

# 2<sup>ND</sup> NOTICE OF MEETING RELOCATION

2016 SEP 12 AM 9:23

CITY OF LOS ANGELES  
BOARD OF RECREATION AND PARK COMMISSIONERS

September 12, 2016

NOTICE IS HEREBY GIVEN that the Meeting of the Board of Recreation and Park Commissioners scheduled to be held at 9:30 A.M. on Wednesday, September 21, 2016 in the Eagle Rock Recreation Center Gymnasium, 1100 Eagle Vista Drive, Los Angeles, CA 90041, has been **relocated**. **The Meeting of the Recreation and Park Commissioners will be held in the EXPO Center Comrie Hall at 9:30 a.m., 3980 South Bill Robertson Lane, Los Angeles, CA 90037.**

NOTICE IS ALSO HEREBY GIVEN that the Meeting of the Commission Task Force on Concessions scheduled to be held at 9:00 A.M. on Wednesday, September 21, 2016 in the Eagle Rock Recreation Center Youth Center, 1100 Eagle Vista Drive, Los Angeles, CA 90041, has been **relocated**. **The Meeting of the Commission Task Force on Concessions will be held in the EXPO Center Kids in Sports Room at 8:30 a.m., 3980 South Bill Robertson Lane, Los Angeles, CA 90037.**

NOTICE IS ALSO HEREBY GIVEN that the Meeting of the Commission Task Force on Facility Repair and Maintenance scheduled to be held at 8:30 A.M. on Wednesday, September 21, 2016 in the Eagle Rock Recreation Center Youth Center, 1100 Eagle Vista Drive, Los Angeles, CA 90041, has been **relocated**. **The Meeting of the Commission Task Force on Facility Repair and Maintenance will be held in the EXPO Center Teen Workshop Room at 8:30 a.m., 3980 South Bill Robertson Lane, Los Angeles, CA 90037.**

BOARD OF RECREATION AND  
PARK COMMISSIONERS



ARMANDO X. BENCOMO  
Commission Executive Assistant II

**\*\* SPECIAL MEETING \*\***  
**AGENDA**

**BOARD OF RECREATION AND PARK COMMISSIONERS  
OF THE CITY OF LOS ANGELES**

**Wednesday, September 21, 2016 at 9:30 a.m.**

**EXPO Center Comrie Hall  
3980 South Bill Robertson Lane  
Los Angeles, CA 90037**

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SYLVIA PATSAOURAS, PRESIDENT  
LYNN ALVAREZ, VICE PRESIDENT  
MELBA CULPEPPER, COMMISSIONER  
MISTY M. SANFORD, COMMISSIONER

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EVERY PERSON WISHING TO ADDRESS THE COMMISSION MUST COMPLETE A SPEAKER'S REQUEST FORM AT THE MEETING AND SUBMIT IT TO THE COMMISSION EXECUTIVE ASSISTANT PRIOR TO THE BOARD'S CONSIDERATION OF THE ITEM.

PURSUANT TO COMMISSION POLICY, COMMENTS BY THE PUBLIC ON AGENDA ITEMS WILL BE HEARD ONLY AT THE TIME THE RESPECTIVE ITEM IS CONSIDERED, FOR A CUMULATIVE TOTAL OF UP TO FIFTEEN (15) MINUTES FOR EACH ITEM. ALL REQUESTS TO ADDRESS THE BOARD ON PUBLIC HEARING ITEMS MUST BE SUBMITTED PRIOR TO THE BOARD'S CONSIDERATION OF THE ITEM. COMMENTS BY THE PUBLIC ON ALL OTHER MATTERS WITHIN THE SUBJECT MATTER JURISDICTION OF THE BOARD WILL BE HEARD DURING THE "PUBLIC COMMENTS" PERIOD OF THE MEETING. EACH SPEAKER WILL BE GRANTED TWO MINUTES, WITH FIFTEEN (15) MINUTES TOTAL ALLOWED FOR PUBLIC PRESENTATION.

1. CALL TO ORDER AND SPECIAL PRESENTATIONS

- Introduction of EXPO Center Staff

2. APPROVAL OF THE MINUTES

- Approval of Minutes for the Special Meeting of September 9, 2016
- Approval of Minutes for the Special Supplemental Agenda of September 9, 2016

3. NEIGHBORHOOD COUNCIL COMMENTS

- Discussion with Neighborhood Council Representatives on Neighborhood Council Resolutions or Community Impact Statements Filed with the City Clerk Relative to Any Item Listed or Being Considered on this Board of Recreation and Park Commissioners Meeting Agenda (Los Angeles Administrative Code 22.819; Ordinance 184243)

4. CONTINUED BOARD REPORTS

- 16-185      2024 Olympic and Paralympic Games – Use of Various Department Facilities; Venue Use Agreement with the Los Angeles 2024 Exploratory Committee; Statutory Exemption from the California Environmental Quality Act (CEQA) Pursuant to Section 15272 of the State CEQA Guidelines

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5. BOARD REPORTS

- 16-198 Griffith Park – Greek Theatre – Amended Contract with SMG for Oversight Management to Exercise First Option to Extend and Amend Contract Terms; Amendment to the User Agreement, Booking and Ticket Policies and Event Volume Incentive Program
- 16-199 Hollywood Recreation Center – Pool and Pool Building (PRJ1402B) (W.O. #E170344F) Project – Release of Stop Notice on Construction Contract No. 3454
- 16-200 South Park Recreation Center – Northwest Synthetic Soccer Field Improvement (PRJ20812) (W.O. #E1907808) Project – Acceptance of Stop Payment Notice on Construction Contract No. 3468
- 16-201 Woodland Hills Recreation Center – Park Renovations (W.O. #E1907454) – Acceptance of Stop Payment Notice on Construction Contract No. 3515
- 16-202 Lincoln Heights Recreation Center – Mural Restoration; Exemption from the California Environmental Quality Act (CEQA) Pursuant to Article VII, Section 1, Class 1(1), of the City CEQA Guidelines
- 16-203 Hollywood Recreation Center – Installation of Tile Mural; Exemption from the California Environmental Quality Act (CEQA) Pursuant to Article III, Section 1, Class 11(6), of the City CEQA Guidelines
- 16-204 Venice of America Centennial Park – Installation of Public Art
- 16-205 Oro Vista Park – Fitness Area (PRJ21047) Project – Final Plans; Allocation of Quimby Funds; Exemption from the California Environmental Quality Act (CEQA) Pursuant to Article III, Section 1, Class 3(6), Class 11(3,6) of the City CEQA Guidelines
- 16-206 Rancho Cienega Sports Complex – (Phase 1 – PRJ20308) (Phase 2 – PRJ21049) (W.O. #E1907694) – Adopt the Initial Study and Mitigated Negative Declaration
- 16-207 Rescission of Board Report 16-189: Target Retail Center Project – Child Care Facility Requirements Pursuant to Section 6.G of the Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan – Request for In-Lieu Child Care Fee Payment Pursuant to Section 6.G.4 of the Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan
- 16-208 Target Retail Center Project – Child Care Facility Requirements Pursuant to Section 6.G of the Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan – Request for In-Lieu Child Care Fee Payment Pursuant to Section 6.G.4 of the Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan

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16-209 Ascot Hills Park Interpretive Nature Facilities (PRJ21075) Project – Habitat Conservation Fund Program – Submission of Grant Application; City Council Resolution; Acceptance of Grant Funds

6. COMMISSION TASK FORCE UPDATES

- Commission Task Force on Concessions Report – President Patsouras and Commissioner Culpepper
- Commission Task Force on Facility Repair and Maintenance Report – Commissioners Sanford and Alvarez

7. GENERAL MANAGER’S DEPARTMENT REPORT AND UPDATES

- Various Communications Report
- Informational Report on Department Activities and Facilities
- Informational Update on the Greek Theatre
- Informational Update on Department Public Engagement and Outreach Plan – Park Proud LA!

8. PUBLIC COMMENTS

Comments by the Public on All Other Matters within the Board’s Subject Matter Jurisdiction

9. FUTURE AGENDA ITEMS

Requests by Commissioners to Schedule Specific Future Agenda Items

10. NEXT MEETING

The next scheduled Regular Meeting of the Board of Recreation and Park Commissioners will be held on Wednesday, October 5, 2016, 9:30 a.m., at EXPO Center Comrie Hall, 3980 South Bill Robertson Lane, Los Angeles, CA 90037.

11. ADJOURNMENT

Under the California State Ralph M. Brown Act, those wishing to make audio recordings of the Commission Meetings are allowed to bring tape recorders or camcorders in the Meeting.

Sign language interpreters, assistive listening devices, or any auxiliary aides and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. For additional information, please contact the Commission Office at (213) 202-2640.

Finalization of Commission Actions: In accordance with City Charter, actions that are subject to Section 245 are not final until the expiration of the next five meeting days of the Los Angeles City Council during which the Council has convened in regular session and if Council asserts jurisdiction during this five meeting day period the Council has 21 calendar days thereafter in which to act on the matter.

Commission Meetings can be heard live over the telephone through the Council Phone system. To listen to a meeting, please call one of the following numbers:

from Downtown Los Angeles

(213) 621-CITY (2489)

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from West Los Angeles  
from San Pedro  
from Van Nuys

(310) 471-CITY (2489)  
(310) 547-CITY (2489)  
(818) 904-9450

For information, please go to the City's website: <http://ita.lacity.org/ForResidents/CouncilPhone/index.htm>

Information on agenda items may be obtained by calling the Commission Office at (213) 202-2640. Copies of the agenda and reports may be downloaded from the Department's website at [www.laparks.org](http://www.laparks.org).

## SPECIAL MEETING MINUTES

### BOARD OF RECREATION AND PARK COMMISSIONERS OF THE CITY OF LOS ANGELES

Friday, September 9, 2016

The Board of Recreation and Park Commissioners of the City of Los Angeles convened the Special Meeting at Glassell Park Recreation Center at 9:30 a.m. Present were President Sylvia Patsaouras, Vice President Lynn Alvarez, and Commissioner Melba Culpepper. Also present were Michael A. Shull, General Manager, and Deputy City Attorney III Catrina Archuleta.

The following Department staff members were present:

Anthony-Paul Diaz, Executive Officer and Chief of Staff  
Vicki Israel, Assistant General Manager, Partnership and Revenue Branch  
Noel Williams, Chief Financial Officer, Finance Division  
Cathie Santo Domingo, Superintendent, Planning, Construction and Maintenance Branch  
Sophia Pina Cortez, Superintendent of Metro Region, Operations Branch

#### CALL TO ORDER AND SPECIAL PRESENTATIONS

Conrado Terrazas, District Director of Councilmember Gilbert Cedillo's Office, presented opening remarks and welcomed the Board and audience to the First Council District.

Anita Meacham, Principal Recreation Supervisor II of the Operations Branch, introduced Department staff and provided background and programming information regarding the Glassell Park Recreation Center. Principal Recreation Supervisor Meacham also introduced volunteer coach Chancy Hagler, who discussed his participation in the sports programs at Glassell Park Recreation Center.

Veronica Rodriguez, Recreation Supervisor, was presented with a Resolution upon her retirement after 30 years of dedicated City service.

#### APPROVAL OF THE MINUTES

Commissioner Alvarez moved that the Board approve the Minutes of the August 10, 2016 Regular Meeting, which motion was seconded by Commissioner Culpepper. There being no objections, the Motion was unanimously approved.

#### NEIGHBORHOOD COUNCIL COMMENTS

There were no comments from the Neighborhood Council Representatives relative to the Agenda Items being considered.

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BOARD REPORTS

16-185

APPROVAL OF THE USE OF VARIOUS DEPARTMENT FACILITIES FOR THE PROPOSED 2024 OLYMPIC AND PARALYMPIC GAMES; APPROVAL OF THE VENUE AGREEMENT WITH THE LOS ANGELES 2024 EXPLORATORY COMMITTEE AND STATUTORY EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO SECTION 15272 OF THE STATE CEQA GUIDELINES

Board Report No. 16-185 was continued for consideration at a later date.

16-186

GRIFFITH PARK – INITIAL STUDY/MITIGATED NEGATIVE DECLARATION (IS/MND) FOR THE PROPOSED GRIFFITH PARK/OBSERVATORY CIRCULATION AND PARKING ENHANCEMENT PLAN – FINDINGS FOR ALL POTENTIALLY SIGNIFICANT ENVIRONMENTAL EFFECTS OF THE PROJECT IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA); IMPLEMENTATION OF IS/MND'S MITIGATION MONITORING AND REPORTING PROGRAM IN ACCORDANCE WITH CEQA GUIDELINES [SECTION 15074(D)]

Joe Salaices, Superintendent of the Griffith Region, presented Board Report No. 16-186 for adoption of the Initial Study/Mitigated Negative Declaration (IS/MND) and the Mitigation Monitoring Program which specifies the mitigation measures to be implemented in accordance with CEQA Guidelines Section 15074(d) for the proposed Griffith Park/Observatory Circulation and Parking Enhancement Plan (Project); approval of the Project as described in the IS/MND; approval of the findings that the IS/MND reflects the independent judgment of the Department and that the Project as mitigated will not have a significant environmental effect; approval of a \$4.00 per hour parking fee at the Griffith Observatory parking lot, on West and East Observatory Roads, and along Western Canyon Road; and authorization of the Department's Chief Accounting Employee to create the appropriate account(s) to record the financial transactions for this fee. The Board and Department staff discussed the Department's plans to enhance staffing resources to monitor the traffic and pedestrian flow, existing DASH shuttle services that serve as a connection between the Metro Red Line Sunset/Vermont subway station and the Griffith Observatory, the expansion of an internal shuttle program that will service other areas within Griffith Park, and the implementation of a pay-by-phone service for the proposed parking stations. The Department's proposed shuttle program will be presented to the Board at a later date.

Public comments were invited for Board Report No. 16-186. Four requests for public comment were submitted, and such comments were made to the Board. Catherine Landers, Senior Deputy of Councilmember David Ryu's Office, Fourth Council District, spoke in support of the proposed Griffith Park/Observatory Circulation and Parking Enhancement Plan.

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16-187

LOS ANGELES CENTER FOR ENRICHED STUDIES – FACILITY USE PERMIT FOR JOINT USE OF RECREATIONAL FACILITIES FROM JULY 2016 THROUGH JUNE 2017; EXEMPTION FROM CALIFORNIA ENVIRONMENTAL QUALITY ACT

Joel Alvarez, Senior Management Analyst I of the Partnership Division, presented Board Report No. 16-187 for approval of a proposed Facility Use Permit (FUP) issued by the Los Angeles Unified School District (LAUSD) for the Department's joint use of aquatic and athletic facilities at the Los Angeles Center for Enriched Studies (LACES) from July 1, 2016 through June 30, 2017; approval of the finding that the proposed project at LACES is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section EI, Section 1, Class 1(14) of the City CEQA Guidelines; and authorization of the Department's Chief Accounting Employee to issue payment to LAUSD for the reimbursement of maintenance-related services upon the Department's receipt of invoices for the periods between July 1, 2016 through June 30, 2017 from Fund 302, Department 88, Appropriation Account 3040, Contractual Services.

16-188

WESTCHESTER SENIOR CITIZENS CENTER – MEMORANDUM OF UNDERSTANDING WITH WESTSIDE PACIFIC VILLAGES FOR A DONATION OF INTERNET CONNECTIVITY THROUGH THE INSTALLATION OF DIGITAL SUBSCRIBER LINE(S) (DSL), ASSOCIATED EQUIPMENT, AND DSL SERVICE; EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE III, SECTION 1, CLASS 3(4) OF THE CITY CEQA GUIDELINES

Alex Yee, Director of Systems, presented Board Report No. 16-188 for acceptance of a donation from Westside Pacific Villages consisting of data service and internet connectivity through Digital Subscriber Line(s) (DSL) and associated equipment for the Westchester Senior Citizens Center; approval of a proposed Memorandum of Understanding (MOU) for a three-year term to establish the respective roles, responsibilities, and financial relationship for the furnishing, installation, maintenance, operation and removal of DSL service at Westchester Senior Citizens Center; and approval of the finding that the Project is exempt from provisions of the California Environmental Quality Act pursuant to Article III, Section 1, Class 3(4) of the City CEQA Guidelines.

16-189

TARGET RETAIL CENTER PROJECT – CHILD CARE FACILITY REQUIREMENTS PURSUANT TO SECTION 6.G OF THE VERMONT/WESTERN TRANSIT ORIENTED DISTRICT SPECIFIC PLAN/STATION NEIGHBORHOOD AREA PLAN – REQUEST FOR IN-LIEU CHILD CARE FEE PAYMENT PURSUANT TO SECTION 6.G.4 OF THE VERMONT/WESTERN TRANSIT ORIENTED DISTRICT SPECIFIC PLAN/STATION NEIGHBORHOOD AREA PLAN

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Darryl Ford, Senior Management Analyst I of the Planning, Construction, and Maintenance Branch, presented Board Report No. 16-189 for authorization of a cash payment in the amount of \$1,213,500.00 in-lieu of the child care facilities otherwise required to be provided by the Target Retail Center Project pursuant to Section G of the Vermont/Western Transit Oriented District Specified Plan/Station Neighborhood Area Plan (SNAP); authorization of the Department's Chief Accounting Employee to deposit the in-lieu fee payment into the Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund (Fund 52T); and approval of the finding that the creation and appropriation of the in-lieu fee payment is not subject to the requirements of the California Environmental Quality Act as a project.

The Board and Department staff discussed the calculation of the child care in-lieu fee, which is based on the capital costs for facility improvements. Pursuant to California Government Code 66000 et seq. referred to as the Mitigation Fee Act, the in-lieu fee calculation cannot take into account long-term operational or maintenance fees. The collected in-lieu fees, which are deposited in the Child Care Trust Fund, can be used to acquire, improve, and develop child care facilities within the SNAP designated area, and provide financial assistance for licensed child care services within the designated SNAP area. General Manager Michael Shull discussed the Department's intention to disburse the funds through a voucher or grant program for licensed child care facilities within the designated SNAP area.

Public comments were invited for Board Report No. 16-189. Four requests for public comment were submitted, and such comments were made to the Board. Chris Robertson, Planning Director of Councilmember Mitch O' Farrell's Office, Thirteenth Council District, spoke in support of accepting the proposed in-lieu fee payment by Target Corporation.

President Patsouras expressed her hesitation in accepting the proposed in-lieu child care fee payment, noting that the SNAP requirement that projects such as the Target Retail Center in the designated SNAP area include child care facilities to accommodate the pre-school child care needs of project employees indicates that there must be a need for available and affordable child care services within the designated SNAP area. The SNAP contains a provision that allows for the collection of an in-lieu fee payment, but does not provide a formula to cover the long-term costs for the life of the child care facility. Commissioner Alvarez requested a report back on how the collected in-lieu fee payment is going to be used, and a report back from Councilmember Mitch O'Farrell's Office on what is being done to mitigate child care needs within the designated SNAP community. Commissioner Culpepper requested that Board Report No. 16-189 be reconsidered at a later date with additional information on how child care needs are being addressed within the designated SNAP community. The Board and Department staff then discussed urgency in taking a vote on the proposed in-lieu fee payment.

President Patsouras called for a vote to approve Board Report No. 16-189 as presented: Ayes, Commissioner Alvarez and President Patsouras – 2; Nays, Commissioner Culpepper – 1. Board Report No. 16-189 was not approved due to the lack of a majority vote.

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16-190

CENTRAL RECREATION CENTER – PLAY AREA REHABILITATION (PRJ20946) PROJECT – ALLOCATION OF ZONE CHANGE FEES – EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE III, SECTION 1, CLASS 1(1,3) AND CLASS 11(3) OF THE CITY CEQA GUIDELINES

Darryl Ford, Senior Management Analyst I of the Planning, Construction, and Maintenance Branch, presented Board Report No. 16-190 for approval of the scope of the Central Recreation Center – Play Area Rehabilitation (PRJ20946) Project; authorization of the Department’s Chief Accounting Employee to reallocate \$150,000.00 in Zone Change Fees from the Central Recreation Center – Pool Rehabilitation (PRJ20251) Project in Account No. 89440K-CR to the Central Recreation Center – Play Area Rehabilitation (PRJ20946) Project; and approval of the finding that the Central Recreation Center – Play Area Rehabilitation (PRJ20946) Project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1(1,3) and Class (11,3) of the City CEQA Guidelines.

President Patsouras inquired if a shade structure over the play area was to be included. Department staff discussed that the installation of a shade structure over the play area is being coordinated with the installation of the new play equipment and completion of the pool rehabilitation project at Central Recreation Center.

16-191

RESEDA MULTIPURPOSE CENTER – BUILDING IMPROVEMENTS (PRJ21031) PROJECT – ALLOCATION OF QUIMBY FEES – EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE III, SECTION 1, CLASS 1(1,13) OF THE CITY CEQA GUIDELINES

Darryl Ford, Senior Management Analyst I of the Planning, Construction, and Maintenance Branch, presented Board Report No. 16-191 for approval of the scope of the Reseda Multipurpose Center - Building Improvements (PRJ21031) Project (Project); authorization of the Department’s Chief Accounting Employee to transfer \$100,022.00 in Quimby Fees from Quimby Account No. 89460K-OO to Reseda Park Account No. 89460K-RE; approval of the allocation of \$100,022.00 in Quimby Fees from Reseda Park Account No. 89460K-RE for the Project; and approval of the finding that the proposed Project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1 (1,3) of the City CEQA Guidelines.

16-192

NORTH HOLLYWOOD PARK – SERVICE EASEMENT AGREEMENT WITH THE LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) FOR THE INSTALLATION, REPAIR AND SERVICE OF RECYCLED WATER METERS; EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE III, SECTION 1, CLASS 3(5,8) AND CLASS 5(30) OF THE CITY CEQA GUIDELINES

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Cathie Santo Domingo, Superintendent of the Planning, Construction, and Maintenance Branch, presented Board Report No. 16-192 for approval of the proposed Service Easement Agreement with the Los Angeles Department of Water and Power (LADWP) to allow LADWP a service easement to install, repair and service recycled water meters at North Hollywood Park; and approval of the finding that the proposed Service Easement Agreement is categorically exempt from the California Environmental Quality Act.

