



# State of New Hampshire

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

3E *OPM*

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Commissioner  
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March 27, 2018

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 Christopher C. Pappas with regard to a certain project in participation with New England Carpenters Training Fund of Manchester, New Hampshire.

## EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Pappas has requested that this be placed on the agenda as a regular item for the Wednesday, April 11, 2018 meeting for ratification by the Governor and Council.

Sincerely,

Charles M. Arlinghaus  
Commissioner

CMA/rjk

Attachment

**REPORT  
AND  
FINDINGS  
OF**

CHRISTOPHER C. PAPPAS, 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 **NEW ENGLAND CARPENTERS TRAINING FUND** and its wholly owned subsidiary **CANDIA ROAD NECTF LLC** of Manchester, 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 New England Carpenters Training Fund (“NECTF”), a not-for-profit trust organized under Massachusetts law, and NECTF’s wholly owned subsidiary Candia Road NECTF LLC, a limited liability company organized under New Hampshire law (“Candia Road” and collectively with NECTF, the “Borrower”), located in Manchester, New Hampshire, which operate an educational and training facility and which are a participating educational institutions under RSA 195-D:3. Such application seeks the participation of the Authority, under the Act, in the financing of the acquisition of the land and building located at 920 Candia Road, Manchester, New Hampshire, the renovation, equipping, and furnishing thereof and the financing of routine capital expenditures (hereafter sometimes 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 March 21, 2018, the hearing was held commencing at 9:00 a.m. on Tuesday, March 27, 2018 in the room on the first floor, left side of the building, located at 920 Candia Road, Manchester, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

### **Summary of Testimony**

Lyle Hamm, Executive Director of NECTF and Manager of Candia Road, was the first witness. He described NECTF as a not-for-profit trust organized under Massachusetts law for the purpose of providing educational programs and training for apprentice carpenters in the New England area. NECTF currently operates training facilities in Massachusetts and Connecticut and commenced operating its New Hampshire educational programs and apprenticeship training at a leased facility located in Manchester at 900 Candia Road in October of 2012. Mr. Hamm stated that the educational programs quickly outgrew the leased space and Candia Road was created in July 2017 to acquire the land and buildings at 920 Candia Road in Manchester, in order to provide larger quarters for the programs. Candia Road acquired 920 Candia Road in September 2017 and is currently renting the property to NECTF which is conducting its training and educational programs at that location.

Mr. Hamm explained that the building at 920 Candia Road contains 24,000 square feet on two floors. The property was purchased at a cost of \$2 million and Candia Road is planning to expend approximately \$3 million for renovations to the building and the purchase of equipment. In addition, an elevator will be added as part of the Project. Mr. Hamm stated that the second floor

will be renovated to provide administrative and classroom space, while carpentry shop space will be located on the first floor. Mr. Hamm concluded his testimony by stating that it is his opinion that the improvements being financed as part of the Project are necessary to provide the area's apprentice carpenters and carpenters with the training and educational programs needed to meet the needs of the construction industry.

The next witness was Nancy Morgan, Controller of NECTF. Ms. Morgan stated that the Borrower expects to issue no more than \$5 million of bonds which are planned to be issued in a private placement with a financial institution which is expected to be People's United Bank, National Association. The Bonds are expected to mature in no more than 25 years and will carry a variable rate of interest. Ms. Morgan testified that, under the Loan Agreement with the Authority and the purchaser of the bonds, Candia Road will be required to carry blanket fire and extended coverage as well as general liability insurance. Based upon her position and her familiarity with the finances of Candia Road and NECTF, she stated her opinion that the Borrower would be able to meet its financial obligations under the proposed bond issue and that Candia Road and NECTF are currently operating in a financially responsible manner.

Bonnie Payette was the final witness called. She stated that she 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 her capacity as Executive Director and Secretary, she 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. She 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. She testified that the Authority adopted a resolution on March 15, 2018, approving issuance of bonds for the Borrower.

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 the Borrower will be obligated to hold and use the Project for educational purposes so long as the Bonds are outstanding. She testified to language which will be in the Loan Agreement which will require that each bond issued by the Authority for the Borrower 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 of New Hampshire 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, in her experience as Executive Director and Secretary of the Authority, and on the advice of counsel, including Bond Counsel, the Project is within the powers conferred by law upon the Authority.

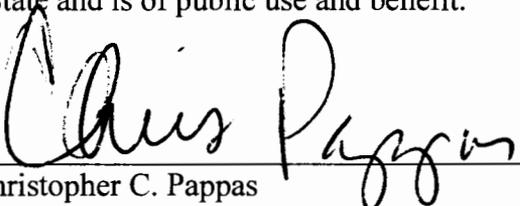
### **Findings**

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 New England Carpenters Training Fund (“NECTF”) and its wholly owned subsidiary Candia Road NECTF LLC (“Candia Road”), a not-for-profit participating educational institution located in Manchester, New Hampshire, to provide educational facilities within the State of New Hampshire (herein called the “State”); and
- (2) The Project will be leased to, or owned by, Candia Road, 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 or to provide for the refinancing of existing indebtedness on 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 Candia Road 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 Candia Road 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 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 educational facilities within the State and is of public use and benefit.

Dated: March 27, 2018

  
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Christopher C. Pappas  
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 C. Pappas, 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 New England Carpenters Training Fund, a not-for-profit charitable trust organized under Massachusetts law, and its wholly owned subsidiary Candia Road NECTF LLC, a New Hampshire not-for-profit educational services provider located in Manchester, New Hampshire. The hearing was held on March 27, 2018, following public notice, in the room on the first floor, left side of the building, located at 920 Candia Road, Manchester, New Hampshire at 9:00 o'clock in the morning.

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 as described in the Notices of Public Hearings published on March 21, 2018 and in a hearing conducted by the Authority on April 4, 2018.

Dated: April 11, 2018

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Governor and Council:

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