



To: George Tablack, Chief Financial Officer, Broward County
From: Alex Bugallo, Managing Director, HilltopSecurities
Cc: Stephen Farmer, Finance Manager, Broward County
Date: May 13, 2019
Re: Recommendation for Senior Managing Underwriter and Co-Managing Underwriters for the Proposed Port Facilities Revenue and/or Refunding Bonds, Series 2019

On April 18, 2019, County staff, with the assistance of HilltopSecurities (“Financial Advisor”), distributed a Request for Proposals for Underwriting Services (“RFP”) to its existing underwriting library comprised of 10 firms in anticipation of the issuance of approximately \$350 - \$450 million of Port Facilities Revenue and/or Refunding Bonds (“Series 2019 Bonds” or future designation) which are expected to close prior to calendar year-end 2019. The purpose of the RFP was to evaluate responses and make a recommendation to the Board of County Commissioners for the selection of a firm to serve in the capacity as senior managing underwriter and up to four other firms to serve as co-managing underwriters for the Series 2019 Bonds. The proposed size of the underwriting syndicate of five firms helps diversify underwriting risk, enhances investor distribution capabilities, and provides a strong foundation for financing execution. Proceeds from the Series 2019 Bonds will be used to fund Port Everglades’ capital improvement plan and, depending on market conditions, refinance outstanding bonds for economic savings and/or restructuring purposes.

The following 10 firms, listed below in alphabetical order, provided a response to the RFP on May 3, 2019 which conformed to the requirements of the RFP.

Bank of America Merrill Lynch	J.P. Morgan
Citi	Morgan Stanley
Estrada Hinojosa	Raymond James
Goldman Sachs	Royal Bank of Canada ("RBC")
Jefferies	Siebert Cisneros Shank & Co.

As Financial Advisor, HilltopSecurities reviewed all responses and prepared a summary of the responses in order to facilitate discussions with County staff. While numerous aspects of each firm’s response were discussed during the evaluation process, differentiating factors or particular areas of emphasis included: depth and analysis supporting structuring recommendation, quality of preliminary credit rating analysis, resources and capabilities of the responding firm to execute an efficient marketing and sale of the Series 2019 Bonds per the recommended structure, and demonstrated ongoing commitment and support of the County and Port Everglades.

Taking into consideration the overall quality of each firm’s response with emphasis on the areas mentioned above, HilltopSecurities and County staff jointly recommend to the Board of County Commissioners to select RBC as senior managing underwriter and Bank of America Merrill Lynch, Goldman Sachs, J.P. Morgan and Siebert Cisneros Shank as co-managing underwriters.

RBC not only has the necessary banking and underwriting experience as well as the capital to lead and properly execute the proposed sale of the Series 2019 Bonds, but the firm has also demonstrated an ongoing commitment in support of the County and Port Everglades by providing a five-year direct-pay letter of credit in 2014 (credit enhancement and liquidity facility supporting the Series 2008 Bonds) and has agreed to renew the terms of the letter of credit for an additional three years prior to its expiration on October 2, 2019. The firms recommended to serve as co-managing underwriters prepared detailed and strong analytical responses, demonstrated their willingness to use balance sheet to underwrite bonds under difficult market conditions, provide complementary distribution capabilities, and have banking/underwriting experience with similar types of finances.