

Transmittal Letter: RFQ No. 13-16 – City Hall Re-Use Project

purchasing@newportbeachca.gov
Purchasing Office
Newport Beach City Hall
3300 Newport Boulevard
Newport Beach, CA 92663

To whom it may concern,

Regarding LSI Partners response to the Request for Qualifications (RFQ) for the City of Newport Beach on November 20, 2012, I hereby affirm:

a) The contact for this proposal is:

Stan Castleton
2150 Towne Centre Place
Suite 105
Anaheim, CA 92806
435-729-0098
srcastleton@ddrmgp.com

b) All required information and appendix is found herein as outlined in the Table of Contents

Stanley Castleton

CEO

LSI Partners

November 20, 2012

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NOVEMBER 20, 2012

Submitted to:

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Newport Beach City Hall

3300 Newport Boulevard

Newport Beach, CA 92663

Submitted by:

LSI Partners, Inc.

2150 Towne Centre Place Ste 105

Anaheim, CA 92806

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EXECUTIVE SUMMARY

LSI Partners, LLC (“LSI Partners”), a recent partnership formed by LSI Business Development, Inc. (“LSI”) and the DDRM Companies (“DDRM”), is pleased to offer the following response to the request for qualifications by the City of Newport Beach regarding the “City Hall Site Re-Use Project” (hereafter referred to as “the project”). You will find herein, a detailed description of the spectrum of economic development services that our firm will bring to the project to assist in the formulation of a realistic development plan for the existing City Hall Site and the Lido Village area. The combination of these two companies provides a unique and powerful resource for political subdivisions to actually implement economic development projects.

These services are commonly described in the real estate development industry as predevelopment activities. LSI Partners is very familiar with the site and the significance the project will have both economically and aesthetically on the Newport Beach area. This effort will be based on the structure of a land lease while creating a building that is financeable in today’s economic state. Consequently, these conceptual predevelopment activities will be for a luxury high-end residential apartment community, an upscale boutique hotel or a combination of two products. They will include research, land/building acquisition analysis, preliminary programming and design alternatives, feasibility analysis, financial structuring alternatives and plan implementation strategies. This will be presented to the City in the form of a conceptual Short Term Development Plan.

1.0 QUALIFICATIONS, RELATED EXPERIENCE AND REFERENCES

1.1 DDRM Companies-Problem Solving and Development of Difficult Projects

DDRM and its related companies have developed or redeveloped over \$2 billion of real estate projects since 1984, and is based in Anaheim, CA. Most of these projects were broken or troubled, had mixed uses and many have been public/private partnerships. DDRM has a reputation for its ability to create value for private and public landowners by solving problems, coalescing stakeholders (including lenders, investors and government) and creating value.

Over the last 7 years, DDRM has received numerous requests from various political subdivisions asking for specific assistance in structuring real estate projects and redevelopment programs that are realistically financeable and executable.

From its interaction with many of these government bodies, DDRM has discovered that most consultants do not have the experience or insight to plan and program projects that are marketable, financeable and can that can actually be implemented. LSI and DDRM have formed LSI Partners, LLC to provide management, consulting, and development guidance in creating realistic and effective economic development programs for cities, counties, redevelopment authorities, state level agencies and subdivisions of the federal government.

In all, DDRM has been involved on over 35 major projects since its predecessor company was formed in 1983. This includes approximately 5,000 hotel rooms and working relationships with all of the major hotel brands and many entertainment/dining brands. It has developed and /or renovated several million square feet of office and retail projects and has a long history in turnarounds and workouts. DDRM is a specialist at adding value and creating destination mixed-use projects. It has focused on mixed-use projects since the mid-1990s.

DDRM has found the important elements of success in mixed-use hospitality or retail/dining based projects is i) strong reliance on focused research, ii) understanding the value in the use of multiple branding opportunities and creating a destination (no matter how small), iii) the value in having multiple phases or projects in a “strategic project area”— especially in destination villages type projects, iv) the value of good research-based design, v) the value of creating common objectives to obtain strong stakeholder support, and vi) the tremendous value in working patiently with governmental subdivisions using total transparency.