16-193

ORCUTT RANCH HORTICULTURAL CENTER AND COMMUNITY GARDEN – BLUE STAR MEMORIAL PLAQUE; EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE VLL, SECTION 1, CLASS 11(1) OF THE CITY CEQA GUIDELINES

Melinda Gejer, City Planning Associate of the Planning, Construction, and Maintenance Branch, presented Board Report No. 16-193 for approval of the wording, placement, and installation of a Blue Star Memorial plaque at Orcutt Ranch Horticultural Center and Community Garden; approval of the finding that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to Article VLL, Section 1, Class 11(1) of the City CEQA Guidelines; and authorization for the Department to issue the appropriate Right-of-Entry Permit.

16-194

GRIFFITH OBSERVATORY COIN-OPERATED TELESCOPE CONCESSION – EXERCISE AGREEMENT RENEWAL OPTION

Rachel Ramos, Senior Management Analyst I of the Concessions Unit, presented Board Report No. 16-194 for approval of a five-year renewal option as provided in Concession Contract No. 252 with Fare Share Enterprises for the operation and maintenance of the Griffith Observatory Coin-Operated Telescope Concession; and approval of the finding, in accordance with Charter Section 1022 that it is necessary, feasible, and economical to secure such services by contract as the Department lacks the personnel to undertake these specialized professional services.

16-195

CLEAN AND SAFE SPACES (CLASS) PARKS YOUTH EMPLOYMENT INTERNSHIP PROGRAM – JUVENILE JUSTICE CRIME PREVENTION ACT AFTER-SCHOOL ENRICHMENT AND SUPERVISION PROGRAM FOR FISCAL YEAR 2016-2017; ACCEPTANCE OF GRANT FUNDS

Frank Herrera, Principal Recreation Supervisor of the Operations Branch, presented Board Report No. 16-195 for authorization to accept and receive the Juvenile Justice Crime Prevention Act (JJCPA) grant funding in the approximate amount of \$504,430.00 from the Los Angeles County Probation Department to provide youth services through the Clean and Safe Spaces (CLASS) Parks Youth Employment Internship Program during the specified hours of peak juvenile crime occurrences for Fiscal Year 2016-2017 at 36 selected Department facilities, subject to Council Committee and City Council approval prior to acceptance and receipt of the grant award pursuant to Los Angeles Administrative Code Section 14.6 et seq. as may be amended; authorization of the

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Department's General Manager to enter into a one-year Agreement with the Los Angeles County Probation Department; and authorization of the Department's Chief Accounting Employee to establish the necessary account and/or appropriate funding received within Recreation and Parks Grant Fund 205 to accept the JJCPA grant funds in the approximate amount of \$504,430.00 for the CLASS Parks Youth Employment Internship Program. The Board and Department staff discussed the amount of funding allocated to the CLASS Parks Youth Employment Internship Program, and the internship activities which lead into day camp counseling and sports management positions.

16-196

EXPO CENTER – YOUTH JOB CORPS PROGRAM –  
CORRECTION TO BOARD REPORT NO. 16-131

Randy Kelly, Principal Recreation Supervisor of EXPO Center, presented Board Report No. 16-131 for approval of a correction to Board Report No. 16-131, and retroactive approval to pay the interns for work performed prior to the approval of Board Report No. 16-196. Board Report No. 16-131 was corrected to state that all participants will intern a maximum of two hundred fifty (250) hours and receive a stipend of Ten Dollars (\$10.00) per hour worked. The Board and Department staff discussed the training stipend paid to interns enrolled in the Youth Job Corps Program.

Public comments were invited for the Board Reports; however, no requests for public comment were received.

President Patsouras requested a Motion to approve the Board Reports as presented, with the exception of Board Report No. 16-185 which was continued for consideration at a later date and Board Report No. 16-189 which lacked a majority vote for approval under a separate vote. Commissioner Culpepper moved that the Board Reports be approved, and that the Resolutions recommended in the Reports be thereby approved. Commissioner Alvarez seconded the Motion. There being no objections, the Motion was unanimously approved.

COMMISSION TASK FORCES

- Commission Task Force on Concessions Report (President Patsouras and Commissioner Culpepper)

There was no report for the Commission Task Force on Concessions.

- Commission Task Force on Facility Repair and Maintenance (Commissioners Sanford and Alvarez)

Commissioner Alvarez reported on the Facility Repair and Maintenance Task Force Meeting held on September 9, 2016 prior to the Special Board Meeting, in which the Task Force discussed the restoration of the Elysian Park World War I Memorial, the MacArthur Park Vision Plan, and Proposition 40 grant funding for youth soccer projects.

GENERAL MANAGER'S DEPARTMENT REPORT AND UPDATES

- The Various Communications Report was noted and filed.

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- General Manager Michael Shull reported on Department activities, facilities, and upcoming events. The Trinity Recreation Center Synthetic Turf Soccer Field Grand Opening Ceremony was held on September 1, 2016. A total of 39 synthetic turf soccer fields throughout the City of Los Angeles save approximately 63 million gallons of water annually. City Council unanimously approved the Quimby Fee Ordinance on September 7, 2016. The Sepulveda Basin Off-Leash Dog Park Agility Courses Dedication Ceremony and the Toberman Recreation Center Baseball Diamond Grand Opening Ceremony are scheduled on September 10, 2016. “A Day in the Garden – A Celebration of Autumn” event at The Banning Museum is scheduled on September 17, 2016. The Griffith Park Boys Camp 90<sup>th</sup> Anniversary Celebration is also scheduled on September 17, 2016. The Shane’s Inspiration 19<sup>th</sup> Annual Walk, Run and Roll event is scheduled on September 18, 2016 in Griffith Park. Pokémon Go Gym Battles & Lure Fest events are scheduled on September 17, 2016 at Hansen Dam & Aquatics Center; September 18, 2016 at Griffith Park; September 24, 2016 at EXPO Center Rose Garden and Cabrillo Beach; September 25, 2016 at Griffith Park Travel Town; and September 30, 2016 at Lincoln Park.
- General Manager Shull reported on the Greek Theatre’s 2016 season which concludes in October 2016. An operational report will be presented to the Board in November 2016 upon conclusion of the 2016 season. The contract renewals with SMG and Premier Food Services are also forthcoming for the Board’s consideration. The Department launched a new website and a revised Greek Theatre website in August 2016.
- Chief Financial Officer Noel Williams presented an informational report on the Department’s Propositions A-I and A-II grant funding program (Program). The Program has provided funding for development and acquisition projects, youth employment, and facility maintenance projects that have improved the safety for constituents at Department facilities, encouraged tree planting, increased park land, and restored and preserved beach, park, wildlife, and open space areas.

#### PUBLIC COMMENTS

Public comments on matters within the Board’s jurisdiction were invited. Eight requests for public comment were submitted, and such comments were made to the Board.

#### FUTURE AGENDA ITEMS

There were no requests for future Agenda Items.

#### NEXT MEETING

The next Regular Meeting of the Board of Recreation and Park Commissioners was scheduled to be held on Wednesday, September 21, 2016, 9:30 a.m., at Eagle Rock Recreation Center, 1100 Eagle Vista Drive, Los Angeles, CA 90041.

#### ADJOURNMENT

There being no further business to come before the Board, President Patsouras adjourned the Meeting at 11:35 a.m.

September 9, 2016

ATTEST

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PRESIDENT

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BOARD SECRETARY

## SPECIAL SUPPLEMENTAL AGENDA - MEETING MINUTES

### BOARD OF RECREATION AND PARK COMMISSIONERS OF THE CITY OF LOS ANGELES

Friday, September 9, 2016

The Board of Recreation and Park Commissioners of the City of Los Angeles convened the Special Meeting for the Special Supplemental Agenda at Glassell Park Recreation Center at 11:36 a.m. Present were President Sylvia Patsouras, Vice President Lynn Alvarez, and Commissioner Melba Culpepper. Also present were Michael A. Shull, General Manager, and Deputy City Attorney III Catrina Archuleta.

The following Department staff members were present:

Anthony-Paul Diaz, Executive Officer and Chief of Staff  
Vicki Israel, Assistant General Manager, Partnership and Revenue Branch  
Noel Williams, Chief Financial Officer, Finance Division  
Cathie Santo Domingo, Superintendent, Planning, Construction and Maintenance Branch  
Sophia Pina Cortez, Superintendent of Metro Region, Operations Branch

#### BOARD REPORTS

##### 16-197

109<sup>TH</sup> STREET POOL AND BATHHOUSE REPLACEMENT PROJECT (PRJ1501P) (W.O. #E1906494) – REVISED DIRECTIVES TO WITHHOLD CONTRACT PAYMENT ON CONSTRUCTION CONTRACT NO. 3462

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Cathie Santo Domingo, Superintendent of the Planning, Construction and Maintenance Branch, presented Board Report No. 16-197 for direction to the Department's Chief Accounting Employee to decrease the withhold amount from \$749,995.92 to \$548,966.52 on Construction Contract No. 3462 with Simgel Company, Inc. as the Contractor for the 109<sup>th</sup> Street Pool and Bathhouse Replacement Project, in accordance with a Request to Release Contract Payments Directive dated August 4, 2016 from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance (OCC); and to further decrease the withhold amount from \$548,966.52 to \$423,966.52 on Construction Contract No. 3462 with Simgel Company, Inc. as the Contractor, in accordance with a Request for Partial Release of Contract Payments Directive dated August 17, 2016 from OCC.

##### 16-198

LOS ANGELES RIVERFRONT PARK – PHASE II (W.O. #E170406F) PROJECT – DIRECTIVE REQUEST FOR PARTIAL RELEASE OF CONTRACT PAYMENT ON CONSTRUCTION CONTRACT NO. 3385

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Cathie Santo Domingo, Superintendent of the Planning, Construction and Maintenance Branch, presented Board Report No. 16-198 for direction to the Department's Chief Accounting Employee to decrease the withhold amount from \$487,512.60 to \$357,455.55 on Construction Contract No. 3385 with Simgel Company, Inc. as the Contractor for the Los Angeles Riverfront Park – Phase II Project, in accordance with a Request for Partial Release of Contract Payment dated August 23, 2016 from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance.

September 9, 2016

Public comments were invited for the Board Reports; however, no requests for public comment were received.

President Patsouras requested a Motion to approve the Board Reports as presented. Commissioner Alvarez moved that the Board Reports be approved, and that the Resolutions recommended in the Reports be thereby approved. Commissioner Culpepper seconded the Motion. There being no objections, the Motion was unanimously approved.

NEXT MEETING

The next Regular Meeting of the Board of Recreation and Park Commissioners was scheduled to be held on Wednesday, September 21, 2016, 9:30 a.m., at Eagle Rock Recreation Center, 1100 Eagle Vista Drive, Los Angeles, CA 90041.

ADJOURNMENT

There being no further business to come before the Board, President Patsouras adjourned the Meeting at 11:40 a.m.

ATTEST

\_\_\_\_\_  
PRESIDENT

\_\_\_\_\_  
BOARD SECRETARY

**BOARD REPORT**

NO. 16-185

DATE September 21, 2016

C.D. 6

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: 2024 OLYMPIC AND PARALYMPIC GAMES - USE OF VARIOUS DEPARTMENT FACILITIES; VENUE USE AGREEMENTS WITH THE LOS ANGELES 2024 EXPLORATORY COMMITTEE; STATUTORY EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO SECTION 15272 OF THE STATE CEQA GUIDELINES

AP Diaz	<u>  <i>X</i>  </u>	V. Israel	<u>          </u>
R. Barajas	<u>          </u>	K. Regan	<u>          </u>
H. Fujita	<u>          </u>	N. Williams	<u>          </u>

  
 \_\_\_\_\_  
 General Manager

Approved                                         Disapproved                                         Withdrawn                   

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**RECOMMENDATIONS**

1. Approve the proposed use of the Department of Recreation and Parks' (RAP) facilities for the 2024 Olympic and Paralympic Games (Games);
2. Approve the Venue Use Agreement (VUA) for the Sepulveda Basin and Woodley Lakes Golf Course with the Los Angeles 2024 Exploratory Committee (LA24) for the license and use of various RAP facilities for events associated with the Games, subject to the Mayor's ED 3 review and the City Attorney's review as to form;
3. Find the VUAs are statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15272;
4. Direct Staff to file a Notice of Exemption with the Los Angeles County Clerk within five (5) working days of Board approval;
5. Authorize the General Manager to execute the Venue Use Agreements, upon receipt of the necessary approvals, and request the Department of General Services to record a Memorandum of Lease; and,
6. Authorize the General Manager to execute the attached Venue Use Guarantee letter that guarantees use of the portions of the Sepulveda Basin and Woodley Lakes Golf Course for the Games.

## BOARD REPORT

PG. 2 NO. 16-185

### SUMMARY

On September 1, 2015, the Los Angeles City Council unanimously voted to endorse the City of Los Angeles's (CITY) bid for the 2024 Olympic and Paralympic Games (Games). In doing so, the City Council noted that "the Los Angeles bid emphasizes Southern California's wealth of existing world class sporting facilities, its strong travel and tourism infrastructure, its position as one of the great media capitals of the world, its close ties with the entertainment industry, and its ability to generate substantial revenues." Particularly important to the mission of RAP, the Council noted that the 1984 Olympic Games in Los Angeles "left a financial legacy that continues to support youth sports programs to this day."

The CITY authorized LA24, a private California non-profit public benefit corporation, separate and apart from the CITY, to prepare and submit the bid to host the Games. LA24 is an exploratory committee organized to oversee and coordinate the CITY's bid to host the Games. It is governed by a board of directors that includes representation from across Los Angeles, including leaders in business, labor, sports, and civic affairs, as well as representation from the United States Olympic Committee (USOC) and U.S. members of the International Olympic Committee (IOC).

On September 15, 2015, the United States Olympic Committee formally submitted the CITY as the United States' official candidate city to host the 2024 Games. These Games are projected to occur between July 19, 2024 and August 30, 2024. In addition to the CITY, three European cities have submitted bids for the 2024 Games, Budapest, Paris, and Rome. The IOC is expected to select a Host City for the 2024 Games in September 2017.

On January 15, 2016, the Los Angeles City Council approved a Memorandum of Understanding (MOU) between the City of Los Angeles and the Los Angeles 2024 Exploratory Committee (LA24). The MOU sets forth the general terms and parameters of the roles and responsibilities of the CITY and LA24 in relation to the Candidature Process to attract the 2024 Olympic and Paralympic Games, including the CITY's rights to approve certain agreements and expenditures related to the Games.

To select a Host City for the 2024 Games, the IOC is implementing a new candidature process. This process consists of three (3) stages as follows:

Stage 1: Vision, Games Concept, and Legacy (September 2015 to February 2016)

Stage 2: Governance, Legal, and Venue Funding (February 2016 to October 2016)

Stage 3: Games Delivery, Experience and Venue Legacy (October 2016 to February 2017)

The IOC has also established an Evaluation Commission that will conduct a detailed assessment of each city bid that will include site visits, technical presentations, and bid city workshops. This commission will produce a report to inform the IOC membership of the strengths, weaknesses, and opportunities presented by each city bid.

## BOARD REPORT

PG. 3 NO. 16-185

On February 17, 2016, LA24 submitted its first deliverable to the IOC to complete Stage 1 of the IOC Candidature Process. Stage 1 required candidate cities to develop their Games vision, concept, and strategy in response to an 86-question questionnaire providing candidate cities with a detailed, experience-based approach to planning for an event as large and complex as the Games. LA24's deliverable proposed its approach to a wide range of important and interesting issues. In its initial venue plan, submitted to the IOC in February 2016, LA24 proposed a strategy to finance the Games without City funds utilizing more than 25 public and private venues throughout the CITY and surrounding areas. These venues include many of the major and iconic sports venues in and around Los Angeles, including, among others, the Coliseum, Staples Center, Stub Hub Center, Rose Bowl, Forum, and facilities at UCLA and USC.

The current venue plan contains several venues operated or owned by the City. These include the following:

- Sepulveda Basin
- Woodley Lakes Golf Course
- Los Angeles Convention Center

These venues are operated by RAP under a long-term Master Lease with the United States Army Corps of Engineers (USACE):

- Sepulveda Basin – proposed to be used for several events, including Shooting, and Canoe-kayak Slalom.
- Woodley Lakes Golf Course – proposed to be used for Equestrian events.  
(See Attachment A, Appendix A for the Site Plan)

These sites have been part of the proposed venue plan from the start of the bid process, and would be the first Olympic venues to ever be located in the Valley; neither the 1932 nor 1984 Games included events in that part of the CITY.

Having completed Stage 1 of the Candidature Process, LA24 is currently preparing for Stage 2 entitled "Governance, Legal and Venue Funding." This stage is designed to ensure each Candidate City has the necessary governmental, legal and financial mechanisms in place to stage the Games. As part of this process, LA24 will need to secure a number of guarantees from relevant authorities including the CITY. These include securing the venue sites under RAP's control.

It is recommended that the Board of Recreation and Park Commissioners' approve the proposed Venue Use Agreements with LA24 to make available the indicated Recreation and Parks facilities to LA24 for the Games should the CITY be selected as the host for 2024 Games.

## BOARD REPORT

PG. 4 NO. 16-185

Some of the terms of the proposed agreement include:

- Use of portions of the Sepulveda Basin and Woodley Lakes Golf Course during the certain periods of the Games, including a Pre-Olympic Period, Exclusive Use Period, and Post-Olympic Period (see Attachment A, Appendix B for Use Periods).
- Compensation to RAP for revenue and expense impacts related to the use of portions of the above RAP-owned facilities.
- Indemnification for RAP during the use of the facilities for the Games.
- Commitment to return RAP's venues in the same or in an improved condition following the Games.

RAP believes the potential selection of the CITY as the Host City for the 2024 Games, as well as the proposed use of RAP facilities as venues, is an exciting opportunity for RAP. Hosting the Games would promote RAP and its facilities on an international stage, and further RAP's mission of encouraging sports, recreation and healthy living. Further, as discussed below, we believe the agreement reached regarding reimbursement methodology and financial compensation adequately protects RAP's financial interests.

As discussed above, LA24 is required to return RAP's venues in the same or in an improved condition following the Exclusive Use Period. However, LA24 has presented RAP with the option of constructing and "leaving behind" a permanent canoe-kayak slalom water course facility and other improvements. Given that significant research, community engagement and other due diligence would be needed to inform an appropriate recommendation related to this opportunity, the Venue Use Agreement includes a Legacy Improvements provision under which RAP may make requests to maintain specific improvements as permanent facilities prior to the Games and the Exclusive Use Periods.

### REIMBURSEMENT METHODOLOGY AND FINANCIAL COMPENSATION

As part of the proposed Venue Use Agreement, RAP will agree to make reasonable efforts to mitigate any negative financial impact due to hosting the Games events at Sepulveda Basin and Woodley Lakes Golf Course. LA24 will reimburse RAP for its Expected Net Income (if positive) associated with RAP's operations at Sepulveda Basin and Woodley Lakes Golf Course for the Exclusive Use Period, plus the following out of pocket costs (to the extent unavoidable, mitigated and actually paid by RAP).

- a. Salaries, benefits and other indirect costs of full-time and part-time employees providing services directly to the 2024 Entity;
- b. Supplies and contract services benefitting the 2024 Entity; and
- c. Utilities used by the 2024 Entity.

Expected Net Income and these estimated costs will be mutually determined and agreed upon by RAP and LA24 no later than June 30<sup>th</sup>, 2022.

## BOARD REPORT

PG. 5 NO. 16-185

Following an evaluation of current full-time and part-time RAP employees assigned to the Sepulveda Basin and Woodley Lakes Golf Course, it is anticipated that employees not utilized by the 2024 Entity to support the Games will be redeployed to other facilities and activities during the Exclusive Use Period. Costs associated with RAP employees that may partially support the Games, while also performing regular RAP duties, will be reimbursed under a shared services model.

RAP has also assessed the potential impacts the proposed Games may have on concessions operating at Sepulveda Basin and Woodley Lakes Golf Course. Should Los Angeles be selected as the host City of the 2024 Games, staff will ensure that all future concession contracts at these locations include provisions related to the temporary closure of concession operations during the Exclusive Use Period, as necessary.

### ENVIRONMENTAL IMPACT STATEMENT

The project consists of an agreement with LA24 to use various RAP facilities as possible venues for the purpose of bidding for, hosting or staging of, and funding or carrying out of, the 2024 Olympic and Paralympic Games under the authority of the International Olympic Committee (IOC). Therefore, staff recommends that the Board determine that the project is statutorily exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article 18, Section 15272 of the State CEQA Guidelines. However, if construction of facilities necessary for such Olympic Games is required by the International Olympic Committee as a condition of being awarded the Olympic Games, then additional consideration of potential environmental impacts will need to be determined and appropriate documentation prepared in accordance with the applicable State CEQA Guidelines. Staff further recommends that a Notice Exemption be filed with the Los Angeles County Clerk within five (5) working days of the approval of the project by the Board.

### FISCAL IMPACT STATEMENT

There will be no immediate impact to RAP's General Fund upon approval of this agreement. Per the Venue Use Agreements terms, LA24 will compensate RAP for revenue and expenses resulting from the proposed use of RAP sites.

This report was prepared by Anthony Paul Diaz, Executive Officer and Chief of Staff

### LIST OF ATTACHMENTS

- 1) Venue Use Guarantee Letter
- 2) Sepulveda Basin Venue Use Agreement
- 3) Woodley Lakes Golf Course Venue Use Agreement

**BOARD OF RECREATION AND  
PARK COMMISSIONERS**SYLVIA PATSAOURAS  
PRESIDENTLYNN ALVAREZ  
VICE PRESIDENTMELBA CULPEPPER  
MISTY M. SANFORDARMANDO X. BENCOMO  
COMMISSION EXECUTIVE ASSISTANT II**CITY OF LOS ANGELES  
CALIFORNIA**ERIC GARCETTI  
MAYOR**DEPARTMENT OF  
RECREATION AND PARKS**EXECUTIVE OFFICE  
221 N. FIGUEROA STREET  
SUITE 350  
LOS ANGELES, CA 90012

(213) 202-2633

MICHAEL A. SHULL  
GENERAL MANAGER

September 21, 2016

Los Angeles 2024 Exploratory Committee  
10960 Wilshire Blvd, Suite 1050  
Los Angeles, CA 90024  
Attention: Casey Wasserman, Chairman

Re: Venue Use Guarantee – Los Angeles 2024 (G2.20 and G2.21 / Stage 2 Candidature Questionnaire Olympic Games 2024)

Dear Casey,

The City of Los Angeles Department of Recreation and Parks (“Venue Owner”) fully endorses the Candidature of the City of Los Angeles (“City”) for the 2024 Olympic and Paralympic Games (“Games”), and provides, herewith, to Los Angeles 2024 Exploratory Committee (“Candidature Committee”) this guarantee (“Guarantee”), as requested by the International Olympic Committee (“IOC”) and International Paralympic Committee (“IPC”). The Venue Owner also agrees to abide by the terms of the Host City Contract (including the Olympic Charter) as it may apply to this Guarantee (“Guarantee”) and any other definitive documentation relating to the Host City Contract or this Guarantee (including any Venue Use Agreements (as defined below)).

