

APPROVED
JUL 09 2008

REPORT OF GENERAL MANAGER

NO. 08-196

DATE July 9, 2008

**BOARD OF RECREATION
and PARK COMMISSIONERS**

C.D. 8

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: ALGIN SUTTON RECREATION CENTER - GIFT AGREEMENT FOR THE DONATION OF A SYNTHETIC PLAY-COURT FROM NIKE, INC. AND THE LA84 FOUNDATION

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

Richard [Signature]
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the proposed Gift Agreement, substantially in the form on file in the Board Office, with Nike Inc. (Nike) and the LA84 Foundation (LA 84) for the donation of a synthetic play-court to replace an existing volleyball court at the Algin Sutton Recreation Center.
2. Direct the Board Secretary to transmit the proposed Agreement concurrently to the Mayor in accordance with Executive Directive No. 3, and to the City Attorney for review and approval as to form; and,
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 LA 84 (collectively referred to as Donors) have offered to install a synthetic, multipurpose field referred to as a "Play-Court" by the manufacturer, to replace an existing volleyball court at the Department of Recreation and Park's (Department) Algin Sutton Recreation Center located at 8800 Hoover Street, Los Angeles, 90044. The Play-Court, which consists of approximately the same dimensions as the volleyball court, shall be purchased and installed by Nike 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

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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 shall contract with Kompan, Inc., for the installation of the Play-Court, valued at \$196,000. Under the proposed Agreement, the Donors shall be responsible for the Play-Court installation and ensuring its completion.

The Play-Court shall be made primarily of "Nike Grind" (recycled shoe) materials. Nike Grind Products is a licensed, environmentally friendly and safe, synthetic materials manufactured from recycled athletic shoes under the Nike Reuse-A-Shoe program. Nike takes manufacturing waste-material such as cut strips and pieces of shoe rubber and material, returned athletic shoes that have manufacturing flaws, and post-consumer athletic shoes which are either worn-out or outdated, and shreds, grinds and processes the materials to create Nike Grind Products. Nike represents that by using Nike Grind Products to construct athletic fields, the environment is being spared from a vast amount of waste materials being dumped into it. For each field constructed, approximately 75,000 pairs of shoes and many, many pounds of rubber manufacturing waste won't end up in landfills.

The plans and specifications for the proposed Play-Court were reviewed and approved by staff from the RAP's Planning and Development Division. The Donors will be responsible for demolition of the existing volleyball court and the Play-court's installation shall be overseen by Pacific Region staff. The Department shall assist the contractor, Kompan 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 and Lafayette Recreation Centers, as well as with the installation of a synthetic basketball court at Green Meadows Recreation Center.

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 Play-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 as donor partners on applicable Department written materials, news releases, and related marketing or publicity including, but not limited to, a "kick-off" press conference and Play-Court dedication ceremony;
3. Assisting and cooperating in mutually acceptable dedication events at the Play-Court;
4. Allowing Nike and LA84 the right to publicize, show photographs, and use the name of the fields and otherwise promote the Donors' contribution;

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5. Allowing Nike and LA84 the right to use the fields from time to time for sports events, upon reasonable notice and subject to the approval of the Department;
6. Allowing Nike and LA84 the right (but not the obligation) to place and remove, on or around the fields, their logo(s), trademark(s), and other signage, marks and/or insignia as related to events held at the fields, subject to the reasonable approval of the Department; and,
7. Allow Nike and LA84 to operate a booth or similar area for strictly promotional purposes at Nike and/or LA84 events at the Play-Court.

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

Environmental:

Staff has determined that this project will be realized through the provisions of an agreement between the Department and the partnership of Nike, Inc. and LA84 Foundation, to cause the construction of a synthetic multipurpose playing field, referred to as a "Play-Court," at Algin Sutton Recreation Center. The Play-Court will be an accessory facility to the existing recreational uses at the park. Therefore, the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1d, Class 4, Category 7 and Section 1k, Class 11, Category 6 of the City CEQA Guidelines.

Staff has discussed the proposed project with the Assistant General Manager of Operations East, the Superintendent of the Metro Region, and the Office of Councilmember Bernard Parks of the Eighth Council District, and each supports the project and concurs with staff's recommendations.

FISCAL IMPACT STATEMENT:

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

Although the future maintenance of the Play-Court will be part of the Department's annual maintenance budget for this facility, future expenses are anticipated to decrease as the upkeep of synthetic fields is much less expensive than that of natural turf fields, with no irrigation, fertilizer, or mowing being required.

This report was prepared by Joel Alvarez, Senior Management Analyst I, of the Real Estate and Asset Management Section.