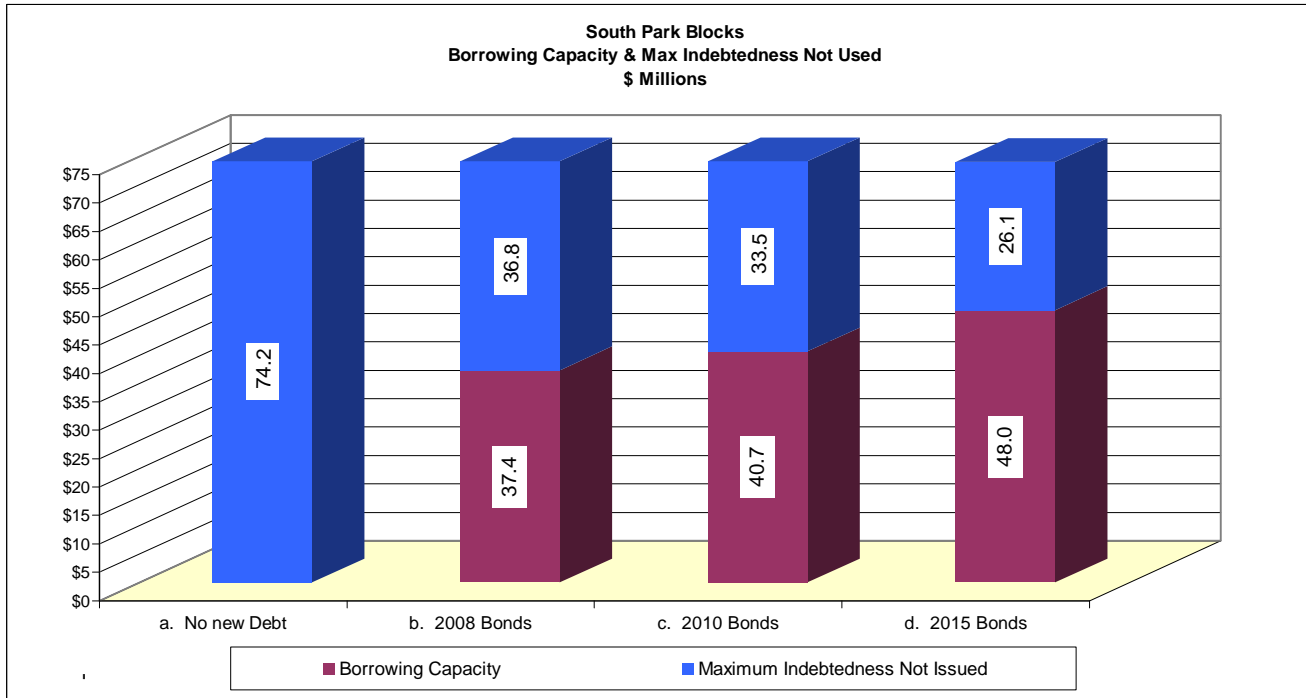


SPB Borrowing Capacity/Maximum Indebtedness and Impact on Projects

The following chart reflects borrowing capacity and maximum indebtedness not issued for South Park Blocks under each of four debt scenarios. (a) early defeasance/payoff analysis assuming no additional debt incurred; (b) the URA expires on the current expiration date (July 23, 2008) and borrowing proceeds at 2008 capacity; (c) the URA is extended until 2010 and bonds are issued in 2010 for the maximum amount the District can support or (d) the URA is extended until 2015 and bonds are issued in 2015 for the maximum amount the District can support.



Scenario a assumes no additional debt would be issued for South Park blocks. Resources available to complete projects would come from existing fund balance and program income.

Scenario b assumes South Park Blocks expires on its current expiration date of July 23, 2008 and debt is issued at current financial capacity. In this scenario, additional borrowing capacity would provide approximately \$37.4 million in additional Tax Increment Financing (before financing costs).

Scenario c assumes South Park Blocks is extended to 2010 and debt is issued in 2010 for the maximum amount the District can support. In this scenario, additional borrowing capacity would provide approximately \$40.7 million in additional Tax Increment Financing (before financing costs).

Scenario d assumes South Park Blocks is extended to 2015 and debt is issued in 2015 for the maximum amount the District can support. In this scenario, additional borrowing capacity would provide approximately \$48 million in additional Tax Increment Financing (before financing costs).

