



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

REPORT TO THE FINANCE COMMITTEE

Recommendation Regarding Selection of Bookrunning Senior Manager, Co-Senior Manager and Co-Managers for the Airport System Revenue and Refunding Bonds, Series 2015B-D

April 2015



Recommended Action

- That the Finance Committee recommends to the Board to approve the assigned roles for the selected investment banking firms within the amended Aviation Enterprise (AE) Underwriting Syndicate for the Airport System Revenue and Refunding Bonds, Series 2015B-D (Series 2015B-D Bonds) transaction



Background

- As the Finance staff prepares 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
- At the February meeting, the Finance Committee amended the AE Underwriting Syndicate to consist of seventeen firms, but not all firms would be expected to participate on the Series 2015B-D Bond sale
- Also, the Finance Committee concurred with the 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 and the evaluation criteria to be utilized in the solicitation



Authorized 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

- A request for proposal (RFP) was issued on February 23 to the seventeen members of the amended AE Underwriting Syndicate
- On March 16, the Airports Authority received proposals from sixteen firms; thirteen of which submitted proposals to serve as Bookrunning Senior Manager or Co-Senior Manager, and three requested to serve as a Co-Manager only
- The Technical Evaluation Committee reviewed and evaluated each of the proposals and recommends the following firms to serve in the following assigned roles



Discussion *cont'd*

Recommended 2015B-D Bonds Underwriting Syndicate Members and Roles

Morgan Stanley & Co. LLC	Bookrunning Senior Manager
RBC Capital Markets, LLC	Co-Senior Manager
Citigroup Global Markets Inc.	Co-Manager
Goldman Sachs & Co.	Co-Manager
Raymond James <small>(formally Morgan Keegan & Co.)</small>	Co-Manager
Siebert Brandford Shank & Co., LLC	Co-Manager



Recommendation

- That the Finance Committee recommends to the Board to approve the assigned roles for the selected investment banking firms within the amended AE Underwriting Syndicate for the Series 2015B-D Bonds transaction and the authorizing resolution



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY

Proposed Resolution

Selecting Book-Running Senior Manager, Co-Senior Manager and Co-Managers for the Airport System Revenue and Refunding Bonds, Series 2015B-D

WHEREAS, The Metropolitan Washington Airports Authority (the "Airports Authority") is preparing for the issuance of its Airport System Revenue and Refunding Bonds, Series 2015B-D (the "Series 2015B-D Bonds"), which may be issued in one or more series or subseries;

WHEREAS, In Resolution No. 12-10, the Airports Authority selected a syndicate of investment banking firms to serve as underwriters in connection with financing the costs of certain capital improvements related to the Aviation Enterprise's Capital Construction Program (the "CCP");

WHEREAS, At its February 2015 meeting, the Finance Committee expanded and reconstituted the syndicate established by Resolution No. 12-10, solely for purposes of issuing the Series 2015B-D Bonds, to include the investment banking firms then members of the syndicate which had earlier been formed for the Airports Authority's Dulles Corridor Enterprise;

WHEREAS, The expanded and reconstituted Aviation Enterprise syndicate (the "AE Underwriting Syndicate") now consists of 17 investment banking firms;

WHEREAS, To facilitate the issuance of the Series 2015B-D Bonds, the Airports Authority issued a Request for Proposals (the "RFP") in February 2015;

WHEREAS, The RFP was distributed to the all investment banking firms within the AE Underwriting Syndicate;

WHEREAS, The RFP requested that interested firms respond to a series of questions relating to the financing of the CCP;

WHEREAS, Sixteen members of the AE Underwriting Syndicate responded to the RFP, thirteen of which requested consideration as Senior Book-running Manager or Co-Senior Manager, and three of which requested consideration as co-manager only;

WHEREAS, A Technical Evaluation Committee (TEC), including non-voting members, reviewed the RFP proposals submitted by these syndicate members and, using criteria in the RFP, evaluated the proposals based on their responses to the questions posed by RFP;

WHEREAS, The results of the TEC's review of the RFP proposals were presented to the Finance Committee at its April 2015 meeting, following which the Committee made recommendations to the Board of Directors; and

WHEREAS, The Board of Directors has reviewed and accepted the recommendations of the Finance Committee; now, therefore, be it

RESOLVED, That, in connection with the Series 2015B-D Bonds, Morgan Stanley & Co. LLC is selected to serve Book-running Senior Manager, RBC Capital Market, LLC is selected to serve as Co-Senior Manager, and Citigroup Global Markets Inc., Goldman Sachs & Co., Raymond James, and Seibert Brandford Shank & Co., LLC are selected to serve as Co-Managers.

*For Consideration by the Finance Committee
and the Board of Directors on April 15, 2015*