



**REQUEST FOR PROPOSALS FOR INVESTMENT
BANKING AND UNDERWRITING SERVICES TO
MONTEREY PENINSULA AIRPORT DISTRICT
2025 AIRPORT REVENUE BONDS**

RFP Submission Deadline:

July 26, 2024 4:00 PM PST

RFP Submission Address:

Finance Department
Monterey Regional Airport
200 Fred Kane Dr., Suite 200
Monterey, CA 93940
mwilson@montereyairport.com

RETURN THIS SHEET WITH YOUR RESPONSE

I'VE READ, UNDERSTAND AND AGREE TO ALL STATEMENTS IN THIS REQUEST FOR PROPOSAL AND TO THE TERMS, CONDITIONS AND ATTACHMENTS REFERENCED HEREIN.

Date: _____ Company Legal Name: _____

Authorized Signature

Name

Title

Questions regarding this RFP should be directed to the Mark Wilson, Controller, and should be provided by July 19, 2024, by 4:00 pm to mwilson@MontereyAirport.com

MONTEREY PENINSULA AIRPORT DISTRICT
REQUEST FOR PROPOSALS FOR INVESTMENT
BANKING AND UNDERWRITING SERVICES
2025 AIRPORT REVENUE BONDS

I. INTRODUCTION

The Monterey Peninsula Airport District (the “District”) is a public airport district duly organized and existing under the Constitution and laws of the State of California (the “State”) for purposes of the Internal Revenue Code of 1986, as amended (the “Code”). Pursuant to the laws of the State of California, particularly the Monterey Peninsula Airport District Act (Chapter 52 of the Statutes of 1941), as amended (the “Act”), the District is authorized to carry out the public purposes described therein and contemplated thereby by issuing revenue notes, bonds or other obligations to provide funds for various airport related purposes.

The Board of Directors of the District (the “Board”) will hold a public hearing on July 17, 2024 (the “Public Hearing”) regarding the issuance by the District of its airport revenue bonds, lease revenue bonds, a lease-purchase agreement, certificates of participation, TIFIA Loan or other obligations in one or more series pursuant to a plan of finance (the “Obligations”) for the purposes of: (i) financing the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of an approximately 65,000 square foot replacement passenger airport terminal complex at the District’s Monterey Regional Airport in Monterey, California, including related roads, parking and circulation elements (collectively, the “Project”); (ii) funding necessary reserves, if any; (iii) funding capitalized interest, if any; and (iv) paying costs of issuance of the Obligations.

The District anticipates issuing and selling Obligations in an aggregate principal amount not to exceed \$50,000,000.

The District is therefore seeking responses from qualified investment banking and underwriting firms (“Firms”), to act as Bookrunner/Senior Manager, in connection with the planned 2025 Airport Revenue Bonds.

Other members of the financing team include PFM Financial Advisors LLC (“PFM”) as Municipal Advisor, Ballard Spahr as Bond and Disclosure Counsel and Unison Consulting as the Airport Feasibility Consultant. Respondents are discouraged from contacting these firms regarding this RFP.

Background on Monterey Peninsula Airport District

- a. The Monterey Peninsula Airport District is a Special District created by the California State Legislature, governed by a board of five Directors elected by voters residing in Monterey, Pacific Grove, Del Monte Forest, Pebble Beach, Carmel-by-the-Sea, greater Carmel, the west end of Carmel Valley, Del Rey Oaks, Sand City, and Seaside (Airport District Boundaries).
- b. Revenues are received from Airport rents, user fees, landing fees and property taxes. The District receives Federal grants for capital and infrastructure projects. These are financed from FAA Airport Improvement Program, Passenger Facility Charges (PFC) and/or other aviation user fees.
- c. The District expects more than 500,000 passengers will travel through the Monterey Regional Airport (MRY) during the 2024 fiscal year.