DDRM has a large network of real estate brokerages around the country that will be utilized for the Project Plan, each in a different market segment. The IBI Group, an international architectural and planning firm, will be part of the Team for planning and architectural support. IBI and DDRM have a very long relationship and have worked together on many projects around the country.

1.2 Developer Experience and Qualifications

Stan is the CEO and partner of the DDRM side of the venture with LSI. He has been in the development and hospitality business for 34 years as a developer, general manager and asset manager. For most of that time period, he has headed the DDRM Companies. Prior to his forming DDRM and related companies, Mr. Castleton was with Arthur Andersen & Company. A CPA, he specialized in tax matters with the firm from 1975 to 1979. His clients consisted solely of large real estate development companies and hotels. From 1979 to 1981, Mr. Castleton served as Vice President of Finance and then President of Ideal Homes & Development Co. in Phoenix, Arizona. The troubled company was turned around under his leadership and sold to Continental Homes for a large profit in 1982. During 1982-83, Mr. Castleton was the President of Resort Management Associates, Inc., which owned several small resort hotels. For a short time, he actually functioned as a general manager of a hotel property owned by the company. He founded DDRM's predecessor company in 1983 and has headed the DDRM-related companies since that time. Mr. Castleton orchestrated and managed a \$1.5 billion LBO by a DDRM related entity of a portfolio of 22 properties in 1983-1984. As a part of that acquisition, DDRM's first major development project was the Hilton Anaheim, which opened in July of 1984. The DDRM family has developed, redeveloped and owned approximately 5,000 hotel rooms. Mr. Castleton holds a BA in Economics, a BS in Accounting, and an MS in Agribusiness from Brigham Young University. He is often asked to speak at hotel and resort development conferences. Mr. Castleton is known for his relentless focus on creative design, creating value through branding and mixing brands in a real estate environment, creative marketing and cost controls. Stan has been married for 39 years to his wife Linda and raised four children David, Debbie, Rachel and Mary (DDRM). All were born at Newport Beach's Hoag Hospital. *(See Appendix for remaining team members experience and qualifications)*

1.3 DDRM Previous Projects

In 1983, Mr. Castleton and William Dobrowolski, a New York City financier, formed DDRM's predecessor company, Stanwill Properties. In all, they developed or acquired and renovated approximately \$1.8 billion of product before Mr. Dobrowolski retired in 1994.

In 1984 the firm acquired controlling interest in a major 22 portfolio of distressed properties valued at approximately \$1.2 billion. These properties included mature projects, projects to be developed, projects where construction had stopped and projects under construction. Included were major hotels, retail, high-end high density residential projects on Wilshire Boulevard and other locations, large office buildings and some land parcels. The original owners ("JV Partners") were on the brink of bankruptcy and Castleton implemented a workout where about half of the 30 lenders involved renegotiated their loans. After selling a key property, Castleton completed a

leveraged buyout from the JV Partners for the remaining properties and asset managed, developed, re-developed and/or managed the these properties over several years until they were all sold. This was a very successful investment endeavor.

Beaudry Centre. One of the original properties in the large portfolio was a downtown Los Angeles class B office building of approximately 1 million square feet. The building was purchased for approximately \$67 million, and construction was completed for an additional \$18 million. After leasing the entire building to Security Pacific National Bank (now Bank of America), Castleton sold the building for approximately \$185 million, nine months after the original purchase. This paid back the equity investors in the portfolio, essentially providing infinite returns on the remainder of the properties.

Hilton Anaheim. The Anaheim Hilton was one also one of properties in the large portfolio. It had stopped the development process due to legal problems with the City of Anaheim and problems with the lenders. Over several months, Castleton solved the immediate problems, allowing construction to start and the hotel opened in July of 1984 as the premier convention hotel in California boasting 1,578 rooms next the Anaheim Convention Centre and across the street from Disneyland. The long term legal problem with the City of Anaheim was solved politically which enabled a series of refinancing efforts. A DDRM led group owned the hotel until March of 2007 when it was sold for a large profit. This transaction was done under a long-term ground lease with the City of Anaheim.

