

Indiana's population has seen much slower growth than the majority of other states across the country, ranking 32<sup>nd</sup> with only a modest 2 percent increase between 2010-2015. Indianapolis constituted 78 percent of Indiana's net growth in 2015 and at almost two million people, it represents 30 percent of the state's total population. The total proposed transportation budget presented in the Indiana DOT Statewide Transportation Improvement Program (STIP) 2016-2019 was approximately \$7B, consisting of ~\$3.7B in federal funding, ~\$3B in state funding, and \$215M in local and municipal funding.

The table on the left below highlights the year to date bidding activity on Indiana Department of Transportation (INDOT) projects. The average project size for 2016 YTD is \$4.1M, with fewer than 10 projects over \$10M in total project value. Only five contractors won jobs over \$10M, Walsh at \$21.7M, Dave Omara at \$12.1M, E&B Paving at \$11.2, Milestone at \$10.9M, and Vimas Painting at \$10.8M. The most active contractor so far in 2016 has been E&B Paving, winning 47 projects worth just over \$87M, while entering 137 total bids. Reith Riley Construction followed in second, winning 27 projects over \$75M in value, while bidding on a total of 121 projects. The table on the right below highlights the competition between bidders on these projects showing the average margin of victory by month, with the most competitive month being November with an average margin of victory of 9.7%.

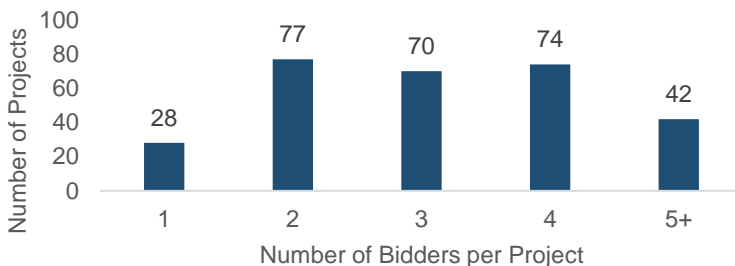
**Top 15 INDOT Construction Contractors by Bid Value (YTD 2016)**

Bidder	Total 1st Place Bids	Total Bids	Win %	Winning Bid Values
1 E & B PAVING INC	47	137	34.3%	87,058,439
2 RIETH RILEY CONSTRUCTION	27	121	22.3%	75,301,460
3 MILESTONE CONTRACTORS LP	27	107	25.2%	73,268,424
4 DAVE OMARA CONTRACTOR INC	13	42	31.0%	25,821,488
5 HIS CONSTRUCTORS INC	14	57	24.6%	21,807,100
6 WALSH CONSTRUCTION COMPANY II LLC	1	3	33.3%	21,748,111
7 AMERICAN CONTRACTING & SERVICES	8	68	11.8%	18,176,077
8 PRIMCO INC	12	26	46.2%	15,328,788
9 WALSH & KELLY INC	11	28	39.3%	14,778,060
10 BROOKS CONSTRUCTION COMPANY INC	9	42	21.4%	14,273,583
11 J B I CONSTRUCTION INC	3	3	100.0%	13,974,414
12 BEATY CONSTRUCTION INC	5	24	20.8%	13,647,281
13 PHEND & BROWN INC	3	19	15.8%	11,566,050
14 3D COMPANY INC	9	24	37.5%	11,105,653
15 VIMAS PAINTING COMPANY INC	1	1	100.0%	10,841,959

**Margin of Victory (2016 YTD)**

	# of Projects w/ Multiple Bidders	Average Win Margin
January	51	14.7%
February	47	20.7%
March	72	12.2%
April	41	11.2%
May	28	11.6%
June	6	12.8%
July	25	13.5%
August	25	11.1%
September	16	15.7%
October	27	12.8%
November	34	9.4%
<b>Annual Weighted Average</b>		<b>13.4%</b>