- d. As of January 1, 2024, MRY is served by 4 commercial airlines. The Airport has a healthy General Aviation (GA) community with two Fixed Base Operators, 24 District owned box hangars, and 1 District owned corporate hangar on the airport.
- e. MRY, like all airports in the United States, is required to be self-sustaining, with airport revenues being generated from user fees, concessions, and airline revenues. No local taxpayer dollars contribute to the operation of MRY.
- f. Financial Condition and Outlook - Please see the District's Annual Financial and Compliance Report (ACFR) Fiscal Year Ended June 30, 2023 and 2022 (available on the District website at: <https://montereyairport.specialdistrict.org/audited-financial-reports>).

Schedule

Responses are due via email by the date and time specified on the cover page. The District reserves the right to hold interviews as needed after responses are received. Questions should be directed to Mark Wilson at MWilson@MontereyAirport.com. Questions are due by July 19, 2024, at 4:00 pm. Firms are requested not to contact any other District staff as communications with the District related to this RFP are intentionally limited until the selection process is complete. FAILURE TO ADHERE TO THIS REQUIREMENT MAY RESULT IN DISQUALIFICATION.

II. SCOPE OF REQUIRED SERVICES

The selected Firms shall provide all services required to complete a successful financing, including but not limited to:

1. Coordinate with the District and all members of its financing team.
2. Review and assist in preparation of documents and presentations to respective stakeholders.
3. Analyze and assist in making recommendations relating to various financing options so as to secure the lowest practical interest rate; enhance the marketability of the 2025 Airport Revenue Bonds; achieve the widest competition for the 2025 Airport Revenue Bonds purchases to include retail, institutional, and other investor classes; and achieve optimal leverage of the District's resources, while maintaining a prudent level of risk, through debt obligations. Identify advantages and disadvantages of any recommendations.
4. Provide advice concerning structuring and sizing of the transaction.
5. Provide continuing updates and advice on the impact of current or proposed state or federal legislation and market conditions that could affect the financial plans of the District.
6. Commit to underwrite the 2025 Airport Revenue Bonds.
7. Make available real time access to, and report on, the 2025 Airport Revenue Bond orders.
8. Achieve the lowest possible cost of borrowing.

III. RFP RESPONSE REQUIREMENTS

All Firms interested in providing the underwriting services described herein must submit a response to all the questions identified in this Section III. below. Provide responses and information in the order listed below. Please do not use a font size smaller than 11. The response is limited to no more than twelve (12) pages, exclusive of the transmittal letter and financing numbers which may be placed in an appendix. Unresponsive and/or incomplete responses may cause your proposal to be rejected.

Transmittal Letter

Please provide a transmittal letter addressed to Mr. Mark Wilson, MPAD Controller and Brian Gallucci, PFM Managing Director, and signed by an officer responsible for the engagement. The transmittal letter, which shall not exceed one page in length, shall provide an executive summary of your response and include a statement on how your firm meets the minimum qualifications detailed in Section IV. below.

A. Firm Experience

1. Describe your firm's experience serving as Bookrunner/Senior Manager on Airport Revenue Bonds since January 1, 2021.
2. Provide in tabular form a summary of the airport bond transactions for which your firm has served since January 1, 2019 as Bookrunner/Senior Manager. In the table please include the number of transactions and total par amount by year. Also provide in an appendix a list of airport bond issuances for which your firm has served since January 1, 2021 as Bookrunner/Senior Manager), with a grand total of the number of financings and par amount of associated bond issuances. The information provided should include:
 - a. Issuer
 - b. Project name
 - c. Original principal amount
 - d. Date of issuance
 - e. Unenhanced rating(s), if any
 - f. Insurer, if any
 - g. Tax status (e.g. tax-exempt or taxable)
 - h. Repayment Source (e.g., General Airport Revenues, General Obligation, PFC or CFC Revenues)
 - i. Split of Refunding/New Money
3. Describe how your firm uses its balance sheet to support airport bond transactions or other similar transportation revenue bond transactions. Provide a case study demonstrating your firms willingness to underwrite bonds.
4. Provide two case studies from this time period that highlight the firm's ability to provide services contemplated in this RFP. Please include your firms' unique approach to funding public facilities even if the solution included multiple funding strategies, including your firms' marketing strategy to sell bonds.
5. If applicable, describe any additional services performed or financial products provided in support of the District.

B. Proposed Banking Team

1. Please identify the lead banker and lead underwriter that would work on the District's transactions. Identify the other individuals who will be responsible for working on the District's transaction and provide a brief background of how their experience qualifies them for the transaction. Full resumes of the professionals may be included as appendices to the response and will not count toward the page limit.
2. Provide a brief summary of the dollar value and the number of financings in which the lead banker has been involved since January 1, 2021. Provide a brief summary of the airport and California financings that the lead underwriter has been involved since January 1, 2021.
3. Provide the names, addresses, telephone numbers, and e-mail addresses of three airport clients for whom you have provided investment banking services being requested in this RFP.

C. Recommendations for the 2025 Airport Revenue Bonds

1. It is the District’s current expectation to issue an aggregate principal amount not to exceed \$50 million as the 2025 Airport Revenue Bonds. Describe how your firm would structure the 2025 Airport Revenue Bonds assuming traditional fixed rate bonds. In a separate Appendix (not to be included in the page count) please provide the coupons and yields as of July 12, 2024 and identify spreads to MMD on a maturity-by-maturity basis. Please provide comparable pricing information that supports your proposed spreads. Also, please include a Sources and Uses of Funds with a detailed breakout of all cost assumptions.
2. If you would recommend the District structure the transaction in a manner other than that described above, discuss your proposed alternative(s) and the associated considerations, risks and benefits.
3. The District’s 2025 Airport Revenue Bonds have not been rated. Please discuss your perspective on the agency/agencies you would seek rating(s) from in connection with the proposed issuance, as well as the value of bond insurance.
4. Describe your understanding of the TIFIA process and identify any experience with issuing Bonds in conjunction with securing a TIFIA Loan.
5. Please provide the name of two Underwriting Counsel firms that you would be willing to utilize.

D. Fee Proposal

Provide a detailed breakdown of a proposed underwriter’s discount expressed in dollars per bond and gross amounts for the hypothetical transaction described above, including proposed takedowns per maturity. Please refer to the “Fee Description” table below for this breakdown. The District does not anticipate paying a management fee and should be considered within the takedown.

Fee Description	Dollars per Bond	Gross Amount
Takedown (detailed by maturity)		
Expenses (excluding counsel)		
Estimated Underwriter’s Counsel Fee		
Total		

E. Regulatory Information

Provide responses to the following questions. Response to this section will not count toward the 12-page limit.

1. Within the past 24 months, has your firm and/or any of its principals been the subject of any investigation relating to the municipal securities industry by the SEC, NASD, NYSE, or any other State or Federal organization that oversees, regulates, licenses or is otherwise responsible for the municipal securities industry?
2. Within the past 24 months, has your firm and/or any of its principals been involved in any litigation, arbitration, disciplinary or other actions arising from the firm’s underwriting, management or handling of municipal securities?
3. Does there exist any relationship between your firm and any other non-affiliated firm(s) or individuals involving any compensation arrangement that may be associated with your possible engagement to assist with the District’s proposed debt issue?

IV. EVALUATION CRITERIA

Minimum Qualifications

To qualify as a Bookrunner/Senior Manager:

1. Firm must have served as senior manager on at least one (1) Airport Revenue Bond Issuance since January 1, 2021.
2. The Firms' Lead Banker must have five years of experience working on airport bond issuances.

Evaluation Criteria

A. Evaluation Criteria

The District intends to evaluate the written proposals based on evaluation criteria including the following, which are not necessarily listed in order of importance:

1. Firm Experience
2. Proposed Banking Team
3. Structuring and Marketing of Proposed 2025 Airport Revenue Bonds
4. Understanding of the District's financing objectives.
5. Fee Proposal

B. Selection Process

Following the Evaluation of the Firm Proposals and follow-up interviews, the District intends to select one Firm to serve as the Bookrunner/Senior Manager (but reserves the right to engage more than one Bookrunner/Senior Manager). The Underwriting Agreement(s) with the selected Firm(s) will be subject to approval by the Board of Directors of MPAD at a Regular Meeting.

V. LIMITATIONS

This RFP does not commit the District to award a contract, to defray any costs incurred in the preparation of a Response pursuant to this RFP, or to procure or contract for work.

All Responses submitted in response to this RFP become the property of the District and public records and, as such, may be subject to public review.

The District reserves the right to cancel or revise, in part or in its entirety, this RFP including, but not limited to: selection schedule, submittal date, and submittal requirements. If the District cancels or revises the RFP, all RFP holders of record will be notified in writing.

The District reserves the right to request additional information and/or clarifications from any or all responders to this RFP.

FAA REQUIREMENTS. Federal law requires that the Monterey Regional Airport, as a recipient of federal assistance, comply with the following Federal Regulations which are herein incorporated by reference:

Davis Bacon- Professional Services -Tasks that meet the definition of construction, alteration or repair as defined in 29 CFR Part 5. If such tasks result in work that qualifies as construction, alteration or repair and it exceeds \$2,000, Tenant will be required to comply with the Davis Bacon prevailing wage requirement and it will be included in the Professional Services Agreement.

Affirmative Action -49 USC § 47123
Equal Employment Opportunity Policy Statement

The Airport is committed to equal employment opportunity and requires that its agents, lessees and others doing business with the Airport adhere to Title VI of the Civil Rights Act of 1964, as amended, and any other applicable Federal and State laws and regulations hereinafter enacted.

Qualifier's Obligation

Qualifier will assure that no person is excluded from participation in, denied the benefits of, or otherwise discriminated against in connection with the award and performance of any contract, including leases covered by 49 CFR 23 on the grounds of race, color, national origin or sex. Failure to make full disclosure as required above may result in disqualification of proposal or, if discovered after award, in termination of aforementioned agreement.

Government-wide Requirements for Drug-free Workplace –49 CFR Part 29
Qualifier has full responsibility to monitor compliance to the referenced statute or regulation.

Federal Fair Labor Standards Act (FLSA) - 29 USC § 201
Qualifier has full responsibility to monitor compliance to the referenced statute or regulation. Qualifier must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division

Occupational Safety and Health Act of 1970 – 20 CFR part 1910
Qualifier must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Qualifier retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Qualifier must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

SUBMITTAL REQUIREMENTS

Firms must submit their written responses to the District and PFM. Written responses must be submitted via e-mail only in PDF format to the individuals listed below:

Monterey Peninsula Airport District
200 Fred Kane Drive Suite 200
Monterey, CA 93940
Mark Wilson, Controller MWilson@MontereyAirport.com

PFM Financial Advisors LLC
44 Montgomery Street, 3rd Floor
San Francisco, CA 94104
Brian Gallucci, Managing Director galluccib@pfm.com

FAILURE TO COMPLY WITH ANY OF THE REQUIREMENTS OF THIS RFP, INCLUDING FAILURE OF A PROPOSAL IN RESPONSE TO THIS RFP TO BE RECEIVED BY THE DEADLINE

NOTED ABOVE, OR FAILURE TO MEET THE MINIMUM QUALIFICATIONS IN THIS RFP MAY RESULT IN REJECTION OF THE RESPONSE.

VI. RFP TIMELINE

RFP Issued	7/8/2024
Deadline for Questions	7/19/2024, 4:00 PM PST
Responses Due	7/26/2024, 4:00 PM PST
Anticipated Board Authorization of Underwriter Selection	8/21/2024

All dates subject to change