



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

October 1, 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 Janet Stevens with regard to a certain project in participation with The Riverwoods Company at Exeter, NH.

EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Stevens has requested that this be placed on the agenda as a regular item for the Wednesday, October 16, 2024 meeting for ratification by the Governor and Council.

Sincerely,

Charles M. Arlinghaus
Commissioner

CMA/dph

Attachment

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September 26, 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 Revenue Bonds
Riverwoods at Exeter Issue, Series 2024

Dear Commissioner Arlinghaus:

I enclose an original and ten copies of the Report and Findings of Councilor Janet Stevens with regard to a certain project in participation with The Riverwoods Company at Exeter, New Hampshire located in Exeter, New Hampshire. Councilor Stevens 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, October 16, 2024.

Thank you for your assistance in this matter.

Sincerely,


William C. Tucker

WCT/ath

Enclosures

REPORT
AND
FINDINGS OF

JANET STEVENS, 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 THE RIVERWOODS COMPANY, AT EXETER, NEW HAMPSHIRE of Exeter, 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 (hereafter referred to as 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 The RiverWoods Company, at Exeter, New Hampshire, a private, not-for-profit and charitable corporation (hereafter sometimes referred to as "RiverWoods") operating a continuing care retirement community located in Exeter, New Hampshire which constitutes a "nursing home" as that term is defined in the Act. RiverWoods is a participating health care institution under RSA 195-D:3. Such application seeks the participation of the Authority, under the Act, in the refinancing of certain existing indebtedness (hereafter sometimes referred to as the "Project").

Pursuant to RSA 195-D:21 above cited, 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 September 19, 2024, the hearing was held commencing at 9:00 a.m. on Thursday, September 26, 2024 in the Great Bay Room at the Woods campus of RiverWoods at Exeter, 7 RiverWoods Drive, Exeter, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

Summary of Testimony

Kevin Goyette, the Chief Financial Officer of The RiverWoods Group, was the first witness. He described RiverWoods as a not-for-profit corporation which owns and operates a continuing care retirement community (a "CCRC") on three campuses in Exeter, New Hampshire. The original campus, known as the Woods, opened in 1994 and consists of 201 independent living apartments, certain common facilities and a Healthcare Center with 20 assisted living units and 39 nursing beds. The second campus, known as the Ridge, was completed in October 2004, and consists of 81 independent living apartments and 11 cottage homes, 27 assisted living units and 23 skilled nursing beds. The third campus, known as the Boulders, was completed in March 2010, and consists of 76 independent living apartments and 24 cottage homes, 24 assisted living units and 16 nursing beds. Together, the campuses comprise approximately 200 acres.

Mr. Goyette testified that RiverWoods is accredited by the Commission on Accreditation of Rehabilitation Facilities, one of approximately 10% of the CCRC's in the country so accredited. RiverWoods' skilled nursing and supported residential care facilities are licensed by the Department of Health and Human Services of the State of New Hampshire. In accordance with the provisions of New Hampshire law relating to continuing care retirement communities, RiverWoods' nursing care beds are open only to residents of the community and their spouses and are not supported by the Medicaid program.

Mr. Goyette testified that RiverWoods is planning to refinance its two existing bond issues, comprised of the Authority's Series 2012A Bonds and Series 2012 B Bonds issued on behalf of RiverWoods and aggregating approximately \$44 million in outstanding principal amount. The proceeds of the Series 2012A and Series 2012B Bonds were used to refinance several prior bond issues which were used to finance and refinance the construction of the RiverWoods campuses. He explained that RiverWoods also intends to use certain Series 2024 Bond proceeds to pay costs of issuance relating to the Series 2024 Bonds.

Mr. Goyette stated that RiverWoods plans to issue the Series 2024 Bonds by means of a public offering underwritten by B.C. Ziegler & Company. RiverWoods currently has an A- rating by Fitch Ratings, Inc., and it is expected that the Series 2024 Bonds will also be rated A-. The

Bonds are expected to mature in 2038 and be issued at a fixed interest rate of approximately five percent (5%). It is anticipated the Bonds will be issued at a premium and therefore be issued in the approximate amount of \$40,000,000.

Mr. Goyette stated that, in his view, the Project is necessary to allow RiverWoods to continue to provide the Seacoast region's residents with the quality of retirement living and care to which the RiverWoods' Board is committed and would be of public benefit. He testified the refinancing of existing indebtedness would assist RiverWoods in lowering the cost of providing health care facilities within the State. Finally, and based upon his position as Chief Financial Officer, Mr. Goyette stated his opinions that RiverWoods would be able to meet its financial obligations under the proposed bond issue and that RiverWoods is currently 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 September 10, 2024, approving issuance of bonds for RiverWoods.

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 RiverWoods 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 documents which will require that each bond issued by the Authority for RiverWoods 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 Series 2024 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.

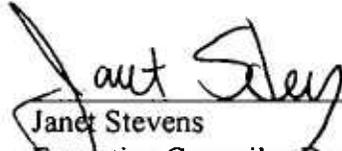
Findings

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

- (1) The refinancing of existing indebtedness, as the same is described in such testimony, will enable and assist The RiverWoods Company, at Exeter, New Hampshire (herein called "RiverWoods"), a not-for-profit continuing care retirement community located in Exeter, New Hampshire, to provide continuing care (including nursing care) within the State of New Hampshire (herein called the "State"); and
- (2) The Project will be leased to, or owned by, RiverWoods, 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 refinancing of existing indebtedness related to 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 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 RiverWoods 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 RiverWoods to hold and use the facilities being refinanced by the Project for healthcare purposes so long as the principal of and interest on bonds or other obligations issued by the New Hampshire Health and Education Facilities Authority (herein called 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 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 Project serves a need presently not fulfilled in providing healthcare facilities within the State and is of public use and benefit; and

- (8) The refinancing of existing indebtedness will assist RiverWoods in lowering the cost of providing healthcare facilities within the State.

Dated: September 26, 2024



Janet Stevens
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 Janet Stevens, 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 The RiverWoods Company, at Exeter, New Hampshire, a not-for-profit continuing care retirement community which is located in Exeter, New Hampshire. The hearing was held on September 26, 2024, following public notice, in the Great Bay Room at Woods campus of RiverWoods at Exeter, 7 RiverWoods Drive, Exeter, New Hampshire at 10 a.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 in the Notice of Public Hearing published on September 19, 2024 in the New Hampshire Union Leader.

Dated: October 16, 2024

Governor: Christopher T. Sununu

Councilor: Joseph D. Kenney

Councilor: Cinde Warmington

Councilor: Janet Stevens

Councilor: Theodore L. Gatsas

Councilor: David K. Wheeler