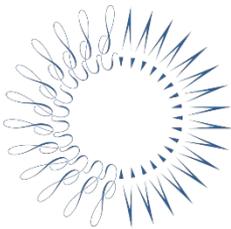


# LEAVING MONEY ON THE TABLE: THE CHALLENGE OF UNSPENT FEDERAL GRANTS

WORKSHOP 2: FINDING THE RIGHT RESOURCES  
THE POTENTIAL ROLE OF THE PRIVATE SECTOR



EVENT HOST & PARTNER





Finding the Right Resources –  
The Potential Role of the Private Sector  
Lincoln Institute of Land Policy Roundtable: Leaving Money on the Table

# BREVET CAPITAL

## FEDERAL PROGRAMS

### Case Study 1: Gap Financing

#### Apply for Federal Funding

- Local government identifies an appropriate federal program and applies for funding
- Local government and private sector explore ways to work together

#### Get Approved

- Local government gets approved for federal funding but has to wait to get the money
- Private sector provides gap financing
- Local government begins project immediately without interruption

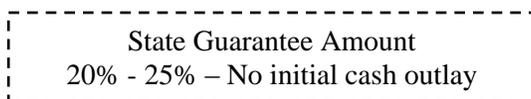
#### Receive Funding

- Federal government wires money to local government
- Private sector loan is repaid upon receipt of such funding

Private Sector Gap Financing

### Case Study 2: Small Business Loan Guarantee Program

**Description: State program guarantees a percentage of loan pool**



#### Illustrative Terms\*

<b>Program Size</b>	4-5 x state guarantee amount
<b>Program Term</b>	12 months (deployment period)
<b>Private Sector Participation</b>	100%
<b>State Participation</b>	N/A
<b>Guarantee Amount</b>	20-25%
<b>Cross Collateralization</b>	State guarantee to cover all loans in pool

\* Depending on program

# BREVET CAPITAL

## FEDERAL PROGRAMS

### Who We Are

- SEC-registered investment advisor
- Founded in 1998 by partners who have worked together for over 20 years, and have structured, executed and advised on over \$10 billion in client transactions
- Seasoned team with decades of credit experience

### Illustrative Financing Terms

- Structure: term loan
- Term: 6 – 60 months
- Size: at least \$500,000
- Funding: single or multiple draws
- Rate: variable

### What We Do

- Provide *customized* short-term and long-term financial solutions
- Serve small businesses, government enterprises, universities and other entities
- Support job creation, state programs and community development through creative loan products

### Underwriting Criteria

Brevet shall review the following,

- State program related considerations
- Historical/ projected revenues and cash flows
- Key assets and liabilities
- Management team experience and qualifications
- Ownership structure

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#### *Disclaimer*

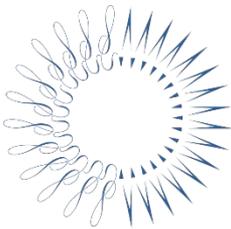
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# Company Overview

- Leading global provider of diversified general contracting, design-build and self-perform construction services for private and public clients
  - Civil segment infrastructure projects drive profitability
- Over 120 years of successful project execution
- Consistently ranked by *Engineering News-Record* among the top U.S. contractors
- Headquartered in Los Angeles with operations throughout the U.S. and in select international locations
- Over 11,000 employees worldwide

**ENR**  
Engineering News-Record

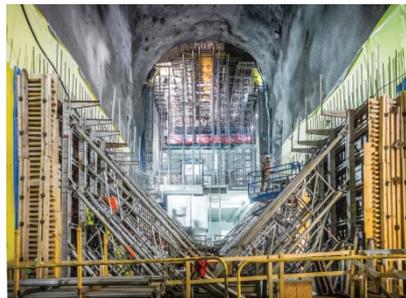
**Tutor Perini rankings (2016):**

- #1** Specialty Contractor in NY region\*
- #4** Domestic Heavy Contractor
- #4** Builder in Transportation
- #5** Builder in Electrical\*
- #6** Builder in Domestic Building/Mfg.
- #10** General Contractor
- #10** Specialty Contractor\*
- #11** Builder in Mechanical