Park Wilshire. Another property that was part of this large portfolio, Park Wilshire, was a partially constructed condominium project in a very strong location on Wilshire Boulevard. The project had become an eye sore with its rusting steel and it had a very bad reputation. It had been sitting for years when DDRM took control in 1984. A political problem and a grand fathered affordable housing requirement were the reasons the project had stopped construction. Castleton solved the political problem, made an affordable housing arrangement with UCLA for recruited professors (so as to not diminish the value of the project as affordable housing often does), and the project moved ahead. As a result of some very innovative design and marketing strategies, Park Wilshire sold out within a few short months. It was remarkably successful in a very difficult market, selling all 154 high end condominium units for significantly more than the pro forma pricing.

Garden Walk. DDRM was asked by an institutional partner to co-develop a large mixed-use retail lifestyle resort project in Anaheim near Disneyland. The plan contemplated approximately 500,000 square feet of retail, 2 hotels and a timeshare project. The project was in trouble because of very intense opposition from Disney. DDRM eventually delivered unanimous support from the City Council and the project moved forward. DDRM sold its interest in the project in 2005 to a partner prior to construction. The project has a Cheesecake Factory, a Tommy Bahamas, Starbucks, and several other major lifestyle tenants.

Anaheim Resort Repositioning. DDRM played a significant role in the massive redesign and repositioning of the Anaheim Resort timed with the addition of the California Adventure in and Main Street Disney to Disneyland in the year 2000. This \$4.3 billion public/private partnership included:

- a) Major freeway improvements (including 2 additional off/on ramps) and other access upgrades;
- b) The addition of large 3 very large parking structures;
- c) Significant branded landscape, signage and design components;
- d) The addition of the branded Anaheim Transportation Network;
- e) An automated traffic management system; and
- f) A major addition to the Anaheim Convention Centre.
- g) Although the traffic improvements were primarily funded by state and federal sources, the local public improvements of almost \$1 billion were funded by self-assessments of the existing hotels and restaurants in the form of increased sales tax and room tax. This is the process which DDRM led.

St. Regis Deer Valley. This uniquely located hotel project in Deer Valley, Utah, had 3 prior developers who had failed to move the project forward before DDRM become involved. A joint venture with a strong landowner, the project had been a Ritz Carlton, a Rosewood, a fractional project and many other incarnations. It had stopped and started several times, had unpaid deposits from buyers and numerous mechanics liens and unpaid obligations. The local brokerage community had a bad attitude about the project. DDRM was asked by the landowner to become involved. DDRM solved the problems, chose St. Regis, negotiated an equity infusion and moved forward with the project. The Deer Crest St. Regis has almost doubled the upper end values per square foot in Deer Valley, setting all sale records. The hotel opened with accolades on December 4, 2009. The property is a premier ski resort hotel in the US and an icon in the resort business. Even with the difficult economic situation, the real estate closings have gone very well without any discounting.

Sandy, Utah. About 3 years ago, Sandy City (a suburban community with a population of about 90,000 located South of Salt Lake City) asked DDRM to look at the possibility of creating a true downtown experience in Sandy. Its chosen project area is along Interstate 15 and includes a large “C level” regional mall that is rapidly losing its market share, an unattractive area around the mall, a successful exposition center and a new soccer stadium which is the home of Real Salt Lake. It also has support retail, some residential and a lot of office uses – all in different segments. The area has some strong attributes and users, but it does not present itself as a cohesive destination in any way. Although in a suburban area, it is only 12 miles from Snowbird and Alta, two of the best pure ski mountains in North America. The project area is served by light rail on to East and commuter rail to the West, but shockingly no transit system to link the two modes.

