



# State of New Hampshire

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DEPARTMENT OF ADMINISTRATIVE SERVICES  
OFFICE OF THE COMMISSIONER  
25 Capitol Street – Room 120  
Concord, New Hampshire 03301

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February 20, 2013

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

## REQUESTED ACTION

Approval of the Report and Findings of Councilor Debora B. Pignatelli with regard to the refinancing of certain existing indebtedness and the financing of certain capital expenditures in connection with The Huntington at Nashua.

## EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Pignatelli has requested that this be placed on the agenda for the Wednesday, March 6, 2013 meeting for ratification by the Governor and Council.

Sincerely,

Linda M. Hodgdon  
Commissioner

LMH/ild

Attachment

**REPORT  
AND  
FINDINGS  
OF**

**DEBORA B. PIGNATELLI**, 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 HUNTINGTON AT NASHUA**, Nashua, New Hampshire, pursuant to said Act.

**Introductory**

The New Hampshire Health and Education Facilities Authority (hereafter referred to as the “Authority”), requested of Governor Maggie Hassan 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 The Huntington at Nashua, a not-for-profit continuing care retirement community located in Nashua, New Hampshire (the “Borrower” or “Huntington”). Such application seeks the participation of the Authority, under the Act, in the refinancing of certain of Huntington’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 posted at the Nashua City Hall and the Nashua Public Library on Monday, February 11, 2013, the hearing was held commencing at 12:30 p.m. on Wednesday, February 13, 2013, in the First Floor Theater at The Huntington at Nashua, 55 Kent Lane, Nashua, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

### Summary of Testimony

Christine Hallock, the Chief Executive Officer of Huntington, was the first witness. She described Huntington as a not-for-profit corporation organized under New Hampshire law exclusively for charitable purposes.

Ms. Hallock stated that Huntington is a continuing care retirement community that provides independent living, assisted living, and nursing home care to those who need such services. Ms. Hallock described Huntington as providing a wide spectrum of amenities and services, including but not limited to, dining services, housekeeping and transportation services, an exercise center and indoor pool.

Ms. Hallock testified that Bond proceeds will be used to refinance Huntington's Series 2003A Bonds issued through the Authority, the proceeds of which were used to finance the purchase of land at 55 Kent Lane, Nashua, New Hampshire (the "Main Campus") and develop and construct the buildings at the Main Campus, which consisted of 124 independent living units, 12 assisted living units, and 24 nursing beds. Ms. Hallock also stated that the Bond proceeds will be used to refinance Huntington's 2012B Capital Anticipation Note issued through the Authority, the proceeds of which were used to finance and refinance the costs of construction, renovation, improvements and equipping of Huntington's Main Campus and facilities including an addition to the main campus, an addition of 12 assisted living units, and the construction of independent living cottages. She further testified that Bond proceeds also may be used to finance miscellaneous routine capital expenditures; to pay certain costs of issuing the Bonds; and to pay certain incidental costs related to the Bonds.

Ms. Hallock testified that Huntington expects to issue no more than \$25 million of bonds. Huntington expects to have the Bonds issued as a private placement. The Bonds are expected to have a maturity of no more than thirty (30) years.

Ms. Hallock testified that, under the Loan Agreement with the Authority, Huntington will be required to maintain appropriate insurance coverage.

She 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. Based upon her position as Chief Executive Officer of Huntington, she stated her opinion that the Borrower would be able to meet its financial obligations under the proposed Bond issue and that Huntington currently is operating in a financially responsible manner.

David C. Bliss was the final witness called. He stated that he is the Executive Director and Secretary of the New Hampshire Health and Education Facilities Authority, charged with the administration of the Authority's day-to-day affairs. In his capacity as Executive Director, he has become acquainted with the Project and the details of its financing, having worked closely with the Borrower's officers in developing the financial arrangements to be reflected in the bonds proposed to be issued. He 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. He testified that the Authority adopted a resolution on January 17, 2013, approving issuance of bonds for The Huntington at Nashua.

Mr. Bliss testified that certain documents are being prepared for execution in connection with the Project. He 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 purposes so long as the Bonds are outstanding. He testified to the language in the Bond Indenture which requires that each bond issued by the Authority for The Huntington at Nashua 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.

Mr. Bliss 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.

Mr. Bliss concluded his testimony by stating that, based on his familiarity with the statute under which the Authority operates, on his 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, and the refinancing of existing indebtedness, as the same is described in such testimony, will enable and assist The Huntington at Nashua (“Huntington”), a not-for-profit continuing care retirement community which is located in Nashua, New Hampshire, to provide retirement community 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 the Project and the refinancing of existing indebtedness related thereto; 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 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 retirement community 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 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

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

Dated: February 13, 2013

  
Debora B. Pignatelli  
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 Debora B. Pignatelli, 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 Huntington at Nashua, a not-for-profit retirement community which is located in Nashua, New Hampshire which and provides retirement community facilities within the State of New Hampshire. The hearing was held on February 13, 2013, following public notice, in the First Floor Theater at The Huntington at Nashua, 55 Kent Lane, Nashua, New Hampshire, at 12:30 o'clock in the afternoon.

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, as described in the Notice of Public Hearing posted on February 11, 2013.

Dated: March 6, 2013

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Governor and Council:

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