Tax increment financing resources provided by any one of the scenarios listed above would be combined with existing resource balances and program income to determine the total resources estimated to be available for project completion as summarized in the table below.

	\$ Millions	\$ Millions	\$ Millions	\$ Millions
	a. No New Debt	b. 2008 Bonds	c. 2010 Bonds	d. 2015 Bonds
Estimated Available Resources:				
Beginning Fund Balance	\$13.5	\$13.5	\$13.5	\$13.5
Other resources in budget/forecast ¹	7.2	7.2	7.2	7.2
Estimated available resources	20.6	20.6	20.6	20.6
Tax Increment Financing (net of COI) ²		36.5	39.5	47.1
Estimated Resources	\$20.6	\$57.1	\$60.2	\$67.7

Notes:

1. Program income ("other resources") is based on known income in amended budget for 2007-08 and forecast. Proceeds from real property sales includes \$1.9 million estimated proceeds from the sale of Jefferson West.

2. Tax Increment Financing available for projects is reflected net of estimated cost of issuance and therefore will not tie directly to the borrowing capacity shown in the above graph.

SPB Borrowing Capacity/Maximum Indebtedness and Impact on Projects

The following table provides a list of projects currently in the budget and forecast. To facilitate the discussion about what impact any one of the above financing scenarios would have on existing projects, the table separates projects that are legally committed. The colored lines provided in table provide a quick visual about how many of the projects could be done under each scenario based on available resources. Other than identifying the projects that are legally committed, the project list has not been prioritized. Additionally, until further policy direction is available, staffing and administrative costs have been added to the legal commitment list for purposes of this presentation.

	\$ Millions Revised FY 07/08	\$ Millions FY 08/09 Forecast	\$ Millions Total 2 Year Projections	Cum Balance	No new Debt \$20.6 M	2008 Bonds \$57.1 M	2010 Bonds \$60.2 M	2015 Bonds \$67.7 M	\$ Millions Legal Commitments	\$ Millions Known Projects	\$ Millions General Programs
12027 - SPB Jeffrey/Jeff West	\$5.63	\$0.84	\$6.47	\$6.47					\$6.47	\$0.00	\$0.00
70015 - SPB Business Finance	\$2.73	\$1.40	\$4.13	\$10.59					\$2.03	\$0.00	\$2.10
60004 - SPB PSU/CAT Redev	\$0.00	\$2.00	\$2.00	\$12.59					\$2.00	\$0.00	\$0.00
12210 - Park Block 5	\$1.37	\$1.00	\$2.37	\$14.96					\$1.80	\$0.57	\$0.00
12026 - MFH - Fountain Place Prsv	\$0.36	\$0.00	\$0.36	\$15.32					\$0.36	\$0.00	\$0.00
12217 - SPB Univ District	\$2.46	\$0.15	\$2.61	\$17.93					\$0.25	\$2.36	\$0.00
32701 - SPB Community Facility	\$0.20	\$0.00	\$0.20	\$18.13					\$0.20	\$0.00	\$0.00
59158 - SPB Debt Management	\$0.05	\$0.05	\$0.10	\$18.23					\$0.10	\$0.00	\$0.00
12222 - SPB Storefront Grants	\$0.30	\$0.20	\$0.50	\$18.74					\$0.09	\$0.13	\$0.28
12101 - SPB Retail Loan Program	\$0.69	\$0.50	\$1.19	\$19.93					\$0.02	\$1.17	\$0.00
12206 - SPB Predevelopment	\$0.02	\$0.00	\$0.02	\$19.95					\$0.02	\$0.00	\$0.00
60003 - SPB Transit Mall Redev	\$0.50	\$0.50	\$1.00	\$20.95					\$0.02	\$0.34	\$0.64
60013 - SPB Signage & Lighting	\$0.10	\$0.10	\$0.20	\$21.15					\$0.02	\$0.00	\$0.18
10239 - SPB Business Retention	\$0.10	\$0.10	\$0.20	\$21.35					\$0.01	\$0.00	\$0.19
12030 - SPB Fairfield Preservation	\$0.01	\$0.00	\$0.01	\$21.36					\$0.01	\$0.00	\$0.00
Staffing and Administration	\$4.20	\$3.92	\$8.12	\$29.47					\$8.12	\$0.00	\$0.00
11912 - SPB Park Ave Redev	\$5.80	\$1.18	\$6.97	\$36.45					\$0.00	\$0.00	\$6.97
11913 - SPB 10th & Yamhill	\$4.50	\$3.50	\$8.00	\$44.45					\$0.00	\$8.00	\$0.00
12219 - SPB Seismic Loans	\$2.00	\$1.00	\$3.00	\$47.45					\$0.00	\$0.00	\$3.00
New - Martha Washington	\$3.87	\$0.43	\$4.30	\$51.75					\$0.00	\$4.30	\$0.00
32128 - Section 8 Preservation	\$3.20	\$0.50	\$3.70	\$55.45					\$0.00	\$3.70	\$0.00
60007 - SPB Clay Towers	\$0.50	\$0.00	\$0.50	\$55.95					\$0.00	\$0.50	\$0.00
60001 - SPB Westside/Central City	\$0.20	\$0.00	\$0.20	\$56.15					\$0.00	\$0.20	\$0.00
2008 Bonds additional resources			\$0.99	\$57.14							\$0.99
2010 Bonds additional resources			\$3.04	\$60.18							\$3.04
2015 Bonds additional resources			\$7.54	\$67.72							\$7.54
Total	\$38.79	\$17.37	\$67.72						\$21.51	\$21.27	\$24.94