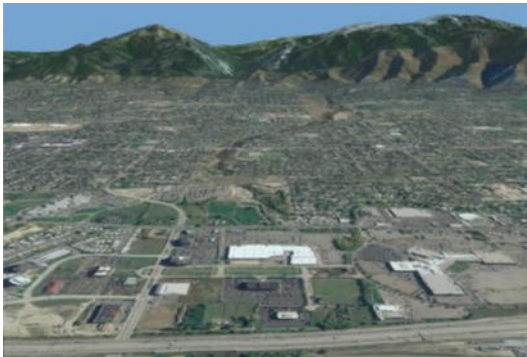
The City was interested in turning the direction of the area before it became almost impossible to execute. DDRM undertook a process very similar to that outlined in Section 2.2 and 2.3 herein as a consultant to Sandy City. Over a 20 month period, the constraints and opportunities have been identified, the opportunities identified, the existing and new redevelopment authorities have been

conceptualized and are moving through the Utah legislative process, and DDRM created a strong plan which anticipates a phased mixed use main street oriented project of about 7 million SF of strategically planned retail, dining, residential, hospitality and office uses.

The project’s marketing plan is very strong with creative approaches based on the area’s relationship to the mountains. It will be the “ultimate basecamp” for the ski resorts.

We have added an internal circulator transit system classifying the project as a “Transit Oriented Development” which has become a big part of the project Story and has already opened several federal and state funding avenues. One of the main elements in the Story is the project objective of reducing vehicular trips by 30%, a goal that the traffic engineers and Western urban planning professors deem to be attainable. The project will be highly eco-sensitive beyond the trips issues with its walkability components, energy conservation standards and systems, walkability, accessibility to the comprehensive internal and external system of gathering places, parks, trails, bike trails and equestrian trails. It will also have a massive bike-share and car-share system.

DDRM Partners (with LSI) has now been named the developer of the project by Sandy City and is in the process of working on various grants, federal transportation sources and the approximately \$1billion of private capital that will be required for the project. It appears that the main source of private funding will come from European pension funds, which are comfortable with mixed uses and transit issues.



Before



After

Other Projects. In all, DDRM has participated in 35 projects over the last 23 years. These include the Wilshire Manning, the Wilshire Estina, the 911 Pico high rise office building, the Pacific Coast Stock Exchange building, the Hilton Los Angeles Airport, Century Boulevard mixed use office & retail building of about 600,000 square feet, Inn at the Park Hotel in Anaheim (now refurbished as a Sheraton), Breakers Hotel in Long Beach, and many others. DDRM is also working with the military, specifically with Air Force, in a public/private partnership to building a military recreational center and hotel in the Park City, Utah area.

2.0 DEVELOPMENT APPROACH

The Development Plan will embody and describe the following components:

- 2.1 STEP 1 - Identify Constraints:** LSI Partners is familiar with the City Hall site and understands many of the existing constraints such as the height limitations, but will work to identify all the constraints of the site being considered as the Project Area. LSI Partners will work with the City and local stakeholders to identify a general understanding of the following:
- 2.1.1 **Boundaries.** Identify boundary options and related phases, zones or specific parcels within the entire area of focus that will eventually be the Project Area;
 - 2.1.2 **Easement and other Title Issues.** Identify easements and other legal or title limitations;
 - 2.1.3 **Traffic and Transit Issues.** Identify long term traffic and transit issues or requirements, including an analysis of viable future alternative long term routings and station/stop options;
 - 2.1.4 **Parking.** Compile an assessment of existing access and parking availability and realistic long term requirements (parking is generally the most common constraint in any urban village development program);
 - 2.1.5 **Engineering.** Compile an analysis of long term engineering constraints including storm water, power, water and sewer issues;

