



FOR IMMEDIATE RELEASE:

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California Names Buyer for Orange County Fairgrounds

Sacramento, Calif. – Today, the Department of General Services announced that it intends to sell the Orange County Fairgrounds in Costa Mesa to Facilities Management West (FMW) of Orange County for \$100 million. FMW and other entities submitted offers in response to the DGS' Request for Proposals dated August 24. The property will be sold "as is" and FMW will make an initial \$20 million payment this year. The State will carry a promissory note in the amount of \$80 million that requires FMW to make annual payments, beginning in two years and lasting for 35 years.

"This sale creates a new revenue stream to help shore up the state budget and prevent further cuts to programs or the need to raise taxes." said DGS Acting Director Ron Diedrich. "I'm pleased that through our patience and perseverance we've truly earned the highest and most certain return for California taxpayers."

Under the terms of the promissory note, FMW will make annual payments on the following schedule:

- \$0 in year 1;
- \$666,667 in years 2-4;
- \$6,762, 591 in years 5-10; and
- \$7,281,806 in years 11-35..

DGS expects to close the sale and transfer ownership to FMW by December 2010.

Last year, the Governor and the Legislature authorized the sale of the 150-acre property as part of a sweeping plan to change how the state manages real estate and create opportunities to raise revenue. The initial high bid of \$56.5 million was rejected by DGS in March after it was determined that offer would not obtain the highest, most certain return for the state. In June, the State reached a tentative deal to sell the property to the City of Costa Mesa for \$96 million; however, legislation was never enacted authorizing the department to move forward with that sale.

The Department of General Services acts as the business manager for the State of California, with more than 4,000 employees and a budget in excess of \$1 billion. DGS helps state government better serve the public by providing services to state agencies including innovative procurement and acquisition solutions, creative real estate management, leasing and design services, environmentally friendly transportation, and architectural oversight and innovative funding for the construction of safe schools.

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