We are honored to have the opportunity to host Game events in our venues, including Woodley Lakes Golf Course, the public park and recreational areas within the Sepulveda Flood Control Basin (collectively, the “Venues”), as further depicted in the red bounded areas identified on Appendix A (“Venue Map”). The United States Army Corps of Engineers actively operates and maintains the Sepulveda Flood Control Basin for flood control purposes. The portion of this guarantee relating to the Sepulveda Flood Control Basin is therefore subject to compliance with all terms and conditions of Army Corps of Engineers Lease No. DACW 09-1-67-11. As the owner or lessee of the Venues, vested with all powers of representation required, Venue Owner hereby guarantees the use of the Venues for the purposes of the preparation for and conduct of the Games, including the relevant Test Events consistent with the Minimum Terms of Guarantee (as defined below), and agrees to take all measures and grant all consents that are within the authority or control of the Venue Owner as may be necessary to fulfill this Guarantee.

This Guarantee relates to the requirements of the IOC as specified in G 2.20 and G 2.21 as set forth in Stage 2 of the Candidature Questionnaire Olympic Games 2024.

**MINIMUM TERMS OF GUARANTEE**

This Guarantee is provided by the Venue Owner under the following terms (“Minimum Terms of Guarantee”), which shall form the essential basis of and be subject in all respects to the definitive

agreement that will be entered into between the Venue Owner, the Candidature Committee and the Los Angeles Organizing Committee for the Games ("OCOG") (and other third parties, as necessary) further detailing the conditions of use of the Venues for the Games ("Venue Use Agreement"):

- i) In this Guarantee:
  - a) EXCLUSIVE USE PERIOD for each of the Venues means the periods identified next to the name of such Venue on Appendix B under the column "Exclusive Use Period", as well as other period(s) (to be defined by mutual agreement of the OCOG and the Venue Owner at a later stage) for the holding of test events ("Test Events").
  - b) NON-EXCLUSIVE USE PERIOD for each of the Venues means the periods identified next to the name of such Venue on Appendix B under the column "Non-Exclusive Use Period".
- ii) This Guarantee includes the exclusive use of the Venues for the Games for the EXCLUSIVE USE PERIOD, in consideration for such payments, reimbursements and/or offsets as further described on Appendix C ("Consideration"). The Consideration is inclusive of all taxes and fees, which will be adjusted solely for inflation according to the Consumer Price Index for all Urban Consumers (CPI-U) for the Los Angeles-Riverside-Orange County, CA metropolitan area, published by the U.S. Bureau of Labor Statistics ("CPI"), in accordance with Appendix C.
- iii) The Consideration under clause (ii) above is inclusive of
  - a) any remuneration, expenses and other costs related to any Venue Owner staff, personnel and other service providers who will work in the Venues, at the option and under the direction of the OCOG, during the Games;
  - b) any remuneration, expenses and other costs related to any equipment or furnishings located in the Venues and used, at the option of the OCOG, during the Games; and
  - c) an irrevocable and unlimited license to the OCOG and the IOC (and the IPC, if applicable), including a right to sub-license, to use the name, image, branding and/or designs (including any material derived therefrom) of the Venues for commercial and non-commercial purposes in any and all current and/or future media in connection with the Games, free from any third-party rights and/or any further charges, and
  - d) any remuneration, expenses and other costs related to any actions as required to ensure that the terms of the "Clean Venue Appendix" attached as Appendix D is fully respected during the EXCLUSIVE USE PERIOD and at such other times as are set forth in the Venue Use Agreement.
- iv) All event-related costs incurred in connection with the production of the Games (including the costs of constructing overlay) during the EXCLUSIVE USE PERIOD are

not included in the Consideration and will be payable separately by the OCOG under the terms of the Venue Use Agreement.

- v) This Guarantee further includes the non-exclusive access to the Venue, at no cost for the OCOG, during the NON-EXCLUSIVE USE PERIOD for constructing and installing preliminary overlay works, implementing a phased move-in to and move-out of the Venues, restoring the Venues to their original condition (ordinary wear and tear excluded), and such other uses as may be reasonably requested by the OCOG (including with respect to clauses (vi)(a)-(b) below); provided, however, such non-exclusive access during the NON-EXCLUSIVE USE PERIOD shall not materially disrupt or otherwise interfere with Venue Owner's normal and customary operation of the Venues (including with respect to the hosting of any events at such Venues).
- vi) The Venue Owner undertakes that it will take the following actions:
  - a) facilitate site and infrastructure visits at reasonable times and intervals during the period commencing upon the election of the Host City through the conclusion of the Games, for the IOC, IPC, International Federations ("IFs") and the host broadcaster of the Games ("Olympic Broadcasting Service" or "OBS") (and/or their duly authorized partners, consultants and contractors) to check the readiness of any sites and infrastructure;
  - b) facilitate the access of OCOG staff and other representatives, and other Games delegations (including Athletes and National Olympic Committees representatives), at reasonable times and intervals, to the Venues for specific period(s) of training and venue familiarization; and
  - c) grant all rights and take all actions as required to ensure that the terms of the "Clean Venue Appendix" attached as Appendix D is fully respected during the EXCLUSIVE USE PERIOD and at such other times as are set forth in the Venue Use Agreement.
- vii) The Venues will be handed over to the OCOG in a clean and fully operational condition consistent with the current use of the Venues (including any planned upgrades as determined at the time of issuing this Guarantee and which are described in Appendix E to this Guarantee). Other than as set forth on Appendix E, Venue Owner shall not make or permit any substantial modifications or alterations to any of the Venues that would materially impact the OCOG's expected use of any of the Venues for any permitted use relating to the Games at any time prior to the start of the Exclusive Period (including any changes to the capacity, size or layout of, or access points to, any Venue) without the prior written approval of the OCOG. The terms or effect of this Guarantee will not be affected by any modification or alteration project.
- viii) The Venue Owner acknowledges that it is the goal of the OCOG and the IOC to encourage and support a responsible concern for environmental issues, to promote sustainable development and operation in sport and to require that the Games are conducted in a manner consistent with these values. To that end, the Venue Owner

agrees to cooperate with the OCOG in its efforts to reduce waste, increase energy efficiency, conserve water and other resources and minimize pollution.

- ix) The Venue Owner is responsible for ensuring that the manager or operator for each Venue (if any) and all other persons or entities (such as concessionaires, contractors, sports leagues, clubs etc.) involved in the operations of such Venue (or any successors) fully comply with the terms and conditions in this Guarantee and the Venue Use Agreement, and the Venue Owner agrees to take all necessary steps to that effect as may be necessary.
- x) The Venue Owner guarantees that, should the ownership of any of the Venues or any Venue manager or operator change prior to the conclusion of the Exclusive Use Period, all terms of this Guarantee will be transferred to, assumed by and fully binding upon the future owner(s)/operator(s).
- xi) The Venue Owner further agrees:
  - a) This Guarantee shall constitute a binding and legally enforceable commitment of the Venue Owner for the benefit of the Candidature Committee and the OCOG.
  - b) The entry into force of this Guarantee is conditioned upon the election of the City as Host City for the Games. In case the City is not elected, all terms contained herein shall become automatically null and void and the Venue Owner shall be released from all its obligations hereunder and the Candidature Committee shall not be liable for any compensation or other payments to the Venue Owner.
  - c) The Venue Owner acknowledges that the OCOG will be formed after the election of the City as Host city of the Games and that all rights of the Candidature Committee and all obligations of the Venue Owner pursuant to this Guarantee shall be automatically transferred to the benefit of the OCOG without any modification upon the formation of the OCOG.

Sincerely,

MICHAEL A. SHULL  
General Manager

**Appendices**

**Appendix A Venue Map (including the physical borders of the property or the spaces required for the extent of this agreement)**

**Appendix B Use Periods for Venues**

**Appendix C Consideration**

**Appendix D Clean Venue Appendix**

**Appendix E Planned Upgrades prior to OCOG handover**

**Appendix A  
Venue Map  
(Attached)**

Appendix A – Venue Map



**VENUE MAP:**

**1 Woodley Lakes Golf Course**

- a. Greens
- b. Visitor Parking
- c. Facilities/Maintenance  
(*shared access throughout*)
- d. Driving Range
- e. The Lake House
- f. Facilities Parking/N. Lot

**2 Sepulveda – Park Grounds**

- g. Lake Balboa Field
- h. Lake Parking
- i. Eastern Field

**3 Sepulveda – Sports Complex**

- j. Northwest Fields
- k. Soccer Field
- l. Baseball (2 western diamonds)
- m. Parking (western portion)
- n. Baseball (2 eastern diamonds)
- o. Parking (eastern portion)

**Appendix B**  
**Use Periods for Venues**

**Appendix B  
Use Periods for Venues**

Venue	Description	Handover Date	Hand Back Date
<b>Woodley Lakes Golf Course</b>			
Greens	18-hole course	1 Jul. 2023 (Non-Exclusive) 1 Mar. 2024 (Exclusive)	31 Oct. 2024
Visitor Parking Lot	Consumer golf parking	1 Mar. 2024	31 Oct. 2024
Facilities/Maintenance*	Grounds Facilities	1 Mar. 2024	31 Oct. 2024
Driving Range	Driving Range	1 Mar. 2024	31 Oct. 2024
The Lake House	Restaurant; Pro-shop	1 Mar. 2024	31 Oct. 2024
Facilities Parking // Lot North of Greens	Parking, grounds maintenance	1 Mar. 2024	31 Oct. 2024
<b>Sepulveda – Park Grounds</b>			
Lake Balboa Field	Open recreational area	1 Apr. 2022	1 Jan. 2025
Lake Parking	Parking	1 Mar. 2024	31 Oct. 2024
Eastern Field	Open recreational area	1 Mar. 2024	31 Oct. 2024
<b>Sepulveda – Sports Complex</b>			
Northwest Fields	Open	1 Nov. 2023	31 Oct. 2024
Soccer Field	Soccer	1 Nov. 2023	31 Oct. 2024
Baseball Fields (2 western diamonds)	Baseball/Softball	1 Nov. 2023	31 Oct. 2024
Parking Lot (western portion)	Sports parking	1 Nov. 2023	31 Oct. 2024
Baseball Fields (2 eastern diamonds)**	Baseball/Softball	1 Jan. 2024	31 Oct. 2024
Parking Lot (eastern portion)**	Sports parking	1 Nov. 2023 (Non-Excl. – access) 1 Jan. 2024 (Exclusive)	31 Oct. 2024

**Note:** Areas within the red boundary on the map (Appendix A) are expected to be contained within the secure perimeter, with access granted only to accredited and ticketed individuals only from and after the security sweep expected to occur no earlier than 1 Jul. 2024 through the end of the Games, 1 Sept. 2024.

\* Secured but not exclusively utilized.

\*\* Assumes construction parking and staging area available on unsurfaced lot west of parking lot/soccer field.

### Appendix C Consideration

Following Venue Owner's commercially reasonable efforts to mitigate any negative financial impact due to hosting Games events at the Venues (including compliance with Section 6.12 (Special Events Carve-Outs), and time-shifting of events (if applicable)), OCOG will reimburse Venue Owner for its Expected Net Income (if positive) for the Exclusive Use Period, *plus* the following out-of-pocket costs (to the extent unavoidable, mitigated and actually paid by Venue Owner), as reflected on the operating income statement: (a) salaries, benefits and other indirect costs of full-time employees providing services directly to the OCOG, (b) supplies and contract services benefitting the OCOG, and (c) utilities used by the OCOG (collectively, "Venue Owner Expenses"). Notwithstanding the foregoing, 2024 Entity shall also reimburse Venue Owner for its retained labor expenses (e.g., relating to labor expense not directly benefitting 2024 Entity) up to the total value of expected but displaced revenue; provided in no event shall Consideration payable hereunder exceed the sum of Venue Owner Expenses and Venue Owner's retained labor expenses.

Expected Net Income shall mean (a) with respect to Woodley Lakes, "Total Gross Revenue" minus "Total Expenses" as reflected on the Venue Owner's operating income statement for Woodley Lakes for the dates corresponding to the Exclusive Use Period in the years 2019, 2020 and 2021, divided by three, and finally adjusted for inflation according to CPI through 2024 and (b) with respect to Sepulveda, revenue that relates solely to activities that would otherwise have occurred within such Venue during the Exclusive Use Period but are mutually agreed to be displaced due to the permitted uses of the Venues by the OCOG (e.g., filming, recreational activities and concessions commissions earned by Venue Owner), minus expenses related to such activities, in each case determined by Venue Owner in good faith by reference to revenue actually received for such dates corresponding to the Exclusive Use Period for the affected portion of the Venues for the years 2019, 2020 and 2021, divided by three, and finally adjusted for inflation according to CPI through 2024.

No later than June 30, 2022, the parties shall agree upon the estimated Venue Owner Expenses, which shall be mutually determined by the parties by reference to the Venue Owner Expenses reflected on Venue Owner's operating income statement for the dates corresponding to the Exclusive Use Period in the years 2019, 2020 and 2021, divided by three, and finally adjusted for inflation according to CPI through 2024. The parties shall make necessary adjustments for the Games, including any increase or decrease to labor provided, any increase or decrease to supplies necessary for the Games, any increase or decrease to expected utility usage related to the Games, and any necessary adjustments to avoid double-counting of expenses or revenues. For the avoidance of doubt, the parties agree that the full-time labor costs reimbursable by the OCOG shall be solely those costs related to services provided directly to the OCOG in connection with the Venue. To the extent that such costs are attributable to services provided to both to OCOG and to Venue Owner, the parties shall determine a proportionate reimbursement for such shared services.

The parties shall true-up the Venue Owner Expenses to reflect the difference between estimated and actual expenses within sixty (60) days following the Games. Venue Owner shall issue an invoice to the OCOG reconciling the difference between estimated Venue Owner Expenses and actual Venue Owner Expenses, as determined by the Venue Owner in good faith. Such invoice shall be reasonably detailed and include backup evidencing expenses incurred (e.g., copies of utility bills, payroll registers, invoices for supplies, etc.).

If as a result of the reconciliation, it is reasonably determined that (x) actual Venue Owner Expenses for the Exclusive Use Period exceeded estimated Venue Owner Expenses for such period, then the OCOG shall promptly reimburse Venue Owner for the difference, or (y) estimated Venue Owner Expenses for the Exclusive Use Period exceed the actual Venue Owner Expenses then Venue Owner shall promptly reimburse OCOG for the difference.

In no event shall indirect expenses attributable to OCOG exceed the "cap rate" set forth in the latest edition of the City of Los Angeles Cost Allocation Plan available at the time of the true-up.

For the avoidance of doubt, to the extent OCOG requests the services of any Venue Owner Personnel (whether part-time or full-time), OCOG shall reimburse Venue Owner for the hourly wages and any indirect costs attributable to such employees who provide services directly to OCOG.

Venue Owner shall permit OCOG or its representatives to inspect and take copies of all relevant financial records necessary to calculate the amounts payable to Venue Owner hereunder.

The Consideration shall be payable upon a schedule to be mutually agreed upon by the parties no later than eighteen (18) months prior to the commencement of the Exclusive Use Period.

## **Appendix D Clean Venue Appendix**

As part of the guarantees submitted to the IOC granting the OCOG the right to use the Venues in the period leading up to and during the Games, the Candidature Committee must ensure that for each proposed Venue, the following terms and conditions are agreed to by the Venue Owner.

### **1. Signage**

The Venue Owner grants the OCOG the right to have:

- Exclusive use of all indoor and outdoor signage at the Venues as well as signage in areas adjacent thereto and under the control of the Venue Owner; and
- Exclusive control of all Venue naming rights and signage (including but not limited to the right to re-brand or cover existing signage). The undersigned further undertakes to comply with the IOC's requirements related to naming rights (including rules related to the treatment of non-commercial names, names of individuals, and commercial or corporate names) for Venues used in the Games of the Olympiad from the date of election of the Host City to the conclusion of the Paralympic Games.

### **2. Retailing and concessions**

The Venue Owner grants the OCOG the right to:

- Be the sole and exclusive manager and operator of merchandise retail outlets and food/beverage concessions at the Venue;
- Sell Olympic and Paralympic merchandise at such retail outlets and food/beverage concessions services, facilities and outlets;
- Access all merchandise retail outlets as well as food and beverage products in the Venue; and
- Use staff of its choice and dress such staff in uniforms of its choice to operate the merchandise retail outlets and food/beverage concessions.

### **3. Ticketing and hospitality**

The Venue Owner grants the OCOG the exclusive right to:

- Manage and sell tickets and hospitality in relation to the Games for the Venue;
- Manage and sell suites and specialty seats in relation to the Games for the Venue; and
- Throughout the term of the Venue Use Agreement, the Venue Owner shall not subject the OCOG to any taxes or parking charges at the Venues in relation to the sale of the aforementioned.

### **4. Broadcasting and Sponsorship**

Throughout the term of the Venue Use Agreement, the Venue Owner agrees that the IOC and/or the OCOG (or the IPC, as applicable) has the exclusive right to sell broadcast, sponsorship or any other multimedia rights in relation to the Games being held at the Venue.

5. Exclusive use of Olympic Marketing Partners' products

The Venue Owner agrees that the OCOG shall have the right to exclusively use products and services of Games marketing partners at the Venues (and re-brand existing products and services, to the extent necessary to respect the exclusive rights granted to Olympic and Paralympic sponsors), including but not limited to the following product categories:

- Payment systems (including but not limited to credit card acceptance, automated teller machines (ATMs) and telephone payment systems) in relation to all sales occurring at the Venues related to the Games;
- Non-alcoholic and alcoholic beverages;
- Audio-visual equipment including but not limited to video boards and speakers; and
- Timing, scoring and on-venue results equipment including but not limited to scoreboards.

6. No use of Olympic marks

The Venue Owner agrees that, at no time, shall it have the right to use any Olympic or Paralympic marks, symbols, terminology or derivatives thereof.

7. Brand protection and anti-ambush assistance

Throughout the term of the Venue Use Agreement, the Venue Owner agrees to reasonably assist the OCOG to combat attempts of ambush marketing by advertisers at the Venues who are not Olympic or Paralympic sponsors but develop advertisements for use at the Venues that may, implicitly, suggest that they are sponsors of the Games.

For the avoidance of doubt, this Appendix D shall apply only to the City in its capacity as Venue Owner and shall not otherwise limit the City's actions as a governmental authority (including with respect to taxes).

**Appendix E  
Planned Upgrades**

None.

VENUE USE AGREEMENT  
BY AND BETWEEN  
LOS ANGELES 2024 EXPLORATORY COMMITTEE  
AND  
THE CITY OF LOS ANGELES

DEPARTMENT OF RECREATION AND PARKS  
SEPULVEDA BASIN

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Addendum No. 1      City Standard Provisions

## VENUE USE AGREEMENT

THIS VENUE USE AGREEMENT is made as of the [ ] day of [ ], 2016, by and between LOS ANGELES 2024 EXPLORATORY COMMITTEE, a nonprofit public benefit corporation organized under the laws of the State of California (“LA24”); and THE CITY OF LOS ANGELES, a municipality incorporated under the laws of the State of California (“Venue Owner”).

### Recitals

A. On September 15, 2015, the United States Olympic Committee formally submitted the City of Los Angeles (the “City”) as the United States’ official applicant city to host the 2024 Olympic and Paralympic Games, which are currently scheduled to commence on July 19, 2024 and end on August 27, 2024.

B. On September 16, 2015, the International Olympic Committee named the City as a candidate city in the competition to host the Games (defined below).

C. LA24 has been incorporated to act as the candidature committee for the City’s bid to host the Games.

D. If the City is awarded the privilege of hosting the Games, an organizing committee for the Games, which is anticipated to be named the “Los Angeles Organizing Committee for the 2024 Olympic and Paralympic Games” (the “OCOG”), will be formed and will acquire all of LA24’s rights and assume all of LA24’s obligations under this Agreement. For the purposes of this Agreement, LA24 and its successors and assigns, including the OCOG, are referred to herein collectively as the “2024 Entity”.

E. The City leases the area known as the Sepulveda Flood Control Basin from the United States Army Corps of Engineers pursuant to Lease No. DACW 09-1-67-11 (the “Master Lease”).

F. The City, in its capacity as Venue Owner, operates the Venue (as defined in Exhibit A), which includes the facilities commonly known as the public park and recreational areas within the Sepulveda Flood Control Basin (collectively, the “Facilities”).

G. The 2024 Entity desires to license and use the Venue and to obtain services from Venue Owner for events associated with the Games, all upon the terms and subject to the conditions contained herein, and in accordance with the terms and conditions of the Master Lease.

H. Hosting the Games at the Venue and at other locations in and around the City will bring significant benefits to the State of California, the City and its residents, including world-wide media exposure, substantial benefit to the reputation and prestige of the City and Venue, and advancement of the public interest in the region, and will highlight on the world stage the ability of the City and the Venue to attract world-class entertainment and sports events.

I. The City desires to make the Venue available to the 2024 Entity for the Games on the terms and subject to the conditions contained herein.

### Agreement

In consideration of the mutual promises set forth herein, and intending to be legally bound, the parties hereto agree as follows:

**Article 1. General Provisions.**

**1.1 Definitions.** Capitalized terms used but not otherwise defined in this Agreement have the meanings set forth in Exhibit A hereto.

**1.2 Rules of Construction.** Wherever any word or phrase is defined herein or on Exhibit A, each of its other grammatical forms shall have the corresponding meaning. The words “for example,” “include,” “includes,” and “including” when used in this Agreement without being following by words such as “but not limited to” or “without limitation,” shall be deemed to be followed by such words unless otherwise expressly specified. Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as amended, amended and restated, supplemented or otherwise modified from time to time, (b) any definition of or reference to any law, rule or regulation herein shall be construed as referring to such law, rule or regulation as amended, restated, supplemented or otherwise modified from time to time, and (c) any reference herein to any Person shall be construed to include such Person’s successors and assigns. Whenever used in this Agreement, any noun or pronoun shall be deemed to include both the singular and plural and to cover all genders, unless the context otherwise requires. Unless otherwise specified, the terms “hereof,” “herein,” “hereunder” and similar terms refer to this Agreement as a whole (and not only to the particular sentence, clause, paragraph or exhibit where they appear), and references herein to Articles, Sections, Exhibits and Schedules refer to Articles, Sections, Exhibits and Schedules of this Agreement.