*\* Includes multiple subsidiaries*



Cosmopolitan Resort and Casino, Las Vegas



East Side Access Project, New York



I-5 Antlers Bridge Project, Shasta County, CA

# Diverse Geographical Footprint



Well positioned to capture work in all 50 states and in targeted international markets

# Significant Projects Driving Performance

(approximate award values)

- Various New York MTA East Side Access Projects - \$2.4B
- Alaskan Way Viaduct (SR-99) Replacement, WA (JV) - \$1.4B
- Los Angeles MTA Purple Line Section 2 (JV) - \$1.4B
- California High-Speed Rail (JV) - \$1.3B
- Hudson Yards Tower D and Platform, NY - \$1.3B
- San Francisco MTA Central Subway - \$860M
- Technology Office Facility, CA - \$840M
- Panorama Tower, FL - \$360M
- Pechanga Resort and Casino Expansion, CA - \$310M



California High-Speed Rail Project, Central California



Alaskan Way Viaduct (SR-99) Replacement, Seattle



Panorama Tower, Miami



Central Subway T-Line Extension, San Francisco

**Leading market position and scale allows TPC to win large complex projects**

# Civil Segment

- Construction and rehabilitation of highways, bridges, tunnels, mass-transit systems and wastewater treatment facilities
- TPC's highest margin segment (10.3% EBIT margin in 2016)
- Focused on large-scale, complex projects (\$100M to \$1B+)
- One of few leaders in the industry positioned to capture largest projects
  - Faces fewer competitors, as smaller contractors are unable to effectively compete or secure bonding to support large projects pursued by TPC
  - Strong self-performance capabilities
  - Centralized estimation capabilities and sizeable equipment fleet

## Winning Large And Highly Visible Projects



CA High-Speed Rail, CA

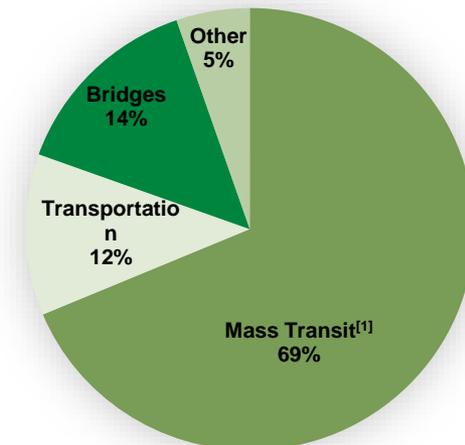


East Side Access Project, NY

## Civil Construction Success Drivers

- **Very strong bidding activity and bid pipeline over next two years**
- **Significant infrastructure spending boost expected** due to recently enacted funding measures (\$305B federal highway bill, \$120B L.A. County Measure M, \$54B Seattle Sound Transit 3) and President Trump's infrastructure plan
- Experience and past performance on projects
- Financial strength key to obtaining bonding and pre-bid qualification
- Successful bidding often linked to self-performance capabilities
- Largest contractor working in Guam and well positioned for troop relocation project opportunities

## Q4-16 Backlog by End Market: \$2.7B



**Civil segment drives TPC's profitability**

<sup>(1)</sup> Includes most of the Company's tunnel projects.

