STAFF REPORT
CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: David Ott, City Manager
MEETING DATE: July 8, 2009
ORIGINATING DEPT: City Managers Department
SUBJECT: Save the Fairgrounds

BACKGROUND:
In mid-May, 2009, California Gov. Arnold Schwarzenegger proposed the sale of many high-profile state-owned properties, one of which is the Del Mar Fairgrounds (Fairgrounds), in an effort to raise money to help balance the state budget. The Governor's office cited the Del Mar Fairgrounds as the state's most valuable commercially used property, with a value today estimated between $350 million and $650 million.

DISCUSSION:
The Fairgrounds was established in 1936 using no state money to buy the property or construct any of the buildings. The purchase of the land and initial construction was primarily funded by a $500,000 grant from the Works Progress Administration. Currently, no tax dollars are used to run the facility; it is completely self-funded through its five major annual events and hundreds of annual consumer and trade shows. The Fairgrounds, as it is currently operated, is a significant contributor to the regional economy in the following ways:

- $400 million dollar annual economic impact to San Diego County
- 5,000 full-time equivalent jobs
- 300 annual events – provides opportunities for small businesses, entrepreneurs and charities

Some other significant benefits that the Fairgrounds provide are:

- Designated evacuation site - Sanctuary for 2,000 people, 2,600 horses and hundreds of pets during the 2003 and 2007 wildfires.
- San Diego County Fair – 6th Largest in the United States
- Don Diego Scholarship Fund - Since 1986, the Fund has awarded $513,000 in college scholarships and grants for agricultural education.

CITY COUNCIL ACTION:

AGENDA ITEM
C.6
- Del Mar Thoroughbred Racing - Horse racing is a $3.9 billion dollar industry for the state and creates 48,000 jobs statewide. The success of racing in California is dependent on Del Mar.

The potential sale of the Fairgrounds to a private company may jeopardize the significant contributions to the regional economy as well as a potential loss of public use.

**CEQA COMPLIANCE STATEMENT:**
Not a project as defined by CEQA.

**FISCAL IMPACT:** N/A

**WORKPLAN:** N/A

**OPTIONS:**
- Approve Staff recommendation
- Deny Staff Recommendation and provide direction to staff.

**DEPARTMENT RECOMMENDATION:**
Staff recommends the City Council:

1. Adopt Resolution No. 2009-084 supporting the "Save the Fairgrounds" campaign.

**CITY MANAGER’S RECOMMENDATION:**
Approve Department Recommendation.

David Oft, City Manager

Attachment 1: Resolution No. 2009-084
RESOLUTION 2009-084

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SOLANA BEACH, CALIFORNIA, SUPPORTING THE SAVE
THE FAIRGROUNDS CAMPAIGN

WHEREAS, in mid-May, 2009, California Gov. Arnold Schwarzenegger proposed the sale of many high-profile state-owned properties, one of which is the Del Mar Fairgrounds (Fairgrounds), in an effort to raise money to help balance the State budget; and

WHEREAS, the Fairgrounds was established in 1936 using no State money to buy the grounds or construct any of the buildings; and

WHEREAS, the Fairgrounds, as it is currently operated, is a significant contributor to the regional economy; and

WHEREAS, the Fairgrounds also provides significant additional benefits to the local area; and

WHEREAS, the potential sale of the Fairgrounds to a private company may jeopardize the significant contributions to the local economy and result in a potential loss of public use.

NOW, THEREFORE, the City Council of the City of Solana Beach, California resolves as follows:

1. That the above recitations are true.
2. That the City Council supports the Save the Fairgrounds campaign.

PASSED AND ADOPTED this 8th day of July 2009, at a regularly scheduled meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSENT: Councilmembers –
ABSTAIN: Councilmembers –

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MIKE NICHOLS, Mayor

APPROVED AS TO FORM: ATTEST:

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JOHANNA N. CANLAS, City Attorney ANGELA IVEY, City Clerk

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ATTACHMENT 1