



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

## **REPORT FOR THE FINANCE COMMITTEE**

**RECOMMENDATION TO REASSIGN UNDERWRITING  
SYNDICATE FIRMS AND INITIATE LIMITED  
COMPETITION WITHIN THE AVIATION ENTERPRISE  
UNDERWRITING SYNDICATE TO SELECT A TEAM OF  
UNDERWRITERS FOR THE ISSUANCE OF THE SERIES  
2015B-D BONDS, INCLUDING A BOOKRUNNING  
SENIOR MANAGER, CO-SENIOR MANAGER  
AND CO-MANAGERS**

**February 2015**



## Purpose

- (1) The Finance Committee to reassign firms to the syndicate to serve in the Aviation Enterprise (AE) Underwriting Syndicate, and to
- (2) Concur with the issuance of a limited competition within the AE Underwriting Syndicate to select a team of Underwriters for the issuance of the Series 2015B-D Bonds, including a Bookrunning Senior Manager, Co-Senior Manager and Co-Managers, and the evaluation criteria



## Background

- Currently, there are two separate Underwriting Syndicates, which were competitively procured and established by Resolution No. 12-10 adopted in April 2012

Aviation Enterprise Syndicate	Dulles Corridor Enterprise Syndicate
Bank of America Merrill Lynch*	Bank of America Merrill Lynch*
Barclays Capital Inc.	BB&T Capital Markets
Citigroup Global Markets Inc.	Fidelity Capital Markets
Davenport & Company LLC	Goldman Sachs & Co.
Loop Capital Markets LLC*	Janney Montgomery Scott LLC
Raymond James	J.P. Morgan Securities LLC
Siebert Brandford Shank & Co., LLC*	Loop Capital Markets LLC*
U.S. Bancorp Municipal Securities Group	Morgan Stanley & Co. LLC
Wells Fargo Securities	Piper Jaffray & Co.
	RBC Capital Markets, LLC
	Siebert Brandford Shank & Co., LLC*

\* Currently three firms are part of both Underwriting Syndicates

## Discussion

- As we prepare for the issuance of the Aviation Enterprise Series 2015B-D Bonds, a Finance team, including a Bookrunning Senior Manager, Co-Senior Manager and Co-Managers needs to be established by April 2015
- Since the Plan of Finance for the Dulles Corridor is essentially complete, there is no need to retain two separate syndicates, so Finance Staff recommends reassigning the Dulles Corridor Enterprise (DCE) Underwriting Syndicate firms, that are not otherwise in the AE Underwriting Syndicate, to the AE Underwriting Syndicate
- The amended AE Underwriting Syndicate will consist of 17 firms, but not all firms will be expected to participate on the Series 2015B-D Bond sale
- Finance Staff recommends issuance of a limited competition among the AE Underwriting Syndicate soliciting proposals to evaluate firms for selection of a sub-set from that syndicate of a Senior, a Co-Senior and Co-Managers for the Series 2015B-D Bond transaction



## Proposed Evaluation Criteria

- 1 The proposal must demonstrate that the **firm understands the financial needs and constraints** for the Airports Authority's Aviation Enterprise
- 2 **Soundness of the Firm's recommended bond financing ideas** that suits the Airports Authority's needs and objectives, including accuracy and completeness of the Firm's **financing modeling** with regard to financing recommendations
- 3 **Firm's sales capabilities**, including experience selling Virginia bonds to retail and institutional investors and experience selling airport revenue bonds subject to the AMT
- 4 **Firm's capital position and commitment** to underwrite MWAA bonds, including the Firm's willingness to take MWAA Bonds in inventory, if necessary
- 5 **The extent to which the Firm has proposed realistic, actionable recommendations** since placed in the Underwriting Syndicate in 2012
- 6 **Firm's comparable airport revenue bond transactions** since January 1, 2012 (i.e. comparable size, tax status, and credit ratings), as related to its sales performance as Senior or Co-Senior Manager



## Discussion

- Proposed Schedule

Date/Meeting	Tasks
February 19, 2015	Issuance of a Limited Competition
March 20, 2015	Proposal Submission Deadline
April 15, 2015	Selection and Finance Committee and Board Approval



## Recommendation

- That the Finance Committee reassign firms in the DCE Underwriting Syndicate, that are not otherwise in the AE Underwriting Syndicate, to the AE Underwriting Syndicate, and
- That the Finance Committee concur with the issuance of a limited competition to select a team of Underwriters for the issuance of the Series 2015B-D Bonds, including a Bookrunning Senior Manager, Co-Senior Manager and Co-Managers, and the evaluation criteria to be utilized in the solicitation



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



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