# Building Segment

**Tutor Perini Building Corp**

- Private / Non-Residential and Public Projects
- Expertise in Hospitality and Gaming, Design-Build and Accelerated Delivery

**RUDOLPH AND SLETTEN**

- Leading Builder in California
- Large Corporate Customer Base

**Roy Anderson Corp CONTRACTORS**

- Southeastern U.S. Focus
- Private / Non-Residential and Public Projects

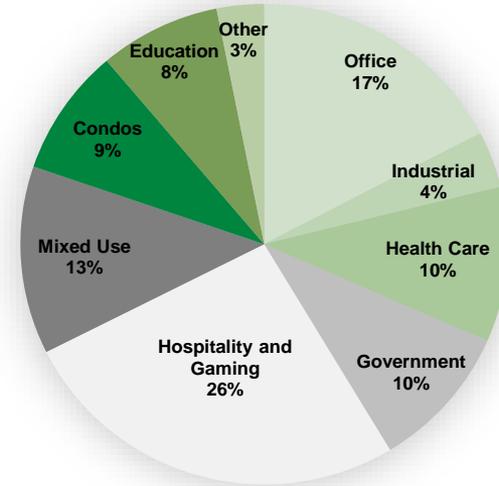
**Perini Management Services**

- Construction and design-build services worldwide for U.S. military and government agencies and surety companies

## Building Construction Success Drivers

- **Large and active bid pipeline over next two years**
  - Significant volume of prospective awards for projects in California (~\$7B), Florida (~\$3B) and Las Vegas (~\$4B) given strengths of Rudolph & Sletten and Tutor Perini Building Corp
- Strong customer relationships and end market expertise
- Integrated business model with significant self-perform capabilities
- Established track record on numerous large government contracts

## Q4-16 Backlog by End Market: \$2.0B



Chumash Casino Resort Expansion, Santa Ynez, CA



Broward County Courthouse, Ft. Lauderdale, FL

**Strong demand for building projects in California, Las Vegas and South Florida**

# Specialty Contractors Segment

## Electrical

### FIVE STAR ELECTRIC



- Based in New York, NY & Houston, TX
- Electrical / Power Systems Expertise

## Mechanical



- Based in New York, NY & Las Vegas, NV
- Expertise in Plumbing, HVAC & Heavy Mechanical

## Shotcrete



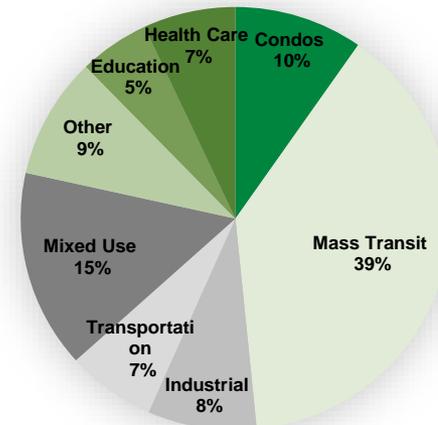
- Based in Los Angeles, CA
- Expertise in Pneumatic Concrete Placement



## Specialty Contractors Success Drivers

- Strong demand, especially in New York City
- Strong electrical and mechanical proficiencies
- Performing substantial work for the Civil and Building groups
  - Positions TPC as a full-service contractor with greater control over scheduled work, project delivery and risk management
- Continuing to serve existing external customers
- Focused on New York City, Texas, California and Florida

## Q4-16 Backlog by End Market: \$1.6B



TPC's specialty construction capabilities provide a strong competitive advantage

# Vertical Integration: A Competitive Advantage **Tutor Perini** CORPORATION

## Example Projects:

### **Hudson Yards Development**

Platform, tunnel and buildings

Midtown Manhattan, NY

Total project volume: \$2.1B+

### **New York MTA East Side Access**

Subway stations, tracks and systems

Queens – Manhattan, NY

Project value: \$2.4B

### **SFMTA Central Subway**

Underground stations, tracks and systems

San Francisco, CA

Project value: \$860M



Hudson Yards Development, New York



Central Subway T-Line Extension, San Francisco

## **Key Success Drivers**

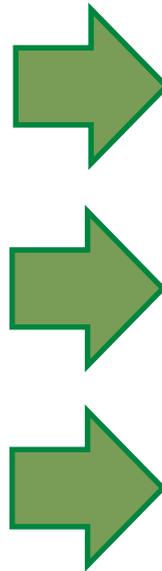
- Integrated civil, building and specialty service capabilities proving to be a competitive advantage
  - ✓ Greater control over schedule
  - ✓ Greater visibility into price
- Collaborative bidding approach

