a) an amount that, together with any other moneys previously deposited and available in the SLB Principal and Interest Account to pay interest on SLBs, will equal the installment of interest falling due on the next succeeding interest payment date for those SLBs; plus (b) an amount that, together with moneys previously deposited and available in the SLB Principal and Interest Account to pay Scheduled Swap Obligations, will equal the Scheduled Swap Obligations due on the next succeeding payment date for such Scheduled Swap Obligations.

3. Accrued interest received on the sale of SLBs, payments received by the Port under an agreement to enter into a Qualified Swap, as described in clause (4) of the definition of “SLB Debt Service Requirement,” and any regularly scheduled payment that is received by the Port (or the SLB Trustee on behalf of the Port) from a Qualified Swap Provider under a Qualified Swap that exceeds the amount paid by the Port, shall promptly be deposited in the SLB Principal and Interest Account.

4. If, at any time, the amounts in the SLB Principal and Interest Account are not sufficient to pay all interest payments on SLBs and Scheduled Swap Obligations that are then due, the SLB Trustee shall apply amounts in the SLB Principal and Interest Account to pay, on a pro rata basis, interest on SLBs and any amounts due in respect of Scheduled Swap Obligations.

On the first business day of each month, so long as any SLBs are Outstanding, commencing with the month which is 12 months prior to the first principal payment of any SLB maturing serially or the date on which SLBs are subject to scheduled mandatory redemption, the Port shall pay to the SLB Trustee, from

moneys in the General Account for deposit in the SLB Principal and Interest Account, an amount that, if the same amount were so credited to this account in each succeeding month thereafter, prior to the next date upon which principal, if any, on the SLBs maturing serially becomes due and payable or the next date upon which SLBs are subject to scheduled mandatory redemption (excluding any principal due as Excess Principal), the aggregate of the amounts on deposit in this account will equal the amount of principal on such SLBs on such principal payment date.

SLB Reserve Account. The SLB Trustee shall maintain a separate account in the SLB Fund, to be known as the “SLB Reserve Account.” The Port shall pay to the SLB Trustee, from Revenues in the General Account or from SLB proceeds, for deposit in the SLB Reserve Account, moneys sufficient to fund the SLB Reserve Fund Requirement, in accordance with the schedule provided in each ordinance authorizing issuance of a series of SLBs.

Except as described below in this paragraph, moneys in the SLB Reserve Account shall be used only to pay principal of, interest, and any premium on, SLBs and Scheduled Swap Obligations, and only when moneys in the SLB Principal and Interest Account are insufficient for such purposes. In the event that the balance in the SLB Reserve Account is reduced below the SLB Reserve Fund Requirement, then on the first business day of each month, the Port shall pay to the SLB Trustee from Revenues in the General Account for deposit in the SLB Reserve Account, an amount equal to twenty percent (20%) of the amounts required to be paid to the SLB Trustee on that day, pursuant to the preceding three paragraphs of this Section, until there is on deposit in the SLB Reserve Account an amount equal to the SLB Reserve Fund Requirement. If the amounts on deposit in the SLB Reserve Account exceed the SLB Reserve Fund Requirement, and there is no deficiency in any other account in the SLB Fund, the SLB Trustee shall, upon written request of the Port, disburse the excess to the Port for deposit in the General Account.

Investments. Moneys in the SLB Fund shall be invested and reinvested, to the extent reasonable and practicable by the SLB Trustee, and at the direction of the Port, in Investment Securities which are legal investments for the Port under the laws of the State. Such investments shall mature on, or prior to, the date on which moneys are required to be disbursed from the SLB Fund. All earnings on the SLB Fund that are not required to pay rebates on the SLB Fund that are due to the United States under Section 148 of the Internal Revenue Code of 1986, as amended, shall be credited to the SLB Reserve Account, unless and until there is on credit to said account, an amount equal to the SLB Reserve Fund Requirement on all SLBs then Outstanding, in which event such earnings shall be credited to the SLB Principal and Interest Account.

The JLO Fund

The Port has created the JLO Fund as a special trust fund to be held by the Port. The Port is required to set aside and pay into the JLO Fund from the first money available in the General Account after required payments to the SLB Fund: (1) an amount sufficient, with other amounts available in the JLO Fund, to pay any Other Swap Obligations when due; and, (2) any amounts the Port subsequently agrees to deposit into the JLO Fund for the benefit of Junior Lien Obligations. The Port has pledged the Net Revenues that are available for deposit into the JLO Fund under the Airport Revenue Bond Ordinances to pay Other Swap Obligations. On or before the date on which any of the following payments are due, and so long as the Port is obligated to make payments under a Qualified Swap or has Junior Lien Obligations outstanding, the Port is required to deposit into the JLO Fund money sufficient to: (i) pay any Other Swap Obligations that are then due; and (ii) to collateralize any Qualified Swap in accordance with its terms. The Port may covenant to make additional deposits into the JLO Fund to pay Junior Lien Obligations and fund reserves for Junior Lien Obligations.

The TLO Fund

The Port has created the TLO Fund as a special trust fund to be held by the Port and within the TLO Fund a Qualified Swap Termination Payment Fund. The SLB Ordinance permits the Port to create other funds and accounts within the TLO Fund for the payment of Third Lien Obligations and permits the Port to transfer to a qualified trustee the TLO Fund or any of its accounts and funds. The Port is required to set aside and to pay into the TLO Fund from the first money available in the General Account after required payments to the SLB Fund and the JLO Fund: (1) except as otherwise required in the SLB Ordinance, an amount sufficient, with other amounts available in the TLO Fund, to pay any Other TLO Swap Obligations when due; and, (2) any amounts the Port subsequently agrees to deposit into the TLO Fund for the benefit of Third Lien Obligations. The Port has pledged the Net Revenues that are available for deposit into the TLO Fund under the Airport Revenue Bond Ordinances to pay Other TLO Swap Obligations. On or before the date on which any of the following payments are due, and so long as the Port is obligated to make payments under a Qualified TLO Swap (and has not determined to make all payments with respect to a Qualified TLO Swap from the Subordinate Lien Obligations Account established under Ordinance No. 395-B, as amended, for the payment of Subordinate Lien PFC Obligations) or has Third Lien Obligations outstanding, the Port is required to deposit into the TLO Fund money sufficient to: (i) pay any Other TLO Swap Obligations that are then due; and (ii) to collateralize any Qualified TLO Swap in accordance with its terms. The Port may covenant to make additional deposits into the TLO Fund to pay Third Lien Obligations and fund reserves for Third Lien Obligations.

Flow of Funds

The Port shall deposit all Revenues in the Airport Fund, and shall, on the first day of each month, credit all Airport Revenues that remain after paying Costs of Operation and Maintenance to the General Account, a separate special account within the Airport Fund. The Airport Fund and the General Account are held and administered by the Port. The SLB Ordinance provides, however, that in the event amounts in the General Account are insufficient to pay the amounts due thereunder on the date such amounts are to be paid, all moneys then in the General Account and all moneys subsequently available for deposit in the General Account be immediately transferred to the SLB Trustee for deposit to the SLB Fund and provides that no moneys from the General Account shall be disbursed for any other purpose until all payments then due under the SLB Ordinance have been made. If such an insufficiency occurs, the SLB Trustee shall deposit the moneys it receives to the following accounts, in the following order of priority:

FIRST: to the Trustee for deposit to the SLB Principal and Interest Account, until all required deposits to that account have been made;

SECOND: to the Trustee for deposit to the SLB Reserve Account, until all required deposits to that account have been made;

THIRD: to the Port for deposit in the JLO Fund described above, until all required deposits to that fund have been made; and

FOURTH: to the Port for deposit in the TLO Fund described above, until all required deposits to that fund have been made.

Amounts remaining in the General Account after these credits have been made may be used and applied by the Port for any other lawful use or purpose pertaining to the Airport or the aviation or air transport interests of the Port, including without limitation the General Aviation Airports, to pay or secure the payment of Special Obligation Bonds and for any other lawful use or purpose necessary to carry out the

Airport Revenue Bond Ordinances, including making payments or credits to pay Costs of Operation and Maintenance of the Airport and making payments of credits to other funds or accounts.

On or before the first day of each month, the Port shall set aside and pay into the Remaining Contingent Fee Payment Fund the Remaining Contingent Fee Payments, if any, and shall immediately thereafter transfer all amounts in the Remaining Contingent Fee Payment Fund to the CFC Revenue Fund for application in accordance with Ordinance No. 461-B. For the avoidance of doubt, other than the Remaining Contingent Fee Payments, no other Revenues are required to be transferred into the Remaining Contingent Fee Payment Fund.

The SLB Construction Account

The Port has created the SLB Construction Account to hold certain proceeds of SLBs. The SLB Construction Account is held by the Port.

Pledge of Revenues

The Port pledges to the payment of all Outstanding SLBs, heretofore or hereafter issued, and to the payment of all Scheduled Swap Obligations, the following:

1. All Revenues,
2. All moneys on deposit, from time to time, in the SLB Construction Account; and
3. All moneys on deposit, from time to time, in the SLB Fund.

Additional Bonds

Additional SLBs. The Port may issue one or more series of Additional SLBs, provided that no Additional SLBs may be issued unless all of the following conditions are satisfied:

1. The SLB Trustee certifies that no default exists in the payment of principal of, or interest and premium on any SLBs;
2. The SLB Trustee certifies that, upon the issuance of such series of SLBs, the accounts in the SLB Fund for the SLBs will each contain the amounts required to be on deposit therein;
3. An Assistant Secretary of the Port certifies that, for either the Port's most recent complete fiscal year or for any consecutive 12 out of the most recent 18 months, Net Revenues were equal to at least 130% of the SLB Debt Service Requirement on all then Outstanding SLBs for such period;

4. Either:

(a) An Airport Consultant provides a written report setting forth projections which indicate:

(i) the estimated Net Revenues for each of three consecutive fiscal years beginning in the earlier of (A) the first fiscal year following the estimated date of completion and initial use of all revenue-producing facilities to be financed with such series of SLBs, based upon a certified written estimated completion date by the consulting engineer for such facility or facilities, or (B) the first fiscal year in which the Port will have scheduled payments of interest on or principal of the series of SLBs to be issued for the payment of which provision has not been made as indicated in the report of such Airport

Consultant from proceeds of such series of SLBs, investment income thereon or from other appropriated sources (other than Net Revenues); and,

(ii) that the estimated Net Revenues for each fiscal year are equal to at least 130% of the SLB Debt Service Requirements on all SLBs scheduled to occur during that fiscal year after taking into consideration the additional SLB Debt Service Requirements for the series of SLBs to be issued; or

(b) An Assistant Secretary of the Port certifies that, for either the Port's most recent complete fiscal year or for any consecutive 12 out of the most recent 18 months, Net Revenues were equal to at least 130% of the maximum SLB Debt Service Requirement on all Outstanding SLBs on any future fiscal year and the series of SLBs proposed to be issued;

5. In the ordinance authorizing a series of SLBs to be issued, provision is made for the satisfaction of the SLB Reserve Fund Requirement;

6. If interest is to be capitalized, the Port provides a Capitalized Interest Certificate; and,

7. The Port provides a Project Certificate.

The Airport Revenue Bond Ordinances provide that when determining compliance with the conditions to the issuance of Additional SLBs, non-cash, unrealized gains, losses, expenses and/or revenues, including the fair value of Qualified Swaps, Qualified TLO Swaps, other swap agreements or other derivative products, shall be disregarded.

Completion Bonds. The Port reserves the right to issue one or more series of Completion Bonds. Prior to the issuance of any series of Completion Bonds the Port must provide, in addition to all of the requirements described above in paragraphs 1, 2 and 5 under "Additional SLBs," (1) a certificate from the engineer or architect engaged by the Port to design the project for which the Completion Bonds are to be issued, stating that such project has not been materially changed in scope since its Project Certificate was filed and setting forth the aggregate cost of the project which, in the opinion of such consulting engineer, has been or will be incurred; and (2) a certificate of an Assistant Secretary stating (a) that all amounts allocated to pay the costs of the project from the most recent series of SLBs issued in connection with the project for which the Completion Bonds are being issued were used or are still available to be used to pay costs of such project, (b) that the aggregate cost of that project (furnished in the consulting engineer's certificate described above) exceeds the sum of the costs of the project paid to such date plus the moneys available at such date within any construction fund established therefor or other like account applicable to the project plus any other moneys which an Assistant Secretary, in his discretion, has determined are available to pay such costs in any other funds, and (c) that, in the opinion of an Assistant Secretary, the issuance of the Completion Bonds is necessary to provide funds for the completion of the project.

Refunding Bonds. If SLBs are being issued for the purpose of refunding previously issued SLBs, the certifications described in paragraphs 3 and 4 under "Additional SLBs" above are not required unless the aggregate debt service payable on the refunding bonds exceeds the aggregate debt service payable on the bonds which are being refunded. However, if SLBs are issued to refund Short Term/Demand Obligations, the certifications described in paragraph 3 under "Additional SLBs" above are required.

Junior Lien Obligations and Third Lien Obligations. The Port also reserves the right to issue or incur, for any lawful Airport purpose, Junior Lien Obligations and Third Lien Obligations, which may be further secured by any other source of payment lawfully available for such purposes.

Qualified Swaps

The Board may authorize Qualified Swaps by resolution and without amending or supplementing the terms of the Airport Revenue Bond Ordinances. The Port may enter into agreements with Qualified Swap Providers regarding the interpretation and application of the Airport Revenue Bond Ordinances and those agreements shall be binding on the Port unless they are inconsistent with the express provisions of the Airport Revenue Bond Ordinances. The SLB Ordinance provides that so long as the obligations of the Port to any Qualified Swap Provider have not been discharged and satisfied, such Qualified Swap Provider shall be a third-party beneficiary of every provision and covenant of the SLB Ordinance and that such provision and covenant shall be enforceable by such Qualified Swap Provider as provided in the SLB Ordinance. The SLB Ordinance also provides that the adjustments to the “SLB Debt Service Requirement” that result from execution of a Qualified Swap shall be allocated to Airport cost centers in the same manner as debt service for the SLBs for which the Qualified Swap was executed or in accordance with the terms of any new or amended Airline Agreement as negotiated between the parties in the future.

SLB Ordinance to Constitute Contract

The SLB Ordinance provides that so long as any of the SLBs are Outstanding, each of the obligations, duties, limitations and restraints imposed upon the Port by the SLB Ordinance shall be deemed to be a covenant between the Port and every Owner and that the SLB Ordinance and every provision and covenant thereof and the provisions of Sections 778.005 to 778.260 of the Oregon Revised Statutes shall constitute a contract with every Owner and shall be enforceable by any Owner by mandamus or other appropriate action or proceeding as provided in the SLB Ordinance.

Special Facilities, Special Obligation Bonds and Net Rent Leases

The Airport Revenue Bond Ordinances provide that the Port may acquire or construct a hangar, overhaul, maintenance or repair building or shop, or other aviation or airport or air navigation facility, including hotels, garages and other buildings and facilities incident or related to the Airport, or acquire and remodel, renovate or rehabilitate a building, structure, or other facility (including the site thereof) for aviation or airport or air navigation purposes (all said hangars, building, shops, or other structures and facilities being referred to as a “Special Facility”) and lease such Special Facility under the following conditions:

1. No Special Facility will be constructed or acquired and leased for use or occupancy (a) if the Special Facility would provide services, facilities, commodities or supplies which then may be adequately made available through the Airport as then existing, and (b) if the use or occupancy of such Special Facility under the contract, lease or agreement therefor would result in a reduction of Revenues below the minimum amount of Revenues covenanted to be produced and maintained in accordance with Ordinance No. 155;

