

**NEW ISSUE – Competitive via MuniAuction website
BOOK-ENTRY ONLY**

**SALE DATE: April 21, 1998
RATING: Moody's: Aa2**

In the opinion of Bond Counsel, interest on the Bonds is excluded from gross income subject to federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, subject to certain conditions and assumptions described herein under "TAX EXEMPTION." The Bonds are not private activity bonds. Interest on the Bonds is included in the computation of certain federal taxes on corporations. In the opinion of Bond Counsel, interest on the Bonds is exempt from present personal income taxation by the State of Oregon.

**City of Portland, Oregon
\$28,900,000
Limited Tax Revenue Bonds,
1998 Series A**

DATED: April 15, 1998

DUE: April 1, as shown below

The Limited Tax Revenue Bonds, 1998 Series A (the "Bonds") will be issued in registered book-entry only form, without coupons, in denominations of \$5,000 or integral multiples thereof. The Bonds, when executed and delivered, will be registered in the name of Cede & Co., as the registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. While Cede & Co. is the registered owner of the Bonds (the "Owner") as nominee of DTC, references herein to the Bondowners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See "Book-Entry System" herein.

Interest on the Bonds is payable semi-annually on April 1 and October 1 of each year, beginning October 1, 1998. While the Bonds are in book-entry form, interest on the Bonds will be paid through DTC. See "Book-Entry System" herein.

Proceeds of the Bonds will be used to construct and equip an office building expected to house various City development-related bureaus and to pay the costs of issuance of the Bonds. The Bonds are limited tax revenue bonds of the City, payable solely from the Available General Funds as more fully described herein. The full faith and credit of the City are pledged to the punctual payment of principal, premium, if any, and interest on the Bonds. See "Payment of and Security for the Bonds" herein.

The Bonds are subject to optional redemption prior to maturity. See "Optional Redemption of the Bonds" herein. Bonds maturing on April 1, 2018 are subject to mandatory redemption as described under "Mandatory Sinking Fund Redemption of Term Bonds" herein.

The Bonds will be dated as indicated above, bear interest, and mature as follows:

MATURITY SCHEDULE

<u>Due April 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>Due April 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
2000	\$1,000,000	4.00%	4.00%	2009	\$1,460,000	4.60%	4.65%
2001	1,040,000	4.10	4.10	2010	1,530,000	4.70	4.75
2002	1,080,000	4.20	4.20	2011	1,600,000	4.80	4.85
2003	1,130,000	4.25	4.25	2012	1,680,000	4.90	4.95
2004	1,170,000	4.30	4.30	2013	1,760,000	4.95	5.00
2005	1,230,000	4.40	4.40	2014	1,850,000	5.00	5.05
2006	1,280,000	4.45	4.45	2015	1,940,000	5.00	5.10
2007	1,340,000	4.50	4.50	2016	2,030,000	5.00	5.10
2008	1,400,000	4.55	4.55				

\$4,380,000 5.00% Term Bonds Due April 1, 2018; Price 97.533; Yield 5.20%

The Bonds are offered when, as and if issued by the City and accepted by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice, to the final approving opinion of Preston Gates & Ellis LLP, Bond Counsel, Portland, Oregon, Bond Counsel, and to certain other conditions. The City expects that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about May 12, 1998.

Official Statement Dated: April 21, 1998

The following table presents the debt service on the Bonds.

Table 2
CITY OF PORTLAND, OREGON
Scheduled Debt Service on the 1998 Series A Bonds

Fiscal Year Ending June 30 th	Principal	Interest	Total
1999	\$0	\$1,303,963	\$1,303,963
2000	1,000,000	1,356,725	2,356,725
2001	1,040,000	1,316,725	2,356,725
2002	1,080,000	1,274,085	2,354,085
2003	1,130,000	1,228,725	2,358,725
2004	1,170,000	1,180,700	2,350,700
2005	1,230,000	1,130,390	2,360,390
2006	1,280,000	1,076,270	2,356,270
2007	1,340,000	1,019,310	2,359,310
2008	1,400,000	959,010	2,359,010
2009	1,460,000	895,310	2,355,310
2010	1,530,000	828,150	2,358,150
2011	1,600,000	756,240	2,356,240
2012	1,680,000	679,440	2,359,440
2013	1,760,000	597,120	2,357,120
2014	1,850,000	510,000	2,360,000
2015	1,940,000	417,500	2,357,500
2016	2,030,000	320,500	2,350,500
2017	2,140,000	219,000	2,359,000
2018	2,240,000	112,000	2,352,000
Total	\$28,900,000	\$17,181,163	\$46,081,163

Source: City of Portland.