



AGENDA*

Regular Commission Meeting
Port of Portland Headquarters
7200 N.E. Airport Way, 8th Floor
December 8, 2021
9:30 a.m.

Due to the COVID-19 pandemic, the Commission will meet virtually.
The meeting will be streamed live on the Port's website and YouTube channel.

Written public comments can be submitted via email at testimony@portofportland.com.

If you wish to provide live testimony, please send an email with your first and last name to testimony@portofportland.com and you will be provided with a link to testify via MS Teams.

The deadline to sign up for live testimony is noon on the day prior to the Port of Portland Commission Meeting.

Minutes

Approval of Minutes: Regular Commission Meeting – November 10, 2021

Executive Director

Approval of Executive Director's Report – November 2021

Public Comments

Port of Portland Strategic Plan

BOBBI STEDMAN

The Port of Portland's job is to enhance the region's economy and quality of life. When we look at our history, we've created prosperity, but it's not been shared by everyone. As the pandemic and economic recovery continue to reveal the economic disparities in our communities, this work is more important than ever.

Shared prosperity is the vision we're driving towards – a region where prosperity is shared by all. Shared prosperity is using the Port's resources to enable more people to share and drive the prosperity of our region.

We look forward to hearing from interested persons, groups and agencies as we discuss the Port of Portland's strategic plan focused on shared prosperity.

This public comment period will provide interested persons, groups and agencies an opportunity for public feedback on the Port of Portland's FY2020-2025 strategic plan refresh focused on shared prosperity.

*Certain discussion, consent and agenda items may contain forecasts/estimates. Actual results may differ.

Consent Item

1. FIRE ALARM SERVICE PROVIDER CONTRACT AMENDMENT – *DIEGO ROSADO*
VARIOUS PORT OF PORTLAND FACILITIES

Requests approval to amend the existing fire alarm services contract with Performance Systems Integration.

Action Items

2. ENACTMENT OF ORDINANCE NO. 474-B TO ISSUE UP TO \$650 MILLION OF PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS, SERIES TWENTY-EIGHT *LISA FEDELI*

Requests approval of Ordinance No. 474-B to authorize the sale of up to \$650 million aggregate principal amount of Portland International Airport Revenue Bonds, Series Twenty-Eight.

3. ENACTMENT OF ORDINANCE NO. 473-B TO ISSUE PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE REFUNDING BONDS, SERIES 2022A TO REFUND OUTSTANDING PASSENGER FACILITY CHARGE REVENUE BONDS *LISA FEDELI*

Requests approval of Ordinance No. 473-B to authorize the sale of Portland International Airport Passenger Facility Charge Revenue Refunding Bonds, Series 2022A.

4. AMEND CERTAIN PORT OF PORTLAND DEBT FINANCING DOCUMENTS TO REPLACE INTEREST RATE INDEX *TRAVIS GEORGE*

Requests authorization to take actions to amend existing Port of Portland debt-related agreements and related financial documents to replace the London Interbank Offered Rate interest rate index with another interest rate index.

5. COLLECTIVE BARGAINING AGREEMENT – PARKING CONTROL REPRESENTATIVES – PORTLAND INTERNATIONAL AIRPORT *BLAISE LAMPHIER*

Requests approval of a three-year collective bargaining agreement between the Port of Portland and the American Federation of State, County and Municipal Employees, Local 189-Port, representing the 13 part-time employees who are Parking Control Representatives at Portland International Airport.

TRADE SERVICE CONTRACT AMENDMENT – ON-CALL FIRE DETECTION AND ALARM PROGRAMMING, SUPPORT AND INSPECTION, AND TESTING SERVICES – VARIOUS PORT OF PORTLAND FACILITIES

December 8, 2021

Presented by: Diego Rosado
Senior Contracts Manager

REQUESTED COMMISSION ACTION

This agenda item requests approval to amend an existing trade service contract with Performance Systems Integration, LLC (PSI) for on-call fire detection and alarm programming, support and inspection, and testing services. The amendment would increase the contract's annual compensation limit and increase the individual task order compensation limit.

BACKGROUND

In July 2019, after conducting a competitive Request for Proposals solicitation, the Port of Portland (Port) awarded a three-year on-call contract to PSI for the services described above. The Port has two options to extend the term of the contract for one year at a time. The Port assigns services under the contract using individual task orders, as services are needed at various Port facilities. Total compensation payable under the contract is limited to \$500,000 per contract year, and \$250,000 per individual task order.

Over the past two years, PSI has serviced Port fire detection and alarm systems located throughout Portland International Airport (PDX), Hillsboro and Troutdale airports. In addition to the programming, support, inspection and testing services described above, PSI provides materials, repairs and alterations.

Obsolete fire alarm equipment at Terminal 4 and Terminal 6 is scheduled to be replaced at eight locations within the two terminals. It is beneficial to update these systems for consistency with the fire alarm systems at other Port locations. This work, along with other anticipated work at PDX, exceeds the amount of services initially intended under this contract. To facilitate this increase in the quantity of services required, the contract's existing total compensation limit and individual task order compensation limit must be increased.

CONTRACT AMENDMENT

Amendment terms include the following:

- Total Annual Compensation Limit: Increase from \$500,000 per contract year to \$1 million per contract year.
- Individual Task Order Compensation Limit: Increase from \$250,000 to \$500,000.

TRADE SERVICE CONTRACT AMENDMENT – ON-CALL FIRE DETECTION AND ALARM
PROGRAMMING, SUPPORT AND INSPECTION, AND TESTING SERVICES – VARIOUS
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This amendment has no direct budget impact. All expenditures under the amended contract would be authorized under operating and capital budgets and are subject to all applicable approvals and delegation of authority policies.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to amend the existing trade service contract with Performance Systems Integration, LLC consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

ENACTMENT OF ORDINANCE NO. 474-B TO ISSUE UP TO \$650 MILLION OF PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS, SERIES TWENTY-EIGHT

December 8, 2021

Lisa Fedeli
Director, Capital Finance &
Debt Management**REQUESTED COMMISSION ACTION**

This agenda item requests approval of Ordinance No. 474-B to authorize the sale of up to \$650 million aggregate principal amount of Portland International Airport (PDX) Revenue Bonds, Series Twenty-Eight, in one or more series, to fund certain Port of Portland (Port) capital projects at PDX, fund the Subordinate Lien Bonds (SLB) Reserve Account, capitalize interest on the bonds, pay costs of issuance and repay debt incurred under outstanding Commercial Paper (CP) promissory notes.

BACKGROUND

As the PDXNext capital program progresses, large projects such as Terminal Core Redevelopment (TCORE) and North Ramp Remain Overnight (RON) Parking will be funded with long-term fixed rate debt, by issuing tax-exempt airport revenue bonds. The Series Twenty-Eight Bonds will fund the final design and ongoing construction costs of the TCORE project, and the full design and construction of the North Ramp RON Parking project. The Port initially funded a portion of these costs with the proceeds of CP notes, intending to refinance those short-term notes with long-term fixed rate debt.

The Series Twenty-Eight Bonds will be repaid with funds from the Port's Airline Cost Center, which is composed of revenues from a combination of airlines' rates and charges, grants, bonds and passenger facility charges.

PLAN OF FINANCE

The Port plans to use the Series Twenty-Eight Bond proceeds to fund the SLB Reserve Account, as required by the Port's master General Airport Revenue Bond Ordinances No. 155 and 323. Ordinance No. 474-B authorizes the Port to obtain a surety bond for the SLB Reserve Account. The Port will evaluate whether doing so would be beneficial at the time the Series Twenty-Eight Bonds are sold.

To date, short-term CP notes in the amount of \$205.2 million have been issued to fund TCORE construction costs since the last proceeds of the Series Twenty-Seven Bonds issued for TCORE were expended. The Port will continue to issue CP notes for TCORE construction between now and the issuance of the Series Twenty-Eight Bonds. The Port will use a portion of the Series Twenty-Eight Bond proceeds to repay the outstanding CP notes.