2. A Net Rent Lease shall be entered into between the Port, as lessor, and the user or occupier of such Special Facility, as lessee, pursuant to which the lessee shall agree to pay the Port in each year during the term thereof, (a) fixed rentals in periodic installments which will be sufficient to pay during such term as the same respectively matures the principal of and interest on all Special Obligation Bonds to be issued to pay the cost of construction or acquisition of the Special Facility, (b) such further rentals as shall be necessary or required to provide or maintain all reserves required for such Special Obligation Bonds and to pay all trustee’s, fiscal agents’ and paying agents’ fees and expenses in connection therewith, and (c) unless a ground rental shall be provided for as described in paragraph 3 below, an additional rental payable in periodic installments and free and clear of all charges under said Net Rent Lease, in an amount

equal to a properly allocable share of the administrative costs of the Port arising out of such Net Rent Lease and the issuance and servicing of such Special Obligation Bonds;

3. If the land on which the Special Facility is to be constructed constitutes a part of the Airport, the Net Rent Lease referred to in paragraph 2 above shall provide for payment to the Port of a ground rental for the ground upon which such Special Facility is or is to be located. Such ground rental shall when said Net Rent Lease is executed be in amounts not less than required according to the rates, rentals, fees, and charges of the Port then in effect, shall be free and clear of all charges under said Net Rent Lease and shall be in addition to the rentals described in paragraph 2 above; and shall constitute Revenues and be paid into the Airport Fund, to be used and applied as are other moneys deposited therein; and

4. If located on land included in the Airport, the Net Rent Lease shall provide that all rentals payable thereunder as described in paragraph 2 above which are not required to pay the Special Obligation Bonds issued for the Special Facility leased thereby, including reserves for such Special Obligation Bonds, or required to pay trustee's, fiscal agents' and paying agents' fees and expenses in connection therewith, or required to pay the aforesaid administrative costs of the Port, shall be paid to the Port for its own use and purposes. To the extent permitted by law, such excess amounts shall constitute Revenues and be paid into the Airport Fund, to be used and applied as are other moneys deposited therein.

The Airport Revenue Bond Ordinances provide that the Port may issue Special Obligation Bonds to finance Special Facilities and to refund Special Obligation Bonds. Special Obligation Bonds may not be issued, however, unless, among other requirements, a certificate of the Airport Consultant has been filed with the Port certifying that the construction or acquisition and leasing for use or occupation of such Special Facility would not result in a reduction of Revenues below the minimum amount of Revenues the Port has covenanted to produce in Ordinance No. 155.

Special Obligation Bonds are to be payable solely from rentals payable by the lessee under the Net Rent Lease for the Special Facility being financed with the proceeds of such Special Obligation Bonds, provided that to the extent any Net Revenues remain after making all deposits and transfers described above under "Flow of Funds, the Port may apply such remaining Net Revenues toward the payment of such Special Obligations.

The SLB Trustee

The SLB Trustee shall, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertake to perform such duties and only such duties as are specifically set forth in the SLB Ordinance and no implied covenants or obligations shall be read into the SLB Ordinance against the SLB Trustee.

Except in case an Event of default under the SLB Ordinance has occurred and has not been cured, the SLB Trustee agrees to perform such trusts as an ordinarily prudent trustee. The SLB Trustee is entitled to rely upon a certificate of the Port as to the existence or non-existence of any fact and as to the sufficiency or authenticity of any instrument or proceeding and shall not be liable for any action it takes or omits to take in good faith, except that the SLB Trustee may not be relieved from liability for its own negligent action or negligent failure to act or for its willful misconduct.

Before taking any action under the SLB Ordinance regarding an Event of Default, the SLB Trustee may require that it be furnished an indemnity satisfactory to it for the reimbursement of all expenses to which it may be put and to protect it against all liability except liability which results from the negligent action of SLB Trustee, its negligent failure to act or its willful misconduct. However, the SLB Trustee shall not be entitled to any such indemnity as a condition precedent to its drawing upon any Letter of Credit or

Alternate Credit Facility given as security for the payment of any SLBs, but upon the occurrence of an Event of Default and an acceleration of the Outstanding SLBs, the SLB Trustee shall promptly draw upon such Letter of Credit or Alternate Credit Facility in accordance with its terms and use the amounts so drawn solely for the purpose of paying the SLBs secured by such Letter of Credit or Alternate Credit Facility.

Upon an Event of Default, but only upon an Event of Default and except as otherwise provided in the SLB Ordinance in connection with SLBs secured by certain Credit Facilities, the SLB Trustee shall have a first lien on the SLB Fund, with right of payment prior to payment of any SLB, for such fees, advances, counsel fees on trial or on appeal, costs and expenses incurred by it.

Provided a successor SLB Trustee is reasonably available, the SLB Trustee and any successor SLB Trustee may at any time resign from the trusts created by the SLB Ordinance by giving 30 days' written notice to the Port and by first class mail to each Owner; provided that no such resignation shall become effective until a successor SLB Trustee has been appointed and has agreed to act as such.

The SLB Trustee may be removed at any time by the Port, or by an instrument or concurrent instruments in writing delivered to the SLB Trustee and to the Port, signed by the owners of a majority in aggregate principal amount of SLBs then Outstanding; provided that no such removal shall become effective until a successor SLB Trustee has been appointed and has agreed to act as such.

In case the SLB Trustee shall resign or be removed, or be dissolved or shall be in course of dissolution or liquidation, or otherwise become incapable of acting under the SLB Ordinance, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Port, or by the owners of a majority in aggregate principal amount of SLBs then Outstanding. No such appointment shall be effective without the written consent of the Port, which consent shall not be withheld unreasonably. Nevertheless in case of such vacancy the Port by resolution of its governing body may appoint a temporary SLB Trustee to fill such vacancy until a successor SLB Trustee shall be so appointed by the Owners; and any such temporary SLB Trustee so appointed by the Port shall immediately and without further act be superseded by the SLB Trustee so appointed by the Owners. In the event the SLB Trustee resigns or is removed and a successor is not appointed or has not agreed to act as such within 30 days from the date of such resignation or removal, the existing SLB Trustee may petition a court of competent jurisdiction for the appointment of a successor SLB Trustee.

Amendments of the Airport Revenue Bond Ordinances

Amendments Without Owner Consent. The Port may amend the Airport Revenue Bond Ordinances without the consent of Owners (a) for the purpose of providing for the issuance of Additional SLBs, (b) to make any changes or modifications thereof or amendments or additions thereto or deletions therefrom which may be required to permit the Airport Revenue Bond Ordinances to be qualified under the Trust Indenture Act of 1939, as amended from time to time, and (c) if the provisions of such amendment shall not adversely affect the rights of the Owners, for any one or more of the following purposes:

1. To make any changes or corrections in the Airport Revenue Bond Ordinances as to which the Port shall have been advised by its counsel that the same are verbal corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in the Airport Revenue Bond Ordinances, or to insert such provisions clarifying matters or questions arising under the Airport Revenue Bond Ordinances as are necessary or desirable;

2. To add additional covenants and agreements of the Port for the purpose of further securing the payment of the SLBs;

3. To surrender any right, power or privilege reserved to or conferred upon the Port by the terms of the Airport Revenue Bond Ordinances;

4. To confirm as further assurance any lien, pledge or charge, or the subjection to any lien, pledge or charge, created or to be created by the provision of any of the Airport Revenue Bond Ordinances;

5. To grant to or confer upon the holders of the SLBs any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon them, or to grant to or confer upon the SLB Trustee for the benefit of the holders of the SLBs any additional rights, duties, remedies, power or authority;

6. To prescribe further limitations and restrictions upon the issuance of the SLBs and the incurring of indebtedness by the Port payable from the Revenues; and

7. To modify in any other respect any of the provisions of the Airport Revenue Bond Ordinances; provided that such modifications shall have no adverse effect as to any SLB or SLBs which are then outstanding.

Special Amendments. The Port has reserved the right to amend the Airport Revenue Bond Ordinances without the consent of the Owners of SLBs to remove references to “Excess Principal” and (but only if the right to make such amendment is expressly reserved in the Supplemental Ordinance providing for the issuance of such SLBs) for, but not limited to, the following purposes.

(1) To amend the definition of “Airport” to add any facilities operated by the Port whether or not such facilities are related to aviation.

(2) To provide that the Airport Fund (other than the SLB Fund) may be invested in any securities that are legal investments for the Port under the laws of the State.

(3) To provide that the SLB Fund may be invested only in Investment Securities, and to define Investment Securities to include those securities that are then typically permitted for the investment of debt service and the reserve funds of revenue bonds that have credit ratings similar to the credit ratings then in effect for the SLBs.

