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State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES
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Concord, New Hampshire 03301

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April 20, 2020

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 Debora B. Pignatelli with regard to a certain project in participation with Peterborough Retirement Community at Upland Farm, Inc. d/b/a RiverMead in Peterborough, NH

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 as a regular item for the Wednesday, May 6, 2020 meeting for ratification by the Governor and Council.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles".

Charles M. Arlinghaus
Commissioner

CMA/dph

Attachment

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April 20, 2020

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

RE: New Hampshire Health and Education Facilities Authority -
Peterborough Retirement Community at Upland Farm, Inc. d/b/a RiverMead

Dear Commissioner Arlinghaus:

I enclose an original and ten copies of the Report and Findings of Councilor Debora B. Pignatelli with regard to a certain project in participation with Peterborough Retirement Community at Upland Farm, Inc. d/b/a RiverMead, Peterborough, New Hampshire. Councilor Pignatelli 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, May 6, 2020.

Thank you for your assistance in this matter.

Sincerely,



William C. Tucker

/sos

enclosures

**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 **PETERBOROUGH RETIREMENT COMMUNITY AT UPLAND FARM, INC. d/b/a RIVERMEAD** of Peterborough, 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 Peterborough Retirement Community at Upland Farm, Inc. d/b/a RiverMead, a private, not-for-profit and charitable corporation (hereafter sometimes referred to as “RiverMead”) operating a continuing care retirement community located in Peterborough, New Hampshire, which constitutes a “nursing home” as that term is defined in the Act. RiverMead 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 of RiverMead’s existing indebtedness and the financing of certain capital expenditures (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 April 10, 2020, the hearing was held commencing at 10:00 a.m. on Monday, April 20, 2020, in the Conference Room of the Authority, One Capitol Street, Suite 200, Concord, New Hampshire. In accordance with Governor Sununu's Emergency Order #12 issued pursuant to Executive Order #2020-04, the meeting was open to the public through telephonic means. All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

Summary of Testimony

Martin James Conley, III, the Chief Financial Officer of RiverMead, was the first witness. He described RiverMead as a not-for-profit corporation which owns and operates a continuing care retirement community in Peterborough, New Hampshire. RiverMead opened in December, 1995 and is currently comprised of a total of 181 independent living units, 49 assist living residences, 17 memory support residences, 33 nursing beds, a wellness center and over 50,000 square feet of community and amenity space.

Mr. Conley testified that RiverMead's nursing and assisted living residences are licensed by the Department of Health and Human Services of the State of New Hampshire. RiverMead restricts its nursing beds to residents of the community and does not participate in the Medicaid program.

Mr. Conley testified that the proceeds from the Authority's Series 2020 Bonds (the "Bonds") will be used to refinance RiverMead's Series 2011A Bonds, the proceeds of which were used to finance the original construction of the "Village" campus, which is adjacent to RiverMead's original campus, the "Mead." The Village campus currently includes 30 independent living apartments, 24 independent living hybrid homes, 14 independent living cottages, 20-one bedroom assisted living units, 30 indoor parking stalls, and a 1-story community center which

included dining, specialty areas, and amenity areas which are used by all residents of RiverMead. Mr. Conley testified that a portion of the Bond proceeds, up to \$6,000,000, would be used to finance other capital expenditures at RiverMead including improvements related to the construction and renovations to its health center and to pay certain costs of issuing the Bonds. Mr. Conley further stated that RiverMead expects the Bonds to be issued through a public offering at a fixed rate or rates of interest although a private placement is possible. The public offering is anticipated to be underwritten by B.C. Ziegler and Company. The Bonds will have a final maturity of no more than 30 years. Mr. Conley stated that the refinancing of the Series 2011A Bonds will assist RiverMead in lowering the cost of providing health care services within the State.

Mr. Conley testified that under the Loan Agreement with the Authority, RiverMead will be required to maintain appropriate insurance coverage. Based upon his position as Chief Financial Officer of RiverMead, he stated his opinion that RiverMead would be able to meet its financial obligations under the proposed bond issue and that RiverMead currently is operating in a financially responsible manner.

Bonnie Payette was the second witness called. She stated that she is the Executive Director of the New Hampshire Health and Education Facilities 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, having worked with RiverMead's officers in developing 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 a Resolution on March 19, 2020, approving issuance of bonds for Peterborough Retirement Community at Upland Farm, Inc. d/b/a RiverMead.

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 RiverMead is obligated to hold and use the Project for continuing care retirement community and health care purposes so long as the Bonds are outstanding. She testified to the language in the bond documents which requires that each bond issued by the Authority for Peterborough Retirement Community at Upland Farm, Inc. d/b/a RiverMead 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 refinancing of existing indebtedness and the construction and acquisition of the Project, as the same is described in such testimony, will enable and assist Peterborough Retirement Community at Upland Farm, Inc. d/b/a RiverMead (herein called "RiverMead"), a not-for-profit continuing care retirement community located in Peterborough, 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, RiverMead, 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 costs 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 relate; 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 RiverMead 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 RiverMead 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 construction and acquisition of the Project and refinancing of existing indebtedness will be within the Authority conferred by Chapter 195-D of the N.H. Revised Statutes Annotated upon the Authority; and

(7) The construction and acquisition of the Project serves a need presently not fulfilled in providing health care services within the State and is of public use and benefit; and

(8) The refinancing of existing indebtedness will assist RiverMead in lowering the cost of providing health care services within the State and will be in connection with a project being provided by RiverMead.

Dated: April 20, 2020


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 Peterborough Retirement Community at Upland Farm, Inc. d/b/a RiverMead, a not-for-profit continuing care retirement community which is located in Peterborough, New Hampshire. The hearing was held on April 20, 2020, following public notice, in the Conference Room of the Authority, One Capitol Street, Suite 200, Concord, New Hampshire at 10:00 o'clock in the forenoon.

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 April 10, 2020.

Dated: May 6, 2020

Governor and Council:

