



State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES

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Charles M. Arlinghaus
Commissioner

Catherine A. Keane
Deputy Commissioner

Sheri L. Rockburn
Assistant Commissioner

September 10, 2024

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 and Wolfeboro, 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, September 25, 2024 meeting for ratification by the Governor and Council.

Sincerely,

Charles M. Arlinghaus
Commissioner

CMA/dph

Attachment



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September 5, 2024

Charles M. Arlinghaus, Commissioner
 Department of Administrative Services
 State of New Hampshire
 State House Annex
 25 Capitol Street
 Concord, NH 03301

Re: New Hampshire Health and Education Facilities Authority –
 Taylor Community Series 2024 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 and Wolfeboro, 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, September 25, 2024.

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 currently 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 financing of the purchase of the property and certain assets known as the Meredith Bay Colony Club and the purchase of an undeveloped lot of land adjacent to the Meredith Bay Colony Club (collectively 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, August 28, 2024, the hearing was held commencing at 1:00 p.m. on Thursday, September 5, 2024, in the Maple 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

Michael Flaherty, the President and Chief Executive Officer 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 which operates continuing care retirement communities that provide independent living, assisted living, and nursing home care services to its residents.

Mr. Flaherty described Taylor Community as having been created legislatively in 1907 and today owns and operates three campuses. The main facility is a 105 acre campus in Laconia which includes 186 independent living units, 61 assisted living units and 49 nursing beds. Taylor Community also operates two campuses in Wolfeboro, including 24 independent living units, 44 assisted living units and 14 nursing beds known as Taylor Back Bay, and a 71 independent living campus known as Taylor Sugar Hill, which has 52 independent 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. Flaherty testified that the proceeds of the 2024 Bonds (the "Series 2024 Bonds") will be used to acquire the land, buildings and certain assets of Senior Housing of New Hampshire, Inc., which owns and operates Meredith Bay Colony Club located in Meredith, New Hampshire, which is currently subject to a rehabilitation proceeding pursuant to NH RSA 420-D:15 under the auspices of the New Hampshire Department of Insurance. Meredith Bay Colony Club is an 85-unit continuing care retirement community consisting of 41 independent living units, 20 assisted living units and 24 memory care units.

Mr. Flaherty concluded his testimony by stating that the acquisition of certain assets of Meredith Bay Colony Club, including the real estate assets as improved and resident contracts,

and the purchase of an undeveloped lot of land adjacent to the Meredith Bay Colony Club will allow Taylor Community to continue its mission of providing health care facilities for seniors within the Lakes Region and that this acquisition will be of a public use and benefit. He further stated that the Series 2024 Bonds will also be used to finance the cost of issuance, fund deposit accounts and to pay miscellaneous capital expenses.

Mary Elliard, the Vice President of Finance of the Taylor Community was the next witness. She testified that Taylor Community expects the bond issue to be in an amount of no more than \$15 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 be issued in two series, one taxable and one tax exempt, to have a maturity of approximately thirty (30) years and to have a fixed rate of interest for the first ten (10) years.

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

Ms. Elliard stated that based upon her position as Vice President of Finance of Taylor Community, it is her 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 July 31, 2024, 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 2024 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 currently 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 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 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.

Dated: September 5, 2024



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

Handwritten text, possibly a signature or name, written in cursive script.

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 currently located in Laconia and Wolfeboro, New Hampshire and provides retirement community facilities within the State of New Hampshire. The hearing was held on September 5, 2024, following public notice, in the Maple Room in the Woodside Building at Taylor Community, 435 Union Avenue, Laconia, New Hampshire, at 1:00 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 August 28, 2024.

Dated: September 25, 2024

Governor: Christopher T. Sununu

Councilor: Joseph D. Kenney

Councilor: Cinde Warmington

Councilor: Janet Stevens

Councilor: Theodore L. Gatsas

Councilor: David K. Wheeler