ENACTMENT OF ORDINANCE NO. 474-B TO ISSUE UP TO \$650 MILLION OF PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS, SERIES TWENTY-EIGHT

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For subsequent issuances after Series Twenty-Eight, the Port will continue to use CP note proceeds as an interim funding source to pay for design and/or construction costs (prior to completion) up until the next issuance of long-term bonds. This approach provides the Port with maximum flexibility to delay the issuance of long-term bond debt in order to reduce the amount of interest that would otherwise be included in the bond issuance par amount.

ORDINANCE TERMS

The Series Twenty-Eight Bonds will bear interest at fixed rates and amortize over 30 years with a final maturity no later than July 1, 2052.

The Port will seek a credit rating for the Series Twenty-Eight Bonds from the Standard & Poor's rating agency. The Port is currently rated "A+" by Standard & Poor's on the airport revenue bonds. The Port will evaluate whether it would be beneficial to obtain a second rating from an additional rating agency prior to the sale of the Series Twenty-Eight Bonds.

Staff expects to price and close the Series Twenty-Eight Bonds in February 2022. If the municipal bond market experiences significant disruption during this time period due to a resurgence of COVID-19 or other unanticipated factors, then the Port expects to extend the financing schedule and will enter the market when appropriate to meet the objectives of the financing.

Section 3 of Ordinance No. 474-B delegates authority to take actions and sign the documents that are required to sell and provide for the issuance and delivery of the Series Twenty-Eight Bonds, in one or more series, to the Port's Executive Director and Chief Financial Officer or a designee thereof. Such actions may include, among other actions described in the ordinance, the following:

- Prepare, approve, authorize the distribution of, deem final, execute and deliver the disclosure documents for the Series Twenty-Eight Bonds.
- Establish the final series designations, principal amounts, maturities, interest rates or methods of determining interest rates, sale prices, optional and/or mandatory redemption provisions, notice provisions, payment terms and dates, record dates and other terms for each series of the Series Twenty-Eight Bonds.
- Provide continuing disclosure in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
- Determine whether to purchase, establish the terms of and obtain one or more credit facilities (a credit enhancement device given as security) for the Series Twenty-Eight Bonds.
- Determine whether to purchase and obtain reserve sureties, deposit cash and investments in the SLB Reserve Account, and take any other action necessary to satisfy the SLB Reserve Requirement.

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- Prepare, execute and deliver one or more certificates, bond declarations and supplemental actions specifying the terms under which the Series Twenty-Eight Bonds are issued, the form of the Series Twenty-Eight Bonds and the administrative provisions that apply to the Series Twenty-Eight Bonds.
- Hold a public hearing with respect to the issuance of the Series Twenty-Eight Bonds pursuant to the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.
- Execute and deliver any other documents and take any other action in connection with the Series Twenty-Eight Bonds which will be advantageous to the Port.

PARTICIPANTS

In addition to the Port, the primary firms involved in the Series Twenty-Eight Bond transaction are:

- PFM Financial Advisors LLC is the Port's municipal advisor.
- Hawkins, Delafield & Wood LLP is bond counsel to the Port.
- Orrick, Herrington & Sutcliffe LLP is disclosure counsel to the Port.
- The underwriting banks will be Jefferies LLC as co-senior manager (book runner) and Siebert Williams Shank & Co., LLC as co-senior manager with BofA Securities, Inc. as co-manager.
- U.S. Bank National Association will be the trustee, registrar and paying agent.
- Landrum & Brown, Incorporated, is the airport consultant responsible for preparing the Report of the Airport Consultant.
- Standard & Poor's is expected to provide the rating on the Series Twenty-Eight Bonds. If it is deemed beneficial to secure a second rating, the Port will confer with its municipal advisor and underwriters to determine the best rating agency to provide that rating.
- Moss Adams LLP is the Port's auditor.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That Port of Portland Ordinance No. 474-B, in the form presented to the Commission, be read by title only; and

BE IT FURTHER RESOLVED, That a public hearing be held in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended; and

BE IT FURTHER RESOLVED, That proposed Port of Portland Ordinance No. 474-B, in the form presented to the Commission, be enacted by a roll call vote.

ORDINANCE NO. 474-B

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE IN ONE OR MORE SERIES OF NOT MORE THAN \$650,000,000 AGGREGATE PRINCIPAL AMOUNT OF PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS TO PAY OR REIMBURSE THE PORT FOR THE PAYMENT OF THE COSTS OF CONSTRUCTING, RENOVATING, ACQUIRING, EQUIPPING AND INSTALLING IMPROVEMENTS AT THE PORTLAND INTERNATIONAL AIRPORT; TO PAY PRINCIPAL AND INTEREST DUE WITH RESPECT TO COMMERCIAL PAPER NOTES PREVIOUSLY ISSUED BY THE PORT TO FINANCE SUCH IMPROVEMENTS; TO PAY COSTS OF ISSUING THE BONDS, INCLUDING INTEREST TO ACCRUE ON ALL OR A PORTION OF THE BONDS; TO FUND CERTAIN RESERVES; AND FOR ANY OTHER LAWFUL PURPOSE OF THE PORT; AUTHORIZING AMENDMENTS TO THE PORT'S AIRPORT REVENUE BOND ORDINANCE NO. 155, AS AMENDED, AND AIRPORT REVENUE BOND ORDINANCE NO. 323, AS AMENDED; AUTHORIZING AND PROVIDING FOR RELATED MATTERS AND DOCUMENTS.

WHEREAS, the Board of Commissioners of The Port of Portland (the "Board") has determined and does hereby determine that it will be advantageous to The Port of Portland (the "Port") to authorize the issuance by the Port of its Portland International Airport Revenue Bonds, Series Twenty-Eight, in one or more series (collectively, the "Series Twenty-Eight Bonds"): (i) to pay or reimburse the Port for the payment of costs of constructing, renovating, acquiring, equipping and installing improvements at the Portland International Airport, (ii) to pay the principal and interest due with respect to commercial paper notes previously issued by the Port, the proceeds of which financed costs related to such improvements, (iii) to pay costs of issuing the Series Twenty-Eight Bonds, including interest to accrue on all or a portion of the Series Twenty-Eight Bonds, (iv) to fund certain reserves, if necessary, and (v) for any other lawful purposes of the Port;

WHEREAS, the Port has declared its intention to reimburse itself with proceeds of the Series Twenty-Eight Bonds for expenditures of Port funds to pay costs of constructing, renovating, acquiring, equipping and installing improvements at the Portland International Airport; and

WHEREAS, the Series Twenty-Eight Bonds will be issued pursuant to Section 10 of Ordinance No. 323, enacted October 9, 1985, as amended and restated thereafter and as hereafter amended, restated and supplemented ("Ordinance No. 323"), on a parity with the Port's currently outstanding airport revenue bonds (the "SLBs");

NOW THEREFORE, BE IT ENACTED BY THE PORT OF PORTLAND:

Section 1. Terms Defined in Ordinance No. 155 and Ordinance No. 323.

1.1 As used in this Ordinance No. 474-B (the "Ordinance"), the following terms shall have the meanings defined for such terms in Ordinance No. 155, enacted November 10, 1971, as amended and restated thereafter and hereafter amended, restated and supplemented ("Ordinance No. 155") and in Ordinance No. 323, as follows:

Term:	Defined in Ordinance No.
Airport	155
Airport Fund	155
Credit Facility	323
General Account	155
Investment Securities	155
Net Revenues	155
Port	155
Rebate Account	323
SLB Fund	323
SLB Principal and Interest Account	323
SLB Reserve Account	323
SLB Reserve Fund Requirement	323

1.2 In addition to the terms defined as provided in Section 1.1 of this Ordinance, the following terms shall have the following meanings:

“Additional SLBs” means the bonds and other obligations that qualify as “Additional Subordinate Lien Bonds,” as that term is defined in Ordinance No. 323.

“Code” means the United States Internal Revenue Code of 1986, as amended from time to time, and the applicable rulings and regulations of the United States Treasury Department.

“DTC” means The Depository Trust Company, New York, New York or any successor serving as securities depository under this Ordinance.