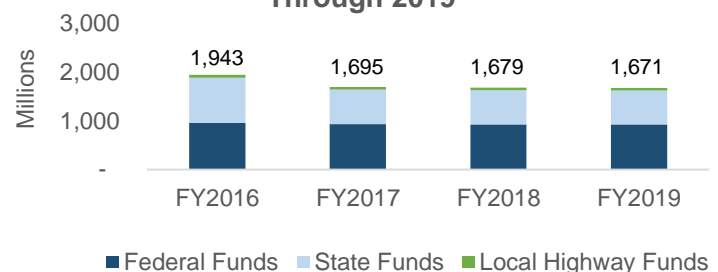
**Competition Summary**



The graph on the left shows the total number of bidders for all INDOT projects from January 2016 through November 2016. The median number of bidders on 2016 projects YTD is 3. The majority of projects had 2 - 4 bidders. There were just 28 projects (9%) that had only 1 bidder, and 42 with five or more (14%).

The graph to the right shows the INDOT 2016-2019 Capital Budget broken down by year and funding source. Federal funds contribute to the highest percentage of total funds per year, averaging \$935M per year, with state funds slightly lower at an average of \$759M per year, and local highway funds at a minimal amount with an average of \$54M per year. The most proportionate year allocated for state vs federal funds is in 2016. Also worth noting is that state funds allocated decrease substantially from 2016 to 2019, or from \$926M to \$625M.

**INDOT Estimated Available Funding Through 2019**



Sources: US Census Bureau, INDOT bid lettings, Indiana DOT Statewide Transportation Improvement Program 2016-2019

In the first list below, we have highlighted the top 10 Counties by expected total project value from 2017-2019. A large number of sizable projects are located in counties with the state's most populated cities. The leading county for expected total project value is Marion County, where Indianapolis, the most populous city and State Capital, is located. The second largest city, Fort Wayne, is located in the county expected to hold for the fourth highest project value from '17-'19.

Additionally, in the second list below, we have highlighted a number of large projects (\$7MM+) that INDOT has identified in their Fiscal Year 2017 – 2019 Project Forecast.

### Expected Total Project Value by County '17-'19 (Top 10 Counties)

	2016	2017	2018	2019	Total
Inter-County Project Total	165,962,362	122,131,300	63,358,498	287,220,128	638,672,288
1 Marion County	26,485,867	31,701,448	66,020,162	11,938,568	136,146,045
2 Lake County	45,101,161	40,028,481	41,242,300	8,074,000	134,445,942
3 Hamilton County	84,351,558	12,714,057	7,449,377	23,143,287	127,658,279
4 Allen County	32,974,757	60,893,763	9,951,500	9,415,500	113,235,520
5 LaPorte County	18,548,050	16,699,254	45,319,207	20,656,000	101,222,511
6 Clark County	75,816,805	18,368,169	1,568,464	430,000	96,183,438
7 Porter County	15,412,172	55,690,945	5,768,000	5,958,000	82,829,117
8 Tippecanoe County	28,145,207	30,004,500	7,334,125	1,569,000	67,052,832
9 Posey County	1,865,413	26,836,000	12,799,205	25,134,000	66,634,618
10 Elkhart County	34,291,907	4,637,600	2,671,445	2,313,200	43,914,152

### Major Projects Expected to Procure in '17-'19

	Est. Project Value	Est. Timeline
<b>2017:</b>		
I-94 Road Reconstruction - Porter County	36,177,000	2017
I-469 Pavement Replacement	33,787,200	2017
I-65 HMA Overlay/ Preventative Maintenance US 50 to SR 58	15,300,000	2017
SR 256 Road Reconstruction - Scott County	14,277,050	2017
SR 62 HMA Overlay/ Preventive Maintenance - Posey County	13,260,000	2017
I-74 HMA Overlay/ Preventative Maintenance	11,324,467	2017
US 27 Pavement Replacement - Wayne County	10,807,517	2017
IR 1033 Road Reconstruction	9,815,000	2017
SR 252 Road Rehabilitation from I-65 to Flatrock - Shelby County	8,181,000	2017
SR 46 Bridge Replacement	7,804,000	2017
SR 38 Pavement Replacement	7,605,542	2017
<b>2018:</b>		
SR 135 Bridge Painting	13,600,000	2018
US 421 Madison Milton Bridge Approach	12,000,000	2018
I-65 HMA Overlay	11,940,000	2018
US 20 Turning Lanes - LaPorte County	10,757,000	2018
US 35 Bridge over Washington Street Deck Replacement - LaPorte County	9,079,000	2018
SR 2 HMA Overlay to US 20 - LaPorte County	8,741,000	2018
US 20 HMA Overlay From SR 39 - SR 2	7,642,000	2018
<b>2019:</b>		
I-64 Border Bridge Deck Reconstruction - Posey County	25,000,000	2019
US 20/ SR 2 Interchange - LaPorte County	13,748,000	2019
SR 64 Pavement Replacement	12,000,000	2019
IR 1066 Road Rehabilitation I	9,460,500	2019
I-69 Concrete Pavement Restoration	8,682,000	2019