(4) To permit the Port’s obligations under derivative products (including interest rate swaps, collars, hedges, caps and similar transactions) to be treated as SLBs and to make other changes which are desirable in order to permit use of derivative products in connection with SLBs.

(5) To permit obligations that are subordinate to the SLBs to be issued for any lawful Port purpose.

(6) To provide that balloon obligations will be treated as if they were refinanced with long-term obligations for purposes of calculating the SLB Debt Service Requirement and making certain deposits to the SLB Fund.

(7) To provide that any “put” or other right of Owners to require the purchase of SLBs shall not be treated as a maturity or mandatory redemption and may be ignored when calculating the SLB Debt Service Requirement and the amounts to be deposited to the SLB Fund, but only if bond insurance, a line or letter of credit, a standby bond purchase agreement or other liquidity or credit enhancement is in effect which is expected to pay for the purchase of the SLBs when the Owners exercise that right, if the SLBs are not remarketed or refunded.

(8) To provide that certain amounts in the SLB Serial Bond Principal Account and the SLB Term Bond Principal Account (now part of the combined SLB Principal and Interest Account) may be used for redemption or purchase for cancellation of SLBs.

(9) To reduce the SLB Reserve Fund Requirement to an amount equal to the maximum amount of proceeds of tax-exempt bonds which the Code permits to be deposited in a reserve account without yield restriction, and to specify either that separate reserve accounts will be held for each series of SLBs, or that a single reserve account will secure all series of SLBs.

(10) To modify the requirements for funding the Rebate Account or to eliminate the Rebate Account.

(11) To combine Ordinance No. 155 and the SLB Ordinance, to delete outdated provisions, to delete provisions that interfere with the business operations of the Port but that do not provide substantial security for owners of SLBs, to clarify and simplify the remaining provisions, to substitute modern, more flexible provisions, and to restate those amended ordinances as a single ordinance.

(12) To amend the definition of “SLB Debt Service Requirement” so that for purposes of calculating compliance with the Port’s rate covenants, the amount of principal and/or interest on SLBs and/or the amount of Scheduled Swap Obligations paid or to be paid from moneys not then included in the definition of “Revenues” or “Net Revenues” shall be disregarded and not included in any calculation of “SLB Debt Service Requirement.”

(13) To amend the SLB Ordinance to provide that for purposes of determining compliance with the provisions of the SLB Ordinance relating to Additional SLBs, the amount of passenger facility charges, customer facility charges, state and federal grants or other payments and/or other moneys that are not then included in the definition of “Revenues” or “Net Revenues” but that are committed irrevocably to the payment of debt service on SLBs and to the payment of Scheduled Swap Obligations or that are held by the SLB Trustee for the sole purpose of paying debt service on SLBs and paying Scheduled Swap Obligations may be disregarded and not included in the calculation of SLB Debt Service Requirement for the period in which such amounts are irrevocably committed or are held by the SLB Trustee.

(14) To permit all or a portion of the Remaining Balance, as hereinafter defined, to be taken into account as “Revenues” when determining compliance by the Port with its rate covenants. For this purpose, “Remaining Balance” means for any fiscal year the amount of unencumbered funds on deposit or anticipated to be on deposit on the first day of such fiscal year in the General Account (after all deposits and payments required to be made into the SLB Fund, the JLO Fund or the TLO Fund under the SLB Ordinance have been made as of the last day of the immediately preceding fiscal year).

(15) To permit the application of proceeds received from the sale of SLBs or of Junior Lien Obligations to make termination payments incurred in connection with terminating swap agreements or other derivative products.

Amendments with Owner Consent. The consent of the Owners of not less than sixty-six and two-thirds per centum (66 $\frac{2}{3}$ %) of the principal amount of the SLBs then outstanding is required for any amendment not described in the preceding two sections. However, the consent of each affected Owner is required for any amendment to: (1) change the fixed maturity date for the payment of the principal of any SLB or the dates for the payment of interest thereon or the terms of the redemption thereof, or reduce the principal amount of any SLB or the rate of interest thereon or any premium payable upon the redemption or payment thereof; or (2) reduce the aforesaid percentage of SLBs, the Owners of which are required to consent to any such amendment, or (3) give to any SLB or SLBs any preference over any other SLB or

SLBs secured by the SLB Ordinance; or (4) authorize the creation of any pledge of the Revenues or any lien thereon prior or superior or equal to the pledge and lien created in the SLB Ordinance for the payment and security of the SLBs; or (5) deprive any Owner of the security afforded by the Airport Revenue Bond Ordinances.

Events of Default

Each of the following shall constitute an “Event of Default”:

1. If payment of the principal and premium (if any) of any SLB, whether at maturity or by proceedings for redemption (whether by voluntary redemption or a mandatory redemption) or otherwise, shall not be made when the same shall become due and payable; or

2. If payment of any installment of interest on any SLB shall not be made when the same shall become due and payable; or

3. If the Port shall fail in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the SLBs or in the SLB Ordinance or in any ordinance supplemental thereto on the part of the Port to be performed, and such failure shall continue for 90 days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Port by the SLB Trustee or by the owners of not less than twenty percent (20%) in principal amount of the SLBs then Outstanding or any committee therefor; provided that if any such failure shall be such that it cannot be cured or corrected within such 90-day period, it shall not constitute an Event of Default under the SLB Ordinance if curative or corrective action is instituted within said period and diligently pursued until the failure of performance is cured or corrected; or

4. If any proceedings shall be instituted with the consent or acquiescence of the Port for the purpose of effecting a composition between the Port and its creditors and if the claim of such creditors is in any circumstance payable from any of the Revenues or any other moneys pledged and charged in the SLB Ordinance or in any ordinance supplemental thereto or for the purpose of adjusting the claims of such creditors, pursuant to any federal or State statute now or hereafter enacted; or

5. If an order or decree shall be entered (a) with the consent or acquiescence of the Port, appointing a receiver or receivers of the Airport or any of the buildings and facilities thereof, or (b) without the consent or acquiescence of the Port, appointing a receiver or receivers of the Airport or any of the buildings and facilities thereof, and such order or decree having been entered, shall not be vacated or discharged or stayed on appeal within 60 days after the entry thereof; or

6. If, under the provisions of any applicable bankruptcy laws or any other law for the relief or aid of debtors, (a) any court of competent jurisdiction shall assume custody or control of the Airport or any of the buildings and facilities thereof, and such custody or control shall not be terminated within 90 days from the date of assumption or such custody or control; or (b) any court of competent jurisdiction shall approve of any petition for the reorganization of the Airport or rearrangement or readjustment of the obligations of the Port under the SLB Ordinance.

Notice to Owners of Events of Default

The SLB Trustee is required to give to Owners notice of all Events of Default known to the SLB Trustee, within 30 days after the occurrence of an Event of Default unless such Event of Default has been cured, provided that except in the case of a payment default, the SLB Trustee shall be protected in

withholding such notice if and so long as the SLB Trustee in good faith determines that the withholding of such notice is in the interest of the Owners.

Remedies Upon Occurrence of Event of Default

1. Upon the occurrence of an Event of Default under the SLB Ordinance, the SLB Trustee (a) for and on behalf of the Owners, shall have the same rights under the SLB Ordinance which are possessed by any Owner; (b) shall be authorized to proceed, in its own name and as trustee of an express trust; (c) may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of Outstanding SLBs shall, declare all Outstanding SLBs immediately due and payable; (d) may pursue any available remedy by action at law or suit in equity to enforce the payment of the principal of and interest on the SLBs; (e) may, and upon the written request of the Owners of twenty-five percent (25%) in aggregate principal amount of the SLBs then Outstanding shall, proceed to protect and enforce all rights of the Owners and the SLB Trustee under the SLB Ordinance; and (f) exercise other remedies provided in the Airport Revenue Bond Ordinances.