**TPC's Civil, Building and Specialty Contracting groups provide a differentiated, one-stop-shop competitive advantage**

# Core Strengths Provide Significant Benefits

## Core Strengths

- Cost estimating
- Self-perform capabilities
- Diverse construction experience – Civil, Building and Specialty
- Construction risk management
- Project management talent, depth, and experience
- Sizeable equipment fleet
- Broad domestic geographic footprint
- Strong balance sheet and bonding capacity



## Benefits Realized

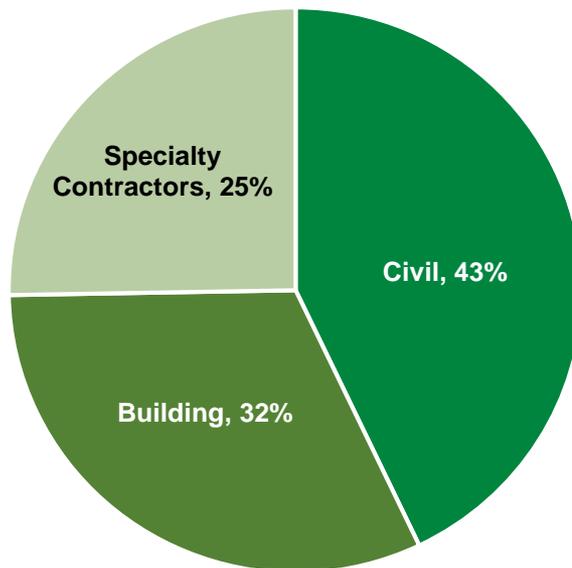
- Durable competitive advantage
- Higher profit margin opportunities
- Larger project pursuits with fewer competitors
- Profitable fixed price execution
- Joint venture opportunities with other contractors
- Rapid mobilization of resources
- Public-private partnership project opportunities

**TPC's competitive strengths provide opportunities for higher margins**

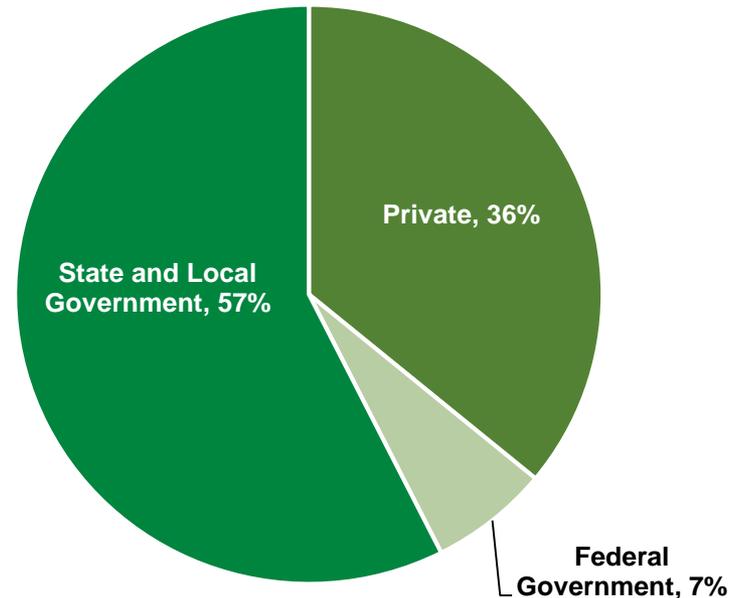
# \$6.2B Backlog to Drive Growth

(as of Q4-16)

### Backlog by Segment



### Backlog by Customer



**Plus more than \$1.6B of new awards in Q1 2017**

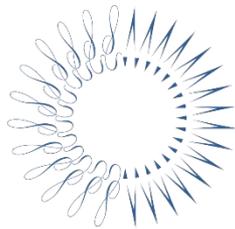
**Strong pipeline of prospective bids and awards over the next two years**

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