



REPORT TO THE FINANCE COMMITTEE

**Recommendation Regarding the Selection of the
Underwriting Syndicates for the Airport System
Revenue and Refunding Bonds, Series 2019 and Dulles
Toll Road Revenue Refunding Bonds, Series 2019**

February 2019



Recommendation

That the Finance Committee approve and recommend to the Board of Directors (Board):

- The selection of the underwriting syndicate for the Airport System Revenue and Refunding Bonds, Series 2019,
- The selection of the underwriting syndicate for the Dulles Toll Road Revenue Refunding Bonds, Series 2019, and
- The assigned roles for the selected syndicate members.



Background

- The 2019 Plan of Finance includes:
 - Refinancing approximately \$183 million of Series 2009B Airport System Revenue Bonds on a current refunding, forward delivery or taxable basis, depending upon market conditions.
 - Issuing new money for Capital Construction Program needs, if necessary.
 - Refinancing approximately \$198 million of Series 2009A Dulles Toll Road Revenue Bonds on a current refunding, forward delivery or taxable basis, depending upon market conditions.
- In January 2019, the Board established an underwriting pool for a three-year term with an extension option for one or more years at the discretion of the Airports Authority.



Discussion

- All firms in the underwriting pool were interviewed for inclusion in the 2019 underwriting syndicates.
- The Technical Evaluation Committee (TEC) utilized the following evaluation criteria to determine the 2019 underwriting syndicates and roles within the syndicates:
 1. Understanding of the Metropolitan Washington Airports Authority's credit and financing needs:
 - a) as applicable to the Aviation Enterprise (Airports related debt), and
 - b) as applicable to the Dulles Corridor Enterprise (Dulles Toll Road related debt).
 2. Performance during the interviews: preparation, quality, clarity and accuracy of presentation during the allotted time and quality and adequacy of responses to questions:
 - a) as applicable to the Aviation Enterprise (Airports related debt), and
 - b) as applicable to the Dulles Corridor Enterprise (Dulles Toll Road related debt).



Discussion *cont'd*

- The TEC recommends the following firms and their respective roles for the Series 2019 Airport System Revenue and Refunding Bonds syndicate:

Recommended Airport System Revenue and Refunding Bonds, Series 2019 Underwriting Syndicate Members and Roles	
Jefferies	Bookrunning Senior Manager
Siebert Cisneros Shank & Co.	Co-Senior Manager
Barclays Capital Inc.	Co-Manager
Citigroup Global Markets Inc.	Co-Manager
Goldman Sachs & Co.	Co-Manager
J.P. Morgan Securities	Co-Manager
Morgan Stanley	Co-Manager
UBS Financial Services	Co-Manager



Discussion *cont'd*

- Also, the TEC recommends the following firms and their respective roles for the Series 2019 Dulles Toll Road Refunding Bonds syndicate:

Recommended Dulles Toll Road Revenue Refunding Bonds, Series 2019 Underwriting Syndicate Members and Roles	
Samuel A. Ramirez & Co.	Bookrunning Senior Manager
Loop Capital Markets	Co-Manager
RBC Capital Markets	Co-Manager
Wells Fargo Securities	Co-Manager



Recommendation

That the Finance Committee approve and recommend to the Board the selection of the underwriting syndicates for the Airport System Revenue and Refunding Bonds, Series 2019, and the Dulles Toll Road Revenue Refunding Bonds, Series 2019 issuance and the assigned roles for the selected syndicate members.



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REPORT TO THE FINANCE COMMITTEE

RECOMMENDATION REGARDING THE SELECTION OF THE UNDERWRITING SYNDICATES FOR THE AIRPORT SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2019 AND DULLES TOLL ROAD REVENUE REFUNDING BONDS, SERIES 2019

FEBRUARY 2019

RECOMMENDATION

Staff recommends that the Finance Committee approve and recommend to the Board of Directors (Board) the selection of underwriting syndicates for the Airport System Revenue and Refunding Bonds, Series 2019, and the Dulles Toll Road Revenue Refunding Bonds, Series 2019 issuance and the assigned roles for the selected syndicate members.

BACKGROUND

As part of the 2019 Plan of Finance, the Metropolitan Washington Airports Authority (Airports Authority) is pursuing approximately \$183 million of Series 2009B Airport System Revenue Bonds to be refunded on a current refunding, forward delivery, or taxable basis, depending upon market conditions. In addition, the Airports Authority may issue up to \$400 million of new money bonds to fund the current and new Capital Construction Program and capitalized interest requirements.

The Airports Authority is also pursuing approximately \$198 million of Series 2009A Dulles Toll Road Revenue Bonds to be refunded on a current refunding, forward delivery, or taxable basis, depending upon market conditions.

In January 2019, the Board established the following underwriting pool:

2019-2021 Underwriting Pool	
Bank of America Merrill Lynch	Morgan Stanley & Co.
Barclays Capital Inc.	Raymond James
Citigroup Global Markets Inc.	RBC Capital Markets
Estrada Hinojosa & Company, Inc.	Samuel A. Ramirez & Co.
Goldman Sachs & Co.	Siebert Cisneros Shank & Co.
Jefferies	UBS Financial Services
J.P. Morgan Securities	Wells Fargo Securities
Loop Capital Markets	

DISCUSSION

The underwriting syndicates must be selected from the underwriting pool firms to lead the upcoming 2019 bond transactions. Each firm in the underwriting syndicate is assigned a specific role, which defines the level of responsibility, risk, and compensation that each member undertakes for the bond transaction.

