



REPORT FOR THE FINANCE COMMITTEE

**RECOMMENDATION OF SYNDICATES FOR
INVESTMENT BANKING (UNDERWRITING)
SERVICES**

MARCH 2012



Overview

- In 2007, the Airports Authority selected its underwriting syndicate for the Aviation Enterprise
 - Since that time, various firms were added, removed, or replaced
 - The 2007 resolution has an expiration date of June 2012
- In 2009, the Airports Authority selected its underwriting syndicate for the Dulles Corridor Enterprise
 - Unlike the Aviation Enterprise resolution, the Dulles Corridor resolution does not have an expiration date
- As directed by the Committee, on February 8, 2012, the Airports Authority issued a Request for Qualifications (RFQ) for Investment Banking (Underwriting) Services, to refresh both syndicates



Responses Received

- The Airports Authority received 38 responses to the RFQ for Investment Banking Services
 - 10 national firms
 - 14 regional firms
 - 14 minority, women owned, or disadvantaged business enterprises (MBE/WBE/DBE)
- 37 of 38 firms wish to participate in both Aviation and Dulles Corridor Enterprise syndicates
- 16 firms expressed an interest in later being considered for Senior Bookrunning Manager



Conclusion

- Staff and Financial Advisors are prepared to recommend underwriting syndicates for consideration at the March 2012 Finance Committee meeting
- Staff seeks Board appointment of syndicates no later than April, in order to pursue potential refunding opportunities for Airport System bonds
- After syndicates are appointed, Staff can facilitate interviews, as directed, for bookrunning senior manager roles for the next bond issuances

REPORT TO THE FINANCE COMMITTEE

RECOMMENDATION OF SYNDICATES FOR INVESTMENT BANKING (UNDERWRITING) SERVICES

MARCH 2012

ACTION REQUESTED

That the Finance Committee approves staff and the Financial Advisors' joint recommendation on the selection of underwriting syndicates for the Aviation and Dulles Corridor Enterprises, or otherwise provide further direction.

BACKGROUND

Aviation Enterprise Underwriting Syndicate for Investment Banking Services

In 2007, the Airports Authority selected its underwriting syndicate for the Aviation Enterprise. Since that time, pursuant to various Board actions, various firms were added, removed, or replaced. The 2007 resolution selecting the underwriting syndicate has an expiration date of June 2012. On the most recent financing in 2011, the underwriting syndicate included, in alphabetical order:

- Bank of America/Merrill Lynch
- Barclays Capital
- Citi
- J.P. Morgan
- Loop Capital Markets
- Morgan Keegan & Company
- Morgan Stanley
- Siebert Brandford Shank & Co.
- Wells Fargo Bank, N.A.

Dulles Corridor Enterprise Underwriting Syndicate for Investment Banking Services

Unlike the Aviation Enterprise resolution, the Dulles Corridor Enterprise resolution adopted May 6, 2009, does not have an expiration date. On the most recent financing in 2010, the underwriting syndicate included, in alphabetical order:

- Bank of America/Merrill Lynch
- BB&T Capital Markets
- Citi
- Davenport & Company
- Fidelity Capital Markets
- J.P. Morgan
- Loop Capital Markets
- Morgan Keegan & Company
- Morgan Stanley
- Raymond James & Associates
- RBC Capital Markets
- Rice Financial Products Company
- Siebert Brandford Shank & Co
- Wells Fargo Bank, N.A.

RFQ for Investment Banking Services

At the direction of the Finance Committee Chairman, on February 8, 2012, the Airports Authority issued an RFQ for Investment Banking Services to refresh both syndicates. The RFQ was made available to all firms in the Airports Authority's underwriting library as well as to those requesting it pursuant to an ad placed in *The Bond Buyer*.

DISCUSSION

On February 29, 2012, the Airports Authority received 38 responses to the RFQ. Staff and Financial Advisors have summarized, in Attachment A, the list of responders, their type of firm, MBE/DBE/WBE designation, recent underwriting roles, the syndicate to which they would like to render underwriting services, and whether they desire a potential role as a senior manager.

Staff and Financial Advisors have also reviewed and summarized the responses received in anticipation of facilitating the Board of Directors' appointment of syndicate members. Staff and Financial Advisors are prepared to make a recommendation for both the Aviation and Dulles Corridor Underwriting syndicates. The Committee is requested to recommend action on the syndicate members at the April 2012 Board of Directors meeting.

After syndicates are appointed, Staff can facilitate interviews, as directed, for bookrunning senior manager roles for the next bond issuances. Staff may request the Board of Directors also consider approving a senior manager at the April 18, 2012 meeting in order to meet a potential refunding opportunity on the Aviation Enterprise.

RECOMMENDATION

That the Finance Committee approves the staff and the Financial Advisors' joint recommendation on selection of the underwriting syndicates for the Aviation and Dulles Corridor Enterprises, or otherwise provide further direction.

Prepared by:

Office of Finance
March 2012