



State of New Hampshire

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

3D
Jm

LINDA M. HODGDON
Commissioner
(603) 271-3201

JOSEPH B. BOUCHARD
Assistant Commissioner
(603) 271-3204

September 24, 2014

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 Christopher Sununu with regard to a certain project in participation with Southern District YMCA/Camp Lincoln Inc., of Kingston and Exeter, New Hampshire.

EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Sununu has requested that this be placed on the agenda as a regular item for the Wednesday, October 15, 2014 meeting for ratification by the Governor and Council.

Sincerely,

Linda M. Hodgdon
Commissioner

LMH/mcc

Attachment

**REPORT
AND
FINDINGS
OF**

CHRISTOPHER SUNUNU, 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 **SOUTHERN DISTRICT YMCA/CAMP LINCOLN INC.**, 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 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 Southern District YMCA/Camp Lincoln Inc., a not-for-profit, voluntary corporation located in Kingston and Exeter, New Hampshire (the “Borrower” or the “YMCA”). Such application seeks the participation of the Authority, under the Act, in the financing of the construction and equipping of certain facilities of the YMCA (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 Union Leader on September 8, 2014, the hearing was held commencing at 2:00 p.m. on Tuesday, September 23, 2014, in the Borrower’s conference room located at 24 Front Street, Exeter, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

Summary of Testimony

Rob McGregor, the Executive Director of the Southern District YMCA/Camp Lincoln Inc., was the first witness. He described the YMCA as a not-for-profit, voluntary corporation organized under New Hampshire law exclusively for charitable purposes.

Mr. McGregor stated that the YMCA currently offers camp, outdoor education, school age child care and enrichment programs. The mission of the camp is to put Christian principles into practice through programs that build a healthy mind, spirit and body for all. The YMCA has a strong core of values and stands firm to a commitment of Caring, Responsibility, Honesty, Respect and Vision.

Mr. McGregor testified that the Project will consist of: **(1)** the construction, equipping, installation and renovation of an approximately 33,000 square foot facility containing a gymnasium, an indoor track, a multi-purpose community room, group exercise studios, a wellness and fitness center, a babysitting area, individual and family locker rooms, a lobby, welcome lounge and community meeting areas, and administrative offices, all to be located on the Borrower's vacant land in Exeter, located at 56 Linden Street (the "Exeter Land"); **(2)** the construction, installation and equipping of an indoor aquatic center with a 6-lane, 25-yard lap pool and a separate warm water therapy pool, also to be located on the Exeter Land; **(3)** financing up to three (3) years of miscellaneous routine capital expenditures including, but not limited to, the acquisition, construction, renovation, installation, furnishing and equipping of certain of the Borrower's facilities located on the Exeter Land; and **(4)** paying certain costs of issuing the Authority's Series 2014 Bonds (the "Bonds").

Mr. McGregor stated that the Borrower expects the Bonds to be issued in a principal amount not to exceed \$7.5 million, in one or more series. The Bonds are expected to be purchased by Bank of New Hampshire and are expected to mature in no more than twenty (20) years.

Mr. McGregor testified that, under the Loan Agreement with the Authority, the YMCA will be required to maintain appropriate insurance coverage.

Mr. McGregor explained that the Project would be of public use and benefit and would expand the YMCA's facilities. Based upon his position as Executive Director of the YMCA, he stated his opinions that the Borrower would be able to meet its financial obligations under the proposed bond issue and that the YMCA is currently 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 September 18, 2014, approving issuance of its Bonds for the Southern District YMCA.

Mr. Bliss testified that certain documents are being prepared for execution in connection with the Project. He stated that there is a provision in the Loan Agreement under which the Borrower will be obligated to hold and use the Project for its charitable purposes, including youth and family development, educational and fitness purposes so long as the Bonds are outstanding. He testified to the language in the bond documents which will require that each bond issued by the Authority for the Southern District YMCA 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, as the same is described in such testimony, will enable and assist the Southern District YMCA/Camp Lincoln Inc. (the "Borrower"), a not-for-profit, voluntary corporation providing youth and family development programs which is located in Exeter, New Hampshire, to provide youth and family development, educational and fitness 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 construction and acquisition 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; and

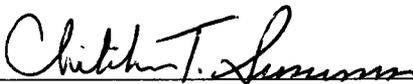
(4) Adequate provision has been, or will be, made in any lease or mortgage of the Project to be undertaken or any property leased or mortgaged in connection with the issuance of bonds or notes for the payment of all costs of operation, maintenance and upkeep of the Project by the Borrower so that under 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 youth and family development, educational, and fitness purposes so long as the principal of and interest on the Bonds or other obligations issued by the New Hampshire Health and Education Facilities Authority (the "Authority") to finance the cost of the Project have not been fully paid and retired and all other conditions of the resolution or loan agreement authorizing and securing the same have not been satisfied and the lien of such resolution or loan 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 youth and family development, educational, and fitness facilities within the State and is of public use and benefit.

Dated: September 23, 2014


Christopher Sununu
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 Christopher Sununu, 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 Southern District YMCA/Camp Lincoln Inc., a not-for-profit, voluntary corporation which is located in Kingston, New Hampshire and provides youth and family development, educational, and fitness facilities within the State of New Hampshire. The hearing was held on Tuesday, September 23, 2014, in the Borrower's conference room located at 24 Front Street, Exeter, New Hampshire, at 2:00 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 published on September 8, 2014.

Dated: October 15, 2014

Governor and Council:

