



Letter from the President Jim Merrill

Welcome to the first edition of our Star America Capital Advisors Quarterly Newsletter. Our goal of the newsletter is to highlight Infrastructure happenings and also Star America's activity in the market. As a leading industry advisory for M&A,

Corporate Finance & Project Finance in the market, we hope that you find our insights and information useful for your business.

Star America has been an advisor to the Infrastructure Industry since our inception in 2008 and our clients include the Who's Who of industry leaders. 2017 is shaping up to be a great year for our team, as we have already had great success in our Project Finance initiatives through recent shortlists including the RI DOT (Providence Intermodal Center).

In addition to our success, we continue to grow as an organization with the most recent addition of Mara Johnston as our new Vice President of Business Development. We look to continue to grow our capabilities and relationships throughout 2017 through both our historically strong capabilities of M&A and DBF projects, but also through new initiatives. A few of these areas include our ability to help contractors analyze their subcontractors financial strength and our continued reporting on various State transportation bid results and upcoming projects as a value add for our current and prospective clients. Our focus is to be the preferred partner for the infrastructure industry and we are committed to continuing this focus in the New Year.

Please visit our newly redesigned website for our continued information updates: www.staramericap.com

Thank you,
Jim

Contents

Letter from the President
Jim Merrill.....Page 1

P3 in the Marketplace Today
Mara Johnston.....Page 2

State Transportation Reports
Jonathan Hunt.....Page 3

Employee Spotlight
Zachary Zetlin.....Page 4

Star America recently submitted a proposal as Co-Developer and Financial Advisor for the Boston Development Collaborative, one of four consortia bidding to Design, Build, Finance, and Maintain the Providence Intermodal Transportation Center Project.

The Collaborative
Boston Development Collaborative, LLC



STAR AMERICA



SUFFOLK



Stull and Lee Incorporated
architecture • planning



DBVW
ARCHITECTS



FUSS & O'NEILL

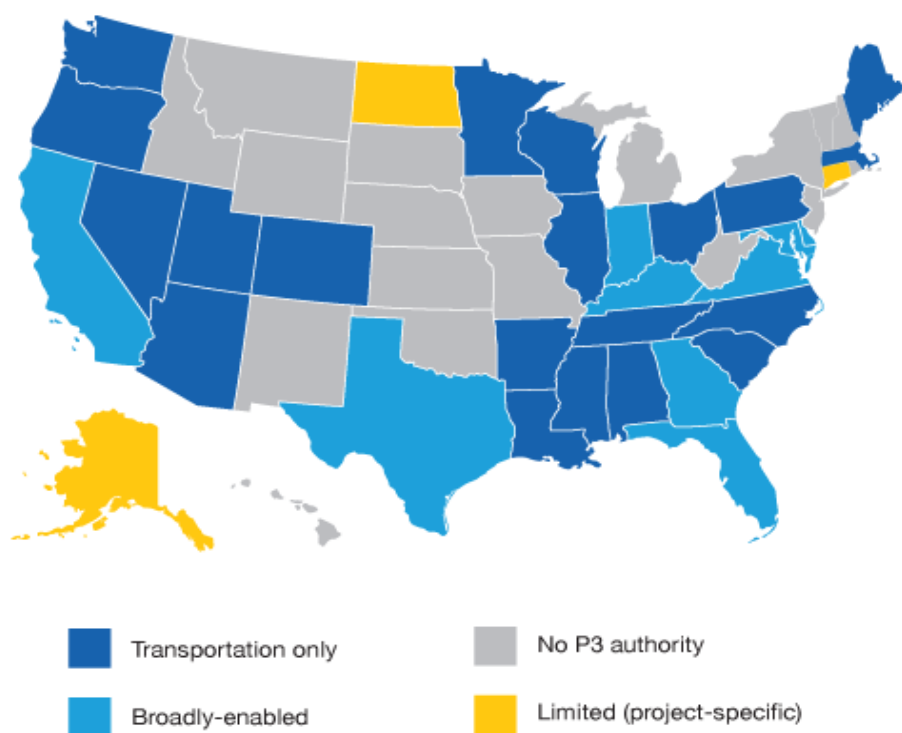
ENGINEERS • SCIENTISTS • PLANNERS



Public Private Partnerships – New Key Legislation and The Future of P3's

By Mara Johnston

The most recent report from the American Society of Civil Engineers rated America's Infrastructure a D+, with roads at a D, rail and bridges at a C+, and Inland Waterways at a D- among various other Infrastructure sectors. They have stated that \$3.6 Trillion would be needed to advance our infrastructure to levels that would be considered acceptable. These jarring stats along with President Elect Donald Trump's proposed \$1 Trillion Infrastructure plan shows the clear direction of our country, which is the continued and increased funding and focus on the construction and Infrastructure industries.



Map: Association for the Improvement of American Infrastructure

Given the clear need and focus on America's infrastructure, the means and methods with how to best invest and where and what to invest funding towards becomes the next big question. Traditionally, construction projects have been built following the approval of administration to proceed, design and engineering of the work, followed by the actual construction. In today's market; however, owners and developers as well as large Federal, State and City agencies are looking to new and innovative project delivery methods in order to create more efficient jobs that can potentially save money at the same time. One of the newer and increasingly attractive models for our Nation's projects is through Public Private Partnerships or P3.

For those less familiar with P3, it is defined by the Federal Highway Administration (FHWA) as "contractual agreements formed between a public agency and a private sector entity that allow for greater private sector participation in the delivery and financing of transportation projects." Europe and Canada have used the P3 model for both a longer period of time and in a more widespread fashion than in the US. The first legislation approved to allow private tolling in the US was not until 1991. However today, 35 States, Washington DC, and Puerto Rico have approved P3 legislation, with Kentucky and New Hampshire as the two most recent states to follow suit. In 2016 alone, 22 P3 related bills have been introduced in 11 states and most are seeing positive feedback and results in both the House and Senate.

Despite the aforementioned, the fight to authorize P3s in the US is far from over. Approximately 15 states still have no P3 legislation and over ten maintain only limited or project specific authorization. It is the hope, that through successful projects and positive results on a handful of projects such as the University of Merced in California, Eagle Light Rail project in Denver, and I-495 in Northern Virginia, that having authority to utilize P3s serves as a model for all states in the future.

Per the ASCE's report as well as various other findings, America's infrastructure desperately needs improvement, and P3 should be a strong contender as one of the leading solutions to this increasing problem we face as a Nation every day.

Star starts reporting on State DOT bid and budget results

By Jonathan Hunt

As of November 2016, Star Capital has begun preparing state reports that summarize key bid results, budget data, and upcoming key projects for various states. These reports will provide valuable insight for clients interested in doing work in these areas.

We realized that given the results of the most recent election, as well as new key legislation such as the FAST act, knowing the competitive project landscape both within each region and across the country will be invaluable information for clients interested in doing business in these markets. Given our focus on the construction and infrastructure industries, Star Capital has developed a concise data analysis aimed at firms doing business in this space.

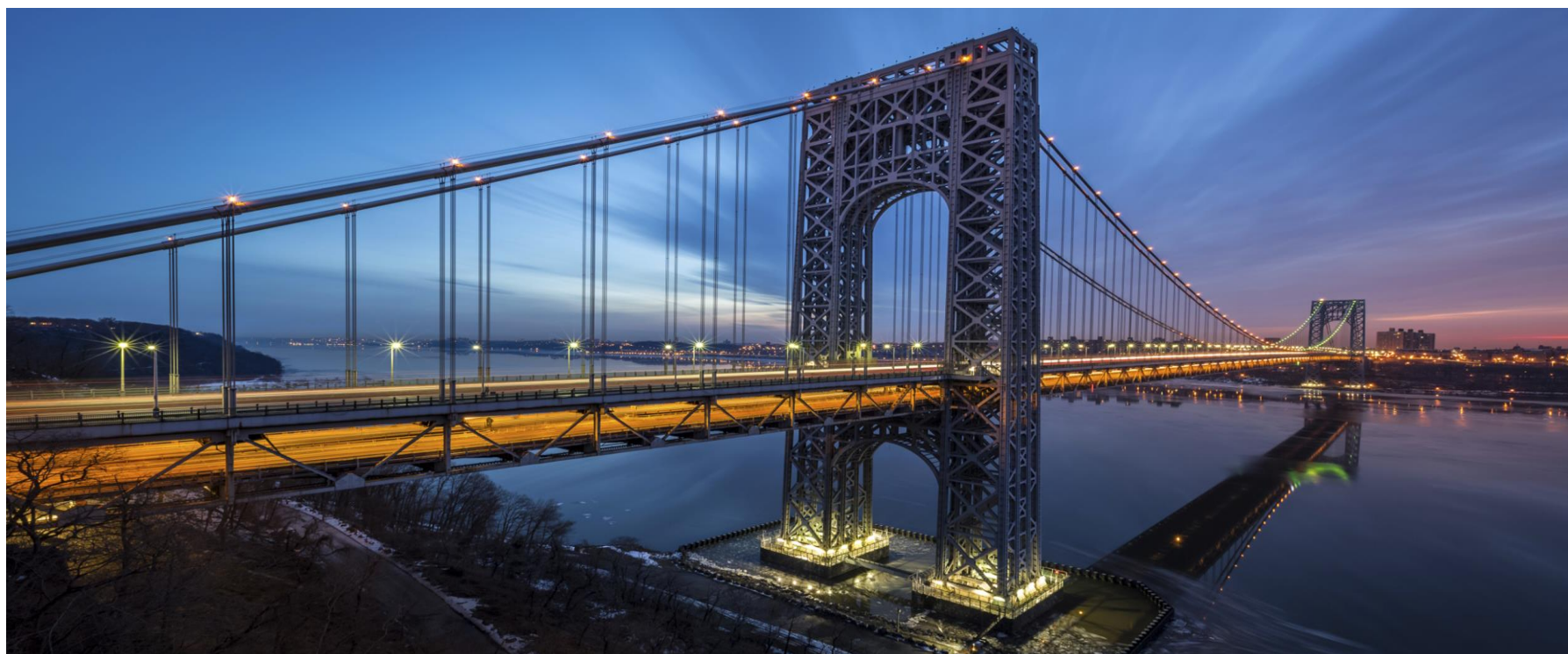
To date, we have completed reports on the states of Georgia, Washington, Indiana, and Colorado. We will be focusing on several other states in various regions throughout the United States in this upcoming year. We have also provided a comprehensive report on national transportation spending through 2016 and some of the major projects expected to be bid or break ground in 2017. Our federal report also includes a summary of the National budget, TIFIA financing, P3 legislation and FAST act budget by state.

In Georgia, we found that the state population is growing at a rate that is almost double the national average. In its most recent Transportation Budget (15-18), GDOT laid out plans to spend more than \$8.5 Billion between 2015 and 2018 on highway and transit programs.

Washington's population grew to more than 7 million in 2016, and is the fifth fastest growing state in the nation. Washington State passed a \$16.1B revenue package in 2015 to extend through the next 2031. This bill includes almost \$11B for highways and roads, over \$1B for transit and other projects, and almost \$1B for ferries, terminals, and fish barriers.

Indiana showed signs of slower population growth than in Georgia and Washington. The total proposed transportation budget presented in the Indiana DOT from 2016-2019 was approximately \$7B, and consisted of ~\$3.7B in federal funding, ~\$3B in state funding, and \$215M in local and municipal funding.

Colorado is the 21st most populous state in the United States. Since the 2010 Census, Colorado's population has experienced an estimated 10.2% growth, which ranks 4th among all states, behind only North Dakota, Texas and Utah. The total proposed 4-year transportation budget presented in the Colorado DOT Statewide Transportation Improvement Program (STIP) 2017-2020 was approximately \$5.5B.



Zachary Zetlin joined Star America Capital Partners in 2015 as an Associate.

Prior to joining Star America, Zack worked at Segra Capital Management, a macro-driven, globally focused hedge fund, where he focused on analyzing multiple real estate and infrastructure companies across the globe. He is also a board member, adviser and Co-Founder of All College, Inc., a storage and logistics company specializing in summer storage for college and boarding school students.

Zetlin received his JD from Fordham University School of Law where he focused on Real Estate, Financial and Bankruptcy / Restructuring Law and was a member of the Journal of Corporate and Financial Law. He earned a Bachelor of Arts with a major in Economics from Amherst College.

Zachary holds his FINRA Series 79, 24, and 63 licenses.



Employee Spotlight: Zachary Zetlin

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Star America Capital Advisors - 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.

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.

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.

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.

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.