2. The owners of not less than a majority in principal amount of the SLBs at the time Outstanding shall be authorized and empowered (a) to direct the time, method, and place of conducting any proceeding for any remedy available to the SLB Trustee or to the holders of the SLBs, or exercising any trust or power conferred upon the SLB Trustee under the SLB Ordinance; or (b) on behalf of the owners of the SLBs then Outstanding, to consent to the waiver of any Event of Default or its consequences, and the SLB Trustee shall waive any Event of Default and its consequences and rescind any declaration of maturity upon the written request of the owners of such majority.

3. Notwithstanding any other provision of the SLB Ordinance the right of any owner of any SLB to receive payment of the principal of and interest on such SLB, on or after the respective due dates expressed in such SLB, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such owner.

4. All moneys received by the SLB Trustee following an Event of Default under the SLB Ordinance pursuant to any right given or action taken under the provisions of the SLB Ordinance shall, after payment to the SLB Trustee of its reasonable fees and expenses with respect thereto, be applied to the payment of the principal of and interest on the Outstanding SLBs then due and unpaid, ratably according to the amounts due and payable on the Outstanding SLBs, without preference or priority of any kind.

Discharge of Liens and Pledges; SLBs No Longer Outstanding Under the SLB Ordinance

The obligations of the Port under the SLB Ordinance and the liens, pledges, charges, trusts, assignments, covenants and agreements of the Port therein made or provided for, shall be fully discharged and satisfied as to any SLB and such SLB shall no longer be deemed to be Outstanding thereunder:

1. When such SLB shall have been cancelled, or shall have been purchased by the SLB Trustee from moneys in the SLB Fund, or

2. As to any SLB not cancelled or so purchased, when payment of the principal of and the applicable redemption premium, if any, on such SLB, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption or prepayment or otherwise), either

(a) shall have been made or caused to be made in accordance with the terms thereof,
or

(b) shall have been provided by irrevocably depositing with the SLB Trustee or Paying Agent for such SLB, in trust and irrevocably appropriated and set aside exclusively for such payment,

(i) moneys sufficient to make such payment or

(ii) Governmental Obligations maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the SLB Trustee and said Paying Agents pertaining to the SLB with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the SLB Trustee and said Paying Agents.

At such time as an SLB shall be deemed to be no longer Outstanding under the SLB Ordinance, as aforesaid, such SLB shall cease to draw interest from the due date thereof (whether such due date be by reason of maturity, or upon redemption or prepayment or by declaration as aforesaid, or otherwise) and, except for the purposes of any such payment from such moneys or Governmental Obligations shall no longer be secured by or entitled to the benefits of the SLB Ordinance, including all Supplemental SLB Ordinances.

If any SLBs shall not be presented for payment when the principal thereof shall become due, whether at maturity or at the date fixed for the redemption thereof, or otherwise, and if moneys or Governmental Obligations shall at such due date be held by the SLB Trustee, or a Paying Agent therefor, in trust for that purpose and sufficient and available to pay the amounts due upon presentment of such SLBs on such due date, then interest shall cease to accrue on such SLBs, all liability of the Port for such payment shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the SLB Trustee or such Paying Agent, to hold said moneys or Governmental Obligations, without liability to such Owner for interest thereon, in trust for the benefit of the holder of such SLB, who thereafter shall be restricted exclusively to said moneys or Governmental Obligations for any claim of whatever nature on his part on or with respect to said SLB, including any claim for the payment thereof.

Notwithstanding any provision of any other section of the SLB Ordinance which may be contrary to the provisions of this section, all moneys or Governmental Obligations set aside and held in trust pursuant to the provisions described in this section for the payment of SLBs (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular SLB (including interest and premium thereon, if any) with respect to which such moneys and Governmental Obligations have been so set aside in trust.

Notwithstanding anything in the SLB Ordinance to the contrary, the obligations of the Port under the SLB Ordinance and the liens, pledges, charges, trusts, assignments, covenants and agreements of the Port therein made or provided for, shall not be discharged and satisfied until the Port has paid all amounts it is obligated to pay under any Qualified Swap.

No Personal Liability

No Commissioner of the Port and no officer, director or employee thereof shall be individually or personally liable for the payment of the principal of or interest or premium on the SLBs; but nothing contained in the SLB Ordinance shall relieve any such Commissioner, officer, director or employee from the performance of any duty provided or required by law, including the SLB Ordinance.

Limitation of Rights

With the exception of rights or benefits expressly conferred in the SLB Ordinance, nothing expressed or mentioned in or to be implied from the SLB Ordinance or the SLBs is intended or shall be construed to give to any person other than the Port, the SLB Trustee and the Owners of the SLBs, any legal or equitable right, remedy or claim under or in respect to the SLB Ordinance or any covenants, conditions and provisions therein contained; the SLB Ordinance and all of the covenants, conditions and provisions thereof being intended to be and being for the sole and exclusive benefit of the Port, the SLB Trustee and the Owners of the SLBs as therein provided.

APPENDIX C

PENSION AND OTHER POST-RETIREMENT BENEFIT PROGRAMS

Pension Plans – General. The Port is one of many employers in the statewide Oregon Public Employees’ Retirement System, a multiple-employer, cost-sharing pension plan (“PERS” or the “System”). The Port participates in three retirement pension benefit programs and in a retirement healthcare benefit program (the Retirement Health Insurance Account program or “RHIA”) sponsored by PERS. The three PERS pension programs are composed of two defined benefit programs and one program that has features similar to a defined contribution plan. 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 employer contributions determined by the Public Employees Retirement Board (the “PERS Board”) based upon the results of actuarial valuations, employee contributions and investment earnings fund the PERS pension programs. Employee contributions, which to date the Port has elected to pay, are determined by statute and currently are 6% of salaries.

Most Port employees, after six months of employment, are participants in PERS. Employees hired before January 1, 1996 are known as “Tier 1” participants. Retirement benefits applicable to Tier 1 participants are based primarily on a defined benefit model. Employees hired on or after January 1, 1996 and before August 29, 2003 are “Tier 2” participants. The Tier 2 program is a defined benefit program but with lower expected costs to employers than under the Tier 1 benefit program. 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 (the “OPSRP”).

PERS also offers an Individual Account Program (the “IAP”) that has features similar to a defined contribution benefit. Effective January 1, 2004, active T1/T2 and OPSRP employees became members of the IAP.

Pensions – Valuations and Funded Status. State statutes require an actuarial valuation of the System at least once every two years. PERS’ current practice is to obtain actuarial valuations annually, although only valuations as of the end of each odd-numbered year are used to determine annual required employer contribution rates. Valuations are performed for the entire System and for each participating employer, including the Port, and are released approximately one year after the valuation date. Milliman, Inc. (“Milliman”) is the current PERS actuary.

Milliman’s valuation for the Port as of December 31, 2023 (the “2023 Port Valuation”) serves as the basis for the Port’s employer contribution rates for the period July 1, 2025 through June 30, 2027 (the “2025-2027 Biennium”). See “—Pensions—Contribution Rates.”

In connection with the T1/T2 Pension Programs, the Port is pooled with the State and with certain other local government and community college district public employers (the “State and Local Government Rate Pool” or “SLGRP”), and the Port’s share of assets, liabilities and the unfunded actuarial liability (the “UAL”) of the SLGRP is based upon the Port’s proportionate share of the SLGRP payroll as of the valuation date. In connection with the OPSRP program, the assets and liabilities are pooled on a program-wide basis, and the Port’s allocated share is based upon the Port’s proportionate share of total System payroll as of the valuation date. An employer’s 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.

Table C-1 summarizes the adopted methods and assumptions used as the basis for the System valuation as of December 31, 2023 (the “2023 System Valuation”) and the 2023 Port Valuation, upon which employer contribution rates for the 2025-2027 Biennium are based.

