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## Fairgrounds buy won't impact San Clemente outlet center plan

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### Story Highlights

Developer Steve Craig says he only plans to enhance Costa Mesa site, not build outlets there.

Outlet developer [Steve Craig](#) said today that his winning bid to buy the Orange County Fairgrounds in Costa Mesa will have "no impact whatsoever" on his plan to build a 640,000-square-foot outlet center in San Clemente.

He said he plans to proceed with the \$200 million Plaza San Clemente outlet center as soon as he can while also acquiring the 150-acre O.C. Fairgrounds site and enhancing it.



Last July, Steve Craig describes the layout for his proposed outlet center with help from then-San Clemente Mayor Lori Donchak during a walking tour of the site.  
*FRED SWEGLES, THE ORANGE COUNTY REGISTER*

Craig, of Newport Beach, said that he and investor Dwight Manley of Irvine have "no plans on building any type of outlet center or anything related to that" on the fairgrounds site.

"We think the operation as it is today can be made to be a more viable operation ... through the private sector using their experience and expertise," Craig said. "Our plan is to look at ways to enhance this facility and not detract from it."

Craig Realty Group won with a bid of \$56.5 million. The state is seeking to auction off the fairgrounds in the face of a \$20 billion state-government deficit. A contract could be finalized in the spring, after an evaluation period during which the state could accept or reject the bid.

Craig's San Clemente project stalled in Jan., 2008, when SunCal Marblehead LLC, developer of 248 acres at the Avenida Vista Hermosa exit of I-5 was unable to complete grading, road-building and other infrastructures. SunCal – proposing 308 Marblehead Coastal homes, parks, trails and canyon preserves – sold 52 acres to Craig, agreeing to deliver a graded, prepared site.

Craig said he is ready to go, if the final 15 percent of site preparations are completed and the land is delivered to him. The LLC has been in bankruptcy proceedings, seeking to free up funds to get back on track, while the city is asking a court to release bonds so infrastructures can be completed.

"We continue to be full steam ahead in getting Marblehead under way in 2010," Craig said, voicing hope that the city's action against the bonding company will soon win release of funds to finish the site.

Once construction begins, the first phase could take a little more than a year, Craig said.