**1.3 Incorporation of Exhibits, Schedules and Addenda.** The Schedules, Exhibits and Addenda attached hereto are incorporated herein and shall be considered a part of this Agreement for all purposes.

**1.4 Standard Provisions for City Contracts.** 2024 Entity, as “Contractor” shall comply with PSC-2, PSC-4, PSC-15, PSC-16, PSC-18, PSC-19, PSC-27, PSC-28, PSC-29, PSC-30, PSC-31, PSC-32, PSC-33, PSC-34, PSC-35 and PSC-36 of the Standard Provisions for City Contracts (Rev. 3/09), which are attached hereto, and made a part hereof (the “**City Standard Provisions**”). For the avoidance of doubt, the entire text of all City Standard Provisions have been included for the convenience of the parties only, and PSC-1, PSC-3, PSC-5, PSC-6, PSC-7, PSC-8, PSC-9, PSC-10, PSC-11, PSC-12, PSC-13, PSC-14, PSC-17, PSC-20, PSC-21, PSC-22, PSC-23, PSC-24, PSC-25, PSC-26 do not constitute a part of this Agreement.

**1.5 Order of Precedence.** In the event of a contradiction or inconsistency between or among any of the provisions of this Agreement, precedence will be given in the following order:

**1.5.1** This Agreement (including the Schedules and Exhibits); and

**1.5.2** The City Standard Provisions.

**Article 2. Basic Terms.**

**2.1 Consideration.** As full consideration for the license and rights to access and use the Venue (including all Venue Facilities and Venue Owner Equipment) and all other rights, licenses, properties and services (including the Venue Services) provided to or for the benefit of the 2024 Entity by Venue Owner or its Affiliates under this Agreement, the 2024 Entity shall pay to Venue Owner the consideration set forth in Section 1 of Exhibit B (the “**Consideration**”). The Consideration is inclusive of all taxes and fees and is stated in 2016 dollars, which will be adjusted solely for inflation according to the Consumer Price Index for all Urban Consumers (CPI-U) for the Los Angeles-Riverside-Orange County,

CA metropolitan area, published by the U.S. Bureau of Labor Statistics (“CPI”), for the period between January 1, 2016 and January 1, 2024. The Consideration shall be due and payable in the manner set forth in Section 1 of Exhibit B.

**2.2 Use Periods.** Pursuant to the terms of this Agreement, the 2024 Entity shall be entitled to license, access and use, and Venue Owner shall license and otherwise make available to the 2024 Entity in accordance with the terms of this Agreement, the Venue, all Venue Services and Venue Owner Equipment, and all other rights, licenses, properties and services provided to or for the benefit of the 2024 Entity under this Agreement (i) during the Pre-Olympic Period set forth in Section 2(a) of Exhibit B, (ii) during the Exclusive Use Period set forth in Section 2(b) of Exhibit B, (iii) during the Post-Olympic Period set forth in Section 2(c) of Exhibit B, and (iv) at such other times, and under such circumstances and for such purposes, as are expressly provided for herein. The Pre-Olympic Period and the Post-Olympic Period are sometimes referred to in this Agreement collectively as the “**Nonexclusive Use Periods.**”

**2.3 IOC-Required Guarantee Regarding Control of Commercial Activities.** Venue Owner acknowledges that the Candidature Procedures require that all commercial rights related to the Venue during the Exclusive Use Period be reserved for the 2024 Entity. Accordingly, Venue Owner hereby agrees that the 2024 Entity shall have the exclusive right to (a) determine which products, services and other commercial offerings are available within the Venue during the Exclusive Use Period, (b) exercise all of the rights and privileges described on the “IOC Clean Venue Schedule” attached hereto as Schedule 2.3, and (c) receive and retain any and all revenues and other proceeds arising from or otherwise relating to the use of the Venue during the Exclusive Use Period, the activities, rights and privileges described on the “IOC Clean Venue Schedule” attached hereto as Schedule 2.3 and the rights described in Article 6 (Signage; Marketing and Intellectual Property Rights). Venue Owner covenants and agrees that continually throughout the Exclusive Use Period, the Venue will satisfy all of the requirements of the “IOC Clean Venue Schedule” attached hereto as Schedule 2.3. Any breach by Venue Owner of this Section 2.3 (IOC-Required Guarantee Regarding Control of Commercial Activities) shall constitute a Venue Owner Event of Default, which shall entitle the 2024 Entity to exercise any of its rights and remedies hereunder in respect thereof.

**Article 3. License and Use of Venue.** Venue Owner hereby grants to the 2024 Entity a license to use and access the Venue (which includes all related rights, easements, interests and appurtenances), subject to the terms, conditions and restrictions expressly set forth in this Agreement.

**3.1 Pre-Olympic Period.** Venue Owner hereby grants to the 2024 Entity a nonexclusive irrevocable (except as set forth in Article 10 (Termination)) license to use and access the Venue during the Pre-Olympic Period for the purposes of (a) constructing, installing and testing Overlay and equipment, (b) implementing a phased move-in to the Venue in preparation for Permitted Uses, and (c) such other uses as may be necessary to prepare the Games. The 2024 Entity and Venue Owner shall coordinate and mutually agree upon the 2024 Entity’s activities in the Venue during the Pre-Olympic Period so that such activities do not unreasonably interfere with Venue Owner’s normal activities and operations. The 2024 Entity and Venue Owner may mutually agree to designate certain portions of the Venue for the Exclusive Use by the 2024 Entity during the Pre-Olympic Period, including for storage needs related to the move-in.

**3.2 Exclusive Use Period.**

**3.2.1 License.** Venue Owner hereby grants to the 2024 Entity an exclusive irrevocable (except as set forth in Article 10 (Termination)) license for the Exclusive Use of the Venue by the 2024 Entity during the Exclusive Use Period for the purposes of engaging in Permitted Uses. During the Exclusive Use Period, the 2024 Entity shall have exclusive use of and access to the Venue, including a

secure perimeter established around the Venue (to be erected by the 2024 Entity or its designee at the 2024 Entity's cost and expense), and Games credentials shall be required for any and all access within the Venue. Venue Owner shall deliver the care, custody and exclusive control of the Venue to the 2024 Entity at the commencement of the Exclusive Use Period in a condition satisfying all requirements set forth in this Agreement, including, without limitation, Section 5.2 (Condition).

**3.2.2 Permitted Uses.** During the Exclusive Use Period, the 2024 Entity may (but shall not be obligated to) use, occupy, control and access the Venue, and may authorize or license others to use, occupy, control and access the Venue, for any and all of the following purposes (collectively, the "Permitted Uses"): (a) moving in and out; (b), constructing, installing, testing and using Overlay; (c) installing "look" and wayfinding signage; (d) training staff and conducting other readiness activities; (e) conducting, delivering or hosting of sport related activities (including Test Events, competition(s), athletic practice, training, and medal or award ceremonies or parades); (f) hosting live sites and cultural events held in connection with the Games; (g) broadcasting, designing, building, installing, testing, operating and dismantling broadcast and communication centers, facilities and equipment (collectively, the "OBS Operations"); (h) hosting marketing or hospitality events, site visits or tours; (i) conducting other activities contemplated by or referenced in this Agreement (such as advertising, marketing, promotion, hospitality and sponsor-related activities and the sale of food, beverages, novelties, souvenirs, and merchandise); and (j) any other purpose that is ancillary to any of the other purposes set forth in clauses (a)-(i) or otherwise necessary to host the Games. Without limiting any of the foregoing, the parties acknowledge and agree that during the Exclusive Use Period, the 2024 Entity shall also have the exclusive right, at its sole risk, cost and expense, to cause to be constructed or installed (consistent with City Standards) all Overlay and equipment within the Venue as the 2024 Entity, in its sole discretion, determines to be necessary or advisable in connection with the Permitted Uses.

**3.2.3 Test Events.** For the avoidance of doubt, all of the provisions of this Agreement applicable with respect to the Exclusive Use Period, including, without limitation, Sections 3.2.1 (License), 3.2.2 (Permitted Uses), 5.2 (Condition), 5.3.1 (Exclusive Use Period and Test Events), 5.3.3 (Supplementary Equipment), 5.4 (Personnel), 5.5 (Security and Access Control), 5.6 (Licenses and Permits), 5.7 (Insurance), 5.9 (Responsibility for Costs and Expenses), and Article 6 (Signage; Marketing and Intellectual Property Rights), shall apply with the same force and effect with respect to any Test Event, unless otherwise agreed in writing by the 2024 Entity.

**3.3 Post-Olympic Period.** Venue Owner hereby grants to the 2024 Entity a nonexclusive irrevocable license (except as set forth in Article 10 (Termination)) to use and access the Venue during the Post-Olympic Period for the purposes of removing the property of the 2024 Entity, the USOC, the IOC, the IPC or any of their respective Affiliates or Representatives and restoring the Venue in accordance with Section 4.2 (Site Restoration) and any applicable rules, regulations and requirements of the USOC, the IOC or the IPC, including the IOC Requirements. The 2024 Entity and Venue Owner may also mutually agree to designate certain portions of the Venue for the Exclusive Use by the 2024 Entity during the Post-Olympic Period.

**3.4 Reasonable Access at Other Times.** Without limiting any of the foregoing provisions of this Article 3 (License and Use of Venue), Venue Owner shall grant the 2024 Entity and its Representatives reasonable access to the Venue, at any mutually agreeable time prior to the Pre-Olympic Period or following the Post-Olympic Period, as applicable, for the purposes of (a) pre-installing necessary equipment in preparation for the Games in accordance with Section 4.1 (No Impairment), (b) meeting with members of the Venue staff for tours and refining the 2024 Entity's plans for the Venue, (c) arranging or conducting commercial and noncommercial photography, filming, videotaping, telecast and radio transmission associated with the Permitted Uses, (d) removing temporary equipment and Overlay and restoring the Venue in accordance with Section 4.2 (Site Restoration), (e) environmental, geotechnical and

related testing and (f) conducting other tests or checks in accordance with IOC Requirements; provided that the schedule for any activity that is conducted pursuant to this Section 3.4 (Reasonable Access at Other Times) shall be approved by Venue Owner, which approval shall not be unreasonably withheld, delayed or conditioned.

#### **Article 4.      Construction.**

**4.1      No Impairment.** The 2024 Entity agrees not to perform any construction on the Venue that would impair the safety or structural integrity of the Venue.

#### **4.2      Site Restoration.**

**4.2.1      Removal and Restoration.** During the Post-Olympic Period, the 2024 Entity shall, subject to Section 4.2.3 (Legacy Improvements), (a) remove all temporary materials (including all commercial signage and displays), equipment and Overlay installed by the 2024 Entity in the Venue, and (b) except as otherwise requested by Venue Owner in accordance with Section 4.2.3 (Legacy Improvement) below, restore the Venue to a condition comparable to its condition prior to the commencement of the 2024 Entity's construction activities, subject to ordinary wear and tear. The 2024 Entity shall coordinate its removal and restoration activities pursuant to this Section 4.2.1 (Removal and Restoration) with Venue Owner in order to give priority to areas thereof that are necessary to enable resumption of Venue Owner's normal Venue operations. If the 2024 Entity fails to commence restoration of the Venue within ten (10) days following the end of the Exclusive Use Period, or fails to diligently pursue restoration after commencement, Venue Owner shall be authorized to restore, or retain third parties to restore, the Venue to a condition comparable to its condition prior to the commencement of Pre-Olympic Period and the 2024 Entity shall reimburse Venue Owner for all reasonable, documented out-of-pocket expenses incurred in connection therewith within sixty (60) days of the presentation of invoices therefor; provided that the Venue Owner may, at the Venue Owner's option, elect to offset such cost and expenses against any amounts that would otherwise be payable to the 2024 Entity under this Agreement.

**4.2.2      Costs and Expenses.** All removal and restoration activities conducted by the 2024 Entity pursuant to Section 4.2.1 (Removal and Restoration) shall be at the 2024 Entity's sole cost and expense.

**4.2.3      Legacy Improvements.** Venue Owner may make a written request to the 2024 Entity that Venue Owner be permitted to retain any Overlay, equipment or improvement to the Venue made by the 2024 Entity or its Affiliates in connection with the Games in exchange for mutually agreed upon compensation. Such request must be received by the 2024 Entity by the later to occur of (a) the date that is one hundred eighty (180) days prior to the commencement of the Games Period, or (b) ninety (90) days after Venue Owner is provided with notice and specifications of the Overlay. Notwithstanding the foregoing, Venue Owner shall notify 2024 Entity in writing prior to September 30, 2019 if Venue Owner desires to maintain the canoe-slalom facility and any or all related Overlay as a permanent facility (the "**Election Notice**"). Upon receipt of an Election Notice, 2024 Entity shall meet with Venue Owner to discuss in good faith any necessary amendments to this Agreement as a result of such election (including, without limitation, adjustment to the use periods and/or Consideration). For the avoidance of doubt, in the event Venue Owner does not timely deliver an Election Notice to 2024 Entity, Venue Owner shall be deemed to have elected to maintain the canoe-slalom facility as a temporary facility.

**4.2.4      Post-Use Inspection.** Promptly following, but not later than ten (10) days after the end of, the Post-Olympic Period, Venue Owner shall conduct a thorough inspection of the Venue to assess whether the Venue has been restored to a condition comparable to its condition prior to the commencement of the 2024 Entity's construction activities, subject to ordinary wear and tear (its "**Original**

**Condition**”) and shall notify the 2024 Entity in writing of any deficiencies (a “**Deficiency Notice**”). In the event Venue Owner determines that the Venue has been restored to its Original Condition, Venue Owner shall so notify the 2024 Entity in writing (a “**Satisfaction Notice**”). Upon delivery of a Satisfaction Notice, the 2024 Entity shall have no further obligations with respect to the removal of materials from, or any other restoration of, the Venue. If Venue Owner delivers a Deficiency Notice, then Representatives of the 2024 Entity and Venue Owner shall meet to discuss in good faith the deficiencies identified in the Deficiency Notice and how to address them in a timely and efficient manner. In the event that the 2024 Entity disputes any deficiency identified in the Deficiency Notice (or the 2024 Entity’s obligations with respect to such deficiency), such dispute shall be resolved in accordance with Section 11.16 and Exhibit G hereto. In the event that the parties mutually identify deficiencies for which the 2024 Entity is responsible under this Agreement, or an arbitrator determines that the 2024 Entity is responsible for any deficiencies pursuant to a judgment entered in accordance with Exhibit G, then the 2024 Entity shall promptly commence removal of the applicable materials or restoration of the Venue, as applicable, and shall continue to diligently pursue such removal or restoration activities until the Venue has been restored to its Original Condition. At such time as the Venue has been restored to its Original Condition, Venue Owner shall issue a Satisfaction Notice, and the 2024 Entity may request that Venue Owner inspect the Venue and issue a Satisfaction Notice at any time following the end of the Post-Olympic Period. For the avoidance of doubt, in no event shall the Consideration be adjusted, nor shall the 2024 Entity be obligated to pay any rent, use fee or other consideration of any kind, as a result of its or its Representatives’ use of, presence at or access to the Venue following the end of the Post-Olympic Period for the purpose of performing its obligations under this Section 4.2.4; provided that this sentence shall not be construed to relieve the 2024 Entity of its obligations under Section 4.2.2.

**4.3 No Other Alterations by Venue Owner.** From the date of this Agreement until the commencement of the Pre-Olympic Period, Venue Owner shall be permitted to operate the Venue, and shall conduct its business, as it deems necessary and appropriate in its sole discretion, and Venue Owner may modify, alter, develop and otherwise change the Venue in any way it deems necessary and appropriate, provided that (a) any such modification, alteration, development or other change does not reduce the layout, access, configuration or size of the competition areas or reduce or change the seating capacity of the Venue, or materially impact the 2024 Entity’s expected use of the Venue Facilities for the Permitted Uses, and (b) in no event shall any such modification, alteration, development or other change shall be made during the Exclusive Use Period. Venue Owner agrees to use reasonable efforts to give IOC and USOC sponsors, when applicable (and to the extent it would not conflict with Venue Owner’s then-existing sponsor contracts), first priority to provide any equipment or technology used for any Venue alterations or new construction undertaken by Venue Owner within the Venue after the Host City election.

## **Article 5. Ownership and Operational Matters.**

**5.1 Ownership; Taxes.** Venue Owner will at all times remain the legal and beneficial owner of the Venue. The 2024 Entity’s interest in the Venue will be that of a licensee and permitted user, and the 2024 Entity shall have no responsibility at any time for any property taxes, payments in lieu of taxes or similar assessments relating to the Venue or any of the Venue Owner Equipment. The 2024 Entity will at all times be the legal and beneficial owner of all 2024 Entity Property.

### **5.2 Condition.**

**5.2.1 Specific Elements.** Venue Owner shall ensure that the Venue shall have all of the elements, amenities and other attributes that are specified on Schedule 5.2.1 at all times during the Exclusive Use Period.

**5.2.2 Quality Venue Standard.** Without limiting Section 5.2.1 (Specific Elements), the standard of quality of the Venue shall be substantially equivalent, taken as a whole, to the standard of quality of the Comparable Facilities; provided, however, that Venue Owner shall not be obligated to include in the Venue any element, amenity or attribute that it reasonably determines is not suitable for or commercially viable in the Los Angeles market (the foregoing standard set forth in this paragraph being referred to herein as the “**Quality Venue Standard**”). Venue Owner shall, however, be permitted to include products, features or materials of better quality than those in the Comparable Facilities.

**5.2.3 Legal Requirements.** Venue Owner shall ensure that all of the spaces, structures, services and facilities of whatsoever nature to be provided or procured by Venue Owner under this Agreement are in compliance with all Applicable Laws, including, without limitation, the Americans with Disabilities Act of 1990, as amended, building codes, laws pertaining to health, fire or public safety, laws pertaining to the sale, distribution and consumption of liquor and all applicable laws of California. In the event that it is determined by any Governmental Authority or any court of competent jurisdiction, prior to or during the Exclusive Use Period or any Nonexclusive Use Period, that any modification or alteration to any portion of the Venue must be made in order to satisfy any such requirement, Venue Owner shall be responsible for procuring such modification or alteration at Venue Owner’s sole cost and expense. Notwithstanding the foregoing, the City, in its capacity as Venue Owner under this Agreement, shall not be considered a Governmental Authority for the purposes of this Agreement.

### **5.3 Venue Owner Facilities and Vendor Owner Equipment**

#### **5.3.1 Exclusive Use Period and Test Events.**

(a) During the Exclusive Use Period, Venue Owner shall make available to the 2024 Entity, if and when requested by the 2024 Entity: (i) all Venue Owner Facilities and all Venue Owner Equipment normally located in the Venue in good repair and operating condition, and (ii) all Venue Services normally employed or utilized by Venue Owner in connection with the operation of the Venue (including those services included on Schedule 5.3.1 hereto), at times and schedules as reasonably designated by the 2024 Entity. If the 2024 Entity desires the Venue to be made available for use free of some or all Venue Owner Equipment, the 2024 Entity shall notify Venue Owner and Venue Owner shall remove such Venue Owner Equipment from the Venue, at Venue Owner’s expense (as allocated in accordance with Exhibit B); provided, however, the relocation of existing storage or warehouse facilities at the Venue shall require mutual agreement of the parties. The 2024 Entity shall use reasonable efforts to provide Venue Owner with reasonable advance notice of the 2024 Entity’s requirements for providers of Venue Services. If any Venue Services are normally provided by a third party in connection with the operation of the Venue, Venue Owner shall reasonably cooperate with the 2024 Entity to assist the 2024 Entity in obtaining all rights that may be necessary or desirable for the 2024 Entity to utilize such third party’s Venue Services during the Exclusive Use Period pursuant to (and on the same terms as) Venue Owner’s existing agreements with such third party for such Venue Services. Notwithstanding the foregoing, the 2024 Entity may elect, in its sole and absolute discretion, upon reasonable advance notice to Venue Owner, to arrange for the provision of any or all of the Venue Services by Olympic Sponsors or other third parties selected by the 2024 Entity in its sole discretion, provided, however, only to the extent the provision of services would not violate applicable labor or collective bargaining agreements (as the same may be modified pursuant to Section 5.4.4 (Labor Matters)).

(b) During the Exclusive Use Period, the 2024 Entity shall be permitted to perform any non-structural repairs and maintenance that may be reasonably necessary in connection with its use of the Venue, at the 2024 Entity’s cost and expense; provided, however, to the extent Venue Owner’s prior approval is not received the 2024 Entity shall restore the Venue in compliance with Section 4.2 (Site Restoration). In the case of any repair, maintenance or other corrective action that is reasonably required

with respect to the Venue's existing structure, infrastructure, servicing, building systems or capital equipment in order to maintain the Quality Venue Standard (such repairs, maintenance and other corrective action, collectively, "**Venue Owner Repairs**"), the 2024 Entity shall give Venue Owner prompt written notice thereof; provided that such notice need not be in writing if the matter is of an urgent nature or if public safety is at risk. Venue Owner agrees that promptly upon its receipt of such notice from the 2024 Entity, Venue Owner will take all actions as may be reasonably necessary to comply with the Quality Venue Standard. The cost of all Venue Owner Repairs will be borne by Venue Owner, unless such Venue Owner Repairs are attributable to any willful misconduct or negligence by the 2024 Entity, in which case the 2024 Entity will reimburse Venue Owner for reasonable out-of-pocket costs incurred by Venue Owner in making such Venue Owner Repairs within sixty (60) days after receipt of an invoice detailing Venue Owner's out-of-pocket costs.

### **5.3.2 Nonexclusive Use Periods.**

(a) During each Nonexclusive Use Period, Venue Owner shall (i) provide, operate, service and maintain, all at its sole risk and expense and in accordance with Venue Owner's ordinary course of business, all Venue Owner Facilities and all Venue Owner Equipment in the Venue, (ii) provide all Venue Services (including any Venue Services necessary for the installation of any Overlay or equipment as permitted in accordance with Article 4 (Construction)), and (iii) provide the 2024 Entity with reasonable access to Venue Owner's Representatives and, on an as-needed basis, Venue Owner Personnel subject to City Standards.