- 2.1.6 **Community Space.** Analyze the community spaces, parks, paths, plazas, pocket parks and public gathering areas which exist and which may be changed, or new facilities that may be expected or required;
 - 2.1.7 **Each Property Owner Analysis.** Provide an analysis of the existing property owners, users and/or residents in the likely Project Area and how likely they are to become engaged in actual implementation of the Development Plan;
 - 2.1.8 **Sustainability Constraints.** An analysis of eco-sensitive and overall sustainability constraints;
 - 2.1.9 **Real Estate Market.** An assessment of the local real estate markets and economy by segment (residential, retail/dining, hospitality, office);
 - 2.1.10 **Political Constraints.** Provide an assessment of the political constraint including use limitations within the Project Area.
- 2.2 STEP 2 - Identify Opportunities:** LSI Partners will develop a set of realistic conceptual opportunities for the Development Plan. This process will include:
- 2.2.1 **Physical Improvements.** Possible physical improvements which could include both private and public pursuits including transit stations;
 - 2.2.2 **Major Alternative Designs.** This includes obvious design opportunities that will create value for the entire area. This would also include both private and public elements;
 - 2.2.3 **Strategic Business Uses.** This could include possible strategic business uses, strategic brands, transportation elements and parking;
 - 2.2.4 **Sustainability.** An analysis of eco-sensitive and overall sustainability attributes will most certainly provide some opportunities. LSI Partners will apply Smart Growth initiatives to all programming; and
 - 2.2.5 **Special Circumstances.** This would include an analysis of any special circumstances which could provide meaningful incentives for the redevelopment of the parcel.
- 2.3 STEP 3 - Design Alternatives:** The Development Plan will include the following components:
- 2.3.1 **Conceptual Project Design Plan Alternatives:** Based on the above information, LSI Partners will work with the IBI Group and the City to provide a conceptual narrative description of the Project Design Plan including a process for choosing the Project Design Team. This Project Design Plan Narrative will identify the strategic value generators and elements of the

Project, access and parking elements along with the design/location of the fire station. This Design Plan Narrative will be a big part of the telling the Project Story.

- 2.3.2 **Underlying Project Architectural Studies.** Any architectural studies will be to provide massing of the various uses for the Project (including parking). This is requirement in order for LSI Partners to conceive area summary programming on each level of a building thereby providing a basis for the feasibility analysis for each site or Underlying Project. With the site only 4.26 acres with almost 2 acres dedicated to the fire station and open space, these architectural studies along with some creativity are going to be needed for this particular project.

2.4 Marketing Programs

In LSI Partners experience, the best way to accelerate development is to create value that will be an incentive for property owners and developers to take the risks required to develop. Sound marketing can provide a perceived value increase if it is cogent and credible. In a way, the initial and ongoing marketing or branding of an urban village is as important in creating and maintaining value as the buildings themselves. Whistler, British Columbia is a strong example of this principle. Its village is recognized around the world, but not because the buildings are pretty or highly functional, but because of the ongoing events and experiences that occur there. People have made an emotional connection with Whistler. We need to create that emotional connection with as many people as possible as fast as possible.

- 2.4.1 **Project Story.** Any destination real estate needs a comprehensive “Project Story.” The projects with the best “Stories” have exhibited a better chance to create value, attract quality users and thereby obtain financing. LSI will help the City conceptual its “Project Story” and will be part of the Development Plan.

- 2.4.2 **Project Marketing Plan.** As part of the Development Plan, LSI Partners will create a conceptual marketing for the Project Area. This has the following components:

2.4.2.1 **Initial Absorption.** *An ongoing system to attract users, residents and other developers will be based on the economic feasibility, the Project Story, the timing and the simplicity of the Underlying Project. LSI Partners will include such a program as part of the Development Plan.*

2.4.2.2 **Possible Branding Effort.** *This will be supported by the Project Story and any branding process that may evolve. Branding destinations is not just coming up with a catchy name or creative advertising campaign, but is mainly about making sure that the experiences of guests, users and residents within the Project Area are consistent with the Story or Brand. This is the long term key to success – synchronizing the design elements*

in with the long term experiential aspects of the individual users with the Project Area and effectively telling the Story.

2.5 Conceptual Financing Approach

We have spent a substantial amount of time analyzing a myriad of financial structures for the project that would serve the best interests of the City, and also provide adequate risk-adjusted rates of return on capital. A significant piece of the overall financial viability of the project hinges on the structure and valuation of the land component.

In the course of our underwriting of the development, we have analyzed various building program alternatives, each of which have produced different land valuations. As part of our analysis, we have spent many hours speaking with Starwood about the prospects for a full-service hotel on the site. Given its location, there is strong interest in the opportunity from the hotel brands.

