



**For Immediate**

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### **Agreement Reached to Sell OC Fairgrounds**

*The Orange County Fairgrounds Authority offers \$96 Million for the Fairgrounds*

**Sacramento, CA--** Today, the state and the Orange County Fairgrounds Authority (Joint Powers Authority that includes the City of Costa Mesa and the Costa Mesa Public Finance Authority) have reached a tentative agreement for the sale of the Orange County Fairgrounds for \$96 million. The deal was reached after months of negotiations and requires legislative approval of the final details.

“This is an excellent opportunity for the local government to gain control of this valuable asset while guaranteeing the state will receive revenue that is critical to help shore up our state budget,” said State and Consumer Services Agency Secretary Bill Leonard. “The agreement is a win-win for California taxpayers and the citizens of Costa Mesa as the fairgrounds will continue to be owned and run by local entities.”

The Legislature approved the sale of the OC Fairgrounds in last year’s budget. But, since this agreement involves a third party it requires additional legislative approval that the Administration will work with the City to gain. Once legislation is passed and the sale is concluded, the fairgrounds will be owned and managed by the Orange County Fairgrounds Authority. The City of Costa Mesa will partner with Facilities Management West of Orange County (O.C. Fair Amphitheater Market and Expo, LLC) to run the fair and events.

The Orange County Fairgrounds Authority will immediately pay the state \$19.2 million of the \$96 million sale price. The state has agreed to carry a promissory note for the balance over 40 years at 5 percent interest. For the first four years, the new owner will invest revenue in enhancing the fairground's value. After four years, the state will receive principle payments plus the accrued 5 percent interest for the remaining thirty-six year term of the note.

In January, the Department of General Services (DGS) held a public auction to sell the fairgrounds after 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 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.