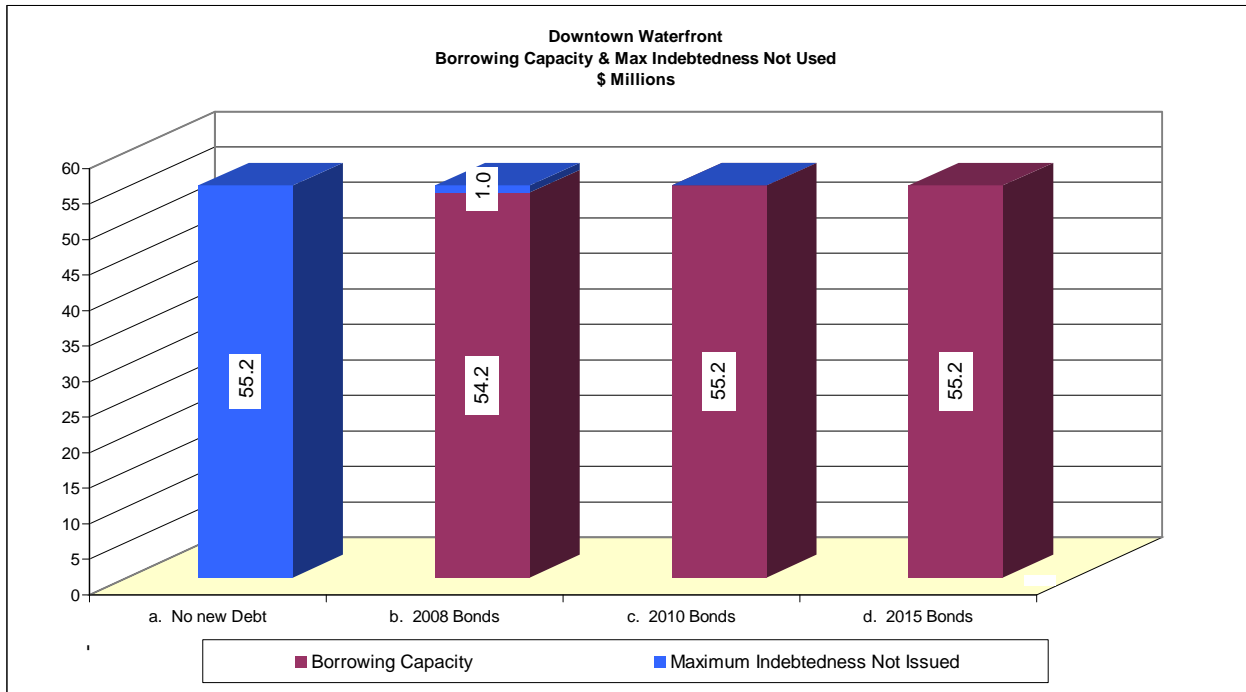
As reflected in the above table, the 2008 Bonds would cover all legal commitments and known projects in South Park Blocks plus provide an additional \$990,000 for future projects in the District.