“Executive Director” means the Executive Director or the Chief Financial Officer of the Port and any designee of the Executive Director or the Chief Financial Officer of the Port.

“Outstanding” refers to any Series Twenty-Eight Bonds that have been issued and delivered under this Ordinance except:

(a) Series Twenty-Eight Bonds that have been canceled by the Trustee because of payment or redemption or that have been surrendered to the Trustee for cancellation; or

(b) Series Twenty-Eight Bonds that are no longer deemed outstanding because of the application of Section 17 of Ordinance No. 323.

“Owner” means a registered owner of a Series Twenty-Eight Bond, as shown on the registration books maintained by the Trustee.

“Rule” means United States Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12).

“Series Twenty-Eight Bonds” means the SLBs of each series authorized by Section 2.1 of this Ordinance.

“SLBs” means bonds and other obligations that qualify as “Subordinate Lien Bonds” as that term is defined in Ordinance No. 323.

“SLB Construction Account” means the Subordinate Lien Revenue Bond Construction Account in the Construction Fund created under Section 8 of Ordinance No. 323.

“Trustee” means the “Subordinate Lien Bond Trustee” as defined in Ordinance No. 323.

Section 2. Authorization and Security for Bonds.

2.1 Pursuant to Oregon Revised Statutes (“ORS”) Sections 778.145 to 778.175 and the provisions of Ordinance No. 155 and Ordinance No. 323, the Board hereby authorizes the Port to sell and issue in one or more series up to \$650,000,000 aggregate principal amount of Portland International Airport Revenue Bonds: (i) to pay or reimburse the Port for the payment of costs of constructing, renovating, acquiring, equipping and installing improvements at the Portland International Airport, (ii) to pay the principal and interest due with respect to commercial paper notes previously issued by the Port, the proceeds of which financed costs related to such improvements, (iii) to pay costs of issuing the Series Twenty-Eight Bonds, including interest to accrue on all or a portion of the Series Twenty-Eight Bonds, (iv) to fund certain reserves, if necessary, and (v) for any other lawful purposes of the Port. The Series Twenty-Eight Bonds authorized by this Section 2.1 shall be issued as fixed-rate bonds, and may be issued in one or more series.

2.2 The Series Twenty-Eight Bonds shall be issued pursuant to Section 10 of Ordinance No. 323 and shall be payable solely from the Net Revenues of the Airport that are available for deposit in the General Account and from moneys in the SLB Fund and SLB Construction Account as provided in Section 4 of Ordinance No. 323 and in the documents authorized by Section 3.6 of this Ordinance.

2.3 The Board also authorizes the Port to obtain one or more Credit Facilities, if necessary and desirable, to secure all or a portion of the Series Twenty-Eight Bonds, to enter into one or more reimbursement agreements with the provider or providers of such Credit Facilities, if necessary and desirable, and to enter into the agreements and other documents referred to in Section 3.

Section 3. Delegation.

The Executive Director is hereby authorized, on behalf of the Port and without further action by the Board and the Board hereby ratifies actions heretofore taken by the Executive Director in connection with the Series Twenty-Eight Bonds, to:

3.1 Sell and provide for the issuance of the Series Twenty-Eight Bonds in one or more series.

3.2 Participate in the preparation of, approve, authorize the distribution of, and deem final, and execute and deliver the disclosure documents for the Series Twenty-Eight Bonds.

3.3 Establish the final series designations, principal amounts, maturities, interest rates or methods of determining interest rates, sale prices, optional and/or mandatory redemption provisions, notice provisions, payment terms and dates, record dates and other terms for the Series Twenty-Eight Bonds of each series; provide for the Series Twenty-Eight Bonds to be held by or

through the facilities of DTC; and select one or more underwriters, negotiate terms of the sale of the Series Twenty-Eight Bonds with those underwriters and enter into one or more bond purchase agreements with those underwriters.

3.4 Undertake to provide continuing disclosure in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission; provided that any such undertaking shall provide that if the Port fails to comply with the continuing disclosure undertaking, the Owners and the beneficial owners shall have only the remedies specified in such continuing disclosure undertaking and that failure by the Port to comply with the continuing disclosure undertaking shall not constitute a default on any SLBs or an event of default under this Ordinance, Ordinance No. 155 or Ordinance No. 323.

3.5 Determine whether to purchase, and establish the terms of and obtain, one or more Credit Facilities for the Series Twenty-Eight Bonds and enter into agreements with providers of those Credit Facilities to repay any amounts paid under the Credit Facilities (plus fees and other costs of such providers) from the Net Revenues of the Airport in accordance with Ordinance No. 323.

3.6 Determine whether to purchase, and obtain, reserve sureties, deposit cash and investments in the SLB Reserve Account, substitute sureties for cash then on deposit in the SLB Reserve Account or substitute cash for sureties then credited to the SLB Reserve Account and take any other action necessary to satisfy the SLB Reserve Requirement.

3.7 Prepare, execute and deliver one or more certificates, bond purchase agreements, bond declarations and supplemental actions specifying the terms under which the Series Twenty-Eight Bonds are issued, the form of the Series Twenty-Eight Bonds and the administrative provisions that apply to the Series Twenty-Eight Bonds. These documents may contain additional covenants and terms for the benefit of the owners of the Series Twenty-Eight Bonds, providers of Credit Facilities for the Series Twenty-Eight Bonds, if any, and providers of any reserve sureties.

3.8 Except in the case of any Series Twenty-Eight Bonds, the interest on which the Port intends to be includable in gross income for federal income tax purposes, enter into covenants by the Port to maintain the excludability of interest on the Series Twenty-Eight Bonds from gross income under the Code.

3.9 Determine whether to provide, and provide, if applicable, that a portion of the Series Twenty-Eight Bonds bear interest that is includable in gross income for federal income tax purposes.

3.10 Obtain any necessary consents from the providers of the Port's existing interest rate swaps, surety bond reserve policies and/or Credit Facilities.

3.11 Execute and deliver amendments to the Port's existing interest rate swaps to facilitate the issuance of the Series Twenty-Eight Bonds, or replace or terminate the existing interest rate swaps.

3.12 Create special accounts and subaccounts within the SLB Fund that is held under Ordinance No. 323, as amended, for the Series Twenty-Eight Bonds and provide for deposits and withdrawals of amounts in those subaccounts.

3.13 Provide for the application of the proceeds of the Series Twenty-Eight Bonds, including application to the payment of interest accruing on all or a portion of the Series Twenty-Eight Bonds, as specified by the Executive Director.

3.14 Provide for the investment of proceeds of the Series Twenty-Eight Bonds.

3.15 Hold a public hearing with respect to the issuance of the Series Twenty-Eight Bonds pursuant to the public approval requirements of Section 147(f) of the Code or delegate the authority to hold such public hearing to any Assistant Secretary or Assistant Treasurer of the Port.

3.16 Execute and deliver any other documents and take any other action in connection with the Series Twenty-Eight Bonds which the Executive Director finds will be advantageous to the Port.

Section 4. Amendments to Ordinance No. 323 and to Ordinance 155.

4.1 The Port may amend and restate Ordinance No. 323 and Ordinance No. 155 to delete the final paragraph of Section 9 of Ordinance No. 323 and to remove all other references in those ordinances to “Excess Principal.”

4.2 As the Port has done in the ordinances authorizing all currently outstanding series of SLBs, the Port hereby provides and clarifies that the Port may amend Ordinance No. 155 and Ordinance No. 323 without the consent of the Owners of the Series Twenty-Eight Bonds for any of the purposes listed in this Section 4.

(a) To amend the definition of “Airport” to add any facilities operated by the Port whether or not such facilities are related to aviation.

(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 of Oregon.

(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 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.

(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.

4.3 As the Port has done previously in the ordinances authorizing the Port’s Airport Revenue Bonds, Series Nineteen, Series Twenty, Series Twenty-One, Series Twenty-Two, Series Twenty-Three, Series Twenty-Four, Series Twenty-Five, Series Twenty-Six, and Series Twenty-Seven, in addition to the amendments provided in Sections 4.1 and 4.2, the Port may amend Ordinance No. 155 and Ordinance No. 323 without the consent of the Owners of the Series Twenty-Eight Bonds for any of the purposes listed in this Section 4.3.

