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Press Release

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IMMEDIATE

MTA Completes First Bond Transaction Underwritten Entirely by Minority-Owned and Women-Owned Companies

Latest Result of Efforts to Increase Inclusion Across All MTA Contracting

The Metropolitan Transportation Authority (MTA) today announced that it has completed the first bond transaction to be entirely managed and underwritten by minority-owned and women-owned firms. The transaction is the latest result of the MTA's efforts to increase the percentage of contracts awarded to qualified minority-owned, women-owned and disadvantaged businesses.

The bond issuance raised \$231 million for approved capital projects for MTA Bridges and Tunnels. The bonds, rated "AA-" by Standard and Poor's, "AA-" by Fitch, "Aa3" by Moody's, and "AA" by Kroll Bond Ratings, are tax-exempt and have a final maturity of November 15, 2043. The all-in true interest cost of the transaction was 3.71% with the maximum maturity priced to yield 3.8%.

A syndicate of eight firms was involved in underwriting the bond offering. They were led by book-running senior manager Ramirez & Co., together with special co-senior manager Duncan-Williams, Inc. Additional underwriting was provided by senior co-managers Siebert Brandford Shank & Co., LLC, and co-managers CastleOak Securities, Leberthal & Co., LLC, Loop Capital Markets, LLC, M.R. Beal & Company and Rice Financial Products.

Bond underwriters purchase bonds from the MTA and sell them to institutional and individual bond investors during a two-day order period. They bear financial risk because the bonds may not be fully subscribed for during the pricing. Senior managers bear the majority of the risk and are responsible for recommending to the MTA how the transaction should be structured, priced, timed and marketed. The book-running senior manager is also responsible for keeping records of individual bond sales. The co-managers assist the senior managers, and are primarily focused on marketing the bonds.

"We strongly support Governor Andrew M. Cuomo's directive that at least 20% of all State procurements are awarded to New York State-certified minority-owned/women-owned businesses," said MTA Interim Executive Director Thomas F. Prendergast, who has been nominated to be Chairman of the MTA. "To that end, we are expanding opportunities and creating greater involvement of minority-owned and women-owned enterprises in all aspects of what we do, from performing heavy construction work on our megaprojects to underwriting the bonds that pay for that work."

The firms that underwrote the transaction were authorized to work for the MTA in December 2010, when the MTA Board approved a pool of 26 firms to underwrite MTA bonds. That action dramatically increased both the number of underwriters that the MTA does business with and the percentage of those firms that are minority- or women-owned.