



# **REPORT FOR THE BOARD OF DIRECTORS**

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

**APRIL 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 Finance 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
- 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 have reviewed the responses received in anticipation of facilitating the Board of Directors' appointment of syndicate members. The Finance Committee approved and recommends that the Board of Directors approve the firms listed below for both the Aviation and Dulles Corridor Underwriting syndicates.

Aviation Enterprise	Dulles Corridor Enterprise
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
Morgan Keegan & Company, Inc.	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

## **REPORT TO THE BOARD OF DIRECTORS**

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

**APRIL 2012**

#### **ACTION REQUESTED**

The Finance Committee approved and recommends that the Board of Directors approve the authorizing resolution for selection of underwriting syndicates for the Aviation and Dulles Corridor Enterprises.

#### **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 the responses received in anticipation of facilitating the Board of Directors' appointment of syndicate members. Below is the recommendation for both the Aviation and Dulles Corridor Underwriting syndicates.

Aviation Enterprise	Dulles Corridor Enterprise
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
Morgan Keegan & Company, Inc.	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

### **RECOMMENDATION**

The Finance Committee approved and recommends that the Board of Directors approve the authorizing resolution for selection of the underwriting syndicates for the Aviation and Dulles Corridor Enterprises.

Prepared by:  
Office of Finance  
April 2012

Proposer	Type of Firm			Minority Classification			2010-2011 MWA Role(s)						Desired Credit		Desired Role <sup>(1)</sup>		
	National	Regional	Minority	MBE	WBE	DBE	Aviation Enterprise			Dulles Corridor Enterprise			AE	DCE	Senior	Co	
							Senior	Co	SG	Senior	Co	SG					
Barclays	✓						✓	✓				✓	✓	✓	✓	✓	✓
BofA Merrill Lynch	✓						✓	✓			✓		✓	✓	✓	✓	✓
Citi	✓							✓		✓			✓	✓	✓	✓	✓
Goldman Sachs	✓								✓			✓	✓	✓	✓	✓	✓
JP Morgan	✓						✓	✓			✓		✓	✓	✓	✓	✓
Morgan Stanley	✓						✓	✓		✓			✓	✓	✓	✓	✓
RBC Capital Markets	✓								✓		✓		✓	✓	✓	✓	✓
TD Securities	✓								✓			✓	✓	✓			✓
US Bancorp Investments	✓												✓	✓	✓ <sup>(2)</sup>	✓ <sup>(2)</sup>	
Wells Fargo	✓							✓			✓		✓	✓	✓	✓	✓
BB&T		✓							✓		✓		✓	✓			✓
Davenport		✓							✓		✓		✓				✓
Edward Jones		✓							✓			✓	✓	✓			✓
Fidelity Capital Markets		✓							✓		✓		✓	✓			✓
First Southwest		✓							✓			✓	✓	✓			✓
Janney Capital Markets		✓							✓			✓	✓	✓			✓
M & T Securities		✓							✓			✓	✓	✓			✓
Mesirow		✓							✓			✓	✓	✓			✓
Morgan Keegan		✓						✓			✓		✓	✓	✓ <sup>(2)</sup>	✓ <sup>(2)</sup>	
Piper Jaffray		✓							✓			✓	✓	✓	✓	✓	✓
PNC		✓							✓			✓	✓	✓	✓	✓	✓
Raymond James		✓							✓		✓		✓	✓	✓ <sup>(3)</sup>	✓ <sup>(3)</sup>	
Stifel Nicolaus		✓							✓			✓	✓	✓			✓
Sun Trust		✓							✓			✓	✓	✓			✓
Backstrom McCarley			✓	✓									✓	✓			✓
Cabrera			✓	✓								✓	✓	✓			✓
Castle Oak			✓	✓									✓	✓			✓
Drexel Hamilton			✓			✓			✓				✓	✓			✓
Jackson Securities			✓	✓					✓			✓	✓	✓			✓
Lebenthal & Company			✓		✓				✓			✓	✓	✓			✓
Loop Capital Markets			✓	✓				✓			✓		✓	✓	✓	✓	✓

Proposer	Type of Firm			Minority Classification			2010-2011 MWAA Role(s)						Desired Credit		Desired Role <sup>(1)</sup>	
							Aviation Enterprise			Dulles Corridor Enterprise						
	National	Regional	Minority	MBE	WBE	DBE	Senior	Co	SG	Senior	Co	SG	AE	DCE	Senior	Co
MR Beal			✓	✓					✓			✓	✓	✓		✓
Ramirez & Co			✓	✓									✓	✓	✓	✓
Rice Financial			✓	✓					✓		✓		✓	✓		✓
Rockfleet			✓		✓				✓				✓	✓		✓
Siebert Brandford Shank			✓	✓	✓			✓			✓		✓	✓	✓	✓
The Williams Group			✓	✓					✓				✓	✓		✓
Toussaint Capital			✓	✓					✓			✓	✓	✓		✓

**Legend:**

MBE = Minority Business Enterprise

WBE = Women Business Enterprise

DBE = Disadvantaged Business Enterprise

Senior = Senior or Co-Senior

Co = Co-Manager

SG = Selling Group

AE = Aviation Enterprise

DCE = Dulles Corridor Enterprise

**Notes:**<sup>(1)</sup> By definition, it is assumed that responders requested a co-manager role in addition to requesting consideration as a bookrunning senior manager for both Enterprises unless noted otherwise.<sup>(2)</sup> Requesting senior manager with AE and co-manager with DCE.<sup>(3)</sup> Requesting senior manager with DCE and co-manager with AE.







Proposed Resolution  
Selection of Syndicates for Investment Banking Services

WHEREAS, From time to time the Airports Authority selects panels of underwriters to provide investment banking services for its capital programs;

WHEREAS, The staff has conducted a competitive selection process for investment banking services in February 2012 and recommends the firms set out below; and

WHEREAS, The Finance Committee is satisfied with the results of the selection process and recommends that the Board select the recommended firms; now, therefore, be it

RESOLVED, That the following firms are selected to provide investment banking services for the Airport System Revenue Bonds and Dulles Toll Road Revenue Bonds for a term of three years, with extension option for one or more years at the discretion of the Airports Authority:

Aviation Enterprise Underwriting Syndicate:

- Bank of America Merrill Lynch
- Barclays Capital Inc.
- Citigroup Global Markets Inc.
- Davenport & Company LLC
- Loop Capital Markets LLC
- Morgan Keegan & Company, Inc.
- Siebert Brandford Shank & Co., LLC
- U.S. Bancorp Municipal Securities Group
- Wells Fargo Securities

Dulles Corridor Enterprise Underwriting Syndicate:

- Bank of America Merrill Lynch
- BB&T Capital Markets
- Fidelity Capital Markets

Goldman Sachs & Co.  
Janney Montgomery Scott LLC  
J.P. Morgan Securities LLC  
Loop Capital Markets LLC  
Morgan Stanley & Co. LLC  
Piper Jaffray & Co.  
RBC Capital Markets, LLC  
Siebert Brandford Shank & Co., LLC

and

RESOLVED, That the Finance Committee is authorized to reassign firms between syndicates and responsibilities among these firms in future financings and is authorized to limit involvement on any given bond sale to a sub-set of firms within a syndicate.

*Recommended by the Finance Committee on March 21, 2012  
For Consideration by the Board of Directors on April 18, 2012*