**TABLE C-1
ACTUARIAL ASSUMPTIONS AND METHODS**

Assumption/ Method	2023 System Valuation and 2023 Port Valuation
Actuarial Cost Method	Entry-Age Normal
T1/T2 Programs UAL Amortization Method	Level Percentage of Payroll over 20 years (fixed)
OPSRP UAL Amortization Method	Level Percentage of Payroll over 16 years (fixed)
Asset Valuation Method	Market Value ⁽¹⁾
Investment Rate of Return	6.90%
Payroll Growth Rate	3.40% ⁽²⁾
Inflation Level	2.40%
Contribution Rate Stabilization Method	The contribution rate stabilization method, also referred to as the rate collar (the “Rate Collar”), is applied separately to OPSRP and to each Tier 1/Tier 2 experience sharing pool (State and Local Government Rate Pool, School Districts) and independent employers. The Rate Collar will be applied as a fixed percentage of payroll, with a limit of 3 percent of payroll for the Tier 1/Tier 2 UAL rate and 1 percent of payroll for OPSRP UAL rate. Further, reductions in the UAL rate would be eliminated if the pool’s funded status (excluding side accounts) is 87% or lower. If the funded status reaches 88%, the reduction would be allowed, gradually increasing until the funded status reaches 90 percent, at which point the full reduction would be permitted.

⁽¹⁾ Market value of assets reduced by value of assets in statutory reserves (contingency, capital preservation and rate guarantee reserves).

⁽²⁾ For the 2022 System Valuation and the 2023 System Valuation, payrolls for the 2024 and 2025 calendar years are assumed to grow at an additional two percent above the 3.40 percent base assumption.

Table C-2 summarizes the actuarial value of assets and liabilities, UALs and funded ratios for the PERS pension plans System-wide as of December 31, 2019 through 2023, and Table C-3 summarizes the Port’s share of the System’s UALs for the same years.

Side Accounts. The Port’s allocated shares include credits for amounts on deposit in the Port’s UAL side account (the “UAL Side Account”). The UAL Side Account was funded with net proceeds of approximately \$55 million aggregate principal amount of limited tax pension obligations issued by the Port in 2002 and approximately \$20 million aggregate principal amount of limited tax pension obligations issued by the Port in 2005, of which approximately \$25.6 million and approximately \$11.2 million, respectively, are allocable to the Airport. Proceeds received from the sale of the pension obligations, plus investment earnings thereon, were applied to finance a portion of the Port’s estimated share of the T1/T2 UAL (approximately \$54 million as of April 1, 2002 and approximately \$20 million as of October 1, 2005). Those deposits to the Port’s UAL Side Account reduce the Port’s contribution rates to the T1/T2 Pension programs. See Note 9 in Appendix A.

Chapter 355 Oregon Laws 2019 (“Senate Bill 1049”) adopted by the Oregon Legislative Assembly during the 2019 legislative session authorized funding for an Employer Incentive Fund (“EIF”) which provided 25% matching funds (up to a cap) to incent employers to place new side accounts with PERS.

Senate Bill 1049 also authorized changes to the timing options available for employers to receive rate offsets from new side accounts. In December 2019, the Port created two new side accounts with PERS. The first side account of \$20 million qualified for EIF matching in the amount of \$4,961,469. This side account is being amortized to provide the Port rate relief for 16 years, beginning January 1, 2020. The initial rate relief provided to the Port was (2.82%); the amount of rate relief provided is recalculated every two years in subsequent rate setting valuations. The second Port side account created in December 2019 was in the amount of \$10 million and will be amortized to provide pension rate relief to the Port for 10 years, beginning in fiscal year 2030. The combined amortizations of these two accounts will provide the Port with pension rate relief over the next 20 years, with rate relief from both side accounts providing rate relief in the years in which the Port's pension rates were projected to be at their highest. The side accounts were funded by the Port's General Fund so the rate relief received from these side accounts will only benefit the Port's General Fund. Due to the long-term nature and up-front funding requirements of these new accounts, it was determined that it was not feasible to apply the transaction to the Airport.

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TABLE C-2
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
SYSTEMWIDE PENSION HISTORICAL ACTUARIAL FUNDED RATIOS
(IN MILLIONS) ⁽¹⁾

Calendar Year Ending	Actuarial Value of Assets (\$) ⁽²⁾	Actuarial Value of Liability (\$)	Unfunded Actuarial Liability (\$)	Funded Ratio (%) ⁽³⁾
2019 ⁽⁴⁾	70,312.2	89,445.7	19,133.5	78.6
2020*	72,378.3	95,300.4	22,922.1	75.9
2021 ⁽⁴⁾	85,001.3	98,401.4	13,400.1	86.4
2022*	81,074.0	102,908.8	21,834.8	78.8
2023	82,416.9	106,384.0	23,967.1	77.5

Sources: Actuarial valuations of the System.

⁽¹⁾ System funding levels composed of Tier 1/Tier 2 and OPSRP pensions but excluding retiree healthcare subsidies of RHIA and RHIPA.

⁽²⁾ Includes proceeds of pension bonds and other funds deposited in side accounts established for Oregon local governments and the State.

⁽³⁾ Funded ratios are based on market to market accounting procedures.

⁽⁴⁾ Reflects the transfer in assets and liabilities for new employers that joined the SLGRP effective January 1 following the valuation date.

* Data is advisory.

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TABLE C-3
PORT SHARE OF THE SYSTEM'S UNFUNDED ACTUARIAL ACCRUED LIABILITY

	2019 Port Valuation	2020 Port Valuation*	2021 Port Valuation	2022 Port Valuation*	2023 Port Valuation
Net Port Pension UAAL	\$81,728,835	\$91,715,037	\$41,645,660	\$95,577,371	\$112,054,565
Allocated pooled SLGRP T1/T2 UAL	\$140,144,877	\$144,645,155	\$105,523,069	\$140,176,967	\$147,212,837
Allocated pre-SLGRP pooled liability/(surplus) ⁽¹⁾	(7,591,983)	(6,226,326)	(5,410,946)	(4,639,460)	(3,608,269)
Transition liability/(surplus) ⁽²⁾	(632,759)	(579,824)	(524,481)	(465,103)	(381,992)
Allocated pooled OPSRP UAL	12,242,769	14,570,548	8,899,548	20,120,441	24,152,617
Port UAL Side Account	62,434,069	60,694,516	66,841,530	59,615,474	55,320,628
Combined valuation payroll	74,471,432	71,180,916	72,425,163	79,841,206	90,283,080
Net Pension UAL as % of payroll	110%	129%	58%	120%	124%
Allocated Pooled RHIA UAL	(\$1,551,256)	(\$1,634,915)	(\$2,249,873)	(\$2,160,434)	(\$2,358,750)

* Advisory valuation-rates are not set by these valuations.

⁽¹⁾ The Port allocated pre-SLGRP pooled surplus represents the allocation to the Port of the surplus that remained when the local government rate pool (the "LGRP") was disbanded and the SLGRP was created. The Port shares this liability or surplus with other former participants in the LGRP, and it is allocated based on the Port's proportionate share of the former participants' payroll.

⁽²⁾ The transition liability or surplus represents the surplus that was created when the Port joined the SLGRP.

Source: Actuarial valuations of the Port for calendar years 2019, 2020 (advisory), 2021, 2022 (advisory), and 2023.

The funded status of the PERS pension plans will change depending in part upon market performance of investments of the System assets. Table C-4 summarizes annual Retirement Fund investment returns (after administrative expenses) for the five calendar years ended December 31, 2024.

TABLE D-4
OREGON PUBLIC EMPLOYEES
RETIREMENT FUND INVESTMENT RETURNS ⁽¹⁾

Calendar Year	Net
<u>Ending</u>	<u>Returns (%)</u>
2020	7.7
2021	20.0
2022	(1.6)
2023	6.0
2024	5.7

Source: Office of the State Treasurer.

⁽¹⁾ Regular account, after investment management fees, but not consulting fees.

Pensions – Contribution Rates. Employer contribution rates are calculated by the actuary and approved by PERS Board as a percentage of actuarially determined, covered payroll, and are based upon the biennial actuarial valuations as of December 31 of odd-numbered years. The rates become effective 18 months later, at the start of the next odd-numbered fiscal year, resulting in an 18-month time lag. Employer contribution rates are subject to future adjustment as a result of subsequent actuarial valuations, changes in benefits and/or changes in methods resulting from legislative modifications or changes directed by the PERS Board. Employees are required to contribute 6% of their annual salary to the respective PERS programs; the Port has elected to make the employee contribution.

The Port's employer contribution rates expressed as percentages of actuarially determined payroll for PERS pension and PERS sponsored healthcare costs for the 2023-2025 Biennium (based upon

Milliman’s valuation for the Port as of December 31, 2021 (the “2021 Port Valuation”)) and the 2025-2027 Biennium (based upon the 2023 Port Valuation) are set forth in Table C-5.

