



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

## **REPORT FOR THE FINANCE COMMITTEE**

# **PRE-SOLICITATION TERMS TO SELECT UNDERWRITER(S) ROLES FOR THE 2014 PLAN OF FINANCE FOR THE AVIATION ENTERPRISE**

**FEBRUARY 2014**



## Purpose

- Staff requests that the Finance Committee:
  - (1) concur with the issuance of an RFP for Underwriter(s) Roles for the 2014 Plan of Finance for the Aviation Enterprise
  - (2) concur with the evaluation criteria to be utilized in the RFP



## Background

- A key objective of the RFP is to solicit Underwriters' capabilities for executing the 2014 Aviation Enterprise Plan of Finance, including their ability to appropriately market bonds and commit capital
  
- The Aviation Enterprise's 2014 Plan of Finance consists of two potential components:
  1. New funding for capital projects at both Airports, and
  2. Refunding certain Series 2004 Bonds that are callable in 2014 and eligible for interest rate savings in the current market



## Discussion

- Proposals will be solicited from among the current Aviation Enterprise Underwriting Syndicate established in 2012:
  - Bank of America Merrill Lynch
  - Barclays Capital, Inc.
  - Citigroup Global Markets Inc.
  - Davenport & Company LLC
  - Loop Capital Markets LLC
  - Raymond James Financial Inc. (formally Morgan Keegan & Company, Inc.)
  - Siebert Brandford Shank & Co., LLC
  - U.S. Bancorp Municipal Securities Group
  - Wells Fargo Securities



## Discussion

- Evaluation Criteria:
  1. Firm's understanding of the financial needs and constraints for the Airports Authority's Aviation Enterprise.
  2. Soundness of recommended bond structuring concepts 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. Sales capabilities, including experience selling Virginia paper to retail and institutional investors and experience selling airport revenue bonds subject to the Alternative Minimum Tax (AMT).
  4. Capital position and commitment to underwrite MWAA bonds, including the 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.



## Recommendation

- Finance Committee concurrence with the evaluation criteria associated with the RFP and concurrence with issuance of the RFP.
- The Underwriter selection of roles requires Finance Committee recommendation and Board of Directors selection
- Staff recommends that both the Finance Committee and Board of Directors actions occur in March 2014



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



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