(a) 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.”

(b) To amend Ordinance No. 323 to provide that for purposes of determining compliance with Section 10 of Ordinance No. 323, 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.

(c) 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 by Section 7 of Ordinance 323 have been made) as of the last day of the immediately preceding fiscal year.

(d) 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.

Section 5. Formal Matters.

5.1 The power granted in Section 4 to amend Ordinance No. 155 and Ordinance No. 323 supplements and clarifies, but does not limit, the power of the Port to amend Ordinance No. 155 under its Section 20 and Ordinance No. 323 under its Section 12.

5.2 The Executive Director may determine that the providers of Credit Facilities for the Series Twenty-Eight Bonds, if any, shall be treated as Owners of the Series Twenty-Eight Bonds secured by those Credit Facilities for purposes of consenting to amendments to Ordinance No. 155, Ordinance No. 323 and the documents relating to the Series Twenty-Eight Bonds.

5.3 Provisions of the documents that are executed pursuant to Section 3 shall have the same effect as if those provisions were included in this Ordinance.

5.4 The Port may restate Ordinance No. 323 and Ordinance No. 155 to include the amendments contained in this Ordinance and may combine Ordinance No. 155 and Ordinance No. 323 without the consent of any Owner or beneficial owner, Credit Facility provider or swap provider.

5.5 Pursuant to ORS Section 778.255(3) a concise summary of this Ordinance, including the location within the Port where a complete copy of this Ordinance may be obtained without charge, shall be published within five (5) days after passage in a newspaper of general circulation within the boundaries of the Port.

5.6 Capitalized terms that are used but not defined in this Ordinance shall have the meanings defined for such terms in Ordinance No. 155 or Ordinance No. 323.

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PASSED AND ENACTED by the Board of Commissioners of The Port of Portland at a meeting held on December 8, 2021, and signed by its President.

THE PORT OF PORTLAND

Commission President

Approved as to Form for The Port of Portland:

Hawkins Delafield & Wood LLP
Bond Counsel to The Port of Portland

ENACTMENT OF ORDINANCE NO. 473-B TO ISSUE PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE REFUNDING BONDS, SERIES 2022A TO REFUND OUTSTANDING PASSENGER FACILITY CHARGE REVENUE BONDS

December 8, 2021

Presented by: Lisa Fedeli
Director, Capital Finance & Debt
Management

REQUESTED COMMISSION ACTION

This agenda item requests approval of Ordinance No. 473-B to authorize the sale of Portland International Airport (PDX) Passenger Facility Charge (PFC) Revenue Refunding Bonds, Series 2022A (the Series 2022A Bonds), in one or more series, to pay the costs of refunding all or part of the outstanding PDX PFC Revenue Bonds, Series 2011A (the Refunded Bonds), to pay the costs of issuance, and to fund certain reserves, if necessary.

BACKGROUND

In November 2011, the Port of Portland (Port) issued the Refunded Bonds to pay for the costs of construction of a portion of both the south runway rehabilitation project and deicing system improvements project (together the 2011 PFC Bond Projects) and to repay draws on an outstanding non-revolving credit facility that was used to finance a portion of the costs of the 2011 PFC Bond Projects. The Refunded Bonds were issued as fixed-rate bonds, with interest coupons ranging from 2.5% to 5.5%, a final maturity of July 1, 2031, and a call option at par on or after July 1, 2021. The Refunded Bonds are currently outstanding in the aggregate principal amount of \$65,180,000.

PLAN OF FINANCE

The Port's Debt Management policy 7.2.21 provides that the Port will monitor market conditions and interest rates on an ongoing basis for opportunities to refund its outstanding debt to achieve debt service savings. Based on current bond market interest rates, this refunding is expected to generate net present value savings of approximately \$15 million, or 23%, which is well in excess of the policy's minimum savings threshold, which is 3% of the refunded principal amount.

ORDINANCE TERMS

Ordinance No. 473-B authorizes the issuance of bonds sufficient to fully repay the outstanding balance of the Refunded Bonds; it is anticipated that the final par amount will be approximately \$55 million. The Series 2022A Bonds will bear interest at fixed rates with the same final maturity of the Refunded Bonds of July 1, 2031.

The Port will seek a credit rating for the Series 2022A Bonds from the Standard & Poor's rating agency. The Port is currently rated "A" by Standard & Poor's on the PFC revenue bonds.

ENACTMENT OF ORDINANCE NO. 473-B TO ISSUE PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE REFUNDING BONDS, SERIES 2022A TO REFUND OUTSTANDING PASSENGER FACILITY CHARGE REVENUE BONDS

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Staff expects to price and close the Series 2022A Bonds in February 2022. If the municipal bond market experiences significant disruption during this time period due to a resurgence of COVID-19 or other unanticipated factors, then the Port expects to extend the financing schedule and will enter the market when appropriate to meet the objectives of the financing.

Ordinance No. 473-B delegates authority to the Executive Director and Chief Financial Officer of the Port, or a designee thereof, to take such actions described in the ordinance, including the following:

- Establish the denominations, series designations, final principal amount (subject to the limitation in the ordinance) and the maturity schedules for the Series 2022A Bonds.
- Establish the dates on which interest shall be paid, and the rates or methods of determining the rates of interest which the Series 2022A Bonds shall bear and if the Series 2022A Bonds will be sold at a premium or discount.
- Establish and revise optional and mandatory redemption and purchase provisions for the Series 2022A Bonds.
- Establish all other terms of the Series 2022A Bonds, in accordance with the limitations of the ordinance and Port Ordinance No. 395-B, the Master PFC Ordinance.
- Establish and make such covenants or agreements or changes or amendments to the ordinance permitted by law and as necessary to obtain satisfactory ratings for the Series 2022A Bonds.
- Contribute to or release amounts from the reserve account.
- Obtain debt service reserve insurance or a surety bond in lieu of funding all or any portion of the reserve account requirement attributable to the Series 2022A Bonds, and enter into, execute and deliver any agreements with the insurer or provider of the surety which the Executive Director determines are desirable to obtain the insurance or surety bond and make any changes required to the ordinance necessary in connection with such reserve insurance or surety bond.
- Obtain one or more credit facilities for the Series 2022A Bonds, or enter into, execute and deliver any agreement with providers thereof which the Executive Director determines are desirable in connection therewith.
- Enter into an agreement with the Trustee which provides for, among other things, the payment of Trustee's fees.
- Execute and deliver a continuing disclosure undertaking, if desirable, for the Series 2022A Bonds.
- Take actions necessary to designate the payment obligations with respect to any Credit Facilities for the Series 2022A Bonds as Junior Lien Obligations (as such term is defined in Port Ordinance No. 323).

ENACTMENT OF ORDINANCE NO. 473-B TO ISSUE PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE REFUNDING BONDS, SERIES 2022A TO REFUND OUTSTANDING PASSENGER FACILITY CHARGE REVENUE BONDS

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- Execute and deliver a supplemental action certificate specifying the actions taken by the Executive Director pursuant to the ordinance, and execute and deliver any other certificates, documents or agreements which the Executive Director determines are desirable to issue, sell, deliver, manage or administer the Series 2022A Bonds in accordance with the ordinance.

PARTICIPANTS

In addition to the Port, the primary firms involved in the Series 2022A Bond transaction are:

- PFM Financial Advisors LLC is the municipal advisor to the Port.
- Hawkins, Delafield & Wood LLP is bond counsel to the Port.
- Orrick, Herrington & Sutcliffe LLP is disclosure counsel to the Port.
- The underwriting banks will be BofA Securities, Inc. as senior manager and Jefferies LLC as co-manager.
- U.S. Bank National Association will be the trustee.
- Landrum & Brown, Incorporated, is the airport consultant responsible for preparing the Report of the Airport Consultant for the Portland International Airport Revenue Bonds, Series Twenty-Eight, which will also be an Appendix to the Series 2022A Bonds disclosure documents.
- Standard & Poor's is expected to provide the necessary credit rating.
- Moss Adams LLP is the Port's auditor.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That Port of Portland Ordinance No. 473-B, in the form presented to the Commission, be read by title only; and

BE IT FURTHER RESOLVED, That proposed Port of Portland Ordinance No. 473-B, in the form presented to the Commission, be enacted by a roll call vote.