(b) To the extent reasonably possible, the 2024 Entity shall provide reasonable advance notice to Venue Owner of any special needs of the 2024 Entity for Venue Owner Facilities, Venue Owner Equipment or Venue Services during its access to the Venue during any Nonexclusive Use Period.

**5.3.3 Supplementary Equipment.** The 2024 Entity shall have the right, at any time in its sole discretion (whether during the Exclusive Use Period or any Nonexclusive Use Period) and at its sole risk, cost and expense, to supplement the Venue Owner Equipment with its own equipment or the equipment of any third party in connection with Permitted Uses; provided, however, the use of large or heavy machinery by 2024 Entity during any Nonexclusive Period shall require prior approval by Venue Owner.

## **5.4 Personnel.**

**5.4.1 Use of Venue Owner Personnel.** Venue Owner shall make (a) its Venue management staff available to the 2024 Entity at reasonable times to consult with the 2024 Entity during the Exclusive Use Period and each Nonexclusive Use Period and (b) all of its Venue event and operations staff, personnel and other service providers, including house technical, mechanical and janitorial staff (all such persons described in this clause (b), "**Venue Owner Personnel**"), available to the 2024 Entity during all events held by the 2024 Entity at the Venue, in each case subject to conformance with City Standards. 2024 Entity shall reimburse Venue Owner for all out-of-pocket costs associated with overtime performed by Venue Owner Personnel at 2024 Entity's request. All Venue Owner Personnel shall be subject to the security requirements, operating plans, background checks and accreditation procedures established by the 2024 Entity in accordance with Section 5.5 (Security and Access Control). Any services provided by Venue Owner or any Venue Owner Personnel, whether during the Exclusive Use Period or any Nonexclusive Use Period, shall (i) comply with all Applicable Laws and with quality and safety standards and (ii) be at least as comprehensive as the services provided by Venue Owner in connection with other events. During the Exclusive Use Period, the 2024 Entity may require any Venue Owner Personnel providing Venue Services to wear identification and/or uniforms as provided in Section 5.5.1 (Controlled Access). For the avoidance of doubt, any salary, wages, fees, remuneration or other benefits to which the Venue Owner

Personnel are entitled pursuant to their employment contracts or terms of engagement by Venue Owner shall remain the sole responsibility of Venue Owner.

**5.4.2 Supervision of Venue Owner Personnel.** No Venue Owner Personnel shall be supervised by any 2024 Entity employees; provided, however, consultation by management staff with 2024 Entity shall not be deemed supervision.

**5.4.3 2024 Entity Employees, Contractors, Volunteers and Equipment.** Notwithstanding anything to the contrary herein, the 2024 Entity shall have the exclusive right (either directly or indirectly) to select, manage, hire and/or retain, in its sole discretion and at its sole cost and expense, the services of any staff, personnel, vendors, contractors, individuals, volunteers or other service providers to perform any of the Venue Services or any other services that may be required by 2024 Entity in the Venue instead of or in addition to Venue Owner Personnel during the Exclusive Use Period and each Nonexclusive Use Period. In addition, the 2024 Entity shall be permitted to use any contractors, subcontractors and other service providers of its choosing to install any Overlay and equipment in the Venue, subject to any reasonable insurance requirements of Venue Owner. All of the foregoing shall be in accordance with City Standards.

**5.4.4 Labor Matters.** Venue Owner recognizes that certain modifications to existing agreements with local labor organizations that relate to the Venue may be required in order for certain of the Permitted Uses to fully and efficiently occur within the Venue, as determined by the 2024 Entity in its sole discretion. Venue Owner agrees not to interfere with the 2024 Entity in seeking and obtaining such modifications, including modifications relating to (i) the 2024 Entity's use of volunteers and (ii) the OBS Operations. In addition, as and to the extent reasonably requested by the 2024 Entity, Venue Owner shall cooperate with the 2024 Entity and local labor organizations, including those labor organizations and other building and construction trades-related unions, to accommodate the OBS Operations.

**5.4.5 No Discrimination.** In its performance of this Agreement, Venue Owner shall not, and shall cause its Representatives and Venue Owner Personnel not to, (a) discriminate or permit discrimination against any person because of race, creed, color, religion, national origin, gender, age, military status, sexual orientation, marital status or physical or mental disability; or (b) refuse to hire or promote, or discharge or demote, or discriminate in matters of compensation against any person otherwise qualified, solely because of that person's race, creed, color, religion, national origin, gender, age, military status, sexual orientation, marital status or physical or mental disability. Any such discrimination shall constitute a Venue Owner Event of Default, which shall entitle the 2024 Entity shall have the right to exercise any and all of its rights and remedies hereunder in respect thereof.

## **5.5 Security and Access Control.**

### **5.5.1 Controlled Access.**

(a) During the Exclusive Use Period, the 2024 Entity shall have the sole and exclusive right to determine all conditions of access to the Venue. Such conditions may include, without limitation, (i) requiring all Venue Owner Representatives, Venue Owner Personnel and other persons seeking access to the Venue during the Exclusive Use Period, for any purpose, to submit to the 2024 Entity's security background check and accreditation procedures, (ii) requiring all Venue Owner Representatives, Venue Owner Personnel, and other providers of Venue Services in the Venue to wear uniforms provided by the 2024 Entity (it being understood that any such uniforms shall be at the 2024 Entity's expense, shall remain the property of the 2024 Entity and shall be returned to the 2024 Entity at the 2024 Entity's direction, and must comply with City Standards regarding uniforms), and (iii) if the 2024 Entity does not provide

uniforms for such persons as contemplated by the foregoing clause (ii), ensuring all uniforms and other attire worn by such persons during the Exclusive Use Period comply with all IOC Requirements. No later than eighteen (18) months prior to the commencement of the Exclusive Use Period, the 2024 Entity and Venue Owner shall mutually agree upon a list of any individuals (x) whose services are uniquely required to ensure the safe operation of the Venue and (y) who cannot satisfy the 2024 Entity's security background check and accreditation procedures but who otherwise have satisfactorily completed the Venue Owner's background check requirements in accordance with City Standards (such persons, the "Critical Safety Personnel"). The 2024 Entity shall work with the IOC and applicable law enforcement in order to seek access to the Venue for such Critical Safety Personnel, provided the parties agree that the terms and conditions of such access shall be as dictated by the IOC or applicable law enforcement.

(b) During the Exclusive Use Period, the 2024 Entity shall have the right to deny access to, or exclude or eject from, the Venue any person who fails to (i) wear and display the appropriate 2024 Entity accreditation card, access permit and/or uniform at all times while in the Venue, (ii) satisfy or comply with any of the security, accreditation and confidentiality procedures, policies and requirements imposed by the 2024 Entity, or (iii) satisfy any of the other conditions established by the 2024 Entity for access to the Venue.

**5.5.2 Security and Safety Policies.** The 2024 Entity, in cooperation with federal, regional and local security, public safety, emergency response and fire and rescue services may develop and implement comprehensive written instructions, procedures, policies and guidelines covering security, public safety, emergency response, fire response and evacuation policies for the Venue ("**Security and Safety Policies**") during the Exclusive Use Period. In furtherance thereof, Venue Owner agrees to make available to the 2024 Entity copies of all written Security and Safety Policies of Venue Owner and (b) comply in all respects with all Security and Safety Policies required to be implemented by the 2024 Entity during the Exclusive Use Period.

**5.5.3 Methods.** During the Exclusive Use Period, the 2024 Entity shall have the exclusive right to secure or otherwise control the Venue and all roads, sidewalks, loading areas or other access points, and other infrastructure within a five-hundred meter radius measured from the secure perimeter of the Venue and is under the control of Venue Owner either directly or through its Affiliates (the "**500m Perimeter**"), by any lawful means, without any consent or waiver by Venue Owner. Without limiting the generality of the foregoing, the 2024 Entity and any Olympic "Public Safety Command" may erect temporary fencing, employ access control staff, patrol the perimeter of the Venue and/or conduct lawful searches of all vehicles, packages, containers, equipment and/or persons seeking entry into the Venue during the Exclusive Use Period.

**5.6 Licenses and Permits.** The 2024 Entity shall have sole responsibility for obtaining and paying for any certificates, permits, licenses, variances and approvals that may be required under any Applicable Law in connection with any occupancy or use by the 2024 Entity of, or any event or activity conducted by the 2024 Entity in, the Venue during the Exclusive Use Period or any Nonexclusive Use Period ("**Required 2024 Entity Approvals**"). For the avoidance of doubt, Required 2024 Entity Approvals shall include any certificates, permits, licenses, variances and approvals that may be required under the Master Lease. Venue Owner shall cooperate with and assist the 2024 Entity in identifying and securing all Required 2024 Entity Approvals. 2024 Entity shall notify the Venue Owner within ten (10) business days of receipt by 2024 Entity of notice of any suspension, termination, lapse, non-renewal, or restriction of Required 2024 Entity Approvals; provided, however, 2024 Entity shall notify the Venue Owner within forty-eight (48) hours of receipt by 2024 Entity of notice of any suspension, termination, lapse, non-renewal, or restriction of any Required 2024 Entity Approvals that may place public safety at risk; provided, further, when the last day to deliver a notice in compliance with this Section 5.6 falls on a Saturday, Sunday,

or legal holiday, the notice shall be timely delivered if given on the next succeeding day which is not a Saturday, Sunday, or legal holiday.

## **5.7 Insurance.**

**5.7.1** The 2024 Entity will maintain at all times during the Nonexclusive Use Period and the Exclusive Use Period insurance coverage of the types and in the amounts specified in Schedule 5.7.1.

**5.7.2** Venue Owner will maintain at all times during the Nonexclusive Use Period and the Exclusive Use Period insurance coverage of the types and in the amounts specified in Schedule 5.7.2.

**5.7.3** The 2024 Entity and Venue Owner will each cause the other to be named as additional insureds on their respective policies. Any policy deductibles or retentions, whether self-insured or self-funded, will be the obligation of the insured party. Each party will furnish the other party with certificates of insurance evidencing compliance with its obligations under this Section 5.7 (Insurance) prior to the commencement of the Nonexclusive Use Period.

**5.7.4** Any one or more of the types of insurance coverage required in this article may be obtained, kept and maintained through a blanket or master policy insuring other entities provided that such blanket or master policy and the coverage effected thereby comply with all applicable requirements of this Agreement.

## **5.8 Operational Planning; Reports and Inspections.**

### **5.8.1 Operational Planning**

(a) As soon as reasonably feasible after the date of this Agreement, the Venue Owner shall provide the 2024 Entity (at no additional cost) with any existing detailed CAD plans of the Venue in electronic format (or in hard copy where such plans are not available in electronic format), 3D models, photographs (including 3D photographs, aerial shots, or other footage) and other plans (collectively, the “**Facility Design Assets**”), showing details such as access points, seating areas, interior plans of all rooms, offices, and other Venue Facilities, cables pathways, technology infrastructure, telecom demarcation points, mobile cell tower locations, wireless access points, computer rooms, switch rooms, power distribution rooms, spectator approach routes, plans of lighting, camera positions, broadcasting platforms, press boxes, scoreboards, and field of play designs. The Venue Owner shall promptly provide 2024 Entity (at no additional cost) with any updates to such plans that become available to Venue Owner from time to time.

(b) The Venue Owner shall cooperate with 2024 Entity and/or its Affiliates, in respect of any analysis of the technology infrastructure within the Venue to assist 2024 Entity to develop its technology overlay requirements.

**5.8.2 Copies of Reports.** Venue Owner shall provide to the 2024 Entity upon its request copies of (a) Venue Reports in Venue Owner’s possession, whether now existing or hereafter obtained, and (b) all surveys and title documents (including title reports and copies of all recorded instruments) in Venue Owner’s possession, whether now existing or hereafter obtained.

**5.8.3 Additional Reports.** The 2024 Entity shall have the right to commission, at its sole cost and expense, any additional Venue Report that the 2024 Entity deems necessary

or desirable from any third party (each, an “**Additional Venue Report**”) at any time prior to or during the Exclusive Use Period; provided the activities of the 2024 Entity and such third party in connection therewith do not unreasonably interfere with Venue Owner’s operations or events at the Venue (other than during the Exclusive Use Period). The 2024 Entity shall provide copies of each Additional Venue Reports obtained by the 2024 Entity to Venue Owner promptly upon request by Venue Owner. If the 2024 Entity obtains knowledge of any matter affecting the Venue that would make the Venue undesirable for the Games or any of the Permitted Uses, the 2024 Entity may provide written notice to Venue Owner, in which event Venue Owner shall respond within ten (10) business days of receipt of such notice as to whether Venue Owner intends to cure such condition within sixty (60) days following receipt of such notice. If Venue Owner does not agree to cure such condition, or fails to commence and diligently pursue and complete such cure within such sixty (60) day period (or such longer period as may be approved in writing by the 2024 Entity in its sole discretion), then the 2024 Entity shall have the right to terminate this Agreement.

**5.9 Responsibility for Costs and Expenses.** The 2024 Entity shall bear all costs and expenses arising directly out of the 2024 Entity’s license and use of the Venue and presentation of the Games at the Venue, including all costs and expenses directly relating to the rehearsal for, production of and promotion of the Games, the sale of tickets, all installations necessary therefor, the restoration of the Venue as provided herein, the cost of all utility usage in excess of the normal and customary utility usage during the Exclusive Use Period (as measured in reference to the corresponding utility usage in the same time period in the year prior to the Games) and the performance of all of the 2024 Entity’s obligations hereunder, other than (i) those cost and expenses that are expressly stated in this Agreement to be borne by Venue Owner, (ii) all costs and expenses that are both necessary and incidental to Venue Owner’s performance of its obligations hereunder, (iii) all costs and expenses of owning and maintaining the Venue that would otherwise have been incurred in the absence of the Games, including all overhead costs and insurance costs, property taxes and all costs of utilities that would have been consumed in the absence of the Games, as allocated on Exhibit B, and (iv) all costs and expenses arising from Force Majeure Events.

**Article 6. Signage; Marketing and Intellectual Property Rights.**

Without limiting Section 2.3 (IOC-Required Guarantee Regarding Control of Commercial Activities) or any of the provisions of the “IOC Clean Venue Schedule” attached hereto as Schedule 2.3, Venue Owner hereby acknowledges, confirms and agrees to the following, subject to Section 12.6 (Compliance with Laws):

**6.1 Limitations on Signage in or Visible from Venue.** Venue Owner hereby acknowledges that, pursuant to IOC Requirements, all commercial signage and commercial displays of every kind (including names, logos and other signage or identifying material on telephones, food and beverage vending machines, products and supplies and other Venue Owner Equipment, as well as signage on buildings, and fencing, including in and on all Venue Owner Facilities, and in or on any ground surface) (“**Prohibited Commercial Signage**”) in, on or above the Venue, or within the 500m Perimeter must be removed or covered during the Exclusive Use Period. Venue Owner hereby agrees (a) at the commencement of the Exclusive Use Period, to deliver to the 2024 Entity the Venue, and the 500m Perimeter (the “**Venue Controlled Areas**”), free and clear of all Prohibited Commercial Signage and (b) at all times during the Exclusive Use Period, to cooperate (and to use commercially reasonable efforts to cause its contractors, agents and licensees in and around the Venue and the Venue Controlled Area to cooperate) with the 2024 Entity in complying with such IOC Requirements. If Venue Owner does not deliver the Venue or any Venue Controlled Area to the 2024 Entity in accordance with the preceding sentence, the 2024 Entity and its Representatives shall have the right to remove, relocate or cover any or all Prohibited Commercial Signage. Venue Owner shall cooperate with the 2024 Entity in removing, relocating or covering such Prohibited Commercial Signage and shall promptly reimburse the 2024 Entity for all costs and expenses incurred in connection with such removal, relocation or covering; provided that

the 2024 Entity may, at the 2024 Entity's option, elect to offset such cost and expenses against any amounts that would otherwise be payable to Venue Owner under this Agreement.

**6.2 Display and Advertising Rights; Sponsorships.** During the Exclusive Use Period, the 2024 Entity shall have the sole and exclusive right: (a) to display, and to permit and/or sell the right to display, any and all commercial advertising of any kind or description whatsoever, in any medium (whether now existing or hereafter devised), in, on and above the Venue and within the 500m Perimeter; (b) to determine the pricing for and other terms and conditions of any such grant of rights; (c) to receive and retain all revenues and other proceeds derived from any such grant of rights; (d) to temporarily name the Venue, the Venue Controlled Area or any portion thereof (the assigned name, the "Temporary Name") and to use and refer to the Temporary Name in connection with the Games; and (e) to use depictions of the Venue (or any portion thereof) in any materials in any medium (whether now existing or hereafter devised) in connection with the Games. Without limiting any of the foregoing, the 2024 Entity and the IOC shall have the exclusive right to sell sponsorships and supplierships of, and other rights of affiliation with, the Games. Venue Owner shall not, and shall cause its Venue Owner-controlled Affiliates and Representatives not to, undertake any promotional or advertising activities at the Venue or within the 500m Perimeter during the Exclusive Use Period.

**6.3 Photography, Broadcast and Multimedia Rights.** During the Exclusive Use Period, the 2024 Entity shall:

**6.3.1** have the sole and exclusive right to: (a) arrange, conduct and permit commercial and noncommercial photography, filming, videotaping, television and radio transmission, internet and web transmission, and similar activities in and above the Venue or from any other vantage points within the Venue Controlled Areas (including of the Venue or the Competition(s)), subject to the 2024 Entity's applying for and receiving all necessary film permits, (b) record, telecast, re-telecast or otherwise distribute and re-broadcast (using any and all media, whether now known or hereafter devised), and to permit media coverage, telecasting, and any other multimedia coverage or other distribution of, the Venue and all activities within the 500m Perimeter; and (c) make available to the public or otherwise by any means (in any medium) any coverage of or information in any form or media that relates to the Games, including the Competitions and the Venue as it relates to the Games; and

**6.3.2** be the sole legal and beneficial owner of all intellectual property rights to all audio-visual productions, sound recordings, and broadcasts of the Competition(s) and all activities related to the Games at the Venue (including on digital or analogue radio and all terrestrial, satellite, cable, pay television, pay per view, video on demand, or subscription video on demand rights on either digital or analogue television and all streaming, hyperlink or text rights on either the Internet or through mobile telephony) and have the exclusive rights to sublicense any such audio-visual productions, sound recordings and broadcasting rights to any third party.

**6.4 Tickets; Suites; Premium Seating.** The 2024 Entity and IOC shall have the exclusive right to sell tickets, suites, premium seating and other rights to view any or all events at the Venue or elsewhere within the 500m Perimeter, and to collect, receive and retain all gross income and revenues and other consideration of whatever kind or nature realized by, from or in connection with the sale or other distribution of such rights. For the avoidance of doubt, during the Exclusive Use Period Venue Owner shall not have access to any box offices or ticket offices located at the Venue to sell tickets, premium seating and/or other rights to view any or all future events at the Venue.

**6.5 Concessions.** 2024 Entity shall have the exclusive right (either directly or indirectly through its concessionaire(s)) to distribute, dispense and sell food, beverages and merchandise in all areas of the Venue and 500m Perimeter during the Exclusive Use Period. Without limiting the generality

of foregoing, 2024 Entity shall have the exclusive right to (i) close any concession stand, kiosk or food court during the Exclusive Use Period, (ii) limit the menu of food and beverages served during the Exclusive Use Period by any concession stand, kiosk or food court, and (iii) determine all items of food, beverages and merchandise sold or distributed at the Venue during the Exclusive Use Period.

**6.6 Olympic Marks.** No license or right to the use of any of Olympic- or Paralympic-related symbols, emblems, marks or terminology, including (a) the words “Olympic” and “Olympiad” and “Paralympic”; (b) the symbol of the IOC, consisting of five interlocking rings, and (c) the symbol of the IPC, consisting of three Agitos (all Olympic or Paralympic symbols, emblems, marks and terminology, collectively, the “**Olympic Marks**”), is granted to Venue Owner by this Agreement. Venue Owner hereby expressly acknowledges and agrees that any use of Olympic Marks in the United States is restricted by Title 36, United States Code, Section 220506, and may be used only with the prior written permission of the USOC, IOC or the IPC, as applicable; provided that (i) nothing contained herein shall prevent Venue Owner from negotiating or entering into separate agreements with the 2024 Entity, the USOC, the IOC, the IPC or any of their respective Affiliates for the use of any Olympic Mark or shall restrict Venue Owner’s use of any Olympic Mark pursuant to any such separate agreements, and (ii) if permitted by the IOC and the IPC, the 2024 Entity will provide Venue Owner with approved terminology and, if necessary, a limited license or sublicense to use certain Olympic Marks for the purpose of enabling Venue Owner to identify the Venue as one of the venues for the Games. Venue Owner shall be permitted to use depictions of the Venue in its non-Games configuration, but at no time will Venue Owner have the right to use depictions of the Venue when decorated and prepared for the Games without the prior written consent of the 2024 Entity.

**6.7 2024 Entity Marks.** No license or right to any present or future trademark, service mark, copyrighted work or other intellectual property, including any logo, sport pictograms and mascot, of the USOC or the 2024 Entity (all trademarks, service marks, copyrighted works and other intellectual property of the USOC and/or the 2024 Entity, collectively, the “**2024 Entity Marks**”) is granted to Venue Owner by this Agreement. The parties expressly acknowledge and agree that the 2024 Entity Marks are or will be protected by state and federal trademark, copyright, unfair competition and other laws.

**6.8 Commercial Identification Prohibitions.** In no event shall Venue Owner have any right to grant, and Venue Owner hereby represents, warrants and covenants that it has not entered into and will not enter into any agreement, understanding or arrangement that grants or purports to grant, any commercial sponsorship, affiliation or other identification rights of any kind or description with respect to the Games, the USOC, the IOC, the 2024 Entity, this Agreement or any of the services or uses contemplated hereunder to any supplier of goods or services or to any other Person, without the prior written consent of the 2024 Entity. Venue Owner shall not make, and shall not permit any of its Representatives or Affiliates to make, any commercial use of Venue Owner’s relationship with the 2024 Entity or the Games (whether prior to, during or after the Games Period) without the prior written consent of the 2024 Entity, including by:

(a) referring to the Games, the USOC, the IOC, the IPC, the 2024 Entity, this Agreement or any of the services or uses contemplated hereunder in any sales literature, letters, client lists, press releases, website, social media, apps, brochures or other written materials, except as may be necessary to perform Venue Owner’s obligations under this Agreement; or

(b) using or allowing the use of any Olympic Mark, any 2024 Entity Mark or any other service mark, trademark or trade name that is now or may be hereafter associated with, owned by or licensed by the 2024 Entity, the USOC, the IOC or the IPC, in connection with any service or product; or

(c) contracting with or receiving money or anything of value from any commercial entity to facilitate such entity obtaining any type of commercial identification, advertising or visibility in connection with the Games.