The building program alternatives we have evaluated include a mixed-use combination, anchored by hospitality (both full-service and limited-service), and with and without residential. Given different internal cost of capital requirements for specific product types, these combinations have created a range of lease structures.

Our base case program includes a full-service hotel, with restaurant and retail space. Given the higher risk profile of the full-service hotel, the residual land structure is on the low-end, at approximately \$800,000 per year. Conversely, the lower project budget and cost of capital requirements for limited service hotel product and/or mixed-use programs that also include residential product create higher land values.

Ultimately, we look forward to working with the City to identify an approach that will satisfy the objectives and requirements of all relevant stakeholders.

2.6 Ability to Distinguish and Identify Funding Opportunities

LSI has over 40 years' experience in implementing systems and procedures for identifying potential funding opportunities and matching them with prospective clients. Our process outlined above has been proven effective for many organizations seeking funding from a variety of different sources.

3.0 REFERENCES/LIST OF CLIENTS

DDRM References (Local):

Mayor Tom Dolan, Sandy City, Utah.

Email: smcconkey@sandy.utah.gov

(Office: 801-568-7109)

Mike Davis, County Manager, Wasatch County, Utah

Email: mdavis@co.wasatch.ut.us

(Office: (435) 657-3180)

LSI References

Michael Welsh, Professor, University of Northern Colorado

Email: michael.welsh@unco.edu

(Office: 970-351-2223, Cell: 970-302-9207)

Mary Cardon, Director, Utah SBIR-STTR Assistance Team; A USTAR Project

Email: mcardon@utah.gov

(Office: 801-947-5249)

John Scarsbrough, Business Owner & Client

(Office: 928-300-8776)

4.0 APPENDIX

Ryan Kelly. Prior to joining DDRM in 2004, Mr. Kelly was an associate at Cornerstone Capital Advisors, a boutique real estate investment banking firm. Ryan has served as a Senior Vice President of the Financial Institutions Group at Zion's Bancorporation in Salt Lake City. He also brings to the organization deep financial and strategic experience from his previous experience with the restructuring group of UBS Warburg. Prior to UBS, he worked as a securities analyst with Bel Air Investment Advisors based in Los Angeles. A Partner in DDRM, Mr. Kelly is primarily responsible for financing, and deal structuring. He heads up the LSI venture in fund management and investment banking. He earned his BA from Brigham Young University and his MBA from the Stanford Graduate School of Business. Ryan and his wife, Stephanie, have four children and currently live in Salt Lake City, UT.

David Castleton. Mr. Castleton brings a broad understanding of project management, branded hotels, retailers and residential products to DDRM. The son of a developer, he was raised in his father's housing and hotel projects and has a strong background in hotel operations and marketing. He would regularly tag along to construction sites and understands the renovation and construction issues well. David has been with the DDRM Companies for the past 11 years working under some of the best project managers in the business. He has been a project manager and with his advanced education in advertising and communications, David managed all the sales and marketing efforts for

the St. Regis Deer Valley project in this very difficult economic period, closing all of the sale contracts at full price. David's professional athletic background has primed him for the competitive nature and discipline of the development business. Working long hours on detailed challenges is part of his DNA. Born at Hoag Hospital, David grew up on the beaches of Newport and resides locally with his wife Stacey.

Richard Pope. Mr. Pope oversees all of the property operations issues for DDRM. This includes property systems, legal issues, insurance, parking, capital improvements and union relations. Mr. Pope has a 20-year background in office, retail and hospitality asset management. His reputation among insurers has actually resulted in reduced premiums on many occasions. Mr. Pope comes from an engineering background. He has been with the DDRM related companies since 1985 and has headed the all real estate operations and property management since 1986. Prior to joining DDRM, Mr. Pope was employed by a physicians group for which he managed the development process of several resort properties. He is recognized for his incredible work capacity and attention to detail.