ORDINANCE NO. 473-B

AN ORDINANCE AUTHORIZING THE SALE AND ISSUANCE OF PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE REFUNDING BONDS, SERIES 2022A OF THE PORT FOR THE PURPOSE OF REFUNDING, SUBJECT TO MARKET CONDITIONS, OUTSTANDING PASSENGER FACILITY CHARGE REVENUE REFUNDING BONDS; FIXING OR PROVIDING FOR THE DATE, FORMS, TERMS AND MATURITIES FOR SUCH BONDS; AUTHORIZING THE SALE OF SUCH BONDS; DELEGATING TO THE EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER OR THEIR DESIGNEE BY SUPPLEMENTAL ACTION THE ESTABLISHMENT OF INTEREST RATE, PAYMENT, REDEMPTION AND OTHER TERMS; AND PROVIDING FOR AND DETERMINING VARIOUS MATTERS IN CONNECTION WITH THE AUTHORIZATION, RATINGS, ISSUANCE, SALE, SECURITY, PAYMENT OR DELIVERY OF THE BONDS AND ANY RECORD OF DECISION OR FEDERAL AGENCY DECISION; AUTHORIZING AN AMENDMENT TO ORDINANCE NO. 395-B.

WHEREAS, The Port of Portland (the “Port”), a port district and political subdivision of the State of Oregon (the “State”), owns and operates Portland International Airport (the “Airport”); and

WHEREAS, Ordinance No. 395-B, enacted June 10, 1999, as amended and supplemented (the “PFC Master Ordinance”), authorizes the Port to issue passenger facility charge revenue bonds for any purpose of the Port for which passenger facility charges (“PFCs”) may be used (defined as “First Lien PFC Bonds” in the PFC Master Ordinance), payable from PFC Revenue (as defined in the PFC Master Ordinance) on a parity with the outstanding PFC Bonds; and

WHEREAS, the Port previously issued its Portland International Airport Passenger Facility Charge Revenue Bonds, Series 2011A (Non-AMT) (the “Series 2011A PFC Bonds”); and

WHEREAS, current interest rates are lower than the interest rates borne by the Series 2011A PFC Bonds and the Port may be able to obtain debt service savings by refunding all or a portion of its outstanding Series 2011A PFC Bonds; and

WHEREAS, the Port is authorized pursuant to ORS 778.145 to 778.175, ORS 287A.360, and Section 4 of the PFC Master Ordinance to issue refunding bonds for the refunding of all or a portion of its outstanding First Lien PFC Bonds, such as the outstanding Series 2011A PFC Bonds; and

WHEREAS, the Port desires to issue, Portland International Airport Passenger Facilities Charge Revenue Refunding Bonds, Series 2022A (Non-AMT) (the “Series 2022A PFC Bonds”) to refund all or a portion of the outstanding Series 2011A PFC Bonds; and

WHEREAS, it is necessary that the date, form, terms and maturities of the Series 2022A PFC Bonds constituting First Lien PFC Bonds under the PFC Master Ordinance be fixed or provided for as provided in this Series Ordinance; and

WHEREAS, it is deemed necessary and desirable that the Series 2022A PFC Bonds be sold pursuant to negotiated sale as herein provided, and if it is deemed necessary and desirable, the Series 2022A PFC Bonds may be additionally secured by one or more Credit Facilities (as such term is defined in the PFC Master Ordinance); NOW THEREFORE,

BE IT ENACTED BY THE PORT OF PORTLAND, AS FOLLOWS:

Section 1. Definitions. Unless otherwise defined herein, the terms used in this Series Ordinance, including the preamble hereto, which are defined in the PFC Master Ordinance shall have the meanings set forth in the PFC Master Ordinance. In addition, the following terms shall have the following meanings in this Series Ordinance:

“Board” means the Board of Commissioners of the Port.

“Bond Purchase Agreement” means each Bond Purchase Agreement between the Port and an Underwriter, or among the Port and the Underwriters, relating to the sale of Series 2022A PFC Bonds.

“Bond Register” means the books or records maintained by the Registrar containing the name and mailing address of the owner of each Series 2022A PFC Bond or nominee of such owner and the principal amount and number of Series 2022A PFC Bonds held by each owner or nominee.

“Costs of Issuance Account-2022A” means the subaccount of the PFC Fund by that name maintained by the Port for the purpose of holding certain proceeds of the Series 2022A PFC Bonds.

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Series 2022A PFC Bonds pursuant to Section 6 hereof.

“Executive Director” means the Executive Director or the Chief Financial Officer of the Port and any designee of the Executive Director or the Chief Financial Officer of the Port.

“Letter of Representations” means the blanket issuer letter of representations from the Port to DTC, dated March 15, 2019.

“Owner” means the person named as the registered owner of a Series 2022A PFC Bond in the Bond Register.

“Paying Agent” means the Trustee acting in its capacity as Paying Agent. The term “Paying Agent” shall include any successor to the Trustee.

“PFC Master Ordinance” means Ordinance No. 395-B of the Port, as the same may be amended from time to time in accordance with its terms.

“Registrar” means the Trustee acting in its capacity as Registrar, and for the purposes of registering and authenticating the Series 2022A PFC Bonds, maintaining the Bond Register and effecting transfer of ownership of the Series 2022A PFC Bonds. The term “Registrar” shall include any successor to the Trustee.

“SEC” means the Securities and Exchange Commission.

“Series Default” has the meaning given such term in Section 14 of the PFC Master Ordinance.

“Series 2011A PFC Bonds” meant the Port of Portland, Oregon Portland International Airport Passenger Facility Charge Revenue Bonds, Series 2011A (Non-AMT).

“Series 2022A PFC Bonds” means The Port of Portland, Oregon, Portland International Airport Passenger Facility Charge Revenue Refunding Bonds, Series 2022A (Non-AMT), authorized to be issued in one or more series by Section 2 of this Series Ordinance.

“Supplemental Action” means any Supplemental Action executed and delivered pursuant to Section 14 hereof by the Executive Director.

“Trustee” means the Trustee appointed pursuant to the PFC Master Ordinance.

“Underwriters” mean, collectively, BofA Securities, Inc. and Jefferies LLC.

Rules of Interpretation. In this Series Ordinance, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Series Ordinance, refer to this Series Ordinance as a whole and not to any particular section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this Series Ordinance;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several Sections of this Series Ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Series Ordinance, nor shall they affect its meaning, construction or effect;

(e) All references herein to “sections” and other subdivisions or clauses are to the corresponding sections, subdivisions or clauses hereof.

(f) Whenever any consent or direction is required to be given by the Port, such consent or direction shall be deemed given when given by the Executive Director or his or her designee, respectively, and all references herein to the Executive Director shall be deemed to include references to his or her designee, as the case may be.

Section 2. Authorization of Series 2022A PFC Bonds. The Port shall issue, in one or more subseries, the Series 2022A PFC Bonds in an aggregate principal amount sufficient to (i) refund all or a portion of the Series 2011A PFC Bonds, (ii) fund a portion of the First Lien Reserve Account Requirement, if necessary, and (iii) pay all costs incidental to the foregoing and to the issuance of the Series 2022A PFC Bonds, including without limitation, costs associated with obtaining one or more Credit Facilities, if necessary and desirable. The Series 2022A PFC Bonds shall be issued as fixed rate obligations.

Section 3. Bond Details.

(a) *Series 2022A PFC Bonds.* The Series 2022A PFC Bonds shall be designated as “The Port of Portland, Oregon, Portland International Airport Passenger Facility Charge Revenue Refunding Bonds, Series 2022A (Non-AMT),” may be issued in one or more series with separate series designations, shall be registered as to both principal and interest and shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated as provided in the Supplemental Action, shall be in the denominations specified in the Supplemental Action, and shall bear interest from the date as provided in the Supplemental Action.

