

3B MLC



State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES
25 Capitol Street - Room 120
Concord, New Hampshire 03301

Charles M. Arlinghaus
Commissioner
(603) 271-3201

Catherine A. Keane
Deputy Commissioner
(603) 271-2059

Sheri L. Rockburn
Assistant Commissioner
(603) 271-3204

May 2, 2022

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Approval of the Report and Findings of Councilor Joseph D. Kenney with regard to a certain project in participation with Taylor Community, Laconia, NH.

EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Kenney has requested that this be placed on the agenda as a regular item for the Wednesday, May 18, 2022 meeting for ratification by the Governor and Council.

Sincerely,

Charles M. Arlinghaus
Commissioner

CMA/dph

Attachment

APR29'22 AM10:31 RCVD

WADLEIGH, STARR & PETERS, P.L.L.C.

WILLIAM C. TUCKER
MARC R. SCHEER
GREGORY G. PETERS
FRANK P. SPINELLA, Jr.
DEAN B. EGGERT
MICHAEL R. MORTIMER
KATHLEEN C. PEHL
RICHARD THORNER
CHARLES F. CLEARY
CHRISTINE GORDON
TODD J. HATHAWAY
ALISON M. MINUTELLI
MICHAEL J. TIERNEY
DONNA J. BROWN
ROBIN D. MELONE

Attorneys At Law
95 Market Street
Manchester, New Hampshire 03101
Telephone (603) 669-4140
Facsimile (603) 669-6018

WWW.WADLEIGHLAW.COM

Serving New Hampshire since 1899

CRAIG S. DONAIS
ALYSIA M. CASSOTIS
CHRISTOPHER P. MCGOWN
TIERNEY M. CHADWICK
STEPHEN N. ZAHARIAS
ABBY TUCKER
STEPHEN M. BENNETT, Of Counsel
ALLISON M. TAMPOSI
ELIZABETH E. EWING
WILLIAM P. REDDINGTON
MICHAEL G. EATON
GRETCHEN M. WADE
AUTUMN H. KISH
CATHERINE C. BOUSQUET

Direct Dial: (603) 206-7200
btucker@wadleighlaw.com

April 28, 2022

Charles Arlinghaus, Commissioner
Department of Administrative Services
State of New Hampshire
State House Annex
Concord, NH 03301

Re: New Hampshire Health and Education Facilities Authority –
Taylor Community Series 2022 Bonds

Dear Commissioner Arlinghaus:

I enclose an original and ten copies of the Report and Findings of Councilor Joseph D. Kenney with regard to a certain project in participation with Taylor Community, Laconia, New Hampshire. Councilor Kenney has requested that this be placed on the agenda as a regular item for ratification by the Governor and Council at their meeting scheduled for Wednesday, May 18, 2022.

Thank you for your assistance in this matter.

Sincerely,



William C. Tucker

WCT/tav
Enclosures

**REPORT
AND
FINDINGS
OF**

JOSEPH D. KENNEY, designee of the Governor and Council of The State of New Hampshire, under the provisions of the New Hampshire Health and Education Facilities Authority Act, Chapter 195-D of the New Hampshire Revised Statutes Annotated, on the undertaking by the Authority of a certain project in participation with **TAYLOR COMMUNITY**, Laconia, New Hampshire, pursuant to said Act.

Introductory

The New Hampshire Health and Education Facilities Authority (hereafter referred to as the “Authority”), requested of Governor Christopher T. Sununu and the Executive Council that a hearing be held pursuant to the New Hampshire Health and Education Facilities Authority Act, Chapter 195-D of the New Hampshire Revised Statutes Annotated (the “Act”), and particularly as prescribed in Section 21 of the Act. The hearing is required as the result of an application submitted to the Authority by Taylor Community, a not-for-profit continuing care retirement community located in Laconia and Wolfeboro, New Hampshire (the “Borrower” or “Taylor Community”). Such application seeks the participation of the Authority, under the Act, in the refinancing of certain of Taylor Community’s existing indebtedness and the financing of certain capital expenditures (the “Project”).

Pursuant to RSA 195-D:21, the Governor and Council designated me to hold a hearing and make findings in connection with the application. Following Public Notice given in accordance with Chapter 91-A of the New Hampshire Revised Statutes Annotated, by notice published in the New Hampshire Union Leader on Wednesday, April 20, 2022, the hearing was held commencing at 2:30 p.m. on Wednesday, April 27, 2022, in the Woodside Birch Room within the Woodside Building at Taylor Community, 435 Union Avenue, Laconia, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

Summary of Testimony

Edmund Soucy, the Vice President of Finance of Taylor Community, was the first witness. He described Taylor Community as a not-for-profit, voluntary corporation organized under New Hampshire law exclusively for charitable purposes.

Mr. Soucy stated that Taylor Community is a continuing care retirement community that provides independent living, assisted living, and nursing home care services to its residents.

Mr. Soucy described Taylor Community as having been founded in 1907 and today owns and operates three campuses. The main facility is a 105 acre campus in Laconia which includes 187 independent living units, 58 assisted living units and 49 nursing beds. Taylor Community also operates two campuses in Wolfeboro, a 24-unit independent living campus known as Taylor Back Bay and Taylor Sugar Hill, which includes 15 assisted living units 100% owned by Taylor Community, and a 118 acre parcel of land which it manages and leases to Sugar Hill Retirement Community Association.

Mr. Soucy testified that proceeds of the Authority's 2022 Bonds (the "Series 2022 Bonds") will be used to refinance the Authority's Revenue Bonds Taylor Community Issues Series 2016 and Series 2019, the proceeds of which were used to finance and refinance various construction, renovation and equipping of the Borrower's facilities. The refinancing will be in the approximate amount of \$13,400,000. The proceeds of the Series 2022 Bonds will also be used to finance projects at Taylor Back Bay, including the costs of constructing and equipping of an amenities building which will include an exercise and recreation meeting area, an indoor pool, an approximately 61,250 square foot building consisting of approximately 30 assisted living units, 14 nursing bed units and 14 memory care units, and the repaving of certain roads and parking lots.

Bond proceeds will also be used to finance miscellaneous capital expenditures and equipment acquisition at the Back Bay and Laconia campuses as well as fund a debt service reserve fund and pay costs of issuance. The new money portion of the Bond Issue will be in the approximate amount of \$30,600,000.00.

Mr. Soucy testified that Taylor Community expects the bond issue to be in an amount of no more than \$44 million and expects to have the Bonds issued as a private placement with Bank of New Hampshire being the anticipated Purchaser. The Bonds are expected to have a maturity of approximately thirty (30) years and to have a fixed rate of interest for the first ten (10) years.

Mr. Soucy testified that, under a Loan Agreement with the Authority, Taylor Community will be required to maintain appropriate insurance coverage.

Mr. Soucy stated that the refinancing of existing indebtedness would assist the Borrower in lowering the cost of providing continuing care retirement community facilities in New Hampshire. He stated that based upon his position as Vice President of Finance of Taylor Community, it is his opinion that the Borrower will be able to meet its financial obligations under the proposed bond issue and that Taylor Community currently is operating in a financially responsible manner.

Bonnie S. Payette was the final witness called. She stated that she is the Executive Director of the New Hampshire Health and Education Facilities Authority, charged with the administration of the Authority's day-to-day affairs. In her capacity as Executive Director, she has become acquainted with the Project and the details of its financing and the financial arrangements to be reflected in the bonds proposed to be issued. She stated that the Authority has voted to issue its bonds for the Project, subject to compliance being had with all laws bearing upon such issue and the advice of counsel, including Bond Counsel. She testified that the Authority adopted a resolution on March 22, 2022, approving issuance of bonds for Taylor Community.

Ms. Payette testified that certain documents are being prepared for execution in connection with the Project. She stated that there will be a provision in the bond documents under which the Borrower will be obligated to hold and use the Project for continuing care retirement community and healthcare purposes so long as the Series 2022 Bonds are outstanding. She testified to language which will be in the Bond Indenture which will require that each bond issued by the Authority for Taylor Community bear on its face the following provision:

Neither the State of New Hampshire nor any political subdivision thereof shall be obligated to pay the principal of or interest on this bond, other than from Pledged Revenues, and neither the faith and credit nor the taxing power of the State of New Hampshire or of any political subdivision thereof is pledged to the payment of the principal of or interest on this bond.

