



REPORT TO THE FINANCE COMMITTEE

Recommendation Regarding the Selection of the Underwriting Syndicate for the Airport System Revenue and Refunding Bonds, Series 2017A

February 2017



Recommendation

That the Finance Committee approve and recommend to the Board:

- The selection of the Aviation Enterprise Underwriting Syndicate for the Airport System Revenue and Refunding Bonds, Series 2017A issuance, and
- The assigned roles for the selected Underwriting Syndicate members



Background

- The 2017 Plan of Finance includes:
 - Refinancing approximately \$425 million of Series 2007A and 2007B Bonds on a current refunding, forward delivery or taxable basis, depending upon market conditions
 - Issuing new money for Capital Construction Program's needs, if necessary
 - Monitoring the entire debt portfolio and potentially advance refunding additional Bonds on a taxable basis and/or terminating all or a portion of existing swap agreements, depending upon market conditions
- The Board of Directors has reserved to itself the authority to select underwriters in accordance with Resolution No. 01-20



Background *cont'd*

- At its November 2016 meeting, the Finance Committee concurred with the issuance of a limited competition Request for Proposals (RFP) within the Underwriter Pool to select an Underwriting Syndicate, including roles, for the Airport System Revenue and Refunding Bonds, Series 2017A, and also concurred with the following evaluation criteria:
 1. Understanding of the financing needs of the Airports Authority, including soundness, creativity, or utility of the firm's recommended 2017 bond financing strategies and ideas
 2. Firm's policies regarding the attainment and/or presence of diversity within the firm's workforce, the actions of the firm to implement and achieve these policies, and the firm's performance under these policies
 3. Firm's underwriting capabilities and recent experience as underwriter for airport revenue bond transactions, including the experience of the team members assigned



Discussion

- The RFP was issued to the 15 firms within the Underwriter Pool on November 17, 2016, and proposals were received from all firms on December 19, 2016

Underwriter Pool	
Bank of America Merrill Lynch	PNC Capital Markets
Barclays Capital Inc.	Raymond James
Citigroup Global Markets Inc.	RBC Capital Markets
Goldman Sachs & Co.	Samuel A. Ramirez & Co.
Jefferies	Siebert Cisneros Shank & Co.
J.P. Morgan Securities	U.S. Bancorp Municipal Securities Group
Loop Capital Markets	Wells Fargo Securities
Morgan Stanley	



Discussion *cont'd*

- The Technical Evaluation Committee (TEC) reviewed and evaluated each of the proposals and interviewed selected firms for the Senior and Co-Senior Manager roles. The TEC recommends the following nine firms and their assigned roles to form the Aviation Enterprise Underwriting Syndicate for the Series 2017A Bonds issuance

Recommended Series 2017A Bonds Underwriting Syndicate Members and Roles

RBC Capital Markets	Senior Manager
Siebert Cisneros Shank & Co.	Co-Senior Manager
Wells Fargo Securities	Co-Senior Manager
Bank of America Merrill Lynch	Co-Manager
Barclays Capital Inc.	Co-Manager
Jefferies	Co-Manager
Loop Capital Markets	Co-Manager
Morgan Stanley	Co-Manager
Samuel A. Ramirez & Co.	Co-Manager



Recommendation

That the Finance Committee approve and recommend to the Board:

- The selection of the Aviation Enterprise Underwriting Syndicate for the Airport System Revenue and Refunding Bonds, Series 2017A issuance, and
- The assigned roles for the selected Underwriting Syndicate members



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Proposed Resolution

Selecting Firms for the Aviation Enterprise Underwriting Syndicate for the Airport System Revenue and Refunding Series 2017A Bonds Issuance

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 December 2015, the Finance Committee, based on the results of a competitive procurement process, recommended to the Board and the Board approved selection of 15 investment banking firms to form an Underwriter Pool;

WHEREAS, In November 2016, the Finance Committee concurred with a staff recommendation that a Request for Proposals (RFP) be issued to firms within the Underwriter Pool in order to select firms for an Underwriting Syndicate for the Airport System Revenue and Refunding Bonds, Series 2017A, and the Committee further concurred with the evaluation criteria to be used in that selection process;

WHEREAS, The RFP was issued to the 15 firms within the Underwriter Pool on November 17, 2016, and proposals were received from all firms on December 19, 2016;

WHEREAS, Based on its evaluation of the proposals and interviews of the selected firms for the Senior and Co-Senior Manager roles, a Technical Evaluation Committee (TEC) has recommended the following firms and their assigned roles to the Finance Committee to form the Aviation Enterprise Underwriting Syndicate for the Airport System Revenue and Refunding Bonds, Series 2017A, issuance;

Recommended Series 2017A Bonds Underwriting Syndicate Members and Roles	
RBC Capital Markets	Senior Manager
Siebert Cisneros Shank & Co.	Co-Senior Manager
Wells Fargo Securities	Co-Senior Manager
Bank of America Merrill Lynch	Co-Manager
Barclays Capital Inc.	Co-Manager
Jefferies	Co-Manager
Loop Capital Markets	Co-Manager
Morgan Stanley	Co-Manager
Samuel A. Ramirez & Co.	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 Aviation Enterprise Underwriting Syndicate for the Airport System Revenue and Refunding Bonds, Series 2017A, issuance;

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 in the table are hereby selected to be members, with their assigned roles, of the Aviation Enterprise Underwriting Syndicate for the Airport System Revenue and Refunding Bonds, Series 2017A issuance.

*For Consideration by the Finance Committee and
the Board of Directors on February 15, 2017*