

FACILITIES MANAGEMENT WEST, INC.

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May 3, 2010

City Council Katrina Foley and Gary Monaghan
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626

Dear Honorable Council Members Foley and Monaghan:

In the past three weeks, it has been our pleasure to meet confidentially with you twice in your capacity as a City Council subcommittee considering Costa Mesa's municipal response to the proposed sale of the Orange County Fair and Event Center by the State of California.

We appreciate the very professional and courteous guidance of your talented staff, as well as your patient and constructive efforts to convey the thinking, vision and concerns of the city's representatives.

In the spirit of the confidential process underway, we have shared detailed management and operational approaches we would employ if our group has the honor and opportunity to own and manage the fairgrounds. We will simply summarize key points in this letter, which we invite you to share with your colleagues as the city approaches a final decision on how to respond to the state's deadline for action.

Facilities Management West, Inc., represents three multi-generational Orange County families and investors who love the Orange County Fair and are prepared to commit substantial resources to see it – and its associated exposition facilities – improved for the long-term enjoyment of the public and the community.

Our proposal is a simple, uncomplicated, straight-forward purchase. It does not require or anticipate the financial involvement of the City of Costa Mesa, nor does it expose the taxpayers of the city to any future unanticipated costs or financial liability. It satisfies each of the eight goals and objectives outlined by the City Council.

Significantly, our plan does not contemplate public ownership of the fairgrounds. But it is structured in ways that respect, honor and address the most significant historic concerns expressed by the city and its residents regarding operations at

the site. In this sense, we anticipate a public-private collaboration and ongoing alliance to assure that the year-round fairground operations are run well and in the best interests of the broad surrounding community. We are local, community oriented, accessible, accountable, and we are confident we can make the fairgrounds a better, more varied and more appealing gathering place for the public, young and old.

Put most simply, we are prepared to purchase the fairgrounds, at pricing consistent with the state's proposal and the city's response. This transaction poses absolutely no risk to the City of Costa Mesa, now or anytime in the future; no outlay of taxpayer funds for purchase, maintenance, improvements or operations; and, no exposure to future municipal liability or costs for staffing and management of the fairgrounds.

Paramount to us is the continued successful operation of our annual fair in a manner that honors the integrity and traditions of its agricultural roots, and which has made our "small town" fair iconic among urban fairs in the state. To do so, we will engage a sophisticated advisory group, well versed in the history, priorities, and special relationships that have contributed to the success and diversity of the fair attractions. Specifically:

- * Our public-private alliance anticipates the private purchase, improvement, maintenance and operation of the fair by local owners, but with formal, binding covenants and agreements with the City of Costa Mesa that the fairground operations will be consistent with the city's existing land use plans (including those that might be imposed by a pending initiative), zoning restrictions, and nuisance ordinances.

- * Property and exposition facilities will be professionally managed marketed and operated using national best practices that focus on customer satisfaction.

- * We are prepared to devise a satisfactory mechanism that will produce new and ongoing city revenues from fairground operations, and have discussed possible options with the city.

- * We will review all existing agreements between the fair and community groups with a bias toward continuing those relationships and understandings. Our intention is to aggressively engage the community, and increase the use of fair facilities for community events and organizations.

- * We will pay particular attention to operational concerns posed to residents living nearest to the fairgrounds, and most impacted by it.

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In short, we believe we have the available resources and sophisticated expertise to noticeably improve the operations of the fair and other activities on the 150-acre fairgrounds site.

And, we believe our proposed public-private collaboration aligns our interests with those of the city and its residents in the most imaginative, promising and cost-effective way to achieve our shared goal to retain the fair and exposition facilities for the increased enjoyment of the public.

To date, the City Council has only expressed its strong preference for a “publicly financed option” in which the city would gain ownership and management oversight of the fairgrounds. We believe that given the alternative detailed proposal that we have advanced, there is a more advantageous alternative for the city. Before we proceed to more detailed negotiations with the city, we, therefore, respectfully request that the council indicate a desire to entertain a “privately financed option” that achieves the city’s eight key objectives without a future financial risk on the city and its taxpayers..

We seek a positive, constructive and respectful relationship with the City of Costa Mesa, its representatives, and its residents – many of whom will be our neighbors and customers -- as we pursue a mission to create an even more valuable, attractive, enjoyable and utilized year-round multi-use community asset and source of community pride.

Thank you for your consideration.

Most cordially,

Facilities Management West, Inc.

By: _____

Guy W. Lemmon

cc: City Manager Allan Roeder