(b) *Series 2022A PFC Bonds a Special Fund Obligation.* The Series 2022A PFC Bonds are not general obligations of the Port, and no tax revenues of the Port may be used to pay the principal of, premium, if any, and interest on the Series 2022A PFC Bonds. The Series 2022A PFC Bonds shall be obligations only of the First Lien Bond Account and the First Lien Reserve Account and shall be payable and secured as provided herein and in the PFC Master Ordinance, provided that pursuant to Section 14, the Executive Director may designate the payment obligations with respect to any Credit Facilities for the Series 2022A PFC Bonds as Junior Lien Obligations (as such term is defined in Ordinance No. 323 of the Port). The Series 2022A PFC Bonds do not constitute an indebtedness of the Port within the meaning of the constitutional and statutory provisions and limitations of the State of Oregon.

(c) *Defeasance.* The Series 2011A PFC Bonds shall no longer be deemed to be Outstanding pursuant to Section 31 of the PFC Master Ordinance.

Section 4. Redemption and Purchase.

(a) *Redemption and Purchase.* The Series 2022A PFC Bonds shall be subject to optional and mandatory redemption and optional and mandatory purchase as provided in the Supplemental Action.

(b) *Purchase of Series 2022A PFC Bonds.* The Port reserves the right to purchase any of the Series 2022A PFC Bonds offered to the Port at any price deemed reasonable to the Executive Director.

Section 5. Place and Medium of Payment. The Port hereby appoints the Trustee as the Paying Agent for the Series 2022A PFC Bonds. The principal of, premium, if any, and interest on the Series 2022A PFC Bonds shall be payable in lawful money of the United States of America. Interest on the Series 2022A PFC Bonds shall be calculated in the manner described in the Supplemental Action. For so long as all Series 2022A PFC Bonds are held by DTC, such

payments shall be made as provided in the operational arrangements of DTC as referred to in the Letter of Representations.

In the event that the Series 2022A PFC Bonds are no longer in fully immobilized form, interest on the Series 2022A PFC Bonds shall be paid by check or draft mailed (or by wire transfer, without transfer fee, to the Owner of such Series 2022A PFC Bonds in aggregate principal amount of \$1,000,000 or more who so requests) to the Owners of the Series 2022A PFC Bonds at the addresses for such Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date. Principal of and premium, if any, on the Series 2022A PFC Bonds shall be payable upon presentation and surrender of such Series 2022A PFC Bonds by the Owners at the office of the Registrar designated for such presentation and surrender.

If any Series 2022A PFC Bond shall be duly presented for payment and funds have not been duly provided by the Port on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Series 2022A PFC Bond until such Series 2022A PFC Bond is paid.

Section 6. Registration.

(a) *Registrar/Bond Register.* The Port hereby appoints the Trustee as the Registrar for the Series 2022A PFC Bonds. The Port shall cause the Bond Register to be maintained by the Registrar. So long as any Series 2022A PFC Bonds remain Outstanding, the Registrar shall make all necessary provisions to permit the exchange and registration of transfer of Series 2022A PFC Bonds at its designated corporate trust office. The Registrar may be removed at any time at the option of the Port upon prior notice to the Registrar, the FAA and DTC, and a successor Registrar appointed by the Port. No resignation or removal of the Registrar shall be effective until a successor shall have been appointed and until the successor Registrar shall have accepted the duties of the Registrar hereunder and under the Master PFC Ordinance. The Registrar is authorized, on behalf of the Port, to authenticate and deliver Series 2022A PFC Bonds transferred or exchanged in accordance with the provisions of such Series 2022A PFC Bonds and this Series Ordinance and to carry out all of the Registrar's powers and duties under this Series Ordinance. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Series 2022A PFC Bonds.

(b) *Registered Ownership.* The Port and the Registrar, each in its discretion, may deem and treat the Owner of each Series 2022A PFC Bond as the absolute owner thereof for all purposes (except as otherwise expressly provided in this Series Ordinance or in the Supplemental Action), and neither the Port nor the Registrar shall be affected by any notice to the contrary. Payment of any such Series 2022A PFC Bond shall be made only as described in Section 5 hereof, but such Series 2022A PFC Bond may be transferred as herein provided. All such payments made as described in Section 5 shall be valid and shall satisfy and discharge the liability of the Port upon such Series 2022A PFC Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* To induce DTC to accept the Series 2022A PFC Bonds as eligible for deposit at DTC, the Port has executed and delivered to DTC the Letter of Representations.

Neither the Port nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Series 2022A PFC Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Series 2022A PFC Bonds, any notice which is permitted or required to be given to Owners under this Series Ordinance (except such notices as shall be required to be given by the Port to the Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Owner. For so long as any Series 2022A PFC Bonds are held by DTC hereunder, DTC or its successor depository (or their respective nominees) shall be deemed to be the Owner for all purposes hereunder, and all references herein to the Owners shall mean DTC or its successor depository (or their respective nominees) and shall not mean the owners of any beneficial interest in such Series 2022A PFC Bonds.

(d) *Use of Depository.*

(i) The Series 2022A PFC Bonds shall be registered initially in the name of “Cede & Co.”, as nominee of DTC, with one Series 2022A PFC Bond maturing on each of the maturity dates (for each subseries, if any) of the Series 2022A PFC Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Series 2022A PFC Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Board or the Executive Director pursuant to subsection (ii) below or such substitute depository’s successor; or (C) to any person as provided in subsection (iv) below.

(ii) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Board or the Executive Director to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Board or the Executive Director may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(iii) In the case of any transfer pursuant to clause (A) or (B) of subsection (i) above, the Registrar shall, upon receipt of all Outstanding Series 2022A PFC Bonds, together with a written request of the Board or the Executive Director, issue a single new Series 2022A PFC Bond for each maturity (of each subseries, if any) of the Series 2022A PFC Bonds then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Executive Director.

(iv) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Board or the Executive Director determines that it is in the best interest of the beneficial owners of the Series 2022A PFC Bonds that such owners be able to obtain such bonds in the form of Series 2022A PFC Bond certificates, the ownership of such Series 2022A PFC Bonds may then be transferred to any person or entity as herein provided, and shall no longer be

held in fully immobilized form. The Board or the Executive Director shall deliver a written request to the Registrar, together with a supply of definitive Series 2022A PFC Bonds, to issue Series 2022A PFC Bonds as herein provided in any authorized denomination. Upon receipt by the Registrar of all then Outstanding Series 2022A PFC Bonds together with a written request of the Board or the Executive Director to the Registrar, new Series 2022A PFC Bonds shall be issued in the appropriate denominations (and subseries, if any) and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.* The transfer of any Series 2022A PFC Bond may be registered and Series 2022A PFC Bonds may be exchanged, but no transfer of any such Series 2022A PFC Bond shall be valid unless such Series 2022A PFC Bond is surrendered to the Registrar with the assignment form appearing on such Series 2022A PFC Bond duly executed by the Owner or such Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Series 2022A PFC Bond and shall authenticate and deliver, without charge to the Owner or transferee therefor, a new Series 2022A PFC Bond (or Series 2022A PFC Bonds at the option of the new Owner) of the same date, maturity and interest rate (and subseries, if any) and for the same aggregate principal amount in any authorized denomination, naming as Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Series 2022A PFC Bond, in exchange for such surrendered and canceled Series 2022A PFC Bond. Any Series 2022A PFC Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of Series 2022A PFC Bonds of the same date, maturity and interest rate (and subseries, if any), in any authorized denomination or denominations. The Registrar shall not be obligated to register the transfer or to exchange any Series 2022A PFC Bond after notice of the redemption of such Series 2022A PFC Bond has been given.

(f) *Registrar's Ownership of Series 2022A PFC Bonds.* The Registrar may become the Owner of any Series 2022A PFC Bond with the same rights it would have if it were not the Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Owners of Series 2022A PFC Bonds.

(g) *Registration Covenant.* The Port covenants that, until all Series 2022A PFC Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Series 2022A PFC Bond that complies with the provisions of Section 149 of the Code.