Kate Bowman. With more than a decade of design experience to her credit, Ms. Bowman joined DDRM in 2008. Kate has a diverse background in design and construction documentation in a wide range of project types including: hospitality, performing arts, academic facilities, libraries, corporate, residential, historic, and religious buildings. She credits her success to this diverse design experience which enables her to provide her clients with spaces that uniquely fit their needs and surpass their expectations. Kate oversees all aspects of design within the DDRM Companies. Prior to joining DDRM, Kate worked for more than ten years in Los Angeles, CA for a nationally recognized and highly awarded architectural design firm on projects both in the US and overseas. After moving to Utah, Kate was named an Associate and worked for two years with the largest architecture and design firm in the Intermountain West. Kate graduated from the Fashion Institute of Design and Merchandising in Los Angeles with a degree in Interior Design and later returned to teach there. She managed the highly difficult interior design process at the St. Regis Deer Valley. Her ability to get people with different design agendas in a project to calmly focus on difficult creative issues may be her most valuable attribute.

Mike Scrogam. Mike's incredible focus and work ethic has placed him as DDRM's youngest project manager. Previously, he worked as a major team member on DDRM's pre-development and entitlement team. He has a background in project accounting, contract and budget administration and project financial analysis. Prior to DDRM, while in graduate school, he worked on the planning staff for Mesa County, Colorado performing reviews of submitted real estate projects. He has exhibited strong project leadership skills and tremendous attention to detail. Mike is the project coordinator for the Sandy Project. Mike received his bachelor's degree in Business Management emphasis in Marketing from Brigham Young University-Idaho in 2005. He received his Master of Business Administration (MBA) from Mesa State College in 2007.

Debbie Castleton. Debbie Castleton has been working with the DDRM companies for over four years. She is responsible for advertising and PR issues and coordinates with outside firms. She has also been involved as an assistant project manager and for the several months has been focused on the development of the Brand Architecture of the Sandy Project. Prior to joining DDRM, she worked for ThinkBig Marketing in Southern California. At a young age, her ability to quickly adapt to ever-changing client needs won her a position as Account Manager for the firm's largest client, Buy.com. She was in charge of all Buy.com events, the publishing of its monthly magazine, all photo shoots, and was involved in brand image issues. She has a gift for community outreach, administration and scheduling – a valuable combination in the real estate development business. Debbie graduated from Brigham Young University in 2002 and was also born in Hoag Hospital.

Dianne M. Iskovic. Ms. Iskovic, a CPA, worked with Kenneth Leventhal (Ernst & Young) from 1983 to 1985. A DDRM related company and predecessor hired the firm to do its accounting and tax work and she was assigned to the job as a senior accountant. She eventually joined the DDRM related companies and has served as Assistant Controller until 1987 and Controller until 1994. She has been the Chief Financial Officer since then and has been a large part of the creative financing mechanisms that have funded DDRM projects. Ms. Iskovic holds a BS in Business Economics from UCLA.

LSI RESUMES

Larry Shaw

Senior Business Development Consultant

Mr. Shaw has over 25 years experience in business development and project management with primary emphasis on grant development. He has eleven (11) years of direct grant and contract supervisory experience serving as:

- Executive Director of Research at the University of Northern Colorado (UNC) Research Corporation and Director of Sponsored Programs for the UNC

- Director, Grants and Contracts Office at California State University

As Associate Director for Grants and Contract Development at Columbia Basin Community College, Mr. Shaw is experienced in planning and building favored positions with agencies in pursuit of potential grant and contract opportunities. He is knowledgeable in practical use of technology-based tools and solutions designed to maintain contact with sponsoring agencies, utilizing on-line grant and contract proposal submittals, project reporting and fiscal management tools.

Mr. Shaw is experienced in all facets of project management. His direct experience includes writing and supervising the implementation of a \$7.6 million Technology Innovation Challenge Grant designed to train 2750 teachers on or near the Navajo Indian Reservation. Other examples include writing and supervising the implementation of a \$10 million Star Schools Grant which included a major sub-contract with four major universities for Content Preparation Studio Sites, designed for curriculum development efforts using multimedia and internet resources.

Mr. Shaw is an accomplished facilitator and trainer of a variety of grants and contract development and proposal workshops designed to enhance the skill and abilities of key business personnel, university business faculty, and staff members. He is an experienced mentor working closely with faculty and staff, from all disciplines in identifying, and assisting them in the planning, development of ideas/concepts, writing, and administering their grants and contracts.

