



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

February 21, 2025

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Approval of the Report and Findings of Councilor Janet L. Stevens with regard to a certain project in participation with Great Bay Kids, Portsmouth and 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, March 12, 2025 meeting for ratification by the Governor and Council.

Sincerely,

Charles M. Arlinghaus
Commissioner

CMA/dph

Attachment

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February 20, 2025

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

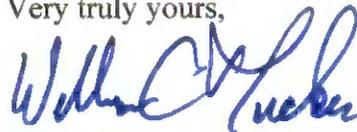
RE: Great Bay Kids

Dear Commissioner Arlinghaus:

I enclose an original and ten copies of the Report and Findings of Councilor Janet L. Stevens with regard to a certain project in participation with Great Bay Kids, Portsmouth and Exeter, New Hampshire. Councilor Janet L. 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, March 12, 2025.

Thank you for your assistance in this matter.

Very truly yours,



William C. Tucker

Enclosures

REPORT
AND
FINDINGS
OF

Janet L. 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 (the "Act") on the undertaking by the New Hampshire Health and Education Facilities Authority (the "Authority") of a certain project in participation with Great Bay Kids, a New Hampshire voluntary, not-for-profit and charitable corporation operating early childhood education facilities, pursuant to said Act.

Introductory

The Authority requested Governor Kelly A. Ayotte and the Executive Council that a hearing be held pursuant to 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 Great Bay Kids, a voluntary, not-for-profit corporation formed under New Hampshire law and located in Portsmouth and Exeter, New Hampshire (hereafter referred to as "Great Bay"), which is a participating educational institution under RSA 195-D:3. Such application seeks the participation of the Authority, under the Act, in financing and refinancing early childhood education facilities (hereafter referred to as the "Project").

Pursuant to Section 21 of the Act, 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 in the New Hampshire Sunday News published on Saturday/Sunday, February 15/16, 2025, the hearing was held commencing at 3:00 p.m. on Thursday, February 20, 2025, in the Executive Director's Office of the Great Bay Kids building, located at 81 New Hampshire Avenue,

Portsmouth, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows.

Summary of Testimony

Stephanie Santos, Chairperson of Great Bay, was the first witness. She stated that Great Bay is a recognized 501(c)(3) charitable corporation organized under New Hampshire law, which is dedicated to providing quality early childhood education and school enrichment programs for children ages 6 weeks to 12 years. Great Bay is licensed through the State of New Hampshire Department of Health and Human Services as a day care provider. Great Bay was founded in 1967 and operates facilities in Exeter and Portsmouth, New Hampshire, which currently have an enrollment of 403 children.

Ms. Santos testified that the fundamental philosophy of Great Bay's programs is "the child comes first." Great Bay believes that the program must adapt to the child and not force the child to adapt to the program. Ms. Santos elaborated that planning at Great Bay revolves around the needs and cues of each child and by respecting and encouraging individual abilities they hope to develop a strong feeling of self-esteem in each child. Great Bay's educational programs provide for all aspects of a child's development including physical, social, intellectual and emotional.

Ms. Santos testified that the proceeds from the Authority's Revenue Bonds, Great Bay Kids, Series 2025 (the "Bonds") will be used to finance the purchase of an approximately 28,000 square foot building located at 81 New Hampshire Avenue, Portsmouth, New Hampshire. She testified that Great Bay has been a tenant in the building since January of 2010 and that by purchasing the building and financing the purchase through the Authority's issuance of the Bonds and the loan of the proceeds to Great Bay, she estimates that the annual savings to Great

Bay will be over \$170,000 per year. Ms. Santos further testified that a portion of the Bonds will also be used to refinance certain existing indebtedness relating to its Exeter property, to fund or reimburse routine capital expenditures and the renovation, improvements and equipping of its facilities, and to pay costs of issuance of the Bonds.

Ms. Santos testified that the principal amount of the Bonds to be issued will not exceed \$7.5 million and that the Bonds are anticipated to be sold at private sale to a bank or financial institution. She stated that the Bonds are anticipated to have a fixed rate of interest for the first ten years, a maturity of approximately thirty years and that under the Loan and Security Agreement with the Authority and the purchaser of the Bonds, Great Bay will be required to carry blanket, fire, and extended coverage insurance as well as general liability insurance.

Lastly, Ms. Santos testified that, in her view, the Project and the refinancing of existing indebtedness would be of public use and benefit and would permit Great Bay to continue to render an appropriate level of service to its current and future students and will permit Great Bay to assist in lowering the cost of education in the State. Based upon her position as Chairperson, she stated her opinions that Great Bay would be able to meet its financial obligations under the proposed bond issue and that Great Bay 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 Authority and oversees 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 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 its Bond Resolution on January 14, 2025, approving the issuance of the Bonds for Great Bay.

Ms. Payette testified that certain documents are being prepared for execution in connection with the issuance of the Bonds and the financing of the Project. She stated that there will be a provision in the bond documents under which Great Bay is obligated to hold and use the Project for educational purposes so long as the Bonds are outstanding. She testified to the language in the bond documents which will require that each bond issued by the Authority for Great Bay 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, 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 acquisition, renovation, improvements, furnishing and equipping of the Project as the same is described in such testimony, will enable and assist Great Bay Kids (herein called "Great Bay"), a voluntary, not-for-profit charitable corporation operating early childhood education facilities in Exeter and Portsmouth, New Hampshire, to provide education within the State of New Hampshire (herein called the "State"); and

(2) The Project will be owned by Great Bay 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 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 renovation, furnishing and equipping; 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 Great Bay so that under no circumstances will the State be obligated, directly or indirectly, for the payment of such costs; and

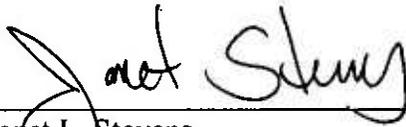
(5) Adequate provision has been made to obligate Great Bay to hold and use the Project for educational purposes so long as the principal of and interest on bonds or other obligations issued by the New Hampshire Health and Education Facilities Authority (herein called the "Authority") to finance the cost 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 acquisition, renovation, improvements, furnishing and equipping of the Project will be within the authority conferred by Chapter 195-D of the New Hampshire Revised Statutes Annotated upon the Authority;

(7) The acquisition, renovation, improvements, furnishing and equipping of the Project serves a need presently not fulfilled in providing education within the State and is of public use and benefit; and

(8) The refinancing of existing indebtedness will assist Great Bay in lowering the cost of providing education within the State and will be in connection with a project being provided by Great Bay.

Dated: February 20, 2025



Janet L. 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 L. Stevens, the Désignee 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 Great Bay Kids, a voluntary, not-for-profit charitable corporation operating early childhood educational facilities in Exeter and Portsmouth, New Hampshire. The hearing was held on February 20, 2025, following public notice in the New Hampshire Sunday News published on February 15/16, 2025, in the Executive Director's Office of the Great Bay Kids building located at 81 New Hampshire Avenue, Portsmouth, New Hampshire at 3:00 p.m.

The Governor's signature constitutes her 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 hearing conducted by the Authority at its office, One Capitol Street, Concord, New Hampshire 03301 on Tuesday, February 25, 2020 at 8:00 a.m. as described in the Notice of Public Hearings in the New Hampshire Sunday News published on February 15/16, 2025.

Dated: March 12, 2025

Governor: Kelly A. Ayotte

Councilor: Joseph D. Kenney

Councilor: Karen Liot Hill

Councilor: Janet L. Stevens

Councilor: John Stephen

Councilor: David K. Wheeler