Section 7. Use of Excess. Amounts in the First Lien Bond Account not needed to pay the interest or principal and interest next coming due on any Outstanding First Lien PFC Bonds may be used to purchase or redeem and retire First Lien PFC Bonds within the limitations provided in Section 2 of the PFC Master Ordinance. Amounts in the First Lien Bond Account shall be used to pay principal of, interest on and premium, if any, on First Lien PFC Bonds, whether at maturity or redemption or purchase in advance of maturity of such First Lien PFC Bonds. As provided in the PFC Master Ordinance, the Monthly Debt Service Deposit shall be adjusted from time to time,

so as to ensure compliance with requirement of the Code and avoid excessive accumulations in the First Lien Bond Account.

Amounts on hand in the First Lien Reserve Account in excess of the First Lien Reserve Account Requirement shall be transferred to the First Lien Bond Account.

Section 8. Disposition of the Proceeds of Sale of Series 2022A PFC Bonds.

(a) *Series 2022A PFC Bonds.* The proceeds of the Series 2022A PFC Bonds shall be applied as follows:

(i) A sum specified by the Executive Director prior to closing and delivery of the Series 2022A PFC Bonds shall be transferred to the Paying Agent for the Series 2011A PFC Bonds or held in a special account pursuant to Section 31 of the PFC Master Ordinance or held by the Port for the redemption of the Series 2011A PFC Bonds; and

(ii) The remainder of the proceeds of the Series 2022A PFC Bonds shall be paid into the Costs of Issuance Account-2022A (hereinafter authorized to be created) and, if necessary, deposited in the First Lien Reserve Account or used for the purchase of debt service reserve insurance or surety bond pursuant to Section 14(g) herein.

(b) *Costs of Issuance Account-2022A.* The Port hereby creates a special subaccount of the Port, designated as “The Port of Portland Costs of Issuance Account, 2022” (the “Costs of Issuance Account-2022A”). The amount on deposit in the Costs of Issuance Account-2022A shall be utilized to pay costs incurred in connection with the issuance and sale of the Series 2022A PFC Bonds, to the extent designated by the Port.

All or part of the proceeds of the Series 2022A PFC Bonds may be temporarily invested in or with such institutions or in such obligations as may now or hereafter be permitted to port districts of the State of Oregon by law which will mature prior to the date on which such money shall be needed provided, however, such proceeds shall not be invested in the obligations of any municipality with a credit rating lower than that of the Port. Interest earnings on the Costs of Issuance Account-2022A shall be retained in Costs of Issuance Account-2022A.

Any part of the proceeds of the Series 2022A PFC Bonds remaining in the Costs of Issuance Account-2022A shall be transferred to the First Lien Bond Account for the uses and purposes therein provided.

Section 9. Tax Covenants. The Port covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exemption from federal income taxation of the interest on the Series 2022A PFC Bonds and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exclusion from gross income for federal income tax purposes of the interest on the Series 2022A PFC Bonds.

Without limiting the generality of the foregoing, the Port covenants that it will not take any action or fail to take any action with respect to the proceeds of sale of the Series 2022A PFC Bonds or any other funds of the Port which may be deemed to be gross proceeds of the Series 2022A PFC

Bonds pursuant to Section 148 of the Code and the regulations promulgated thereunder that will cause the Series 2022A PFC Bonds to be “arbitrage bonds” within the meaning of such term as used in Section 148 of the Code.

The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the Series 2022A PFC Bonds. To that end, the provisions of this section may be modified or eliminated without any requirement for formal amendment thereof (and without the consent of the Trustee, the FAA or any Owner) upon receipt of an opinion of the Port’s Bond Counsel that such modification or elimination will not adversely affect the tax exemption of interest on any Series 2022A PFC Bonds.

Section 10. Lost, Stolen, Mutilated or Destroyed Series 2022A PFC Bonds. In case any Series 2022A PFC Bond or Series 2022A PFC Bonds shall be lost, stolen, mutilated or destroyed, the Registrar may execute and deliver a new Series 2022A PFC Bond or Series 2022A PFC Bonds of like date, number and tenor to the Owner thereof upon the owner’s paying the expenses and charges of the Port in connection therewith and upon his/her filing with the Port evidence satisfactory to the Port that such Series 2022A PFC Bond was actually lost, stolen, mutilated or destroyed (including the presentation of a mutilated Series 2022A PFC Bond) and of his/her ownership thereof, and upon furnishing the Port with indemnity satisfactory to the Port.

Section 11. Form of Series 2022A PFC Bonds and Registration Certificate. The Series 2022A PFC Bonds shall be in the form attached as an Exhibit to the Supplemental Action.

Section 12. Sale of Series 2022A PFC Bonds and Supplemental Action. The Series 2022A PFC Bonds shall be sold by negotiated sale to the Underwriters under the terms of one or more Bond Purchase Agreements. Upon the adoption of this Series Ordinance, the Executive Director or the Chief Financial Officer of the Port and any designee of the Executive Director or the Chief Financial Officer (each of whom is referred to in this Series Ordinance as an “Executive Director”) are each hereby authorized and directed, on behalf of the Port and without further action by the Board and the Board hereby ratifies actions heretofore taken by the Executive Director in connection with the Series 2022A PFC Bonds, to undertake all action necessary for the prompt execution and delivery of the Series 2022A PFC Bonds to the Underwriters and further to execute and deliver all closing certificates and documents desirable to effect the closing and delivery of the Series 2022A PFC Bonds in accordance with the terms of each Bond Purchase Agreements.

The Executive Director is authorized to ratify and to approve, on behalf of the Port, the Official Statement (and any Preliminary Official Statement) relating to the issuance and sale of the Series 2022A PFC Bonds and the distribution of such Official Statement (and any Preliminary Official Statement) with such changes, if any, as may be deemed by him or her to be appropriate.

Section 13. Amendment of PFC Master Ordinance. The Board hereby authorizes the PFC Master Ordinance to be amended pursuant to Section 12 thereof to update certain outdated section references to portions of the Oregon Revised Statutes. In such connection, the Supplemental Action executed and delivered pursuant to Section 14 hereof may set forth such amendments to applicable portions of the PFC Master Ordinance, all as may be necessary or desirable in the judgment of the Executive Director executing the same. Such amendments shall

become effective only upon the Port obtaining the consent of the issuers of all Credit Facilities with respect to First Lien PFC Bonds, all as required by Section 12 of the PFC Master Ordinance.

Section 14. Supplemental Action. The Executive Director of the Port is hereby authorized from time to time in his or her discretion, on behalf of the Port, to:

(a) establish the denominations, series designations, final principal amount (subject to the limitation in Section 2 of this Series Ordinance) and the maturity schedules for the Series 2022A PFC Bonds.

(b) establish the dates on which interest shall be paid, and the rates or methods of determining the rates of interest which the Series 2022A PFC Bonds shall bear and if the Series 2022A PFC Bonds will be sold at a premium or discount, including if sold as Original Issue Discount Bonds;

(c) establish and revise optional and mandatory redemption and purchase provisions for the Series 2022A PFC Bonds;

(d) establish all other terms of the Series 2022A PFC Bonds, in accordance with the limitations of this Series Ordinance and the PFC Master Ordinance;

(e) establish and make such covenants or agreements or changes or amendments hereto permitted by law and as necessary to obtain satisfactory ratings for the Series 2022A PFC Bonds;

(f) contribute to or release amounts from the First Lien Reserve Account;

(g) obtain debt service reserve insurance or a surety bond in lieu of funding all or any portion of the First Lien Reserve Account Requirement attributable to the Series 2022A PFC Bonds, and enter into, execute and deliver any agreements with the insurer or provider of the surety which the Executive Director determines are desirable to obtain the insurance or surety bond and make any changes required to this Series Ordinance necessary in connection with such reserve insurance or surety bond;

(h) obtain one or more Credit Facilities for the Series 2022A PFC Bonds, or enter into, execute and deliver any agreement with providers thereof which the Executive Director determines are desirable in connection therewith;

(i) enter into an agreement with the Trustee which provides for, among other things, the payment of Trustee's fees;

(j) execute and deliver a continuing disclosure undertaking, if desirable, for the Series 2022A PFC Bonds;

(k) take actions necessary to designate the payment obligations with respect to any Credit Facilities for the Series 2022A PFC Bonds as Junior Lien Obligations (as such term is defined in Ordinance No. 323 of the Port); and

(1) execute and deliver a supplemental action certificate specifying the actions taken by the Executive Director pursuant to this Section 14, and execute and deliver any other certificates, documents or agreements which the Executive Director determines are desirable to issue, sell, deliver, manage or administer the Series 2022A PFC Bonds in accordance with this Series Ordinance.