**6.9 License of Venue Owner Logos, Names and Marks.** Venue Owner hereby grants to the 2024 Entity an irrevocable royalty-free and unlimited license (including sublicense rights), exercisable from the date of this Agreement through the end of the Exclusive Use Period, to use any and all of the Venue's symbols, emblems, marks, logos, trademarks, service marks, and any photographs, films, videotapes, pictures, paintings, images or likenesses of the Venue or any part thereof (including the Facility Design Assets), in any medium (whether now existing or hereafter devised), including the name of the Venue, in each case, for the purposes of: (a) broadcasting, telecasting or otherwise distributing any depiction of the Test Events and the Games (including in any electronic or computer games), (b) identifying the location of the Games and any Test Events, (c) providing map and way-finding information, (d) advertising and promoting the Test Events and Games, (e) promoting and creating educational materials regarding the Test Events and Games generally, (f) making any presentations (in any format) to the IOC, IPC or any International Federation or National Governing Body of sport, and (g) any other commercial or non-commercial purpose in connection with the Games.

**6.10 Prevention of Ambush Marketing and Other Infringing Activities.**

(a) Venue Owner shall not interfere with the 2024 Entity's efforts to prevent Ambush Marketing within the Venue, the Venue Controlled Areas, and any adjacent land owned, operated or controlled by Venue Owner or any of its Venue Owner-controlled Affiliates, in each case, at any time during the Games Period and, to the extent Venue Owner is aware of any such Ambush Marketing, Venue Owner shall immediately notify 2024 Entity who may take appropriate measures.

(b) The 2024 Entity shall have the right to take appropriate legal action against any Person that engages in activities which undermine, encroach, compromise, curtail, infringe or ambush the rights of sponsors of the Games, and Venue Owner hereby agrees to reasonably cooperate with the 2024 Entity (and take such reasonable actions as may be requested by the 2024 Entity, provided, however, such actions are limited to those actions that may be reasonably requested of Venue Owner in its capacity as an owner of commercial property and not as a Governmental Authority) in pursuing such legal action. Any measures, steps or actions taken by Venue Owner under this Section 6.10(b) at the request of the 2024 Entity shall be at the 2024 Entity's sole cost and expense.

**6.11 Outdoor Advertising and Signage.** Venue Owner may continue to use its outdoor marquee(s) and other signage to promote events taking place at the Venue before and after the Exclusive Use Period; provided, however, during the period commencing on the first day of the Exclusive Use Period and ending on the day immediately following the closing ceremonies of the Games, the 2024 Entity shall have the exclusive right to use the Venue Owner's outdoor marquee(s) and all other outdoor signage.

**6.12 Special Events Carve-Outs.** Venue Owner shall cause all concessions within the 500m Perimeter and other service contracts entered into that directly service the Venue on or after the date hereof that could be in effect during the Exclusive Use Period to include the following provision (*mutatis mutandis*):

"Notwithstanding anything to the contrary in this Agreement, [Service Provider] shall suspend or modify its [Services] at the Venue, upon Venue Owner's request, as and to extent

necessary (as determined by Venue Owner in its sole discretion): (i) to accommodate Olympic Events (defined below) held at the Venue or within the 500m Perimeter, (ii) to comply with the terms of any contract between Venue Owner or any of its Affiliates, on the one hand, and any lessee, licensee or other user or occupant of the Venue in connection with any Olympic Event (collectively, “Olympic Users”), on the other, and (iii) to permit Venue Owner or any Olympic User to authorize any other Person to provide such [Services] at the Venue or within the 500m Perimeter in connection with any Olympic Event and for such Person to perform such [Services]. All revenues arising from or relating to any Olympic Event shall not be included in [*Gross Receipts or such comparable compensation formula under the Agreement*]. Upon reasonable advance written notice to [Service Provider], Venue Owner shall have the right from time to time to require [Service Provider] to provide all or a portion of the [Services] for any specified Olympic Event; provided that [Service Provider] hereby acknowledges and confirms that it shall have no right to provide [Services] for any Olympic Event except as and to the extent expressly authorized by Venue Owner. [Service Provider] shall not interfere with the provision of [Services] by any other Person in connection with any Olympic Event to the extent such Person has been authorized by Venue Owner or the applicable Olympic User to provide such Services. Without limiting the generality of this paragraph, Venue Owner and any Olympic User shall have the unrestricted right and license to use any and all [Service Facilities] and [Service Provider Equipment] during or otherwise in connection with any Olympic Event or the provision of [Services] for any Olympic Event (provided that in such event, [Service Provider] shall have no responsibility for any damage to any of the [Service Facilities or Service Provider Equipment] that is caused by such Olympic User), and to solicit, employ or otherwise retain any employee or contractor of [Service Provider] in connection with the provision of such [Services], and no fee, rent, royalty or other amount shall be payable to [Service Provider] in connection with such use, solicitation, employment or other retention. Furthermore, [Service Provider] acknowledges that during each Olympic Event, and for periods before and after each Olympic Event, [Service Provider] and other Olympic Users may be required to, and shall have the right to, remove, obscure, cover, obstruct or otherwise block from view (collectively, “Cover”) all or any portion of [Service Provider]’s signage, recognition, menu boards and other advertising at the Venue or within the 500m Perimeter, including by Covering the same with temporary banners or other advertising of any third party (including other service providers), in each case, if required or requested by the IOC, the IPC, any OOC or any other Olympic User. In the event of any conflict or inconsistency between this paragraph and any other term of this Agreement, this paragraph shall control.” The term “Olympic Event” as used herein shall mean any competition, ceremony, concert, practice, preparation or other athletic, entertainment, cultural, charitable or civic event held in connection with any Olympic Games or Paralympic Games, and specifically including any event designated as such by the International Olympic Committee (the “IOC”), the International Paralympic Committee (the “IPC”) or any local organizing committee for any Olympic Games or Paralympic Games (an “OOC”).”

**6.13 No Conflict or Encumbrances.** Venue Owner represents, warrants and covenants that it has not entered into and is not a party to or otherwise bound by, and shall not enter into or become a party to or otherwise bound by, any agreement or understanding that conflicts or would conflict with any of its obligations under this Agreement or any of the 2024 Entity’s rights under this Agreement, including any agreement or understanding that would (a) limit, restrict or prohibit any of the rights of the 2024 Entity granted herein, (b) grant any Person the right to enter, access, occupy, exploit or otherwise use any seating, suite, club or other space in the Venue during the Exclusive Use Period, (c) permit any Person to sell or give away any consumable or non-consumable merchandise of any kind in the Venue during the Exclusive Use Period, (d) limit in any way the ability of the 2024 Entity to produce and sell any consumable or non-consumable merchandise in the Venue during the Exclusive Use Period, (e) grant any rights to advertise or display any commercial signage or other advertising of any kind in the Venue during Exclusive Use Period, (f) restrict or prohibit the removal, relocation or covering of any commercial signage or display in the Venue

during the Exclusive Use Period (including signage or other displays that include the name of the Venue), (g) prevent any Olympics Sponsor or vendor from installing systems for the Games or (h) encumber any portion of the Venue.

## **Article 7. Environmental Matters.**

**7.1 Condition of Venue.** Venue Owner hereby represents and warrants to the 2024 Entity that, to the best of Venue Owner's knowledge (based on a reasonably review of Venue Owner's reasonably accessible records or actual knowledge of management-level or senior employees) that: (a) no portion of the Venue, including the soil, surface area, groundwater and soil vapor, contains or is or has been otherwise impacted by a Hazardous Substance; (b) except as disclosed in writing to the 2024 Entity, no leak, spill, release, discharge, emission, generation or disposal of Hazardous Substances has occurred within the Venue on or prior to the date of this Agreement; and (c) any handling, transportation, storage, treatment or use by Venue Owner of Hazardous Substances that has occurred within the Venue on or prior to the date of this Agreement has been in compliance with all Applicable Laws, except as disclosed in writing to the 2024 Entity; provided that the foregoing clauses (a)-(c) shall not apply to any fuels, solvents and similar substances that were used and disposed of in the ordinary course of operational and janitorial activities at the Venue in compliance with all applicable laws, regulations and ordinances. Venue Owner further represents and warrants to the 2024 Entity that Venue Owner is not subject to any existing, pending or, to Venue Owner's knowledge, threatened investigation, remediation obligations, liability, notice of violation, litigation or claim by any governmental authority or third party under any applicable Environmental Law with respect to the Venue.

### **7.2 Venue Owner's Covenants.**

**7.2.1 Representations, Warranties and Covenants.** Venue Owner represents, warrants and covenants to the 2024 Entity that from and after the date of this Agreement: (a) all uses of the Venue shall comply with all Environmental Laws, (b) no Hazardous Substances will be brought onto, into or in the vicinity of the Venue or will otherwise be used, stored, disposed or permitted to be used, stored, or disposed in or on the Venue by Venue Owner; and (c) Venue Owner will not use, allow or authorize any tenant, subtenant or other occupant to use, store or dispose Hazardous Substances within one-hundred (100) feet of the Venue or upon any property owned by Venue Owner that abuts the Venue, provided that this clause (c) shall not apply to any commercially reasonable quantities of Hazardous Substances that were, are or will be used, stored, disposed of or sold in the ordinary course of any business or operations conducted by Venue Owner or any tenant, subtenant or other occupant of the Venue and handled in compliance with all Applicable Laws.

**7.2.2** Venue Owner shall immediately notify the 2024 Entity in writing after it has become aware of (a) any presence or Release or threatened Release of Hazardous Substances in, on, under, from or migrating towards the Venue; (b) any non-compliance with any Environmental Laws related in any way to the Venue; (c) any required or proposed remediation of environmental conditions relating to the Venue; or (d) any written or oral notice or other communication of which Venue Owner becomes aware from any source whatsoever (including but not limited to a Governmental Authority) relating in any way to Hazardous Substances that has or which may impact the Venue.

### **7.3 Remediation of Venue.**

**7.3.1 Venue Owner's Obligation to Remediate.** Except as expressly set forth below, if at any time any Hazardous Substances are determined to be present in the Venue (except as a result of the actions or omissions of the 2024 Entity, the OCOG, the IOC, the IPC or any of their respective Affiliates, Representatives, agents, tenants, subtenants, licensees, invitees, or assigns) in a manner that

interferes with the conduct of the Games or any Permitted Use or that has or, in the 2024 Entity's reasonable judgment, could have a material negative impact thereupon, including risk to human health or the environment (the existence of any of the foregoing, a "**Hazardous Condition**"), then Venue Owner shall take all steps necessary to promptly investigate, remove, abate or otherwise remediate such Hazardous Condition in accordance with all applicable Environmental Laws. Venue Owner shall use commercially reasonable efforts not to interfere with the conduct of the Games or any Permitted Use and not to impair or endanger any structural foundations, or other improvements within the Venue during any such investigation, removal, remediation or abatement process.

### **7.3.2 2024 Entity's Cure Right.**

(a) If (i) Venue Owner is unable or unwilling to take steps to promptly investigate, remove, remediate or abate any Hazardous Condition or to provide substituted premises to the 2024 Entity that are acceptable to the 2024 Entity (as determined by the 2024 Entity in its sole discretion) and (ii) such Hazardous Condition has or will have a material adverse effect on the conduct of the Games or any Permitted Use (as determined by the 2024 Entity in its reasonable discretion), then, upon giving Venue Owner at least ten (10) days' written notice of its intention to do so, the 2024 Entity may undertake such actions, and elect to expend such sums, as are reasonably necessary to remedy such Hazardous Condition. Venue Owner agrees to reimburse the 2024 Entity promptly for any costs or expenses incurred by the 2024 Entity or any of its Representatives in taking such remedial action; provided that the 2024 Entity may, at the 2024 Entity's option, elect to offset such cost and expenses against any amounts that would otherwise be payable to Venue Owner under this Agreement.

(b) If Venue Owner agrees to remove, abate or otherwise remediate the Hazardous Substance condition within a reasonable period of time and Venue Owner diligently pursues such action, the 2024 Entity shall not exercise its rights under Section 7.3.2(a); provided, however, that any amount payable to Venue Owner under this Agreement shall be equitably reduced to reflect the economic loss to the 2024 Entity during the period in which the Hazardous Condition exists.

**7.3.3 Cumulative Rights.** Nothing herein shall be deemed to limit any other rights or remedies to which the 2024 Entity may be entitled to exercise by reason of the existence of any Hazardous Substance that interferes with or has a material adverse effect on the 2024 Entity's use of the Venue.

**7.3.4 Costs and Expenses.** Without limiting any of the 2024 Entity's rights pursuant to this Section 7.3.4 (Costs and Expenses) or any other provision of this Agreement, Venue Owner acknowledges and agrees that (a) all costs and expenses for the investigation, removal, abatement and/or remediation of all Hazardous Substances that Venue Owner is required to address by the provisions of this Agreement or under applicable Environmental Laws shall be the sole obligation of Venue Owner, and (b) the 2024 Entity and its successors and assigns shall have no duty to contribute to or participate in such investigation, removal, remediation and/or abatement and shall have no responsibility for any cost or expense relating thereto. The provisions of this Section 7.3.4 shall be binding upon Venue Owner and upon any successor or assign of Venue Owner and shall survive any termination of this Agreement.

**7.4 Venue Owner's Environmental Indemnity.** Venue Owner covenants and agrees at the Venue Owner's sole cost and expense, to protect, defend, indemnify, release and hold harmless the 2024 Entity, the USOC, the IOC and the IPC and each of their respective Affiliates and Representatives (collectively, the "**LA24 Indemnified Parties**") harmless from and against any and all Indemnifiable Claims imposed upon or incurred by or asserted against any LA24 Indemnified Party that directly or indirectly arise out of or in any way relate to any one or more of the following: (a) any presence of any Hazardous Substances in, on, above, or under the Venue; (b) any past, present or threatened Release of any

Hazardous Substances in, on, above, under or from the Venue; (c) any activity by the Venue Owner, any person or entity affiliated with the Venue Owner, and any tenant, subtenant or other user of the Venue in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Venue of any Hazardous Substances at any time located in, under, on or above the Venue, or any actual or proposed remediation of any Hazardous Substances at any time located in, under, on or above the Venue, whether or not such remediation is voluntary or pursuant to court or administrative order, including but not limited to any removal, remedial or corrective action; (d) any past, present or threatened non-compliance or violations of any Environmental Law (or permits issued pursuant to any Environmental Law) in connection with the Venue or operations thereon, including but not limited to any failure by the Venue Owner, any person or entity affiliated with the Venue Owner, and any tenant or other user of the Venue to comply with any order of any governmental authority in connection with any Environmental Law; (e) any act or omission of the Venue Owner, any person or entity affiliated with the Venue Owner, and any tenant, subtenant or other user of the Venue in (i) arranging for disposal or treatment, or arranging with a transporter for transport for disposal or treatment, of any Hazardous Substances at any facility or incineration vessel containing any such or similar Substances or (ii) accepting any Hazardous Substances for transport to disposal or treatment facilities, incineration vessels or sites from which there is a Release, or a threatened Release of any Hazardous Substances which causes the incurrence of costs for remediation; and (f) any misrepresentation or inaccuracy in any representation or warranty or material breach or failure to perform any covenants or other obligations pursuant to this Agreement or relating to environmental matters; provided, however, that Venue Owner's liabilities and obligations under this Section 7.4 (Venue Owner's Environmental Indemnity) shall not apply to Indemnifiable Claims to the extent they arise from (x) any negligence or willful misconduct by any LA24 Indemnified Party or (y) any Hazardous Substances migrating offsite onto the Venue from a source other than the Venue (hereinafter defined as ("Unallowed Hazardous Substances"). The provisions of this Section 7.4 (Venue Owner's Environmental Indemnity) shall be binding upon Venue Owner and upon any successor or assign of Venue Owner and shall survive any termination of this Agreement.

**7.5 2024 Entity's Environmental Indemnity.** The 2024 Entity covenants and agrees at the 2024 Entity's sole cost and expense, to protect, defend, indemnify, release and hold the Venue Owner harmless from and against any and all Indemnifiable Claims imposed upon or incurred by or asserted against the Venue Owner and directly or indirectly arising out of or in any way relating to any one or more of the following: (a) any activity by the 2024 Entity, its successors, assigns, tenants, subtenants or other occupant of the Venue or by any of their respective Representatives in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Venue of any Hazardous Substances at any time located in, under, on or above the Venue, or any actual or proposed remediation of any Hazardous Substances at any time located in, under, on or above the Venue, whether or not such remediation is voluntary or pursuant to court or administrative order, including but not limited to any removal, remedial or corrective action; (b) any non-compliance or violations of any Environmental Law (or permits issued pursuant to any Environmental Law) in connection with the Venue or operations therein, including but not limited to any failure by the 2024 Entity, its successors, assigns, tenants, subtenants or other occupant or any of their Representatives to comply with any order of any governmental authority in connection with any Environmental Law; (c) any acts of the 2024 Entity its successors, assigns, tenants, subtenants or other occupant of the Venue or by any of their respective Representatives in (i) arranging for disposal or treatment, or arranging with a transporter for transport for disposal or treatment, of any Hazardous Substances at any facility or incineration vessel containing any such Hazardous Substances or (ii) accepting any Hazardous Substances for transport to disposal or treatment facilities, incineration vessels or sites from which there is a Release, or a threatened Release of any Hazardous Substances which causes the incurrence of costs for remediation; and (d) any misrepresentation or inaccuracy in any representation or warranty or material breach or failure to perform

any covenants or other obligations pursuant to this Agreement or relating to environmental matters; provided, however, that Venue Owner's liabilities and obligations under this Section 7.5 (2024 Entity's Environmental Indemnity) shall not apply to Indemnifiable Claims to the extent they arise from (x) any negligence or willful misconduct of the Venue Owner or its successors, assigns or by any of their respective Representatives or (y) any Unallowed Hazardous Substances. The provisions of this Section 7.5 (2024 Environmental Indemnity) shall be binding upon the 2024 Entity and upon any successor or assign of the 2024 Entity and shall survive any termination of this Agreement.

#### **7.6 The 2024 Entity Covenants.**

(a) The 2024 Entity warrants and represents to the Venue Owner that from and after the date of this Agreement that (i) the 2024 Entity and its successors, assigns, tenants, subtenants or occupants of the Venue or by any of their respective Representatives' uses of the Venue or 500m Perimeter shall be in compliance with all Environmental Laws, and (ii) the 2024 Entity and its successors, assigns, tenant, subtenants, occupants or any of their respective Representatives' shall not bring Hazardous Substances onto or into or about the Venue or shall not otherwise use, store, dispose of or permit Hazardous Substances to be used, stored, or disposed in or on the Venue or within the 500m Perimeter; provided that the prohibition in this Section 7.6 (The 2024 Entity Covenants) shall not apply to commercially reasonable quantities of Hazardous Substances used, stored, or disposed of or sold in the ordinary course of any business or operations conducted by the 2024 Entity or any tenant, subtenant or other occupant of the Venue and handled in compliance with all applicable laws.

(b) The 2024 Entity shall immediately notify the Venue Owner in writing after it has become aware of (i) any presence or Release or threatened Release of Hazardous Substances in, on, under, from or migrating towards the Venue resulting from the 2024 Entity's or its successors, assigns, tenants, subtenants or occupants or their respective representatives' use of the Venue or 500m Perimeter; (ii) any non-compliance with any Environmental Laws related in any way to the 2024 Entity's or its successors, assigns, tenants, subtenants, occupants or their respective Representative's use of the Venue or 500m Perimeter; (iii) any required or proposed remediation of environmental conditions relating to the Venue or 500m Perimeter resulting from the 2024 Entity's, its successors, assigns, tenants, subtenants, occupants and their respective Representatives use of the Venue or 500m Perimeter; and (iv) any written or oral notice or other communication of which Venue Owner becomes aware from any source whatsoever (including but not limited to a Governmental Authority) relating in any way to Hazardous Substances that has or which may impact the Venue.

**7.7 2024 Entity's Obligation to Remediate.** If at any time any Hazardous Substances are determined to be present in the Venue within one year after the conclusion of the Post-Olympic Period as a direct result of the actions or omissions of the 2024 Entity or any of its Affiliates, Representatives, agents, tenants, subtenants, licensees, invitees, or assigns, then the 2024 Entity shall take all steps necessary to promptly investigate, remove, abate or otherwise diligently and continuously remediate such Hazardous Condition in accordance with all applicable Environmental Laws. The 2024 Entity shall not impair or endanger any structural foundations, or other improvements within the Venue during any such investigation, removal, remediation or abatement process, and shall repair any damage caused by its removal, remediation or abatement process.

### **Article 8. Defaults and Remedies.**

**8.1 Events of Default.** The occurrence of any of the following events shall constitute an event of default for purposes of this Agreement (each, an "Event of Default"):

(a) any material breach of this Agreement by either the 2024 Entity or Venue Owner; or

(b) solely in the case of Venue Owner, any failure by Venue Owner to perform any of its obligations under Section 2.3 (IOC-Required Guarantee Regarding Control of Commercial Activities), Section 5.4.5 (No Discrimination) or Article 6 (Signage; Marketing and Intellectual Property Rights).

## **8.2 Venue Owner Event of Default.**

**8.2.1 Venue Owner Cure Period.** Upon the occurrence of any Event of Default by Venue Owner under Section 8.1(a) or 8.1(b) (a “**Venue Owner Event of Default**”), the 2024 Entity may provide written notice of the occurrence of such Event of Default to Venue Owner. In such event, Venue Owner shall have thirty (30) days from receipt of such notice with respect to a Venue Owner Event of Default under Section 8.1(a) (Events of Default) and three (3) business days with respect to a Venue Owner Event of Default under Section 8.1(b) (Events of Default), (each such period, the “**Venue Owner Cure Period**”) to cure such Venue Owner Event of Default. If such Venue Owner Event of Default is not cured within the applicable Venue Owner Cure Period or if the cure is not timely commenced or diligently pursued, the 2024 Entity shall have the right to exercise its cure rights pursuant to Section 8.2.2 (2024 Entity Cure Right) or 8.2.3 (Specified Venue Owner Event of Default), as applicable, and/or to exercise any and all remedies that it may have, whether under this Agreement, in equity or at law.

