



# State of New Hampshire

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

3A

VICKI V. QUIRAM  
Commissioner  
(603) 271-3201

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

July 20, 2016

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 David K. Wheeler with regard to a certain project in participation with Franklin Pierce University, Rindge, New Hampshire.

### EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Wheeler has requested that this be placed on the agenda as a regular item for the Wednesday, August 3, 2016 meeting for ratification by the Governor and Council.

Sincerely,

Vicki V. Quiram  
Commissioner

VVQ/dph

Attachment

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# WADLEIGH, STARR & PETERS, P.L.L.C.

WILLIAM C. TUCKER  
EUGENE M. VAN LOAN III, of Counsel  
JOHN E. FRIBERG, Sr.  
JAMES C. WHEAT  
RONALD J. LAJOIE  
JEFFREY H. KARLIN  
DONALD J. PERRAULT  
MARC R. SCHEER  
GREGORY G. PETERS  
ROBERT E. MURPHY, Jr.  
FRANK P. SPINELLA, Jr.  
DEAN B. EGGERT  
MICHAEL R. MORTIMER  
KATHLEEN C. PEHL

Attorneys At Law  
95 Market Street  
Manchester, New Hampshire 03101  
Telephone (603) 669-4140  
Facsimile (603) 669-6018

WWW.WADLEIGHLAW.COM

*Serving New Hampshire since 1899*

Direct Dial: (603) 206-7200  
btucker@wadleighlaw.com

RICHARD THORNER  
CHARLES F. CLEARY  
CHRISTINE GORDON  
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TODD J. HATHAWAY  
STEPHEN J. JUDGE  
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PIERRE A. CHABOT  
DONNA J. BROWN  
JOSEPH G. MATTSON  
CHRISTOPHER P. MCGOWN  
ABBY TUCKER  
STEPHEN M. BENNETT, Of Counsel

July 14, 2016

Vicki Quiram, Commissioner  
Department of Administrative Services  
State of New Hampshire  
State House Annex  
Concord, New Hampshire 03301

RE: New Hampshire Health and Education Facilities Authority –  
Franklin Pierce University

Dear Commissioner Quiram:

I enclose an original and ten copies of the Report and Findings of Councilor David K. Wheeler with regard to a certain project in participation with Franklin Pierce University, Rindge, New Hampshire. Councilor Wheeler 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, August 3, 2016.

Thank you for your assistance in this matter.

Very truly yours,

  
William C. Tucker

/sos

enclosures

**REPORT  
AND  
FINDINGS  
OF**

**DAVID K. WHEELER**, designee of the Governor and Council of The State of New Hampshire (the "State"), 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 **FRANKLIN PIERCE UNIVERSITY** of Rindge, 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 (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 Franklin Pierce University, a not-for-profit, voluntary corporation formed under New Hampshire law and located in Rindge, New Hampshire (hereafter referred to as the "University") which is a participating educational institution under RSA 195-D:3. Such application seeks the participation of the Authority, under the Act, in the refinancing of certain of the University's existing indebtedness as well as the financing of miscellaneous capital expenditures (hereafter collectively referred to as 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 New Hampshire Union Leader on June 30, 2016, the hearing was held commencing at 10:00 a.m. on July 14, 2016 in the Map Room in Peterson Hall of Franklin Pierce University, 40 University Drive, Rindge, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

## Summary of Testimony

Sandra Quaye, the Vice President of Finance and Administration of the University, was the first witness. She stated that Franklin Pierce University is an educational institution providing undergraduate and graduate programs in the liberal arts with a focus in areas of health sciences, criminal justice, and business education. The University has its main campus in Rindge and offers certain courses online and at satellite locations.

Ms. Quaye explained that as of the fall 2015 semester, the University had a total enrollment of 2,262 students, consisting of 1,665 undergraduates and 597 graduate students. She stated that Franklin Pierce University offers 24 different majors and 30 minors. The most popular undergraduate majors are Business, Criminal Justice, Health Sciences, Nursing, and Education. The most popular graduate majors are Doctorates of Physical Therapy, Master of Physician Assistant Studies, Education, Nursing, and Business Administration.

