

The Bald Head Island Transportation Authority
Request for Qualifications for Underwriting Services

The Bald Head Island Transportation Authority (the “Authority”) is contemplating the sale of Revenue Bonds (the “Revenue Bonds”) to fund the acquisition of certain assets from Bald Head Island Inc. and related entities. Davenport & Company LLC (“Davenport”), as Financial Advisor to the Authority, is distributing this Request for Qualifications (“RFQ”) for Underwriting Services for the Revenue Bonds. Responses to this RFQ are due by **11:00 a.m. North Carolina Time on January 17, 2020**. Please provide an electronic copy of your response to the following individuals:

Ted Cole Davenport & Company LLC Phone: (804) 347-9690 Email: tcole@investdavenport.com	Mitch Brigulio Davenport & Company LLC (704) 644-5414 mbrigulio@investdavenport.com	Brandon DeCoste Davenport & Company LLC (704) 644-5415 bdecoste@investdavenport.com
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Please note that the Authority shall not be liable for any expense incurred in the preparation and presentation of any response to this RFQ. For additional information regarding this RFQ, please contact Ted Cole or Mitch Brigulio.

Background

As provided for in North Carolina General Statute 160A-680 and as previously discussed with your firm, the assets to be acquired include both real property and various equipment required to operate the parking, barge, ferry and tram operations that currently serve Bald Head Island. The Authority and Bald Head Island Inc. continue to work through the development of an Asset Purchase Agreement and negotiations are on-going related to a purchase price and how best to structure a debt offering. Various debt issuance structures are being considered including senior and subordinate debt series. The selected underwriting team is expected to play a meaningful role in developing and refining these debt structuring options.

The Authority has engaged a maritime transportation consultant, HMS Global Maritime, to develop a financial and operating model for the Authority. This model and a number of other studies, reports and models will be shared with the underwriting team upon selection.

The Authority is not currently rated. Depending on the approved Plan of Finance, the Authority may pursue obtaining one or more credit ratings. The selected underwriting team is expected to assist in the development of the Authority’s revenue bond credit including assisting with the bond rating process.

Role of the Underwriter

The Underwriter's role will be to work with the Authority and its Financial Advisor to market the Revenue Bonds through a public offering. It is the Authority's expectation that the firm selected will:

- Work with the Authority, its Financial Advisor and Bond Counsel to provide general bond market insight and to assist with any tasks related to the planning for and marketing of the Revenue Bonds, including credit development and rating assistance;
- Conduct and execute the sale of the securities and provide an underwriting of the securities; and
- Other duties as specifically requested by the Authority, its Financial Advisor and Bond Counsel.

Response Requirements

To the extent possible, please provide responses to the questions in this section of the RFQ in the order that they are presented. In formulating your responses, please be as concise as possible. Responses should be limited to fifteen (15) pages.

1. Please state the name of the proposing firm. Please provide an overview of your firm including the makeup of the sales and trading department as well as your firm's financial condition. Indicate the number and location of North Carolina sales offices and the size of each office.
2. Discuss your firm's experience in serving as senior manager on negotiated tax-exempt Revenue Bond transactions, including a summary of all Senior Managed revenue bond transactions completed during the last twenty-four (24) months. Please include details concerning average takedowns, expenses (excluding Underwriter's Counsel) and management fees for the three (3) most recent senior managed, negotiated tax-exempt Revenue Bonds completed.
3. Please identify the personnel in your firm who would be assigned to the proposed transaction and provide resumes for each person. Identify the individual who will serve as senior day-to-day banker, technical banker and sales/trading coordinator. Please provide the current work location for each of the professionals listed and provide a summary of their relevant experience with Revenue Bonds and particularly maritime transportation revenue bonds if applicable. Please also identify any personnel that will be assigned to the engagement with credit and rating expertise (particularly maritime transportation related issuances).
4. Please provide a non-binding underwriter's discount proposal for a long-term (25+ year) tax-exempt, fixed rate revenue bond with an assumed low investment grade rating and for a non-rated issuance. The Authority and the underwriter will be able to negotiate the underwriter's discount as the Plan of Finance is developed and approved.
5. Please provide any additional perspective and/or thoughts that you believe will be helpful to the Authority in making its underwriting team selection. Particular emphasis on your firm's experience with unique credits and maritime/transportation credits specifically would be helpful.
6. Please indicate your firm's willingness to be considered for the role of a Co-Managing Underwriter should another firm be selected to serve as Senior Managing Underwriter and the Authority chooses to utilize more than one underwriter.

Selection

It is the Authority's intention to select its underwriting team through this RFQ process. The Authority may request additional information from any firm that chooses to submit a proposal to this RFQ, including potential deal structures, and may request oral interviews with a select group of firms.