

## Aquila Insights: Oregon Bond Measure Election Results

Preliminary results indicate that Oregon residents approved \$1.45 billion in new bond measures across the State in the 2022 November general election, which is relatively strong. Compared to last November, when \$421 million in new bond measures were approved, this year’s results are encouraging. Although results have yet to be certified and therefore deemed preliminary, bonds approved by this election are still less than the \$2.1 billion approved in 2020. Interestingly, Oregon typically sees more ballot measures during November general elections held in even-numbered years.

By election measure, approximately 69% of the issues were approved. However, 97% of the total requested par amount was approved by voters (see below).

	November 2022			
	Pass	%	Fail	%
<b>Par Amount</b>	\$ 1,454,820,000	97%	\$ 50,015,000	3%
<b>Bond Measures</b>	11	69%	5	31%

Source: Kirkpatrick Pettis Capital Management and various Oregon County Clerks

### Key Bond Measures

Oregon schools were the big successes of the election, with over \$1 billion in new projects approved across the State. Approved measures range from \$45 million for Umatilla School District to \$450 million for Portland Community College.

Umatilla School District plans to use bond proceeds to finance projects, including a new fourth through sixth grade school building, with a full-sized gym and playing fields with room for expansion. The bonds are being issued to address housing developments within the district constructed in the last few years. Several housing projects have added close to 200 homes within the District, and a recent major development is estimated to add an additional 326 houses by the end of the year.

The largest education measure on the ballot was Portland Community College District’s \$450 million bond. The college plans to use bond proceeds for technology updates, to modernize workforce training facilities, and for improved building safety and accessibility across the school’s campuses. As a part of its campaign, the college announced that it does not anticipate requesting another bond for at least a decade.

A significant marketing point for school issues is the Oregon School Capital Improvement Matching program, which is a grant program offered by the Oregon Department of Education to support communities that pass general obligation bonds for school improvements. Both Portland Community College and Umatilla School District included state grants in their bond proposals. Overall, this election is expected to generate over \$26 million of grant disbursements from the State for school improvements.

The election also included some notable failures, such as the City of West Linn’s bond measure to replace three city water pipes beneath the Abernethy, West A Street, and Sunset Avenue bridges along I-205. The waterlines must be replaced while the Oregon Department of Transportation (“ODOT”) completes seismic improvements on the bridges and widens the freeway. However, since the city’s main waterline hanging beneath the Abernethy Bridge still has approximately 20 years of life left, some residents are questioning ODOT’s requirement that the city pay for the replacement. The opposition to the measure contends ODOT is pressuring West Linn into paying for the improvements, and that voting “no” gives the City Council additional time to pursue infrastructure grants, and lobby State and Federal legislators for financial assistance.

# OREGON BOND MEASURE ELECTION RESULTS

Pleasant Hill RFPD also had its measure fail, with approximately 75% of votes rejecting the measure. This measure was placed on the ballot by a private citizens group, rather than the fire district, and was not endorsed by the District's Board of Directors. The district opposed the measure, since it would legally max-out its statutory borrowing authority, leaving nothing for emergencies, such as the district's current equipment needs. The measure also does not provide additional funding to staff a new station. The district plans to present its own measure on the May 2023 ballot. The district is also considering consolidating with Goshen Fire District, and draw out a long-term funding plan that would keep the tax rate low for voters and sustain the community.

Issuer	Tax Rate	Par Amount	School Grant	Pass/Fail
Bend-La Pine School District	N/A	\$ 249,700,000	\$ 8,000,000	Pass
City of Astoria	0.5700	\$ 8,000,000	N/A	Pass
City of Eugene	0.6300	\$ 61,200,000	N/A	Pass
City of Salem	1.2000	\$ 300,000,000	N/A	Pass
City of Tualatin	0.2900	\$ 25,000,000	N/A	Pass
City of West Linn	0.2500	\$ 17,500,000	N/A	Fail
Corbett Fire District No. 14	0.6500	\$ 4,500,000	N/A	Pass
David Douglas School District No. 40	0.8800	\$ 140,320,000	\$ 8,000,000	Pass
Forest Grove School District	1.5000	\$ 121,900,000	\$ 6,700,000	Pass
John Day/Canyon City Parks and Rec. Dist.	0.7000	\$ 4,000,000	\$ 2,000,000	Fail
Pleasant Hill RFPD	0.9300	\$ 8,515,000	N/A	Fail
Portland Community College	0.3800	\$ 450,000,000	N/A	Pass
Redmond Area Park and Recreation District	0.5600	\$ 49,000,000	N/A	Pass
Rogue River School District No. 35	N/A	\$ 4,000,000	\$ 4,000,000	Fail
Sheridan School District No. 48J	2.6600	\$ 16,000,000	\$ 4,000,000	Fail
Umatilla School District No. 6R	1.1900	\$ 45,200,000	\$ 4,000,000	Pass

Source: Kirkpatrick Pettis Capital Management and various Oregon County Clerks

## Bond Deal Activity

Deal flow has also been relatively light for 2022, with year-to-date tax-exempt, non-AMT municipal issuance through November 15 declining 34% below 2021 issuance for the same time-frame. Recent Oregon issuance has been exceptionally low, without a single new issue for the entire month of October, and only one new issue in September. Overall, this election should provide a much-needed source of additional supply to the municipal bond market.

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