As reflected in the above table, the 2010 Bonds would cover all legal commitments and known projects in South Park Blocks plus provide \$3.04 million above the amount that would be provided by the 2008 Bonds for future projects in the District.

As reflected in the above table, the 2015 Bonds would cover all legal commitments and known projects in South Park Blocks plus provide \$7.54 million above the amount that would be provided by the 2010 Bonds for future projects in the District.

Downtown Waterfront Borrowing Capacity/Maximum Indebtedness and Impact on Projects

The following chart reflects borrowing capacity and maximum indebtedness not issued for Downtown Waterfront under each of three debt scenarios. (a) early defeasance/payoff analysis assuming no additional debt incurred; (b) the URA expires on the current expiration date (April 24, 2008) and borrowing proceeds at 2008 capacity; or (c) the URA is extended until 2010 and bonds are issued in 2010 for the maximum amount the District can support.



Scenario a assumes no additional debt would be issued for Downtown Waterfront. Resources available to complete projects would come from existing fund balance and program income.

Scenario b assumes Downtown Waterfront expires on its current expiration date of April 24, 2008 and debt is issued at current financial capacity. In this scenario, additional borrowing capacity would provide approximately \$54.2 million in additional Tax Increment Financing (before financing costs).

Scenario c assumes Downtown Waterfront is extended to 2010 and debt is issued in 2010 for the maximum amount the District can support. In this scenario, additional borrowing capacity would provide approximately \$55.2 million in additional Tax Increment Financing (before financing costs).

Tax increment financing resources provided by any one of the scenarios listed above would be combined with existing resource balances and program income to determine the total resources estimated to be available for project completion as summarized in the table below.

	\$ Millions	\$ Millions	\$ Millions
	a. No New Debt	b. 2008 Bonds	c. 2010 Bonds
Estimated Available Resources:			
Beginning Fund Balance	5.7	5.7	5.7
Other resources in budget/forecast ¹	16.4	16.4	16.4
Estimated available resources	22.1	22.1	22.1
Tax Increment Financing (net of COI) ²		53.0	54.0
Estimated Resources	22.1	75.1	76.0

Notes:

1. Program income ("other resources") is based on estimates included in the fiscal year 2007-08 budget and forecast. Estimated proceeds from real property sales includes estimated proceeds from the Globe Hotel which is subject to plan DDA negotiation.

2. Tax Increment Financing available for projects is reflected net of estimated cost of issuance and therefore will not tie directly to the borrowing capacity shown in the above graph.

Downtown Waterfront Borrowing Capacity/Maximum Indebtedness and Impact on Projects

The following table provides a list of Downtown Waterfront projects . To facilitate the discussion about what impact any one of the above financing scenarios might have on PDC's ability to complete these projects, the table separates projects that have a legally committed component to the top of the list. These projects are shown above the horizontal double black line. The colored lines provided in table provide a quick visual about how many of the projects could be done under each financing scenario based on available resources. Other than identifying the projects that are legally committed, the project list has not been prioritized. Additionally, until further policy direction is available, staffing and administrative costs have been added to the bottom of the legal commitment list for purposes of this presentation.

