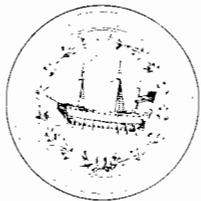


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State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES

OFFICE OF THE COMMISSIONER

25 Capitol Street – Room 120

Concord, New Hampshire 03301

LINDA M. HODGDON
Commissioner
(603) 271-3201

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

February 26, 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 Colin Van Ostern with regard to the financing of renovation and expansion in connection with the Boys and Girls Club of Greater Concord, Concord, New Hampshire.

EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Van Ostern 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/ld

Attachment

**REPORT
AND
FINDINGS
OF**

COLIN VAN OSTERN, 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 **BOYS & GIRLS CLUB OF GREATER CONCORD**, Concord, 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 Boys & Girls Club of Greater Concord, a not-for-profit organization providing youth development programs that is located in Concord, New Hampshire (the "Borrower" or "BGCGC"). Such application seeks the participation of the Authority, under the Act, in the financing of the renovation and expansion of BGCGC's facility (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 Concord Monitor on February 11, 2013, the hearing was held commencing at 8:30 a.m. on Thursday, February 14, 2013, in the Borrower's main building, 55 Bradley Street, Concord, New Hampshire. All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

Summary of Testimony

Christopher Emond, the Chief Executive Officer of the BGCGC, was the first witness. He described the BGCGC as a not-for-profit corporation organized under New Hampshire law exclusively for charitable purposes.

Mr. Emond stated that the BGCGC has operated in Concord since 1944. Since that time, it has expanded into neighboring towns and currently serves over 1200 members throughout central New Hampshire. The BGCGC provides afterschool services to youth from the age of six through high school. Additionally, the BGCGC operates local basketball leagues and a summer day camp program. Mr. Emond stated that the BGCGC's mission is to inspire and enable young people to reach their full potential as productive, caring and responsible citizens. The programs cover everything from academics and leadership development to physical fitness and healthy habits. The BGCGC provides services that are focused on quality and affordability, and it also offers generous scholarships.

Mr. Emond testified that the Project will consist of the complete renovation and expansion of the BGCGC facility, including an addition of 5,000 square feet to the current 20,000 square foot facility. When completed, the facility will be able to accommodate 220 members in a facility that is licensed through the New Hampshire Bureau of Childcare Services. Mr. Emond further testified that Bonds proceeds also may be used to retire debt presently secured by the subject real estate and ground lease; and to pay certain costs of issuing the Bonds.

Mr. Emond stated that the Borrower expects the Bonds to be issued in a principal amount not to exceed \$3 million. The BGCGC expects to have the Bonds issued as a private placement. The Bonds are expected to mature in no more than twenty (20) years.

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

Mr. Emond explained that the Project would be of public use and benefit and would expand BGCGC's facility, providing it with an increased capacity to welcome more children into the organization's unique programs – at least forty additional children each day. The Project

would also provide age-appropriate spaces for children and teenagers. Based upon his position as Chief Executive Officer of the BGCGC, he stated his opinions that the Borrower would be able to meet its financial obligations under the proposed bond issue and that the BGCGC is currently operating in a financially responsible manner.

Cheryl Tufts, Treasurer, testified as to the status of the capital campaign and the level of long term debt the Club anticipated having after the capital campaign pledges were received. She stated that it was anticipated that the interest rate on the bond for the first ten years would be 2.89%. Mr. Tufts and Mr. Emond then answered questions and explained construction project.

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 Boys & Girls Club of Greater Concord.

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 youth development 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 Boys & Girls Club of Greater Concord 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 Boys & Girls Club of Greater Concord (the "Borrower"), a not-for-profit organization providing a youth development program which is located in Concord, New Hampshire, to provide youth development 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 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 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 development 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 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 development facilities within the State and is of public use and benefit; and

Dated: February 14, 2013

A handwritten signature in black ink, appearing to read 'Colin Van Ostern', written over a horizontal line.

Colin Van Ostern
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 Colin Van Ostern, 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 Boys & Girls Club of Greater Concord, a not-for-profit corporation which is located in Concord, New Hampshire and provides youth development facilities within the State of New Hampshire. The hearing was held on Thursday, February 14, 2013, in the Borrower's main building, 55 Bradley Street, Concord, New Hampshire, at 8:30 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, as described in the Notice of Public Hearing published on February 11, 2013.

Dated: March 6, 2013

Governor and Council:

**REPORT
AND
FINDINGS
OF**

COLIN VAN OSTERN, 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 **BOYS & GIRLS CLUB OF GREATER CONCORD**, Concord, New Hampshire, pursuant to said Act.

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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 Boys & Girls Club of Greater Concord (the "Borrower"), a not-for-profit organization providing a youth development program which is located in Concord, New Hampshire, to provide youth development 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 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 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

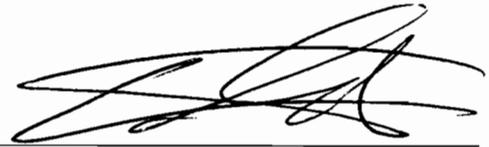
(5) Adequate provision has been made to obligate the Borrower to hold and use the Project for youth development purposes so long as the principal of and interest on bonds or other obligations issued by the New Hampshire Health and Education Facilities Authority (the "Authority") to finance the cost of 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 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 development facilities within the State and is of public use and benefit; and

Dated: February 14, 2013

A handwritten signature in black ink, appearing to read 'Colin Van Ostern', written over a horizontal line.

Colin Van Ostern
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 Colin Van Ostern, 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 Boys & Girls Club of Greater Concord, a not-for-profit corporation which is located in Concord, New Hampshire and provides youth development facilities within the State of New Hampshire. The hearing was held on Thursday, February 14, 2013, in the Borrower's main building, 55 Bradley Street, Concord, New Hampshire, at 8:30 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, as described in the Notice of Public Hearing published on February 11, 2013.

Dated: March 6, 2013

Governor and Council:

