

SPECIAL MEETING OF THE

CITY OF COSTA MESA CITY COUNCIL

May 10, 2010

The City Council of the City of Costa Mesa, California met in a Special Meeting on Monday, May 10, 2010, at 4:35 p.m. in the City Council Chambers, 77, Fair Drive, Costa Mesa. The meeting was called to order by Mayor Mansoor.

I. ROLL CALL:

Council Members Present: Mayor Allan R. Mansoor
Mayor Pro Tem Wendy Leece
Council Member Eric R. Bever
Council Member Katrina Foley
Council Member Gary Monahan

Council Members Absent: None

Officials Present: City Manager Allan Roeder
Assistant City Manager Thomas Hatch
City Attorney Kimberly Hall Barlow
City Clerk Julie Folcik

(Council Member Bever exited the meeting at 6:05 p.m.)

II. PUBLIC COMMENT

Ed Fawcett, President of the Costa Mesa Chamber of Commerce, noted the Chamber's support of the city to negotiate for the operation of the Orange County Fair and Event Center with American Fairs and Festivals, and Advanced Real Estate Services, noting their experience and operations knowledge in the event management of fairgrounds.

The following speakers also noted their support of the city negotiating with American Fairs and Festivals in the operation of the OCFEC: Jason Segal, Huntington Beach, Enrique Perez, Santa Ana; James Daily, Irvine, Gerry Trubio, Newport Beach, and Todd Main, Newport Beach,

Ron Granados, Moreno Valley, and chairman of Granados Partners, opined that "this was the wrong thing to do right now." He suggested that a larger scale operator would be better in optimizing the profits of the property and felt that there were other uses for the 150 acres that would be of greater benefit to the community and suggested such ideas as a library, museum, and water park.

Joy Williams, Costa Mesa, read a self authored constitution to support the city’s acquiring and operation of fairgrounds for that of public ownership and business transparency, and expressed support of an agreement with the American Fairs and Festivals.

Guy Lemon, Facilities Management West, Inc., noted the background of the firm in managing event parks and fairs describing it as “multigenerational”, and expressed that the company shares the City’s interest to “see the fair and event center activities continue.” As presented in their proposal he noted the foundational key component’s of their proposal which included: that they were financially strong, would continue to operate the fair and facilities of the center as they are utilized today, would seek to enhance economic activity and economic revenue for the city, and to improve existing facilities, and were committed to welcoming community groups for their meetings and special events

MOTION: To grant additional time and allow the speaker to finish his comments. Motion moved by Council Member Katrina Foley, seconded by Mayor Pro Tem Wendy Leece.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric R. Bever, Council Member Katrina Foley, Council Member Gary Monahan.

Noes: None.

Absent: None.

Mr. Lemon continued with his comments relative to governance of the property and expressed that they have would offer the city to consider municipal ownership in 10, 20 or 30th years. Lastly he noted that they were interested in working with other interested parties and stakeholders to “bring the fairgrounds into a higher level of operation.”

Chris McEvoy, Costa Mesa, expressed disappointment in the Council’s decision from the last meeting to enter into an agreement with volunteer consultants as part of the negotiating process for the fairgrounds. He expressed support for the city to enter into negotiations with American Fairs and Festivals for the operations of the fairgrounds and felt that the property should be a public asset not a private one.

Sandra Genis, urged the Council to keep the fairgrounds “in public hands,” and encouraged that they make more of the information, regarding negotiations, public.

Robin Leffler, Costa Mesa, requested that the Council not entertain any consideration of private ownership of the fairgrounds, and urged them to keep the proceedings transparent and accountable. She also expressed concern regarding the agreement with the volunteer consultants, decided at the last meeting.

III. CLOSED SESSION

1. Conference with Real Property Negotiators – Property: 88 Fair Drive. Agency Negotiator: Allan Roeder, City Manager. Negotiating parties: State of California; American Fairs and Festivals, Inc; Advanced Real Estate Services; Facilities Management West, Inc. Under negotiation: price, terms of payment. Pursuant to Government Code Section 54956.8.

The Mayor recessed the meeting to conference Room 1B at 4:58 p.m. for the closed session.

The Mayor reconvened the special meeting at 5:57 p.m.

REGULAR AGENDA ITEM

2. Ranking of private proposals for potential ownership/operation of the Orange County Fair & Exposition Center, 88 Fair Drive; authorization to enter into negotiations.

City Manager Allan Roeder presented the staff report mentioning that two proposals from private firms interested in the managing the operations of the OCFEC were received. He noted the recommended ranking of the proposals, made after careful scrutiny by the City's negotiating team. The Council was informed that following recommended ranking was:

1. American Fair and Festivals/Advance Real Estate Services; and
2. Facilities Management West, Inc.

It was further indicated that negotiations would proceed with the firm ranked first and if unable to come to an agreement then negotiations would continue with the firm ranked next.

MOTION: Rank the two proposers in the following order:

- 1. American Fairs and Festivals and Advanced Real Estate Partners,**
- 2. Facilities Management West Inc.; and directed the City Attorney to prepare an exclusive negotiating agreement with American Fairs and Festivals Inc and Advance Real Estate Partners and authorize the City Manager to execute on behalf of the City.**

Motion moved by Council Member Gary Monahan, seconded by Council Member Katrina Foley.

Mayor Mansoor commented that he would not be supporting the motion and expressed that he had concerns relative to the timeframe that the State had placed in putting together a proposal and he questioned where the money to fund the purchase would come from.

Chris McEvoy, Costa Mesa, encouraged the Council to “go for it,” and to take the opportunity to acquire the fairgrounds.

Sandra Genis, Costa Mesa, expressed gratitude for all whom had worked on this issue and to be, at this point, in negotiations with an operator for the fairgrounds. She also encouraged the council to continue to move forward in the negotiations.

The City Attorney responded to questions from the Council regarding the timeframe in which to present the proposal to the Governor’s Office and noted for the council that any agreement with the State would be made public. She also advised that there was still work to be done.

The City Manager reaffirmed for the Council that no money from the General Fund would be used in the purchase of the fairgrounds.

The vote for the motion on the floor was taken and carried by the following roll call vote:

Ayes: Mayor Pro Tem Wendy Leece, Council Member Katrina Foley, Council Member Gary Monahan.

Noes: Mayor Allan R. Mansoor.

Absent: Council Member Eric R. Bever.

IV. ADJOURNMENT:

The Mayor adjourned the special meeting was adjourned at 6:24 p.m.