Section 15. Severability. If any one or more of the covenants or agreements provided in this Series Ordinance to be performed on the part of the Port shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Series Ordinance and shall in no way affect the validity of the other provisions of this Series Ordinance or of any First Lien PFC Bonds.

Section 16. Publication of Ordinance. A concise summary of this Series Ordinance, including the location within the Port where a complete copy of this Series Ordinance may be obtained without charge, shall be published within five days after passage in a newspaper of general circulation within the Port.

[SIGNATURE PAGE FOLLOWS]

PASSED AND ENACTED by the Board of Commissioners of The Port of Portland at a meeting held on December 8, 2021, and signed by its President.

THE PORT OF PORTLAND

Commission President

Approved as to Form for The Port of Portland:

Hawkins Delafield & Wood LLP
Bond Counsel to The Port of Portland

AMEND CERTAIN PORT OF PORTLAND DEBT FINANCING DOCUMENTS TO REPLACE INTEREST RATE INDEX

December 8, 2021

Presented by: Travis George
Program Manager
Debt, Cash & Investments**REQUESTED COMMISSION ACTION**

This agenda item requests authorization to take all necessary actions to amend existing Port of Portland (Port) debt-related agreements and related financial documents, as needed, to replace the London Interbank Offered Rate (LIBOR) interest rate index with another interest rate index.

BACKGROUND

LIBOR is a widely used interest rate index that changes each day based on current market conditions. It is used throughout the global financial markets as the basis for setting interest rates in a wide variety of contractual and other financial instruments. LIBOR is derived from the interest rates at which large financial institutions in London lend to one another, or estimates of what those rates would be in the absence of lending transactions on a given day. In response to weaknesses identified in LIBOR's integrity during the 2008 financial crisis, global financial markets are now transitioning away from LIBOR and using alternative indices to set interest rates. Certain LIBOR rates will no longer be published after December 2021 and none will be available after June 2023.

Although it is yet to be determined which interest rate index will replace LIBOR as the most common interest rate index globally, the leading candidate to replace LIBOR in the United States is currently the Secured Overnight Funding Rate (SOFR). SOFR is based on transactions in the Treasury repurchase market and is seen as preferable to LIBOR because it is based on actual interest rate data.

The International Swaps and Derivatives Association (ISDA) has created a streamlined protocol for market participants to use when amending debt-related documents to replace LIBOR with an alternative index rate. When ready, the Port will likely follow ISDA's guidelines and protocols to make the necessary amendments to the Port's debt-related documents.

There is not yet enough market information available for the Port to designate the interest rate index that will replace LIBOR in Port debt-related documents. However, Commission authorization is being requested now to enable the Port to amend the necessary documents to replace LIBOR when the time to do so is most advantageous to the Port.

AMEND CERTAIN PORT OF PORTLAND DEBT FINANCING DOCUMENTS TO REPLACE
INTEREST RATE INDEX

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AMENDMENT OF PORT DEBT DOCUMENTS

LIBOR is referenced in several transaction documents related to the Port's outstanding bonds. For example, the interest payments on the Series 2012A Passenger Facility Charge (PFC) bonds and the Series 18 general airport revenue bonds are based on variable interest rates. To hedge against interest rate risk associated with the variable rate interest payments, the Port entered into interest rate swap agreements for both bond series. These swaps require the Port to make payments based on fixed interest rates to each swap counterparty in exchange for receiving floating-rate interest payments from each swap counterparty. The floating-rate payments the Port receives are indexed to LIBOR, as was common practice with many interest rate swaps entered into by municipal issuers. In addition, the Series 2012A PFC bond interest payments are also indexed to LIBOR.

The Port's Debt Management Policy 7.2.21 establishes management guidelines and restrictions regarding the Port's debt obligations. Among other objectives, the policy establishes debt issuance options and parameters that preserve a sustainable financial structure. The Port will make all amendments as authorized by this agenda item, including the selection of the replacement interest rate index, in accordance with applicable guidelines, restrictions and parameters in the policy, and in strict compliance with all applicable ordinances and existing contractual instruments.

As required by the policy, the Port will engage its financial advisor to advise on the advantages, disadvantages and risks associated with the proposed LIBOR replacement, and to help the Port negotiate the amendment transactions with counterparties.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to amend all applicable Port of Portland debt-related agreements and related financial documents, as needed, to replace the London Interbank Offered Rate interest rate index with a suitable alternative interest rate index, consistent with the terms presented to the Commission;

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

**COLLECTIVE BARGAINING AGREEMENT – PARKING CONTROL REPRESENTATIVES –
PORTLAND INTERNATIONAL AIRPORT**

December 8, 2021

Presented by: Blaise Lamphier
Labor Relations Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval of a three-year collective bargaining agreement (CBA) between the Port of Portland (Port) and the American Federation of State, County and Municipal Employees, Local 189-Port (Union), representing the 13 part-time employees who are Parking Control Representatives at Portland International Airport (PDX).

BACKGROUND

After agreeing to Ground Rules in February 2021, the parties began bargaining on March 1, 2021 to reach a successor collective bargaining agreement (CBA) for the agreement that expired on June 30, 2021. Following seven sessions of bargaining, the Port filed for mediation with the State's Employment Relations Board. On September 27, 2021, the Port and the Union reached a tentative agreement for a three-year successor CBA at its mediation session. On October 15, 2021, the Union reported that its membership had ratified the tentative agreement.

Key changes to the terms of the agreement are outlined below.

Term of Agreement: July 1, 2021 through June 30, 2024

Wages: Effective retroactive to July 1, 2021, the base hourly wage rate will be increased 2.0%.

Effective July 14, 2022, the base hourly wage rate will be increased by the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) – West Region – Size Class A Cities – Second Half, as reported by the Bureau of Labor Statistics (BLS) in January 2022, with a minimum increase of 2.0% and a maximum increase of 4.0%.

Effective July 6, 2023, the base hourly wage rate will be increased by the percentage increase in the CPI-W – West Region – Size Class A Cities – Second Half, as reported by the BLS in January 2023, with a minimum increase of 2.0% and a maximum increase of 4.0%.

Shift Differential: Effective January 13, 2022, employees who work any hours between 1400 and 0459 will receive a 2.0% shift differential in addition to their base hourly rate of pay for those hours worked.

COLLECTIVE BARGAINING AGREEMENT – PARKING CONTROL REPRESENTATIVES –
PORTLAND INTERNATIONAL AIRPORT
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- Holidays: Add Juneteenth
- Language Premium: Effective July 1, 2021, increase in the language premium from three 3.0% to 5.0%.
- Uniforms: Effective upon Commission approval, the maximum annual reimbursement will increase from \$150 to \$300 per calendar year.
- Parking: Effective the month after Commission approval, the fee for employees who choose to park in the short-term or long-term garage at PDX will be \$40 per month and the cost for employees who choose to park in the HQ surface lot at PDX will be \$10 per month.
- Financial Impact (new dollars): The estimated annual increase over the last contract year of the current CBA attributable to the terms of the new three-year successor CBA, as well as the anticipated aggregate total in new dollars over the life of the successor CBA, are as follows:

Contract Year	Fiscal Year	Yearly Increase
Year 1	FY 21/22	\$135,732
Year 2	FY 22/23	\$185,251
Year 3	FY 23/24	\$221,023

The increase over the life of the CBA is \$ 542,006.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to enter into a three-year collective bargaining agreement with the American Federation of State, County and Municipal Employees, Local 189-Port, at Portland International Airport, beginning July 1, 2021, setting forth wages, fringe benefits and working conditions, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.