All firms in the underwriting pool were interviewed for inclusion in the 2019 underwriting syndicates. The Technical Evaluation Committee (TEC) utilized the following evaluation criteria to determine the 2019 underwriting syndicates and roles within the syndicates:

1. Understanding of the Airports Authority's credit and financing needs, including soundness, creativity, or utility of the firm's recommended 2019 bond financing strategies and ideas as well as potential strategies for future new money and refunding opportunities:
 - a. as applicable to the Aviation Enterprise (Airports related debt), and
 - b. as applicable to the Dulles Corridor Enterprise (Dulles Toll Road related debt).
2. Performance during the interviews: preparation, quality, clarity and accuracy of presentation during the allotted time and quality and adequacy of responses to questions:
 - a. as applicable to the Aviation Enterprise (Airports related debt), and
 - b. as applicable to the Dulles Corridor Enterprise (Dulles Toll Road related debt).

The TEC recommends the following firms and their respective roles for the Series 2019 Airport System Revenue and Refunding Bonds syndicate:

Recommended Airport System Revenue and Refunding Bonds, Series 2019 Underwriting Syndicate Members and Roles	
Jefferies	Bookrunning Senior Manager
Siebert Cisneros Shank & Co.	Co-Senior Manager
Barclays Capital Inc.	Co-Manager
Citigroup Global Markets Inc.	Co-Manager
Goldman Sachs & Co.	Co-Manager
J.P. Morgan Securities	Co-Manager
Morgan Stanley & Co.	Co-Manager
UBS Financial Services.	Co-Manager

Also, the TEC recommends the following firms and their respective roles for the Series 2019 Dulles Toll Road Revenue Refunding Bonds syndicate:

Recommended Dulles Toll Road Revenue Refunding Bonds, Series 2019 Underwriting Syndicate Members and Roles	
Samuel A. Ramirez & Co.	Bookrunning Senior Manager
Loop Capital Markets	Co-Manager
RBC Capital Markets	Co-Manager
Wells Fargo Securities	Co-Manager

RECOMMENDATION

Staff recommends that the Finance Committee approve and recommend to the Board the selection of the underwriting syndicates for the Airport System Revenue and Refunding Bonds, Series 2019, and the Dulles Toll Road Revenue Refunding Bonds, Series 2019 issuance and the assigned roles for the selected syndicate members.

Prepared by:
Office of Finance
February 2019

Proposed Resolution

Selecting Firms for the Underwriting Syndicates for the Airport System Revenue and Refunding Bonds, Series 2019 and Dulles Toll Road Revenue Refunding Bonds, Series 2019 Issuances

WHEREAS, In Resolution No. 01-20, the Board of Directors has reserved to itself the authority to select underwriters to lead the underwriting syndicate for each bond sale;

WHEREAS, In January 2019, based on the results of a competitive procurement process, the Finance Committee recommended to the Board and the Board approved, the selection of 15 investment banking firms to form an Underwriting Pool for a term of three years, with an extension option for one or more years at the discretion of the Board, during which time the Metropolitan Washington Airports Authority reserves the right to add or remove firms from the pool;

2019-2021 Underwriting Pool	
Bank of America Merrill Lynch	Morgan Stanley & Co.
Barclays Capital Inc.	Raymond James
Citigroup Global Markets Inc.	RBC Capital Markets
Estrada Hinojosa & Company, Inc.	Samuel A. Ramirez & Co.
Goldman Sachs & Co.	Siebert Cisneros Shank & Co.
Jefferies	UBS Financial Services
J.P. Morgan Securities	Wells Fargo Securities
Loop Capital Markets	

WHEREAS, Following approval of the Underwriting Pool, the firms were interviewed by a Technical Evaluation Committee (TEC) for roles in the 2019 underwriting syndicates;

WHEREAS, The TEC has recommended the following firms and their assigned roles to the Finance Committee to form the Series 2019 Airport System Revenue and Refunding Bonds syndicate;

Recommended Airport System Revenue and Refunding Bonds, Series 2019 Underwriting Syndicate Members and Roles	
Jefferies	Bookrunning Senior Manager
Siebert Cisneros Shank & Co.	Co-Senior Manager
Barclays Capital Inc.	Co- Manager
Citigroup Global Markets Inc.	Co- Manager
Goldman Sachs & Co.	Co-Manager
J.P. Morgan Securities	Co-Manager
Morgan Stanley & Co.	Co-Manager
UBS Financial Services	Co-Manager

WHEREAS, The TEC has also recommended the following firms and their assigned roles to the Finance Committee to form the Series 2019 Dulles Toll Road Revenue Refunding Bonds syndicate;

Recommended Dulles Toll Road Revenue Refunding Bonds, Series 2019 Underwriting Syndicate Members and Roles	
Samuel A. Ramirez & Co.	Bookrunning Senior Manager
Loop Capital Markets	Co-Manager
RBC Capital Markets	Co-Manager
Wells Fargo Securities	Co-Manager

WHEREAS, The Finance Committee has accepted the TEC's recommendation and has recommended to the Board of Directors that it approve the selection of the above listed firms, with their assigned roles, to form the Underwriting Syndicates for the Airport System Revenue and Refunding Bonds, Series 2019, and Dulles Toll Road Revenue Refunding Bonds, Series 2019 issuances;

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

RESOLVED, That the investment banking firms identified above in the tables are hereby selected to be members, with their assigned roles, of the Underwriting Syndicates for the Airport System Revenue and Refunding Bonds, Series 2019 and Dulles Toll Road Revenue Refunding Bonds, Series 2019 issuances.

*For Consideration by the Finance Committee and
the Board of Directors on February 20, 2019*