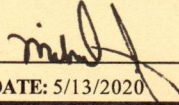
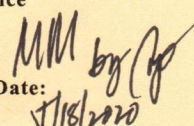

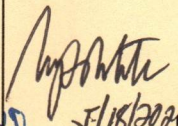
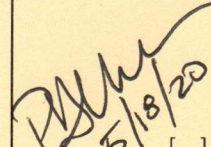




EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:  5/20/2020		GENERAL MANAGER ACTION REQ'D:		
DATE: 5/13/2020		BOARD INITIATED ITEM: Yes		
Originator/Prepared by: Michaela Morales Dept: Finance Signature/Date:  5/18/2020	General Counsel  5/18/2020	Controller/Treasurer  5/18/2020	District Secretary []	BARC  5/18/2020 []

BART UNDERWRITING POOL REVISION

PURPOSE:

To revise the list of underwriting firms in the District's pool of potential underwriters ("Underwriting Pool") from which the Controller-Treasurer is authorized to select firms to underwrite the District's future debt issuances.

DISCUSSION:

The District has \$2.8 billion in remaining authorization from the voters to issue General Obligation Bonds under Measure RR, which will require multiple issues of debt over several years. The District may also continue to issue Sales Tax Revenue Bonds, as necessary, to refund outstanding bonds or fund new projects. All such issuance will require underwriting services to best access the capital markets.

To be prepared to issue the District's Bonds at the most advantageous time for BART, staff determined that establishing an Underwriting Pool would enable BART to expeditiously enter the market and issue bonds in an efficient manner. The Underwriting Pool was approved by the Board on March 23, 2017 for a period of three years, with two one-year options for a total potential term of five years.

After the District's 2019 debt issuances, Fidelity Capital Markets indicated to the District that its business practices have changed and that it no longer is seeking participation in Underwriting Pools. Fidelity Capital Markets has entered into a retail distribution agreement with Citigroup Global Markets, Inc. who is a current member of our Pool. Therefore the District can still access Fidelity's retail customers through Citigroup Global Markets. This

EDD will remove Fidelity from the Co-Manager Pool and replace them with Wells Fargo, who was the next ranked bank.

Wells Fargo is a global financial institution headquartered in downtown San Francisco. They have consistently supported the District by providing a line of credit when the District experienced cashflow issues during our Peoplesoft conversion. Wells Fargo has also maintained an excellent depository banking relationship with the District for over 25 years.

Pursuant to the District's Non-Discrimination Program for Subcontracting, the availability percentages for this contract are 12% for MBEs and 15% for WBEs. The proposers will not be subcontracting any work and will do all work with their own forces. Therefore, the District's Non-Discrimination Program for Subcontracting does not apply.

FISCAL IMPACT:

There is no fiscal impact in revising the Underwriting Pool. Specific underwriting services will be provided upon issuance of bonds and the underwriters of each series will be designated by the Controller-Treasurer from among the members in the Underwriting Pool. Being designated a member of the Underwriting Pool does not guarantee that such member will underwrite any bonds or participate in any issuance. The cost of issuance for underwriting services will depend upon the size of the issues and other factors. Moreover, the number and members of the pool chosen for a specific issuance will depend on the size and needs of such issuance. All fees shall be paid out of the proceeds of the particular bond issue and therefore no direct costs will be paid by the District. If no bonds are issued, no expense will be incurred.

ALTERNATIVES:

The District may elect not to revise the Underwriting Pool which will effectively limit selection to a smaller pool.

RECOMMENDATION:

To authorize the revision of the District's Underwriting Pool.

MOTION:

That the Board approve the revised list of Underwriters as shown on Exhibit A.

Exhibit A

Proposed Revised Underwriting Pool

Senior Manager Pool

Barclays Capital

Citigroup/Siebert Williams Shank Joint Venture (MBE/WBE)**

Goldman Sachs

JP Morgan

Morgan Stanley

Stifel Financial Corp.

Co-Manager Pool

Alamo Capital (WBE/SB)

Backstrom McCarley Berry & Co. LLC (MBE)

Bank of America

Blaylock Van, LLC (MBE/SB)

Raymond James

Wells Fargo

***Siebert Williams Shank is a MBE/WBE firm*

MBE Minority-Owned Business Enterprise

SB Certified Small Business

WBE Women-Owned Business Enterprise