

Public Finance

Cultural & Social Service Nonprofits



CASE STUDY

In April 2025, Piper Sandler served as the sole manager for the Oregon Facilities Authority's Revenue Bonds, Series 2025A on behalf of Southern Oregon Goodwill Industries (SOG). The Bonds priced on Tuesday, April 1, 2025 with a par amount of \$18,715,000. Southern Oregon Goodwill received a first-time rating of "BBB" (stable) by S&P and "Baa3" (Stable) by Moody's. This bond issue is the first investment grade rated Goodwill issuance of fixed rate debt in the public market.



Goodwill's 2025 project includes a new retail store, donation center, Job Connection Center and Learning Lab in three locations: Ashland, Central Point and Medford, Oregon, totaling 53,980 square feet. The Ashland and Central Point projects are replacements of smaller stores while the North Medford project is a new facility. These retail spaces will create greater efficiencies and provide extra space for production and mission-related services such as job training and community engagement. The Job Connection Centers and Learning Labs serve as pivotal resources in the success of the GoodWorks Program, which enables employment by providing opportunities for personal and professional growth.

The Bonds are structured with a 30-year amortization and level debt service through December 1, 2054. Principal payments commence in 2027 after an interest only period to accommodate the construction completion of the Central Point and Medford projects. The Bonds have a call date of June 1, 2032 at 103% declining to 100% on June 1, 2035. The Bonds are secured by a Gross Revenue pledge, Deed of Trust and Reserve Fund equal to 50% of maximum annual debt service. Additional indebtedness can be incurred by maintaining an adequate level of debt service coverage.

During the marketing period, the transaction received strong investor interest with 41 investors viewing the roadshow and 45 investors viewing the preliminary official statement. During the order period, 15 investors placed orders totaling \$99.30 million. Subscription levels ranged from 1.0x to 1.7x for the serial bond maturities in 2027 through 2035 and from 6.0x to 6.4x for the 2040, 2045, and 2054 maturities. Piper Sandler was able to reduce spreads on all of the term bonds by 6 bps to achieve optimal execution for the Borrower.

Melanie Johnson

Managing Director

+1 612 303-6724

melanie.johnson@psc.com

Anna Starks

Vice President

+1 612 303-6670

anna.starks@psc.com