



Item #8C

Selection of Underwriter Syndicate and a Trustee
for proposed Vehicle Registration Fee bond issuance

Camino Real Regional Mobility Authority

Vehicle Registration Fee Bond Issue

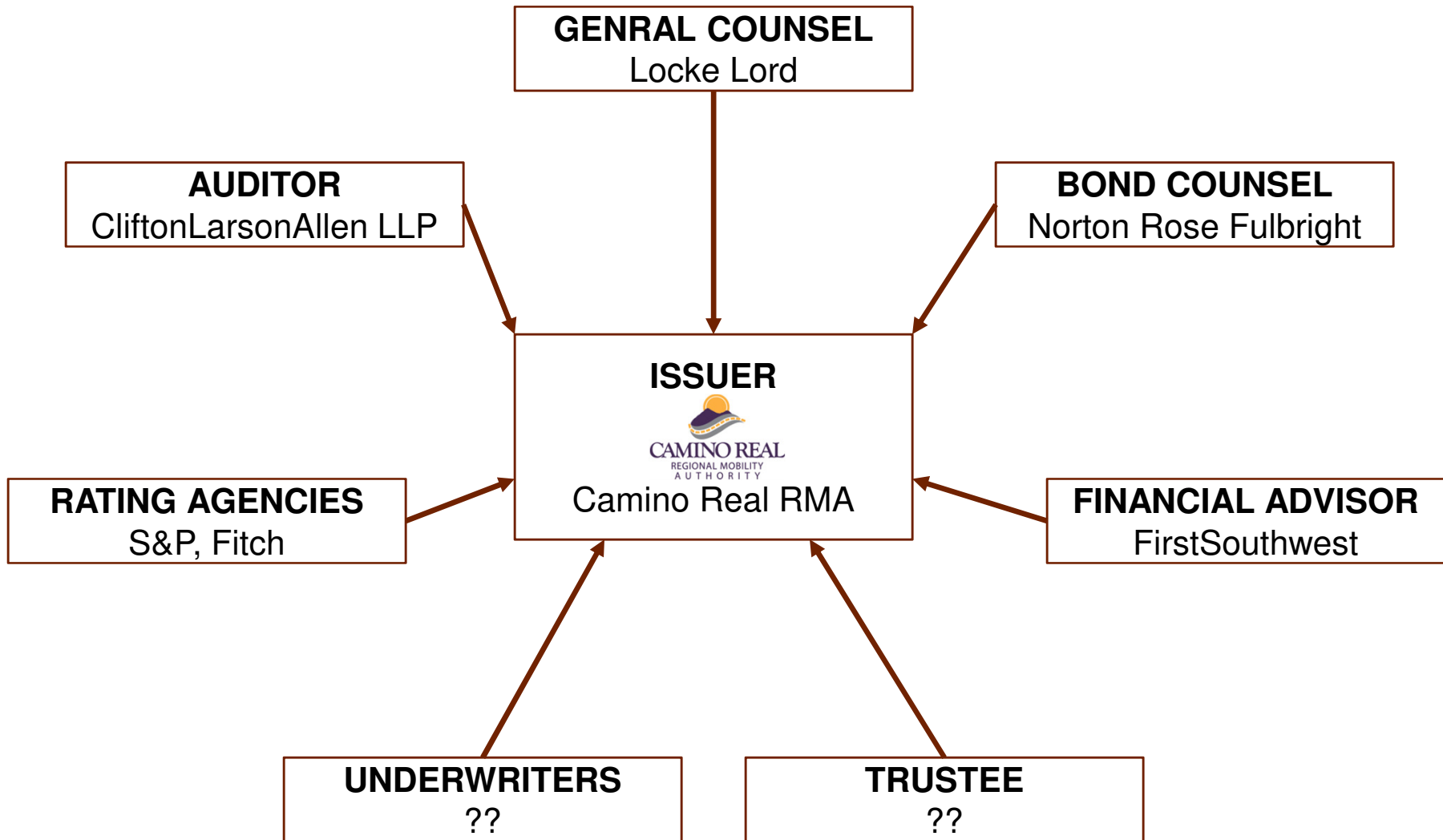
- **Background**

- In 2013, the State legislature passed HB 1198, which enabled El Paso County to collect an additional \$10 vehicle registration fee, starting on Jan. 1, 2014
- The Vehicle Registration Fee can only be used by CRRMA or another RMA created in the future
- On Monday, April 7th, El Paso County entered into a Transportation Pledge and Project Agreement related to the pledge of additional vehicle registration fees for the Bonds

