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Memorandum

TO: BATA Oversight Committee

DATE: July 1, 2009

FR: Executive Director

RE: Investment Banking Selection

Staff recommends that the BATA Oversight Committee approve the attached list establishing the BATA banking pool for the next five years.

In May, staff distributed a national solicitation for participants in the BATA banking pool. Those firms had to meet strict criteria for experience in toll and transportation funding. Twenty-two firms responded, of which 18 met minimum standards for Senior Manager. A total of 13 firms were interviewed over two days by a panel made up of BATA finance staff, Orrick Herrington and Public Financial Management. The recommendations represent the consensus of the panel.

Given BATA's need to complete the seismic program and the potential entry into Express Lane financing, the selection of the financing team is as critical as was the team selected to plan the seismic funding program in 2005. The panel looked for a combination of leadership, experience, innovation and financial products, in addition to having a strong capital base.

The panel recommends a pool of 7 senior bankers and 6 co-managing bankers. The senior bankers are responsible for the planning and execution of each financing from developing the financing model to credit and investor presentations, including pricing. The panel recommends the addition of Goldman Sachs to our existing pool of 6 senior bankers. The co-managing bankers help prepare the transaction for sale, as well as the ultimate pricing and sale of the bonds. The co-managers are very important to the marketing and pricing success of fixed rate bonds while providing a bench for future senior banking pools. In addition, we have created a list of banks to comprise a selling syndicate. These banks are also valuable in a fixed rate transaction in that they help create the widest possible retail distribution.

With these firms, BATA is in an excellent position to approach the financing challenges of the next five years. These challenges include completion of the current toll projects, addition of the Dumbarton and Antioch seismic retrofit projects, and the potential funding needs for the Express Lane Network and MTC transit projects.

Steve Heminger

SH/BM/cj

ATTACHMENT

Investment Banking Selection

Senior Banking Pool:

Citigroup	San Francisco
J.P. Morgan	San Francisco
Bank of America Merrill Lynch	Los Angeles
Stone & Youngberg	San Francisco
Morgan Stanley	San Francisco
Goldman Sachs *	San Francisco
Barclays	San Francisco

Co-Manager Pool:

E.J. De LaRosa	San Francisco
First Southwest Financial *	New York
Loop Capital *	Los Angeles
Wells Fargo *	Los Angeles
Seibert Branford Shank & Co.	Oakland
Jefferies & Co. *	San Francisco

Selling Syndicate:

Cabrera Capital *	Los Angeles
Jesup & Lamont *	San Francisco
Piper Jaffrey *	San Francisco
William Blair & Co. *	San Francisco

* New Firm