	\$ Millions Revised FY 07/08	\$ Millions FY 08/09 Forecast	\$ Millions FY 09/10 Forecast	\$ Millions Total 3 Year Projections	\$ Millions Cumulative Balance	No New Debt \$22.1 M	2008 Bonds \$75.1 M	2010 Bonds \$76.0 M	\$ Millions Legal Comm	\$ Millions Known Projects	\$ Millions General Programs
10216 - DTWF Multnomah County	\$9.20	\$0.00	\$0.00	\$9.20	\$9.20				\$9.00	\$0.20	\$0.00
10213 - DTWF A/B Property Redev	6.40	2.75	1.10	10.25	19.45				6.40	3.85	0.00
80032 - DTWF Musolf Manor	4.00	0.00	0.00	4.00	23.45				4.00	0.00	0.00
14206 - DTWF Seismic Loans	2.12	1.88	0.00	4.00	27.45				2.12	1.88	0.00
70011 - DTWF Business Finance	4.11	2.00	1.00	7.11	34.56				1.94	1.50	3.66
11234 - DTWF Burnside/Couch	0.80	0.80	0.00	1.60	36.16				1.60	0.00	0.00
34504 - DTWF Rich/Estate	0.53	0.00	0.00	0.53	36.69				0.53	0.00	0.00
10215 - DTWF A/B Public Imprvt	5.86	2.00	0.00	7.86	44.55				0.44	7.43	0.00
16306 - DTWF Predevelopment	0.45	0.00	0.00	0.45	45.00				0.35	0.10	0.00
12202 - DTWF Storefront Grants	0.55	0.20	0.20	0.95	45.95				0.32	0.18	0.45
80033 - DTWF Westshore	0.31	0.00	0.00	0.31	46.26				0.31	0.00	0.00
11237 - DTWF Union Station Mgmt	0.09	0.15	0.15	0.39	46.65				0.30	0.03	0.06
10220 - DTWF A/B Historic Pres	0.12	0.41	0.00	0.53	47.18				0.23	0.30	0.00
14205 - DTWF White Stag Seismic	0.23	0.00	0.00	0.23	47.40				0.20	0.02	0.00
60000 - DTWF Westside/Central City	0.20	0.00	0.00	0.20	47.61				0.20	0.00	0.00
10214 - DTWF A/B Fire St Land/Cnst	0.20	0.00	0.00	0.20	47.80				0.20	0.00	0.00
New - 333 Oak	1.65	0.69	0.00	2.34	50.14				0.15	2.19	0.00
13130 - DTWF Union Station Environ	0.05	0.05	0.05	0.15	50.29				0.15	0.00	0.00
59155 - DTWF Debt Management	0.05	0.05	0.05	0.15	50.44				0.15	0.00	0.00
16310 - DTWF Signage & Lighting	0.06	0.10	0.10	0.26	50.70				0.04	0.00	0.22
10219 - DTWF Retail Loan Program	0.50	1.00	0.00	1.50	52.20				0.02	1.48	0.00
10221 - DTWF Transit Mall Redev	0.25	0.25	0.00	0.50	52.70				0.02	0.48	0.00
13080 - DTWF Historic Pres DOS	0.05	0.05	0.05	0.15	52.85				0.01	0.01	0.13
34503 - MFH Hotel Alder	0.01	0.00	0.00	0.01	52.86				0.01	0.00	0.00
11022 - DTWF Business Retention	0.10	0.05	0.05	0.20	53.06				0.01	0.05	0.14
Staffing and Administration	6.26	2.21	1.16	9.63	62.69				9.63	0.00	0.00
80036 - DTWF Yards At Union Square	3.70	0.00	0.00	3.70	66.39				0.00	3.70	0.00
New - DTWF Homeownership	0.50	3.00	0.00	3.50	69.89				0.00	0.00	3.50
New - Grove Hotel	1.00	0.00	0.00	1.00	70.89				0.00	1.00	0.00
16309 - DTWF RiverPlace Environ	0.00	1.40	0.00	1.40	72.29				0.00	1.40	0.00
80034 - DTWF Community Facilities	0.61	0.39	0.00	1.00	73.29				0.00	0.00	1.00
32116 - DTWF Blanchet House	1.00	1.00	0.00	2.00	75.29				0.00	2.00	0.00
New - Access Center	0.50	0.00	0.00	0.50	75.79				0.00	0.50	0.00
13084 - DTWF U&R Redev	0.30	0.00	0.00	0.30	76.09				0.00	0.30	0.00
13152 - DTWF North OT/CT Redev	0.03	0.00	0.00	0.03	76.12				0.00	0.03	0.00
10025 - DTWF OT/CT Streetscape	0.03	0.00	0.00	0.03	76.15				0.00	0.03	0.00
11601 - DTWF Comm Outreach	0.01	0.01	0.01	0.02	76.16				0.00	0.00	0.02
37916 - DTWF Hsg Policy/Planning	0.01	0.01	0.00	0.01	76.17				0.00	0.00	0.01
11244 - One Waterfront Place	0.01	0.00	0.00	0.01	76.18				0.00	0.01	0.00
Total	\$51.81	\$20.45	\$3.92	\$76.18					\$38.33	\$28.66	\$9.19

DTWF & SPB Borrowing Capacity/Maximum Indebtedness

The following chart reflect borrowing capacity and maximum indebtedness not issued for South Park Blocks and Downtown Waterfront combined under each of the four debt scenarios described above.