Ms. Quaye testified that proceeds of the bonds proposed to be issued will be used to: (1) current refund all or a portion of the Authority's Revenue Bonds, Franklin Pierce College Issue, Series 2004, currently outstanding in the amount of \$11,000,000.00 issued for the benefit of the University, the proceeds of which were used to construct an academic facility, renovate dormitories and other campus properties, and finance other capital improvements at the Rindge campus; (2) current refund all or a portion of the Authority's Revenue Bonds, Franklin Pierce College Issue, Series 1998 (the "1998 Bonds"), currently outstanding in the amount of \$26,650,000.00 issued for the benefit of the University, the proceeds of which were used to (i) finance the construction and furnishing of resident halls and other renovations and capital improvements at the Rindge campus, and (ii) refund a portion of the Authority's Revenue Bonds, Franklin Pierce College Issue, Series 1994 (the "1994 Bonds"), the proceeds of which were used for various capital improvements at the Rindge campus; (3) refinance certain other existing debt of the University in an amount of approximately \$1,085,000.00, the proceeds of which were used to refund a portion of the 1994 Bonds not refunded with the 1998 Bonds; and (4) finance certain

routine miscellaneous capital expenditures of the University. Additionally, Ms. Quaye explained that bond proceeds will be used to pay certain costs of issuing the bonds and incidental costs related to the bonds.

Ms. Quaye stated that the principal amount of the bonds to be issued will not exceed \$40 million. The bonds are expected to be purchased by the United Bank in a private placement. The bonds are expected to mature in no more than 30 years. She testified that, under the Loan Agreement with the Authority, the University will be required to continue to carry blanket fire and extended coverage as well as general liability insurance.

Ms. Quaye testified that, based upon her position with the University, she is of the opinion that the University will be able to meet its financial obligations under the proposed bond issue and that the University is currently operating in a financially responsible manner. She concluded her testimony by explaining that the refinancing of existing indebtedness would assist the University in lowering the cost of providing education in the State.

David C. Bliss was the final witness. 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 the financing, having worked closely with the University'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 June 16, 2016, approving issuance of bonds for Franklin Pierce University.

Mr. Bliss testified that certain documents are being prepared for execution in connection with the financing and refinancing of the Project, including a Loan Agreement to be entered into among the Authority, the University and the purchaser of the bonds. He stated that there will be a provision in the Loan Agreement under which the University is obligated to hold and use the Project for educational purposes so long as the bonds are outstanding. He testified that language

in the Loan Agreement will require that each bond issued by the Authority for Franklin Pierce University 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 Loan Agreement 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 the repayment of the bonds or payment of the costs of the Project.

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.

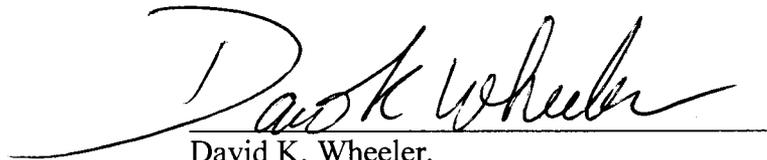
### **Findings**

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 Franklin Pierce University (herein called the "University"), a not-for-profit institution for post-secondary education located in Rindge, New Hampshire, to provide education within the State of New Hampshire (herein called the "State"); and
- (2) The Project, and the projects to which the refinancing of any existing indebtedness relate, will be leased to, or owned by, the University, 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, as well as any refinancing of existing indebtedness, 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 or 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 for the payment of all costs of operation, maintenance and upkeep of the Project by the University 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 University 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 construction and acquisition of the Project and 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 construction and acquisition of the Project serves a need presently not fulfilled in providing education facilities within the State and is of public use and benefit; and
- (8) The refinancing of existing indebtedness will assist the University in lowering the cost of providing education within the State and is being done in connection with a project being provided by the University.

Dated: July 14, 2016



David K. Wheeler,  
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 David K. Wheeler, 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 Franklin Pierce University, a not-for-profit institution for post-secondary education which is located in Rindge, New Hampshire. The hearing was held on July 14, 2016, following public notice, in the Map Room in the Peterson Hall of Franklin Pierce University, 40 University Drive, Rindge, New Hampshire at 10:00 o'clock in the morning.

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 as described in the Notice of Public Hearing published on June 30, 2016.

Dated: August 3, 2016

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Governor and Council:

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