**TABLE C-5
PORT CONTRIBUTION RATES**

<u>Payrolls</u>	<u>2023-2025</u>	<u>2025-2027</u>
T1/T2	16.67%	21.63%
OPSRP General Service	11.80	17.32
OPSRP Police and Fire	16.59	22.59

Source: 2021 and 2023 Port Valuations.

Employer contribution rates consist of a normal cost rate, offset by any UAL Side Accounts and a rate to amortize the UAL of the System, and the Port is responsible for its allocable portion of these costs. Normal cost rates for T1/T2, OPSRP-General Service, OPSRP-Police and Fire, and the UAL rates, calculated in the 2023 System Valuation and 2023 Port Valuation and adopted by the PERS Board for the 2025-2027 Biennium, increased compared to those rates used to calculate the employer contribution rates for the 2023-2025 Biennium.

Other Post-Employment Benefits. The Port administers a single-employer defined-benefit healthcare plan (the “OPEB Plan”) that provides certain qualifying employees retiring under PERS or OPSRP with Port-paid healthcare coverage for the qualifying retiree until age 65. The OPEB Plan was phased out and is not available to any employees who did not meet eligibility requirements by December 31, 2011. Contributions to the OPEB Plan are made on a pay-as-you-go basis.

Under State law, employees retiring under PERS or OPSRP may continue their health insurance coverage through the Port until eligible for Medicare (usually age 65). Coverage may be elected for the retiring employee, the employee’s spouse and for qualifying dependents. Premiums are paid by the retiree at the Port’s pooled rate, which is the same rate paid for active employees. Retirees, on average, are expected to have higher health costs than active employees, primarily due to the older average age of retirees. Since the same premium applies to both groups, the premiums paid for active employees by the Port are subsidizing the premiums for retirees. As a result, there is an “implicit subsidy” paid by the Port and under generally accepted accounting principles, the implicit subsidy associated with retiree health care costs paid during the last year is also considered to be a contribution from the Port. According to the most recent actuarial valuation, as of July 1, 2025, measured as of June 30, 2025 with a reporting date of June 30, 2025, the total OPEB liability of the Plan and the Port’s implicit subsidy was approximately \$2,611,576, of which approximately \$1,266,304 is allocable to the Airport.

PERS retirees who receive benefits through the T1/T2 Pension Programs and are enrolled in certain PERS-administered health insurance programs also may receive a subsidy of approximately \$60/month towards the payment of health insurance premiums under the PERS-sponsored Retirement Health Insurance Account Plan (the “RHIA program”). The assets and liabilities of the RHIA program are pooled on a program-wide basis and are not calculated on an employer basis. The RHIA program UAL is a component of the System UAL described above. The Port’s allocated share of the RHIA program UAL is based on the Port’s proportionate share of the RHIA program payroll. The Port’s allocated share of the RHIA program UAL was (\$2,160,434) as of December 31, 2022 and (\$2,358,750) as of December 31, 2023. Actuarial determinations are not made solely as to the Airport. The employer contribution rate attributable to the RHIA program is incorporated into the Port’s T1/T2 Pension Programs and OPSRP employer contribution rates described above. As of December 31, 2022, the RHIA program had a UAL of approximately \$(374.9) million and as of December 31, 2023, had a UAL of approximately \$(400.2) million, representing an overfunded status of approximately 209% and 221%, respectively.

APPENDIX D

DTC AND ITS BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2025A Bonds. The Series 2025A Bonds 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 Series 2025A Bond certificate will be issued for each maturity of the Series 2025A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 S&P 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.

Purchases of Series 2025A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2025A Bond (“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 Series 2025A Bonds 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 Series 2025A Bonds, except in the event that use of the book-entry system for the Series 2025A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025A Bonds 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 Series 2025A Bonds 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 Series 2025A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2025A Bonds 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.

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 Series 2025A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2025A Bond documents. For example, Beneficial Owners of Series 2025A Bonds may wish to ascertain that the nominee holding the Series 2025A Bonds 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 Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2025A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Port 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 Series 2025A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Series 2025A Bonds 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 the Port or the Trustee, 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, the Trustee, or the Port, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Port or the Trustee, 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.

DTC may discontinue providing its services as depository with respect to the Series 2025A Bonds at any time by giving reasonable notice to the Port or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2025A Bond certificates are required to be printed and delivered.

The Port may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2025A Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Port believes to be reliable, but the Port takes no responsibility for the accuracy thereof.

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “**Disclosure Certificate**”) is executed and delivered by The Port of Portland (the “**Port**”) in connection with the issuance of \$66,595,000 aggregate principal amount of its Portland International Airport Refunding Revenue Bonds, Series 2025A (Non-AMT) (the “**Series 2025A Bonds**”). The Series 2025A Bonds are being issued pursuant to (a) the provisions of Sections 778.145 through 778.175 and Chapter 287A of the Oregon Revised Statutes, as amended, (b) Port Ordinance No. 155, enacted by the Board of Commissioners of the Port (the “**Board**”) on November 10, 1971, as amended, restated and supplemented (“**Ordinance No. 155**”), (c) Port Ordinance No. 323, enacted by the Board on October 9, 1985, as amended, restated and supplemented (“**Ordinance No. 323**”), and (d) Ordinance No. 484-B, enacted by the Board on July 9, 2025 and effective on August 8, 2025, (“**Ordinance 484-B**”) as supplemented by the Certificate of the Executive Director Establishing and Determining Certain Terms and Other Matters Relating to the Series 2025A Bonds, dated the date hereof (the “**Series 2025A Ordinance**,” and collectively with Ordinance No. 155 and Ordinance No. 323, the “**Airport Revenue Bond Ordinances**”). The Port covenants and agrees as follows:

Section 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Port for the benefit of the Owners and Beneficial Owners of the Series 2025A Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission (the “**Commission**”) Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Airport Revenue Bond Ordinances, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Port pursuant to, and as described in, Sections 3 and 4 hereof.

“Beneficial Owner” shall mean any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2025A Bonds (including persons holding Series 2025A Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2025A Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the Port, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Port.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and Section (5)(b)(8) hereof, 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) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system, currently located at <http://emma.msrb.org>, or such other electronic system designated by the MSRB.

“Fiscal Year” shall mean the one-year period ending on June 30 of each year or such other period of 12 months designated by the Port as its Fiscal Year.

“GASB” shall mean the Governmental Accounting Standards Board.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) hereof.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Commission, filings with the MSRB are to be made through EMMA.

“Official Statement” shall mean the final official statement of the Port relating to the Series 2025A Bonds.

“Owner” shall mean a registered owner of the Series 2025A Bonds.

“Participating Underwriter” shall mean the original underwriters of the Series 2025A Bonds required to comply with the Rule in connection with offering of the Series 2025A Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Port shall, or shall cause the Dissemination Agent, if the Dissemination Agent is other than the Port, to, not later than nine (9) months after the end of each Fiscal Year (which shall be April 1 of each year, so long as the Port’s Fiscal Year ends on June 30), commencing with the report for the Fiscal Year ending June 30, 2025, provide to the MSRB through EMMA, in an electronic format and accompanied by identifying information all as prescribed by the MSRB, an Annual Report relating to the immediately preceding Fiscal Year that is consistent with the requirements of Section 4 hereof, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 hereof; provided, that any audited financial statements may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Fiscal Year for the Port changes, the Port shall give notice of such change in the same manner as for a Listed Event under Section 5(e) hereof.

(b) If in any year the Port does not provide the Annual Report to the MSRB by the time specified above, the Port shall instead file a notice to the MSRB through EMMA stating that the Annual Report has not been timely completed and, if known, stating the date by which the Port expects to file the Annual Report.

(c) If the Dissemination Agent is not the Port, the Dissemination Agent shall:

1. file a report with the Port certifying that the Annual Report has been filed pursuant to this Disclosure Certificate and listing the date(s) of the filing(s); and
2. take any other actions mutually agreed to between the Dissemination Agent and the Port.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the Port for the preceding Fiscal Year, prepared in accordance with the laws of the State of Oregon and in accordance with generally accepted accounting principles as promulgated from time to time by GASB. If the Port’s audited financial

statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the Port, the Annual Report also shall contain for the preceding Fiscal Year the following historical financial information and operating data of the type set forth in the Official Statement presented under the headings “OUTSTANDING SLB SERIES AND DEBT SERVICE,” “PORTLAND INTERNATIONAL AIRPORT” and “FINANCIAL INFORMATION” (with table numbers to the Official Statement provided for cross-reference purposes only):

- (i) The airlines serving the Airport (of the type shown in Table 9);
- (ii) The number of origin and destination passengers at the Airport, but only to the extent that information is readily available to the Port;
- (iii) The SLB Debt Service Schedule (of the type shown in Table 4);
- (iv) The number of historical enplaned passengers (of the type shown in Table 11);
- (v) The number of enplaned passengers by airline (of the type shown in Table 12);
- (vi) The historical total cargo tonnage (of the type shown in Table 13);
- (vii) The historical landed weight (of the type shown in Table 14);
- (viii) The historical financial performance of the Port (of the type shown in Table 15);
- (ix) Management’s Discussion of Results;
- (x) The historical debt service coverage (of the type shown in Table 16).

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Port or related public entities, that have been submitted to the MSRB through EMMA.

Section 5. Reporting of Significant Events.

(a) The Port shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2025A Bonds not later than ten (10) business days after the occurrence of the event:

- 1. Principal and interest payment delinquencies;
- 2. Unscheduled draws on debt service reserves reflecting financial difficulties;
- 3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions with respect to the tax status of the Series 2025A Bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Series 2025A Bonds;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the obligated person; or
10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Port, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), 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 U.S. 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 governmental 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.

(b) The Port shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2025A Bonds, ***if material***, not later than ten (10) business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5) above, adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2025A Bonds or other material events affecting the tax status of the Series 2025A Bonds;
2. Modifications to rights of the Owners of the Series 2025A Bonds;
3. Optional, unscheduled or contingent Series 2025A calls;
4. Release, substitution or sale of property securing repayment of the Series 2025A Bonds;
5. Non-payment related defaults;
6. 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;

7. Appointment of a successor or additional trustee or the change of name of a trustee; or
8. Incurrence of a Financial Obligation of the Port, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Port, any of which affect security holders.

(c) The Port shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a) hereof, as provided in Section 3 hereof.

(d) Whenever the Port obtains knowledge of the occurrence of a Listed Event described in Section 5(b) hereof, the Port shall determine if such event would be material under applicable federal securities laws.

(e) If the Port learns of an occurrence of a Listed Event described in Section 5(a) hereof, or determines that knowledge of a Listed Event described in Section 5(b) hereof would be material under applicable federal securities laws, the Port shall within ten (10) business days of occurrence file a notice of such occurrence with the MSRB through EMMA in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Events described in Sections 5(a)(7) or 5(b)(3) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Owners of affected Series 2025A Bonds pursuant to the Airport Revenue Bond Ordinances.

(f) The Port intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8) hereof, and the definition of “Financial Obligation” in Section 1 hereof, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Commission in Release No. 34-83885, dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

Section 6. Termination of Obligation. The Port’s obligations under this Disclosure Certificate shall terminate upon the maturity, legal defeasance, prior redemption or payment in full of all of the Series 2025A Bonds. In addition, in the event that the Rule shall be amended, modified or repealed such that compliance by the Port with its obligations under this Disclosure Certificate no longer shall be required in any or all respects, then the Port’s obligations hereunder shall terminate to a like extent. If such termination occurs prior to the final maturity of the Series 2025A Bonds, the Port shall give notice of such termination in the same manner as for a Listed Event under Section 5(e) hereof.

Section 7. Dissemination Agent. The Port may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent. If at any time there is not any other designated dissemination agent, the Port shall be the dissemination agent. The initial dissemination agent shall be the Port.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Port may amend this Disclosure Certificate, and any provision of this Disclosure Certificate

may be waived, provided that, in the opinion of nationally-recognized bond counsel for the Port, such amendment or waiver is permitted by the Rule. The Port shall give notice of any amendment in the same manner as for a Listed Event under Section 5(e) hereof.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Port from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Port chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Port shall not thereby have any obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Port to comply with any provision of this Disclosure Certificate, any Owner or Beneficial Owner of the Series 2025A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Port to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed a default under the Airport Revenue Bond Ordinances and the sole remedy under this Disclosure Certificate in the event of any failure of the Port to comply with this Disclosure Certificate shall be an action to compel performance. Under no circumstances shall any person or entity be entitled to recover monetary damages hereunder in the event of any failure of the Port to comply with this Disclosure Certificate.

No Owner or Beneficial Owner of the Series 2025A Bonds may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the Port satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the Port shall have refused to comply therewith within a reasonable time.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. Any Dissemination Agent appointed hereunder shall have only such duties as are specifically set forth in this Disclosure Certificate, and shall have such rights, immunities and liabilities as shall be set forth in the written agreement between the Port and such Dissemination Agent pursuant to which such Dissemination Agent agrees to perform the duties and obligations of Dissemination Agent under this Disclosure Certificate.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Port, the Dissemination Agent, if any, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Series 2025A Bonds, and shall create no rights in any other person or entity. This Disclosure Certificate is not intended to create any monetary rights on behalf of any person based upon the Rule.

Section 13. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Port shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof, and the Beneficial Owners of the Series 2025A Bonds shall retain all the benefits afforded to them hereunder. The Port hereby declares that it would have executed and delivered this Disclosure Certificate and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 14. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Disclosure Certificate shall be construed in accordance with such federal securities laws, and official interpretations thereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Port has executed this Continuing Disclosure Certificate this 16th day of September, 2025.

THE PORT OF PORTLAND

By: _____
Antoinette Chandler
Chief Financial Officer

SIGNATURE PAGE – CONTINUING DISCLOSURE CERTIFICATE

APPENDIX F

PROPOSED FORM OF OPINION OF BOND COUNSEL

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September __, 2025

The Port of Portland
Portland, Oregon

\$66,595,000
The Port of Portland
Portland International Airport Refunding Revenue Bonds
Series 2025A (Non-AMT)
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to The Port of Portland (the “Port”) in connection with the issuance of \$66,595,000 aggregate principal amount of The Port of Portland, Portland International Airport Refunding Revenue Bonds, Series 2025A (Non-AMT) (the “Bonds”), issued pursuant to the authority of Ordinance No. 484-B enacted on July 9, 2025, as supplemented by the Certificate of the Executive Director Establishing and Determining Certain Terms of and Other Matters Relating to the Series 2025A Bonds dated September 16, 2025 (collectively, the “Bond Ordinance”). The Bonds are issued in accordance with the provisions of the Port’s Ordinance No. 155 enacted on November 10, 1971, as amended, restated and supplemented, and Ordinance No. 323 enacted on October 9, 1985, as amended, restated and supplemented (collectively, the “Prior Ordinances”). The Bond Ordinance and the Prior Ordinances are collectively referred to herein as the “Ordinances.” Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Ordinances.

In such connection, we have reviewed the Ordinances, the Tax Certificate dated the date hereof, executed and delivered by the Port (the “Tax Certificate”), the opinion of counsel to the Port, certificates of the Port, U.S. Bank Trust Company, National Association, as bond trustee (the “Trustee”), and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have

assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery of each such document by each party thereto other than the Port and that each such document constitutes a valid and binding agreement of such party. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinion referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Ordinances and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Ordinances and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against port districts in the State of Oregon. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Ordinances or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding limited obligations of the Port.
2. The Bonds are payable from the Net Revenues of the Airport (as more particularly defined in the Ordinances, the "Net Revenues").
3. The Bond Ordinance has been duly and legally enacted by the Port and constitutes the valid and binding agreement of, the Port. The Ordinances create a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Net Revenues, all money on deposit from time to time in the SLB Construction Account and all money on deposit from time to time in the SLB Fund, subject to the provisions of the Ordinances permitting the application thereof for the purposes and on the terms and conditions set forth therein.
4. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of Oregon personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal

corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

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