

REPORT OF GENERAL MANAGER

APPROVED
DEC 11 2008

NO. 08-325

DATE December 11, 2008

**BOARD OF RECREATION
and PARK COMMISSIONERS**

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: 6TH AND GLADYS STREET PARK - GIFT AGREEMENT WITH NIKE USA, INC., AND THE LA84 FOUNDATION FOR THE RESURFACING OF AN EXISTING OUTDOOR BASKETBALL COURT

R. Adams	_____	J. Kolb	_____
V. Israel	_____	F. Mok	_____
H. Fujita	_____	K. Regan	_____
S. Huntley	_____	*M. Shull	<i>M. Shull</i>

[Signature]
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve a proposed Gift Agreement (Agreement), substantially in the form on file in the Board Office, with NIKE USA, Inc. (Nike) and the LA84 Foundation (LA84 Foundation) for the donation consisting of the resurfacing of an existing outdoor basketball court at 6th and Gladys Street Park, subject to the approval of the Mayor and the City Attorney as to form;
2. Direct the Board Secretary to transmit the proposed Agreement to the Mayor in accordance with Executive Directive No. 3, and concurrently to the City Attorney for review and approval as to form;
3. Authorize the Board President and Secretary to execute the Agreement upon receipt of the necessary approvals.

SUMMARY:

As a gift to the City of Los Angeles (City), Nike and the LA84 Foundation (collectively referred to as Donors) have offered to resurface the existing outdoor basketball court (Court) at 6th and Gladys Street Park (Project), located at 824 East 6th Street, Los Angeles, CA 90013. This is only one of several sites at which Nike and LA84 Foundation have made generous donations of various field and court resurfacing projects. Donors and the Department of Recreation and Parks (Department) wish to continue this valuable relationship in the future to continue providing the youth of Los Angeles

REPORT OF GENERAL MANAGER

PG. 2 NO. 08-325

with opportunities to play and train on state-of-the-art athletic facilities. Any additional sites and projects identified and mutually agreed to by the Department and Donors in the future, shall be considered separate from this Agreement.

The Court shall be resurfaced by the Donors through Nike's "Let Me Play" program. The Let Me Play program provides grants to community groups and government entities to support the promotion of sport in an effort to get youth active and to promote positive social change. The Project shall be completed at no cost to the City. Nike and/or LA84 Foundation shall contract with Ace Surfaces North America, (N.A.) Inc. (Court Contractor), for the resurfacing of the Court with synthetic, "Nike Grind" materials, at a total project value of \$16,870.

Nike Grind is a component of Nike's Corporate Responsibility initiative, which strives to reduce the environmental footprint created from the production of athletic footwear. Worn-out athletic shoes of any brand are collected through Nike's Reuse-A-Shoe program, along with manufacturing scrap, and processed into three products collectively known as Nike Grind; including Nike Grind rubber, foam, and upper fabric. To date, nearly 25 million pairs of athletic shoes have been recycled through this first-of-its-kind program.

Nike has partnered with market-leading sports surface providers such as Ace Surfaces, N.A., Inc., which utilize these materials to create sustainable, high-quality, high-performance sports surfaces. Not only are these products better for the environment and the players, but they are also more cost effective. Court Contractor has several product lines of synthetic surfaces. The surface product proposed to be installed at 6th and Gladys Street Park is the Rebound Ace Pro International.

Under the proposed Agreement, Donors shall be responsible for the timely completion of the Project, including payment to the Court Contractor for all Project related costs, and ensuring that the work is done and completed pursuant to the terms and conditions of a right-of-entry permit issued by the Department. The location of the court within the site is illustrated on the site plan attached hereto as Exhibit-A. The resurfacing process is anticipated to last approximately fourteen (14) days.

The plans and specifications for the proposed Project have been reviewed and approved by staff from the Department's Planning and Development Division. Department staff shall assist the Court Contractor, Ace Surfaces N. A., Inc., in obtaining all necessary permits, authorizations and consents, as well as right of entry to the project location to perform the necessary work. Nike and its affiliated vendors have worked successfully with City staff in the past on similar projects, such as the installations of synthetic soccer fields at Glassell, Algin Sutton, and Lafayette Recreation Centers, as well as with the installation of a synthetic basketball court at Green Meadows Recreation Center. There are presently five (5) sites undergoing field and court improvements funded by Donors: Hubert Humphrey Recreation Center synthetic athletic field, and indoor basketball court refurbishments at the Lincoln Park, Harbor City, Ramona Gardens, and Central Recreation Centers.

REPORT OF GENERAL MANAGER

PG. 3 NO. 08-325

In exchange for this generous gift and with the understanding that the term of the proposed agreement is three (3) years from the date of its execution, the Department will agree to terms and conditions including, but not limited to, the following:

1. Maintaining the Court in a safe and attractive manner consistent with the Donors' image and reputation, the terms and conditions of the product warranty, and appropriate industry and community standards;
2. Acknowledging Nike and LA84 Foundation as Donors on applicable Department written materials, news releases, and related marketing or publicity including, but not limited to, a "kick-off" press conference and/or Court dedication ceremony;
3. Assisting and cooperating in mutually acceptable dedication events at the Court;
4. Allowing Nike and LA84 Foundation the right to publicize, show photographs, and use the name of the fields and otherwise promote the Donors' contribution;
5. Allowing Nike and LA84 Foundation the right to use the Court from time to time for sports events, upon reasonable notice and subject to the approval of the Department;
6. Allowing Nike and LA84 Foundation incorporate their logo(s) and/or trademark(s) as part of the Court design, subject to the Department's prior review and approval.
7. Allowing Nike and LA84 Foundation the right (but not the obligation) to place and remove, on or around the Courts, their logo(s), trademark(s), and other signage, marks and/or insignia as related to events held at the Court, subject to the approval of the Department; and,
8. Allow Nike and LA84 Foundation to operate a booth or similar area for strictly promotional purposes at Nike and/or LA84 Foundation events held at the Court.

The performance of the above requirements shall not interfere with Department programming and prescheduled events at the Court. Donors will coordinate with the Department prior to committing the Court to any events not operated by the Department.

Staff has determined that this project will be realized through the provisions of an agreement between the Department and the partnership of Nike USA, Inc., and LA84 Foundation, which will consist of the resurfacing of an existing outdoor basketball court, referred to as "Court," at 6th and Gladys Street Park. The Court is an accessory to the existing park facilities and its resurfacing will constitute minor remodeling and construction that will result in negligible or no expansion of use. Therefore, the Project has been determined to be exempt from the provisions of the California

REPORT OF GENERAL MANAGER

PG. 4 NO. 08-325

Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1 (1) of the City CEQA Guidelines.

The Assistant General Manager of Operations East and the Superintendent of the Metro Region support the recommendations contained in this report.

FISCAL IMPACT STATEMENT:

This project should not have any impact on the Department's General Fund, as the costs of resurfacing the Court will be funded and contracted entirely by Nike and LA84 Foundation at their sole expense.

This report was prepared by Joel Alvarez, Senior Management Analyst from the Department's Real Estate and Asset Management Section.

EXHIBIT-A

6th and Gladys Street Park Site Plan

Nike USA, Inc. and LA84 Court Resurfacing
(Additional Park Improvements not part of this Project)