**8.2.2 2024 Entity Cure Right.** If Venue Owner fails to timely cure or to timely commence to cure or to diligently pursue the cure of any Venue Owner Event of Default after receiving notice of such Venue Owner Event of Default, the 2024 Entity shall have the right, but no obligation, to perform any obligation of Venue Owner hereunder, and Venue Owner shall promptly reimburse the 2024 Entity for all costs and expenses incurred by the 2024 Entity or any of its Affiliates in connection with such performance; provided that the 2024 Entity may, at the 2024 Entity’s option, elect to offset such cost and expenses against any amounts that would otherwise be payable to Venue Owner under this Agreement.

**8.2.3 Specified Venue Owner Event of Default.** Venue Owner acknowledges and agrees that the organization and staging of the Games is a time-critical event, for which numerous decisions must be made and implemented immediately. Therefore, notwithstanding anything to the contrary contained in Section 8.2 (Venue Owner Event of Default) or any other provision of this Agreement, Venue Owner acknowledges and agrees that upon the occurrence of any Venue Owner Event of Default within thirty (30) days prior to, or at any time during, the Exclusive Use Period (a “**Specified Venue Owner Event of Default**”), the 2024 Entity shall have the right, but no obligation, to cure such Specified Venue Owner Event of Default and to take any and all actions as the 2024 Entity deems necessary or appropriate to enable fulfillment of the defaulted obligation and/or satisfaction of the IOC Requirements. The 2024 Entity shall use reasonable efforts to notify Venue Owner of such Specified Venue Owner Event of Default and the intended curative actions, but failure to deliver such notice shall not prevent the taking of any such curative action. Venue Owner agrees to reimburse the 2024 Entity promptly for all costs and expenses incurred by the 2024 Entity or any of its Affiliates in connection with such curative actions; provided that the 2024 Entity may, at the 2024 Entity’s option, elect to offset such cost and expenses against any amounts that would otherwise be payable to Venue Owner under this Agreement.

**8.2.4 Cumulative Rights.** The rights and remedies of the 2024 Entity under this Section 8.2 (Venue Owner Event of Default) are not exclusive, but rather shall be cumulative and in addition to any and all other remedies available to the 2024 Entity, whether under this Agreement, in equity or at law.

**8.3 2024 Entity Event of Default.** Upon the occurrence of any Event of Default by the 2024 Entity under Section 8.1(a) (a “**2024 Entity Event of Default**”), Venue Owner may provide written notice of the occurrence of such 2024 Entity Event of Default to the 2024 Entity. In such event, the 2024 Entity shall have thirty (30) days from receipt of such notice (the “**2024 Entity Cure Period**”) to cure such 2024 Entity Event of Default. If such 2024 Entity Event of Default is not cured within such thirty (30) day period or if the cure is not timely commenced and diligently pursued, Venue Owner shall have the right to exercise any and all remedies that it may have, whether under this Agreement, in equity or at law.

**Article 9. Indemnification.**

**9.1 Indemnities by 2024 Entity.** The 2024 Entity shall indemnify, defend and hold harmless Venue Owner and its Representatives (“**Venue Owner Indemnified Parties**”) from and against any and all costs, losses, liabilities, damages, lawsuits, claims and expenses (including court costs, reasonable attorneys’ fees and disbursements), and all amounts paid in investigation, defense or settlement of any of the foregoing (all of the foregoing, collectively, “**Indemnifiable Claims**”), incurred by Venue Owner or any of its Representatives in connection with or arising out of or resulting from (a) any negligent act or omission or willful misconduct of the 2024 Entity or any of its Representatives in connection with this Agreement, (b) any breach by the 2024 Entity of any of the 2024 Entity’s representations, warranties or covenants under this Agreement, (c) any claim that relates to any construction of Overlay in the Venue by the 2024 Entity or its agents or contractors, or (d) any claim or action that relates to the use, occupancy, management, operation or possession of the Venue by the 2024 Entity, including any third party claim or action that relates to the production, promotion, clean-up after or cancellation of the Games; provided that the foregoing indemnification provisions shall not apply to the extent that any Indemnifiable Claim arises out of or results from (i) any negligent act or omission or willful misconduct of Venue Owner or any of its Representatives or Affiliates or (ii) any Force Majeure Event. The indemnification obligations of the 2024 Entity under this Section 9.1 (Indemnification) shall survive any termination of this Agreement.

**9.2 Indemnities by Venue Owner.** Venue Owner shall indemnify, defend and hold harmless the LA 24 Indemnified Parties from and against any and all Indemnifiable Claims incurred by any LA24 Indemnified Party in connection with or arising out of or resulting from (a) any negligent act or omission or willful misconduct by Venue Owner or any of its Representatives in connection with this Agreement, (b) any breach of any of Venue Owner’s representations, warranties or covenants under this Agreement, (c) any claim that relates to any defect in the structure, design or layout of the Venue, or any portion thereof, or (d) any claim by any sponsor (including any naming rights sponsor), advertiser, concessionaire, suite licensee or other customer, contractor or licensee of Venue Owner or any of its Affiliates; provided that the foregoing indemnification provisions shall not apply to the extent that any Indemnifiable Claim arises out of or results from (i) any negligent act or omission or willful conduct of the 2024 Entity or any of its Representatives or Affiliates or (ii) any Force Majeure Event. The indemnification obligations of Venue Owner under this Section 9.2 (Indemnities by Venue Owner) shall survive any termination of this Agreement.

**9.3 Duty to Mitigate.** Any Person that has incurred Indemnifiable Claims that are subject to the indemnification obligations of Section 9.1 or 9.2 (such party, an “**Indemnified Party**”) shall take all commercially reasonable steps to mitigate damages in respect of such Indemnifiable Claims in any manner that it deems reasonably appropriate, and the costs of such defense shall constitute Indemnifiable Claims.

**9.4 Waiver of Subrogation.** 2024 Entity and its respective Representatives, (a) waive any right of subrogation that might otherwise exist in or accrue to any Person on account of insurance coverage for the Venue or for property located or activities conducted on or in the Venue, and (b) agree to evidence such waiver by endorsement to the applicable insurance policies; provided that the foregoing

waiver shall not apply to the extent that the same would invalidate or increase the cost of the insurance coverage; and provided, further, that in the case of any increased costs, the other parties shall have the right, within thirty (30) days following a written notice, to pay such increased costs and thereby restore the applicability of the foregoing waiver.

## **Article 10. Termination**

**10.1 Automatic Termination Upon Non-Selection.** If the City is not selected by the IOC to be the host city for the Games, this Agreement shall immediately and automatically terminate upon the selection of any other city as the host city for the Games.

**10.2 2024 Entity's Termination Right.** This Agreement may be terminated by the 2024 Entity without penalty or other liability, at any time by written notice to Venue Owner, (a) for any reason up until the date that is one (1) year prior to the commencement date of the Pre-Olympic Period, in the 2024 Entity's sole and exclusive discretion; or (b) pursuant to the terms of Section 5.8.3 (Additional Reports).

**10.3 Effect of Termination.** From and after any termination of this Agreement in accordance with its terms, all rights, covenants and obligations of performance by the parties (except for those rights and obligations that are expressly stated to survive termination, including those contained in Sections 7.3.4 (Costs and Expenses), 7.4 (Venue Owner's Environmental Indemnity), 7.5 (2024 Entity's Environmental Indemnity), 9.1 (Indemnities by 2024 Entity), 9.2 (Indemnities by Venue Owner), 11.5 (No Obligations for Unrelated Parties), 11.7 (Confidentiality), and Exhibit G (Dispute Resolution) shall immediately terminate; provided that no termination of this Agreement shall alter any of the claims of either party for any breach of this Agreement occurring prior to such termination, and the obligations of the parties with respect to such breaches (including those giving rise to such termination) shall survive such termination. Except as expressly set forth herein, neither party shall be obligated to pay the other any cost, fee, premium or penalty as a result of any termination of this Agreement.

## **Article 11. Miscellaneous Provisions**

**11.1 Sustainability.** Venue Owner hereby acknowledges that it is the goal of the IOC and the 2024 Entity to encourage and support a responsible concern for environmental issues, to promote sustainable development and operation in sport and to require that the Games are conducted in a manner consistent with these values. To that end, Venue Owner agrees to cooperate with, and to cause all of Venue Owner's Representatives and Affiliates to cooperate with, the 2024 Entity in its efforts to reduce waste, increase energy efficiency, conserve water and other resources and minimize pollution, including compliance with the sustainability requirements set forth in Schedule 11.1.

**11.2 Cooperation; Further Assurances.** The parties acknowledge that the success of the Games requires cooperation between them at all times and that each of them shall make every effort to keep the other fully informed in a timely manner as to the progress of their plans and activities, any particular difficulties encountered by them, any changes in plans and any other information that might affect the obligations of the other party under this Agreement. Each party agrees to, with reasonable diligence, do all such things, provide all such assurances and assistance and execute and deliver such other documents or instruments as may be reasonably required by any other Person to give effect to the terms and purpose of this Agreement and to carry out its provisions.

**11.3 Representations and Warranties of Venue Owner.** Venue Owner hereby represents, warrants and covenants to the 2024 Entity that, as of the date of this Agreement and at all times during the term of this Agreement: (a) it is and will continue to be a municipality incorporated under the

laws of the State of California, and it is and will continue to be authorized to do business, and is in good standing, in the State of California; (b) it has and will continue to have all necessary power and authority to enter into this Agreement and to perform its obligations hereunder; (c) the execution of this Agreement by it and the performance by it of its obligations hereunder have been duly authorized by all necessary action; (d) any governmental or third party consents or approvals necessary for the due and valid execution, delivery and performance by Venue Owner of this Agreement have been obtained and are and will continue to be in full force and effect; (e) this Agreement has been duly executed and delivered by Venue Owner and is and will continue to be a valid and binding obligation of Venue Owner, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting creditors' rights and to general equity principles; (f) the execution, delivery and performance of this Agreement will not result in the breach of or default under (or with notice or passage of time would constitute a breach of or default under) any agreement, understanding or contract with any Person; and (g) the Venue is and will continue to be in compliance with all, and within the past five (5) years has not received any notices of any violations of any, local, state, and federal safety and accessibility laws, including the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 *et seq.*, as amended. Venue Owner further represents and warrants to the 2024 Entity that Venue Owner has fee simple title to or a valid leasehold interest in the Venue, that all of the structures and grounds within the Venue are under the jurisdiction and control of Venue Owner, and that Venue Owner has all necessary right, power and authority to license and otherwise grant the 2024 Entity the right to access and use the Venue for the period and purposes contemplated by this Agreement.

**11.4 Relationship of Parties.** Each of the 2024 Entity and Venue Owner shall be solely responsible for its own duties and obligations under this Agreement and shall be deemed to be an independent contractor contracting at arms' length with the other party. Neither Venue Owner nor the 2024 Entity shall be deemed to have guaranteed performance by, or to be jointly liable, for the obligations of the other party under this Agreement or otherwise (except as and to the extent expressly agreed by both parties in a separate writing). Nothing contained in this Agreement shall (a) be deemed to create any agency, partnership or other similar relationship between the parties; and (b) authorize or permit either party to represent or otherwise hold out itself or any of its Representatives to be an agent, employee or partner of the other party.

**11.5 No Obligations for Unrelated Parties.** It is expressly understood and agreed by Venue Owner that:

(a) None of the State of California, the IOC, the IPC, the USOC or any of their respective Representatives, nor any Representative of the 2024 Entity (all of the foregoing, collectively, "**Unrelated Parties**") shall incur any financial responsibility or liability of any kind or nature whatsoever in connection with or arising out of this Agreement or any subsequent agreement between the parties relating to the subject matter hereof;

(b) Without limiting the foregoing, the 2024 Entity shall not be deemed to be an agency, instrumentality, joint venturer or agent of any Unrelated Party; and

(c) The City, for itself and its successors and assigns, acting solely in its capacity as Venue Owner, hereby irrevocably waives and releases, and hereby agrees and covenants to refrain from bringing or causing to be brought, any claims, demands, action, suits or other proceedings, whether at law or in equity, or whether before a court, arbitration panel, agency board or other body, against any Unrelated Party on account of any and all rights, demands, damages, claims, actions, causes of action, duties or breaches of duty, known or unknown, existing, pending, accrued or unaccrued (each, a "**Cause of Action**"), that Venue Owner has, claims to have or may

have against any Unrelated Party, to the extent any such Cause of Action arises from or relates to this Agreement.

The provisions of this Section 11.5 (No Obligations for Unrelated Parties) shall survive any termination of this Agreement.

**11.6 Compliance with Laws.** During the term of this Agreement, Venue Owner and the 2024 Entity shall each comply with, and shall each cause their respective Representatives and Affiliates to comply with, all applicable laws, including all federal, state, local and municipal laws, statutes, ordinances, orders, decrees, regulations, permits, guidance documents, policies and other requirements of Governmental Authorities, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees (collectively, “**Applicable Laws**”), in each case, to the extent relating to this Agreement, or the Venue. Venue Owner and the 2024 Entity hereby agree to promptly disclose in writing to the other party any information obtained by Venue Owner or the 2024 Entity, as applicable, relating to any actual, potential or alleged non-compliance by Venue Owner or the 2024 Entity, as applicable, or any its Representatives or Affiliates, with any Applicable Law.

**11.7 Confidentiality.** While recognizing that documents provided to the City are generally public documents subject to Public Records Act requests, the 2024 Entity may on its own initiative and its own expense seek recourse of the courts to prevent the release of documents or information that it deems confidential and not subject to public disclosure. Without limiting the foregoing, (i) Venue Owner (in its capacity as Venue Owner) shall not discuss the terms of this Agreement or the planned use of the Venue for the Games with any member of the media without the prior written consent of the 2024 Entity, and (ii) neither party shall issue any press release or make any other public statement concerning the terms of this Agreement without the prior written consent of the other party; provided that nothing in this Section 11.7 (Confidentiality) shall be deemed to prevent the 2024 Entity from making any statement regarding its intended use of the Venue as part of the Games; and provided, further, that nothing in this Section 11.7 (Confidentiality) shall restrict Venue Owner in its capacity as a Governmental Authority, including in connection with any public hearings, meetings, testimony, or written or oral reports necessary for the approval or administration of this Agreement. The provisions of this Section 11.7 (Confidentiality) shall survive any termination of this Agreement for a period of five (5) years.

**11.8 Governing Law.** This Agreement shall be construed in accordance with, and governed by the substantive laws of, the State of California, without reference to principles governing choice or conflicts of laws. This Agreement will be interpreted without reference to any law, rule, or custom construing this Agreement against the party which drafted this Agreement.

**11.9 Time of the Essence.** With respect to all dates and time periods in or referred to in this Agreement, time is of the essence.

**11.10 IOC Approvals.** This Agreement and terms hereof shall be subject to approval by the IOC (“**IOC Approval**”). The 2024 Entity agrees to seek IOC Approval if the City is awarded the right to host the Games. Venue Owner shall cooperate with and support the 2024 Entity in obtaining IOC Approval, and the 2024 Entity shall notify Venue Owner of its receipt of such IOC Approval. Notwithstanding anything to the contrary in this Agreement, Venue Owner shall not be entitled to revoke or otherwise withdraw any of its offers or obligations under this Agreement prior to (or after) the receipt of IOC Approval, and this Agreement shall be fully binding on and enforceable against Venue Owner upon execution hereof. In the event IOC Approval is not obtained for any reason, the 2024 Entity shall have the right to terminate this Agreement in accordance with Section 10.2(a) (2024 Entity’s Termination Right) above.

**11.11 Severability.** Upon execution by the parties, each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by Applicable Law. If any term or provision of this Agreement, or the application thereof to any Person or circumstance, shall be held invalid or unenforceable to any extent in any jurisdiction, then, as to such jurisdiction, the remainder of this Agreement (including the application of such term or provision to Persons or circumstances other than those as to which such term or provision is held invalid or unenforceable in such jurisdiction) shall not be affected thereby. Any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by Applicable Law, the parties to this Agreement hereby waive any provision of any Applicable Law that renders any provision of this Agreement unenforceable in any respect.

**11.12 Assignment and Delegation.** Venue Owner may not assign or in any manner transfer any of its rights or delegate any of its obligations under this Agreement; provided, however, Venue Owner may delegate any of its obligations to any operator or manager of the Venue; and provided, further, no such delegation shall relieve Venue Owner of its obligations under this Agreement. LA24 may freely assign any of its rights and may delegate any of its obligations to the OCOG or any other assignee of or successor to all or part of the business of LA24. Subject to the limitation set forth in the first sentence of this Section 11.12 (Assignment and Delegation), this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

**11.13 Waiver.** No action or inaction by either party shall be deemed to constitute a waiver by such party of any compliance by the other party with any representation, warranty or covenant contained in this Agreement. Neither the waiver by any party of a breach of or default under any of the provisions of this Agreement, nor the failure of any party to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder shall thereafter be construed as a waiver of any subsequent breach or default or as a waiver of any other provisions, rights or privileges hereunder. No failure or delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

**11.14 Headings.** The Section, Exhibit and Schedule headings herein are for convenience and reference only, and in no way define or limit the scope and content of this Agreement or in any way affect its provisions.

**11.15 Entire Agreement; Amendment.** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter contained herein, and there are no covenants, terms or conditions, express or implied, whether written or oral, other than as set forth or referred to herein. This Agreement may be amended or modified only by a written agreement signed by each of the parties hereto and approved pursuant to the provisions of PSC-4 attached hereto.

**11.16 Dispute Resolution.** Any dispute involving breach (or alleged breach) of this Agreement (including the interpretation or invalidity of any of its terms) or fraud (any of the foregoing, a “**Dispute**”), will be resolved in accordance with the procedures specified in Exhibit G attached hereto, which will be the sole and exclusive procedure for the resolution of any such Dispute, except that a party, without prejudice to such procedures, may file a complaint to seek preliminary injunctive or other provisional judicial relief if such party determines, in its sole discretion, that such action is necessary to avoid irreparable damage or to preserve the status quo, provided that the parties will continue to participate in good faith in the procedures specified in Exhibit G attached hereto; and provided further that nothing in this Section 11.16 (Dispute Resolution) shall be construed to limit or restrict a party’s rights under Section 11.22 (Right to Enforce Strictly; Specific Performance) hereof. Other than the LA24 Indemnified Parties and the Venue Owner Indemnified Parties, no person or entity who is not a party to this Agreement shall be bound by this Section 11.16 (Dispute Resolution).

### **11.17 [Intentionally Deleted].**

**11.18 Notices.** All notices, requests, consents and demands shall be given to or made upon the parties at their respective addresses set forth on Schedule 11.18, or at such other address as either party may designate in writing delivered to the other party in accordance with this Section 11.18 (Notices). Unless otherwise agreed in this Agreement, all notices, requests, consents and demands shall be given or made by personal delivery, by confirmed air courier, by electronic mail (with a copy to follow by first-class mail), or by certified first-class mail, return receipt requested, postage prepaid, to the party addressed as aforesaid. If sent by confirmed air courier, such notice shall be deemed to be given upon the earlier to occur of (i) the date upon which it is actually received by the addressee and (ii) the business day upon which delivery is made at such address as confirmed by the air courier (or if the date of such confirmed delivery is not a business day, the next succeeding business day). If mailed, such notice shall be deemed to be given upon the earlier to occur of (x) the date upon which it is actually received by the addressee and (y) the second business day following the date upon which it is deposited in a first-class postage-prepaid envelope in the United States mail addressed as aforesaid. If given by electronic mail, such notice shall be deemed to be given upon the date it is delivered to the addressee by electronic mail, regardless of whether any subsequent copy is sent or received.

**11.19 Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Any counterpart or other signature delivered by .pdf or other electronic transmission shall be deemed for all purposes as being good and valid execution of this Agreement by the applicable party.

**11.20 Right to Record Memorandum of Agreement.** The parties hereto acknowledge that a memorandum of this Agreement may be recorded in the public record by the 2024 Entity at its expense. Venue Owner shall, at the request of the 2024 Entity, enter into such a memorandum of this Agreement prescribed by the 2024 Entity in recordable form. No party hereto shall record this Agreement in the public records without the express written consent of the other party hereto, except as provided above.

**11.21 Cumulative Rights.** Except as expressly set forth in this Agreement, the rights and remedies provided by this Agreement are cumulative and are in addition to any other rights the parties may have by law, or otherwise, and the use of any one right or remedy by any party shall not preclude or waive its right to use any or all other remedies; provided, however, in no event shall any party be permitted to recover more than once for the same damages or otherwise be unjustly enriched.

### **11.22 Right to Enforce Strictly; Specific Performance.**

**11.22.1 Right to Enforce Strictly.** Notwithstanding any law, usage or custom to the contrary, Venue Owner and the 2024 Entity shall at all times have the right to enforce each of the provisions of this Agreement in strict accordance with its terms. If, at any time, Venue Owner or the 2024 Entity (as the case may be) fails to enforce, or otherwise elects not to enforce, any provision of this Agreement or any right or remedy of Venue Owner or the 2024 Entity (as the case may be) with respect thereto strictly in accordance with its terms, such failure or election shall not constitute, and shall not be construed as creating, any custom or course of dealing in any way or manner contrary to any provision of this Agreement or as having in any way or manner modified the same.

**11.22.2 Strict Performance.** It is acknowledged and agreed that the 2024 Entity will suffer immediate and irreparable harm in the event of a breach or attempted or threatened breach of this Agreement by Venue Owner of any of Venue Owner's obligations hereunder and that the 2024 Entity will not have an adequate remedy at law. Accordingly, Venue Owner hereby acknowledges and agrees that

the 2024 Entity shall, in addition to the remedies set forth herein and any other remedy available to the 2024 Entity at law or in equity, be entitled to temporary, preliminary and permanent injunctive relief and a decree for specific performance in the event of any such breach or threatened or attempted breach, without the necessity of showing any actual damage or irreparable harm or the posting of any bond or furnishing of any other security.

**11.23 Force Majeure.** If a Force Majeure Event prohibits, prevents or delays either party, whether directly or indirectly, from performing any of its obligations under this Agreement, then (whether or not Force Majeure Events are expressly referred to in any provision of this Agreement relating to such obligation) such party shall be excused from performance of such obligation to the extent, but only to the extent made necessary by the Force Majeure Event and only until such time as the Force Majeure Event terminates or is removed or resolved. At all times during such period of prevention, prohibition or delay, the parties shall act diligently and in good faith to bring about the termination or removal of the Force Majeure Event as promptly as reasonably possible. None of the parties shall be liable to the other party as a result of such party's failure to perform any of its obligations as a result of a Force Majeure Event.