Sources: Indiana DOT Statewide Transportation Improvement Program 2016-2019, Indiana DOT Road & Bridge Investment

### Why We Are Different

#### Focused Strictly on Infrastructure

- Management has years of experience in the Infrastructure Industry
- Solely focused on advising public and private clients in the Infrastructure/Construction sector

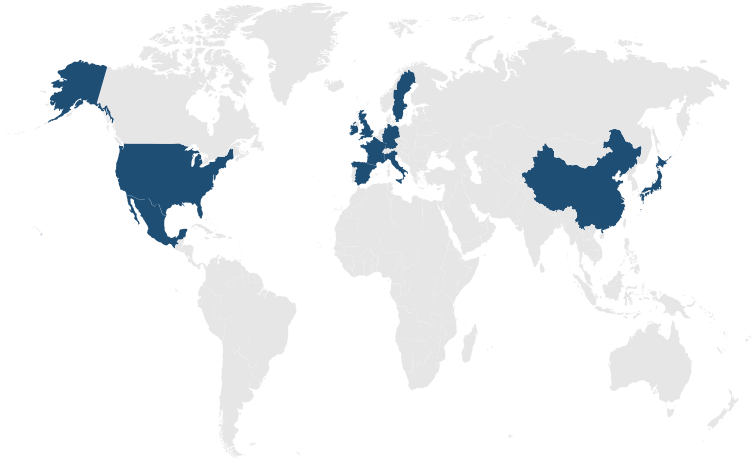
#### Broad Range of Advisory Services

- M&A, Project Financing, Strategic Consulting, Restructuring, Executive Placement, and Financial Analysis
- All Industry Sub-Sectors

#### Experience in All Major Infrastructure Markets

- Star America has worked in all infrastructure markets, including Civil Construction, Vertical Building, Public-Private Partnerships, Industrial

### Star America Global Reach



### Service Offerings

#### Mergers & Acquisitions

We have a strong track record in both domestic and cross-border M&A advisory roles. We operate both negotiated processes and auctions, assist in deal structuring, and provide impartial advice about the merits of transactions in our industry of focus.

#### Business Development

Star is well qualified to assist clients in developing their business plans in the U.S. Given the depth of experience of its partners and operating professionals, the company offers access to thought leadership of C-Level executives.

#### Capital Raising

We maintain contacts at banks, hedge funds, equipment finance companies, and other financial firms. These are sources of capital for clients desiring funds for expansionary capital expenditures or general operating cash flow needs.

#### PPP Financial Advisory

Star provides financial advisory services to companies and consortia seeking to participate in alternative procurement processes. We advise on debt capital raising in the bank and bond markets, and help structure competitive bids for our clients.

#### Management Consulting

We work with clients to formulate and pursue strategic and tactical goals. Star provides true business solutions, including identifying potential management hires, developing and implementing marketing plans, and increasing operational efficiencies.

#### Strategic & Financial Analysis

Industry analytics form the core of a successful financing or business development strategy. With our significant industry knowledge, we assess companies' current and projected financial and competitive positions to provide actionable recommendations. We have the capacity to provide comprehensive financial analysis as well as contractor prequalification solutions, allowing contractors to properly vet lower tiers and improve overall capital strength.

#### Disclaimer:

This material is for informational purposes only. It should not be relied on for any other purposes. The goal of this report is to help market participants critically assess each state's expected infrastructure budgets and competitive environment.