Professional Experience

Senior Business Development Consultant, Logistic Specialties, Inc. (LSI)

- Plan and conduct grant and contract writing, business development assistance, and business procurement guidance on behalf of LSI

- Conducted grant and contract writing workshops on behalf of LSI

- Received, planned and assisted the Utah USTAR program in assisting with SBIR and other business development grant proposals

- Assisted LSI with proposal writing and business development activities with the LSI and the Utah Procurement Program

Provide assistance to small business entities in Small Business Innovation Research (SBIR), Small Business Technology Transfer Research (STTR) and contract proposal writing for small business procurement business development opportunities

Employment Resource Specialists, APERSAND Corp., Lima, Peru,

Planned, developed, and conducted employment training programs for small leadership groups

Instructions: Each submittal must be accompanied by a signed Statement of Disclosure. This form must be completed, signed, dated and submitted by all persons proposed to serve as a Consultant Team Member.

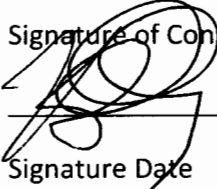
Consultants and proposed Consultant Team Members must disclose any and all business activities, relationships and/or business positions currently or previously held with City employees, City Council members, City commissioners, or City advisory boards/committees within the last five (5) years.

The City has determined that all persons seeking to serve as a Consultant to the City shall complete truthfully, sign, date and submit this Disclosure Statement prior to performing any consultant work or services for the District.

I, Ryan Kelly [NAME OF PROPOSER], hereby certify the following:

- I have no reportable business activities, relationships and/or business positions with any City employees, City Council members, City commissioners, or City advisory boards/committees within the last five (5) years.
- My reportable business activities, relationships and/or business positions within the last five (5) years with City employees, City Council members, City commissioners, or City advisory boards/committees (please provide a description of the business activity, relationship or business position, relevant dates, job titles, positions held, etc.):

The foregoing certifications are true and correct. I make this certification under penalty of perjury under the laws of the State of California.

Signature of Consultant


Signature Date
11/19/12

Printed Name and Title
Ryan Kelly - President

[If necessary, attach a separate sheet(s) detailing each instance]

Instructions: Complete the form below and remit as part of your Proposal as Attachment A.

PROPOSER INFORMATION

PROPOSER/CONSULTANT/ NAME: LSI Partners
ADDRESS FOR NOTICES: 2150 Towne Centre Place Suite 105
Anaheim, CA 92806
MAIN CONTACT (NAME AND TITLE): Stan Castleton
CONTACT NUMBERS: TELEPHONE: 435-729-0098 FAX:
E-MAIL ADDRESS: srcastleton@ddrmgpa.com

FIRM SIGNATURE AUTHORIZATION AND CERTIFICATION

Per the California Corporate Code, Business and Professions Code, the Consultant's Bylaws/Operating Agreement and/or the attached Board Resolution (if applicable), I/we hereby verify that I/we am/are (an) authorized signatory(ies) for the aforementioned Consultant and as such am/are authorized to sign and bind the Consultant in contract with the City of Newport Beach.

1. CONSULTANT AUTHORIZED SIGNATORY(IES):

Handwritten signatures and printed information for Stan Castleton (CEO) and Ryan Kelly (President) dated 11/19/12.

2. SIGNATURE AUTHORIZATION IS PROVIDED IN ACCORDANCE WITH:

- Proposer's Bylaws/ Operating Agreement Section ___ Copy Attached
Board Resolution Copy Attached
Corporate or Business and Professions Code**

**If Consultant is a corporation, two (2) authorized signatories will be required on all documents submitted, unless specified in the organization's Bylaws or corporate resolution.

IMPORTANT NOTE: If the signature authorization status of any individual changes during the term of the contract, it is the responsibility of the Consultant to contact the City Administrator for the Consultant regarding the change and to complete and submit a new Signature Authorization Form. Incorrect information on file may delay the processing of any of the documents submitted.