- **The Bond Issue**

- CRRMA intends to issue approximately \$71 million in bonds that are secured by Vehicle Registration Fee revenues, collected by El Paso County
- Proceeds will be used to fund Projects associated with the 2013 El Paso County Comprehensive Mobility Plan
- CRRMA intends to price the bonds in early May 2014

Participants in a Bond Issue



Description of Bond Participants

- **Issuer**
 - Create and approve financing terms and documents, select financing team members, and issue debt instruments
 - Responsible for payment of debt
 - Provide data and responsible for accuracy of the debt Offering Statement (i.e. Prospectus, Official Statement) and continuing disclosure
 - Responsible for complying with terms and covenants in financing documents
- **General Counsel**
 - Not hired specifically for bond issue
 - Among other tasks, reviews legal documents on behalf of Issuer
 - Member of financing team
- **Bond Counsel**
 - Nationally recognized firm with experience in municipal debt financing
 - Works with Issuer and the financing team on behalf of bondholders
 - Primary responsibility for preparation of legal documents
 - Renders opinion concerning the validity of the bond issue with respect to statutory authority, constitutionality, procedural conformity and, if tax-exempt, exemption of interest from Federal income taxes

Description of Bond Participants (cont'd.)

- **Financial Advisor**

- Financial advisory firm acting on behalf of the Issuer
- Fiduciary for the Issuer
- Advises Issuer on wide range of financial management issues
- Assists Issuer during Underwriter Selection process
- Acts on behalf of Issuer in financing process
- Coordinates and manages rating agency process
- Coordinates and manages pricing and advises Issuer on fairness of rates and fees

- **Rating Agencies**

- National organizations that provide ratings on debt of public and private organizations
- Authoritative sources that assess a borrower's ability to repay

- **Auditor**

- Provides most recent Annual Audited Financial Statements for inclusion in the Offering Statement to:
 - Present the Issuer's financial condition and historical performance; and
 - Facilitate year-to-year comparisons of financial information

Description of Bond Participants (cont'd.)

- **Underwriter**

- Investment bank that enters into arms length agreement with Issuer to sell bonds to investors
- Reviews and helps shape principal legal documents.
- Directs investor pre-sale bond marketing efforts of underwriting group.
- Sets interest rates and offering terms of the bonds, accepts orders from investors and underwriters, and commits capital to underwrite unsold bonds.
- Will select underwriters' counsel to represent the interests of the underwriters
- Issuer may form a syndicate of multiple underwriters for the bond issue

- **Trustee**

- Retained by Issuer, but represents Bondholders' Interests
- Manages Trustee-held bond funds, reserves and construction funds
- Receives interest and principal payments from Issuer/Borrower and distributes to Bondholders
- Serves as bond registrar and Transfer Agent
- Holds liens and security interests and exercises remedies, for bondholders, in the event of a default.

Underwriting Pool

- National
 - Bank of America
 - Citi
 - JP Morgan
- Regional
 - Raymond James
 - Southwest Securities
 - Stifel Nicolaus
- M/WBE
 - Cabrera Capital Markets
 - Estrada Hinojosa
 - Ramirez & Co.

Underwriting Syndicate Recommendation for Vehicle Registration Fee Bond Issue, Series 2014

- Senior Manager
 - Bank of America Merrill Lynch

- Co-Managers
 - Raymond James
 - Estrada Hinojosa
 - Ramirez & Co.

Trustee Selection Process

- In February 2014, CRRMA issued a request for bids from qualified banks to serve as trustee for the upcoming Vehicle Registration Bond Issue
- 6 banks responded to the request for bids
- Responding firms are in alphabetical order
 - Amegy Bank, N.A
 - Bank of Texas, N.A
 - BNY Mellon, N.A
 - US Bank, N.A
 - Wells Fargo Bank, N.A
 - Wilmington Trust, N.A

Trustee Recommendation for Vehicle Registration Fee Bond Issue, Series 2014

- BNY Mellon, N.A.