Ms. Payette testified that the bond documents will make adequate provision for the payment of principal and interest on the bonds, as well as the costs of the Project, so that the State will not be obligated in any way for their repayment.

Ms. Payette concluded her testimony by stating that, based on her familiarity with the statute under which the Authority operates, on her experience as Executive Director of the Authority, and on the advice of counsel, including Bond Counsel, the Project is within the powers conferred by law upon the Authority.

Findings

Upon the testimony submitted at the hearing, and upon consideration, I find as follows:

(1) The construction and acquisition of the Project, as the same is described in such testimony, will enable and assist Taylor Community (the “Borrower”), a not-for-profit continuing care retirement community and a participating health care institution which is located in Laconia and Wolfeboro, New Hampshire, to provide health care facilities within the State of New Hampshire (the “State”); and

(2) The Project will be leased to, or owned by, the Borrower, which is a financially responsible participating institution within the State; and

(3) Adequate provision has been, or will be, made for the payment of the cost of acquisition and construction of the Project and the refinancing of existing indebtedness; and under no circumstances will the State be obligated, directly or indirectly, for the payment of the principal of, or interest on, any obligations issued to finance such construction and acquisition or to provide for the refinancing of existing indebtedness, or obligations to which such refinancing of existing indebtedness relates; and

(4) Adequate provision has been, or will be, made in any lease or mortgage of the Project to be undertaken or any property leased or mortgaged in connection with the issuance of bonds or notes for the payment of all costs of operation, maintenance and upkeep of the Project by the Borrower so that under no circumstances will the State be obligated, directly or indirectly, for the payment of such costs; and

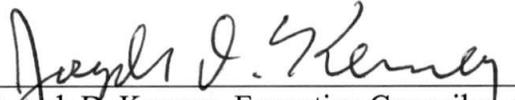
(5) Adequate provision has been made to obligate the Borrower to hold and use the Project for health care purposes so long as the principal of and interest on bonds or other obligations issued by the New Hampshire Health and Education Facilities Authority (the "Authority") to finance the cost of the Project, including any refunding bonds issued to refund and refinance such bonds, have not been fully paid and retired and all other conditions of the resolution or trust agreement authorizing and securing the same have not been satisfied and the lien of such resolution or trust agreement has not been released in accordance with the provisions thereof; and

(6) The construction and acquisition of the Project and the refinancing of existing indebtedness, will be within the authority conferred by Chapter 195-D of the New Hampshire Revised Statutes Annotated upon the Authority; and

(7) The construction and acquisition of the Project serves a need presently not fulfilled in providing healthcare facilities within the State and is a public use and benefit; and

(8) The refinancing of existing indebtedness will assist the Borrower in lowering the cost of providing continuing care retirement facilities within the State and be in connection with a project being provided by the Borrower.

Dated: April 27, 2020



Joseph D. Kenney, Executive Councilor
Designee of the Governor and Council

RATIFICATION AND GOVERNOR'S APPROVAL

The Governor and Council hereby ratify, confirm, approve and adopt the findings set forth in the Report and Findings attached hereto made by Joseph D. Kenney, the Designee of the Governor and Council to hold a hearing and make findings pursuant to Section 21 of the New Hampshire Health and Education Facilities Authority Act, Chapter 195-D of the New Hampshire Revised Statutes Annotated. The hearing was required and held as a result of an application submitted to the New Hampshire Health and Education Facilities Authority by Taylor Community, a not-for-profit retirement community which is located in Laconia and Wolfeboro, New Hampshire which and provides retirement community facilities within the State of New Hampshire. The hearing was held on April 27, 2022, following public notice, in the Woodside Birch Room in the Woodside Building at Taylor Community, 435 Union Avenue, Laconia, New Hampshire, at 2:30 p.m.

The Governor's signature constitutes his approval under Section 147(f) of the Internal Revenue Code of 1986, as amended, of the issuance of the bonds described herein and as described in the Notice of Public Hearing published on April 20, 2022.

Dated: May 18, 2022

Governor: Christopher T. Sununu

Councilor: Joseph D. Kenney

Councilor: Cinde Warmington

Councilor: Janet Stevens

Councilor: Theodore L. Gatsas

Councilor: David K. Wheeler