## **Article 12. Fundamental Agreement Principles.**

**12.1 Primacy of the IOC Requirements.** Notwithstanding anything contained in this Agreement, to the extent any term of provision of this Agreement conflicts or is inconsistent with any IOC Requirement, such IOC Requirement will govern and control. If any such conflict or inconsistency arises, the 2024 Entity will advise Venue Owner thereof and Venue Owner shall comply with such IOC Requirement; provided, however, to the extent the Venue Owner (acting solely in its capacity as Venue Owner and not as a Governmental Authority) is required to expend any amount in order to comply with any IOC Requirement that is enacted at any time after the date of the execution of this Agreement, and Venue Owner would not otherwise have been responsible for under the terms of this Agreement, then the 2024 Entity shall promptly reimburse Venue Owner such amount. In accordance with IOC Candidature Procedures, Venue Owner specifically agrees to abide by the terms of the "Additional IOC Covenants" set forth on Schedule 12.1.

**12.2 Conformance with Minimum Requirements of the International Federation(s) of Relevant Sport(s).** The 2024 Entity and Venue Owner agree that the Competition areas and practice areas in the Venue during the Exclusive Use Period will comply with the sport and competition requirements of the International Federation(s) of Relevant Sport(s), as such requirements may be in effect from time to time. The 2024 Entity shall advise Venue Owner of such requirements, and the parties shall cooperate in incorporating such requirements into the Venue; provided the cost of incorporating all such requirements will be borne by the 2024 Entity.

**12.3 USOC Requirements.** Venue Owner acknowledges and agrees that it has no right of recovery of any kind against the USOC, or any Affiliate, director, officer, employee, consultant or independent contractor of the USOC, under this Agreement, and that the sole and exclusive recourse or remedy by Venue Owner for any claims, demands, actions, suits or other proceedings under this Agreement shall be against the assets of the 2024 Entity only. The USOC shall be a third party beneficiary of this Section 13.3 with full rights of enforcement thereof.

**12.4 Retention of Records.** 2024 Entity shall maintain all records, including records of financial transactions, pertaining to the performance of this Agreement, in accordance with its normal and customary business practices. These records shall be retained during the term of this Agreement and for a period of three years following final payment made by the Venue Owner hereunder or until such time as the 2024 Entity is dissolved ("**Record Retention Period**"). Said records shall be subject to examination and audit by authorized Venue Owner Personnel or Representatives during the Record Retention Period

upon reasonable prior notice. 2024 Entity shall provide any reports reasonably requested by the Venue Owner regarding performance of this Agreement.

*[Remainder of page intentionally left blank. Signature pages follow.]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

LOS ANGELES 2024 EXPLORATORY  
COMMITTEE

By: \_\_\_\_\_  
Name:  
Title:

THE CITY OF LOS ANGELES

By: \_\_\_\_\_  
Name:  
Title:

## Exhibit A

### **Definitions**

**“2024 Entity”** has the meaning assigned to such term in the Recitals.

**“2024 Entity Cure Period”** has the meaning assigned to such term in Section 8.3 (2024 Entity Event of Default).

**“2024 Entity Event of Default”** has the meaning assigned to such term in Section 9.3 (2024 Entity Event of Default).

**“2024 Entity Marks”** has the meaning assigned to such term in Section 6.7 (2024 Entity Marks).

**“2024 Entity Property”** means all of the Overlay and other equipment installed at the Venue by the 2024 Entity and any other personal property brought into the Venue by the 2024 Entity or any of its Representatives (other than Venue Owner Facilities and Venue Owner Equipment).

**“500m Perimeter”** has the meaning assigned to such term in Section 5.5 (Security and Access Control).

**“AAA Rules”** has the meaning assigned to such term in Exhibit G.

**“Additional Venue Reports”** has the meaning assigned to such term in Section 5.8.3 (Additional Reports).

**“Affiliate”** means with respect to any Person, a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such Person.

**“Agreement”** means this Venue Use Agreement, including all Exhibits, Schedules and Addenda attached hereto and referred to herein, as it and/or they may be amended in accordance with Section 11.15 (Entire Agreement; Amendment).

**“Ambush Marketing”** means any or all of the following:

(a) any non-Games partner/sponsor company’s use of creative means or efforts to generate any false association with the Games;

(b) any non-Games partner/sponsor company’s infringement of any law, rule or regulation that protects the use of Olympic and Paralympic imagery and indicia; and

(c) any other action or activity of any non-Games partner/sponsor company that intentionally or unintentionally interferes with the legitimate marketing activities of Olympic or Paralympic partners.

**“Applicable Laws”** has the meaning assigned to such term in Section 11.6 (Compliance with Laws).

**“Candidature Procedures”** means the Candidature Questionnaire Olympic Games 2024 issued by the IOC, which sets forth certain requirements and guarantees that must be provided by any prospective host city for the Games.

**“Cause of Action”** has the meaning assigned to such term in Section 11.5(c) (No Obligations for Unrelated Parties).

**“City”** has the meaning assigned to such term in the Recitals.

**“City Standard Provisions”** has the meaning assigned to such term in Section 1.4 (Standard Provisions for City Contracts).

**“City Standards”** means conformance with the City Charter; City policies, including personnel practices, procedures and policies; and all local and State rules, regulations and laws. All union contracts and agreements with the City remain in full force and effect unless and until the 2024 Entity separately negotiates exceptions or exclusions from any all labor related City agreements for the exclusive purposes of all 2024 Entity activity.

**“Comparable Facilities”** means those public parks in California.

**“Competition(s)”** means those competitions for the Games that are anticipated to occur at the Venue and are identified on Exhibit C, as such Exhibit may be modified from time to time in accordance with the terms of this Agreement.

**“Confidential Information”** means (i) any and all information of any type and in any medium (written, oral, electronic or otherwise) furnished or made available (whether before or after the date hereof) by a party or such party’s Representatives (“Disclosing Party”) to the other party or such party’s Representatives (“Receiving Party”) or that otherwise relates to the Disclosing Party, and (ii) any and all analyses, compilations, forecasts, studies, work-product or other documents prepared by Receiving Party or its Representatives which reflects any such information; excluding in all cases, information which is or becomes publicly available (other than in breach of this Agreement), or which is or becomes available to Receiving Party or its Representatives on a non-confidential basis from a source (other than Disclosing Party or Disclosing Party’s Representatives) which, to the best of Receiving Party’s knowledge after due inquiry, is not prohibited from disclosing such information to Receiving Party or its Representatives by a legal, contractual or fiduciary obligation.

**“Consideration”** has the meaning assigned to such term in Section 2.1 (Consideration).

**“Dispute”** has the meaning assigned to such term in Section 11.16 (Dispute Resolution).

**“Dispute Notice”** has the meaning assigned to such term in Exhibit G.

**“Environmental Laws”** means any and all present and future federal, state, county, municipal or local statutes, ordinances, regulations, rules, orders, judgments, permits or decrees or common law, relating to the discharge, emission, spill, release, generation, handling, storage, use, transport, disposal, investigation, removal, remediation or other cleanup of any Hazardous Substances, or otherwise relating to pollution or the protection of human health, safety or the environment. **“Environmental Laws”** shall include but not be limited to the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Hazardous Substances Transportation Uniform Safety Act of 1990; the Resource Conservation and Recovery Act (including but not limited to Subtitle I relating to underground storage tanks); the Solid Waste Disposal Act; the Clean Water Act; the Clean Air Act; the Toxic Substances Control Act; the Safe Drinking Water Act; the Occupational Safety and Health Act; the Federal Water Pollution Control Act; the Occupational, Safety and Health Act; the Endangered Species Act; the National Environmental Policy Act; the River and Harbors Appropriation Act; the Federal Insecticide, Fungicide and Rodenticide Act; Porter-Cologne Water Quality Control Act; and

Proposition 65 (Health and Safety Code sections 25249.5 et seq.). The term “**Environmental Law**” also includes, but is not limited to, any present and future federal, state and local laws, statutes ordinances, rules, regulations, permits or authorizations and the like, as well as common law, that (a) require notification or disclosure of Releases of Hazardous Materials or other environmental condition of the Venue to any Governmental Authority or other Person, whether or not in connection with transfer of title to or interest in the Venue; (b) impose conditions or requirements in connection with permits or other authorization for lawful activity; (c) relate to nuisance, trespass or other causes of action related to the Venue; or (d) relate to wrongful death, personal injury, or property or other damage in connection with any physical condition or use of the Venue.

“**Event of Default**” has the meaning assigned to such term in Section 8.1 (Events of Default).

“**Exclusive Use**” means the sole and exclusive use, control, occupancy and exploitation of, and the sole and exclusive control of all access to, the Venue by the 2024 Entity, its Affiliates and/or Representatives.

“**Exclusive Use Period**” has the meaning assigned to such term in Exhibit B.

“**Facility**” has the meaning assigned to such term in the Recitals.

“**Facility Design Assets**” has the meaning assigned to such term in Section 5.8.1 (Operational Planning).

“**Force Majeure Event**” means the occurrence of any of the following: acts of God; acts of the public enemy; the confiscation or seizure by any government or public authority; insurrections; wars or war-like action (whether actual or threatened); arrests or other restraints of government (civil or military); blockades; embargoes; strikes, labor unrest or disputes (in each case without regard to the reasonableness of any party’s demands or ability to satisfy such demands); unavailability of or delays in obtaining labor or materials; epidemics; quarantine restrictions, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, wash-outs, explosions, other severe weather or casualty events; civil disturbance or disobedience; riot, sabotage, terrorism or threats of sabotage or terrorism; injunctions; other governmental action or change in law; shortages or failures or delays of sources of labor, material, energy, fuel, equipment or transportation; freight embargoes; or any other cause, whether of the kind herein enumerated or otherwise, that is not within the reasonable control and without the fault and negligence of the party claiming the right to delay or excuse performance on account of such occurrence. Notwithstanding the foregoing, no action of any Governmental Authority shall, as applied to Venue Owner, be considered governmental actions that excuse or may permit delay in performance by Venue Owner, and the term “Force Majeure Event” shall not include economic hardship or inability to pay debts or other monetary obligations in a timely manner.

“**Games**” means, collectively, (a) the Games of the XXXIII Olympiad, currently scheduled to commence on July 19, 2024 and to end on August 4, 2024 (this clause (a), the “**Olympic Games**”); and (b) the Paralympic Games, currently scheduled to commence on August 16, 2024 and to end on August 27, 2024 (this clause (b) the “**Paralympic Games**”).

“**Games Period**” means that certain 6-week period that includes the dates of the Games, currently scheduled to commence on July 19, 2024 and to end on August 27, 2024; provided, however, the Games Period shall be subject to change in the event of any change in the dates of the Games.

“**Governmental Authorities**” means any and all jurisdictions, entities, courts, boards, agencies, commissions, authorities, offices, divisions, subdivisions, departments or bodies of any nature

whatsoever and any and all any governmental units (federal, state, county, municipality or otherwise) whether now or hereafter in existence. Notwithstanding the foregoing, for purposes of this Agreement, the City, in its capacity as Venue Owner under this Agreement, shall not be considered a Governmental Authority for purposes of this Agreement.

**“Hazardous Condition”** has the meaning assigned to such term in Section 7.3.1 (Venue Owner’s Obligation to Remediate).

**“Hazardous Substance”** shall be interpreted broadly to include, but not be limited to, (a) any hazardous, toxic, petroleum-derived substance or petroleum products, flammable or explosive materials, radioactive materials (including radon), asbestos in any form that is or could become friable, urea formaldehyde, foundry sand, and polychlorinated biphenyls (“PCBs”); (b) any chemical, material or substance that is defined, regulated as or included in the definition of “hazardous substance,” “hazardous waste,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” “pollutant,” or “contaminant” under any Environmental Law; (c) any other chemical or other material, waste or substance, exposure to which is now prohibited, limited or regulated by or under any Environmental Law or the exposure to which presents a risk to human health or the environment; and (d) any biological contaminants, including bioaerosols, fungi, mold and mildew, that can be inhaled and cause adverse health effects, including allergic reactions, respiratory disorders, hypersensitivity diseases, and infectious diseases, but excluding substances of kinds and in amounts ordinarily and customarily used or stored in properties similar to the Venue for the purposes of cleaning or other maintenance or operations and otherwise in compliance with all Environmental Laws.

**“Host City Contract”** means the contract to be entered into by and among the IOC, the USOC and the City governing the planning, development and operation of the Games. Each reference to the Host City Contract shall include the Operational Requirements, Technical Manuals and User Guides related thereto, in each case as the same may now exist and as they may be hereafter amended, supplemented or otherwise modified by the IOC during the term of this Agreement.

**“Indemnifiable Claims”** has the meaning assigned to such term in Section 9.1 (Indemnities by 2024 Entity).

**“Indemnified Party”** has the meaning assigned to such term in Section 9.3 (Duty to Mitigate).

**“International Federation(s) of Relevant Sport(s)”** means the organizations listed on Exhibit D hereto.

**“IOC”** means the International Olympic Committee, an international, non-governmental not-for-profit organization of unlimited duration, organized in the form of an association with the status of a legal person, recognized by the Swiss Federal Council in accordance with an agreement entered into on November 1, 2000.

**“IOC Approval”** has the meaning assigned to such term in Section 11.10 (IOC Approvals).

**“IOC Charter”** means the Olympic Charter and associated Rules and By-Laws, as they now exist and as they may be hereafter amended, supplemented or otherwise modified by the IOC during the term of this Agreement.

**“IOC Requirements”** means, collectively, the IOC Charter, the Host City Contract and the Candidature Procedures, each as amended, supplemented or otherwise modified from time to time.

**“IPC”** means the International Paralympic Committee, an international, not-for-profit organization, based in Bonn, Germany, serving as the international governing body of sports for athletes with a disability.

**“LA24”** has the meaning assigned to such term in the Preamble.

**“LA24 Indemnified Parties”** has the meaning assigned to such term in Section 7.4 (Venue Owner’s Environmental Indemnity)

**“Nonexclusive Use Periods”** has the meaning assigned to such term in Section 2.2 (Use Periods).

**“OBS Operations”** has the meaning assigned to such term in Section 3.2.2 (Permitted Uses).

**“OCOG”** has the meaning assigned to such term in the Recitals.

**“Olympic Games”** has the meaning assigned to such term in the definition of “Games.”

**“Olympic Marks”** has the meaning assigned to such term in Section 6.6 (Olympic Marks).

**“Overlay”** means all temporary buildings, tents, trailers, platforms and other structures located in the Venue that are intended to support the temporary expansion and outfitting of the Venue during the Games, including to provide temporary seating and spectator areas as well as areas, systems and structures for broadcast, media, telecom, technology, medical and first aid, catering, hospitality, sanitary, waste management, scoring, judging and venue results, storage, staging, security and other logistics compounds; provided, however to the extent installation of any of the foregoing requires any license, permit, variance, or other similar approval, the foregoing shall be subject to the provision of general plans for the same being provided by the 2024 Entity to Venue Owner and Venue Owner’s approval of the same (such approval not to be unreasonably withheld, conditioned or delayed). The term “Overlay” shall also include such infrastructure as may be necessary in order to use the Venue for the Permitted Uses.

**“Paralympic Games”** has the meaning assigned to such term in the definition of “Games.”

**“Permitted Uses”** has the meaning assigned to such term in Section 3.2.2 (Permitted Uses).

**“Person”** means any individual, partnership, firm, limited liability company, corporation, association, trust, unincorporated organization, governmental authority or other legal entity of any kind.

**“Post-Olympic Period”** has the meaning assigned to such term in Exhibit B.

**“Pre-Olympic Period”** has the meaning assigned to such term in Exhibit B.

**“Prohibited Commercial Signage”** has the meaning assigned to such term in Section 6.1 (Limitations on Signage in or Visible from Venue).

**“Quality Venue Standard”** has the meaning assigned to such term in Section 5.2.2 (Quality Venue Standard).

**“Required 2024 Entity Approvals”** has the meaning assigned to such term in Section 5.6 (Licenses and Permits).

**“Representatives”** means, with respect to any Person, such Person’s directors, trustees, officers, employees, volunteers, contractors, subcontractors, vendors and other agents, sponsors, advisors, consultants and representatives (including, solely with respect to the 2024 Entity, the IOC, the IPC, the USOC and their respective Representatives, and solely, with respect to the Venue Owner, any operator or manager of the Venue).

**“Release”** with respect to any Hazardous Substances includes but is not limited to any release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Substances.

**“Security and Safety Policies”** has the meaning assigned to such term in Section 5.5.2 (Security and Safety Policies).

**“Specified Venue Owner Event of Default”** has the meaning assigned to such term in Section 8.2.3 (Specified Venue Owner Event of Default).

**“Temporary Name”** has the meaning assigned to such term in Section 6.2 (Display and Advertising Rights; Sponsorship).

**“Test Event”** means any competition, exhibition or other event scheduled or conducted by the 2024 Entity, Venue Owner and/or other Persons designated by the 2024 Entity within the Venue to test the technical and operational systems of the Venue or the use of the Venue for the Competition(s), as identified in Schedule 3.2.3.

**“Unallowed Hazardous Substances”** has the meaning assigned to such term in Section 8.4.

**“Unrelated Parties”** has the meaning assigned to such term in Section 11.5(a) (No Obligations for Unrelated Parties).

**“USOC”** means the United States Olympic Committee, a not-for-profit corporation chartered by the United States Congress as the National Olympic Committee for the United States of America.

**“Venue”** means the Facility and any adjoining areas depicted within the red bounded areas on the site plan attached hereto as Exhibit F (including any concourses adjacent to the Venue or other areas under control of the Venue Owner or its Affiliates as shown on Exhibit F), together with all rights, easements and appurtenant rights thereto (including rights to airspace above Facility, and all access routes or other rights of ingress/egress to the Facility), and all real and personal property related to the Facility (including Venue Owner Facilities and Venue Owner Equipment), in each case, whether now owned or hereafter acquired. Unless otherwise specified in this Agreement, all references in this Agreement to the “Venue” shall include all assets and properties at or within the Venue (including furniture, fixtures and equipment), whether installed at the time of original construction, by subsequent capital improvement or repair, or otherwise.

**“Venue Controlled Areas”** has the meaning assigned to such term in Section 6.1 (Limitations on Signage in or Visible from Venue).

**“Venue Owner”** has the meaning assigned to such term in the Preamble.

**“Venue Owner Cure Period”** has the meaning assigned to such term in Section 8.2.1 (Venue Owner Cure Period).

**“Venue Owner Equipment”** means all furniture, fixtures or equipment of any kind normally located or used in the Venue to conduct operations or to prepare for or conduct competitions in the Venue, including any items set forth on Exhibit E hereto, and all other mechanized equipment and other furnishings owned or leased by Venue Owner and located at or used in support of operations or activities in the Venue.

**“Venue Owner Event of Default”** has the meaning assigned to such term in Section 8.2.1 (Venue Owner Cure Period).

**“Venue Owner Facilities”** means all structures, fixtures, improvements, infrastructure and other facilities, that are located, used or necessary to conduct operations in the Venue (including all related support and ancillary areas); including, without limitation all (i) seating (whether temporary or permanent), including boxes, suites or similar “premium” seating areas or lounges, (ii) media facilities (including press boxes, broadcast compounds and video control rooms), (iii) medical facilities, (iv) hospitality and catering areas, including all concessions, bars, lounges, green rooms or entertainment areas, (v) parking areas for the Facility (whether or not located at the Venue) and loading docks, (vi) ticket box offices (including the use of any safes therein), turnstiles and spectator access control systems, (vii) storage facilities, (viii) retail areas, (ix) all areas for commercial or marketing purposes, (x) locker room facilities, (xi) security facilities, and (xii) IT, telecom and/or internet control rooms; provided that the term “Venue Owner Facilities” shall not include any 2024 Entity Property.

**“Venue Owner Personnel”** has the meaning assigned to such term in Section 5.4.1 (Use of Venue Owner Personnel).

**“Venue Owner Repairs”** has the meaning assigned to such term in Section 5.3.1(b) (Exclusive Use Period and Test Events).

**“Venue Reports”** means all building, sanitary, life safety and other governmental inspections and reports, tests, examinations, environmental studies, geotechnical studies, engineering inspections and reports and similar analyses relating to the Venue; provided however, such reports may be redacted to exclude any confidential information.

**“Venue Services”** means all utilities and services that are customarily provided or consumed in connection with the operation of the Venue, including heat and air conditioning, administration, security, cleaning and waste management, janitorial, food and hospitality, concessions, restrooms, ushering, water, electricity, Internet, Wi-fi, and other utilities, emergency repairs and general repairs and maintenance, together with use of electrical, mechanical, audiovisual, telecommunications and other systems and equipment and scoreboards.

## Exhibit B

### **Basic Terms**

#### **1. Consideration:**

Following Venue Owner's commercially reasonable efforts to mitigate any negative financial impact due to hosting Games events at the Venue (including compliance with Section 6.12 (Special Events Carve-Outs), and time-shifting of events (if applicable)), 2024 Entity will reimburse Venue Owner for its Expected Net Income (if positive) for the Exclusive Use Period, *plus* the following out-of-pocket costs (to the extent unavoidable, mitigated and actually paid by Venue Owner), as reflected on the operating income statement: (a) salaries, benefits and other indirect costs of full-time employees providing services directly to the 2024 Entity, (b) supplies and contract services benefitting the 2024 Entity, and (c) utilities used by the 2024 Entity (collectively, "Venue Owner Expenses"). Notwithstanding the foregoing, 2024 Entity shall also reimburse Venue Owner for its retained labor expenses (e.g., relating to labor expense not directly benefitting 2024 Entity) up to the total value of expected but displaced revenue; provided in no event shall Consideration payable hereunder exceed the sum of Venue Owner Expenses and Venue Owner's retained labor expenses.

Expected Net Income shall mean revenue that relates solely to activities that would otherwise have occurred within such Venue during the Exclusive Use Period but are mutually agreed to be displaced due to the permitted uses of the Venue by the 2024 Entity (filming and, recreational activities and concessions commissions earned by Venue Owner), minus expenses related to such activities, in each case determined by Venue Owner in good faith by reference to revenue actually received for such dates corresponding to the Exclusive Use Period for the affected portion of the Venue for the years 2019, 2020 and 2021, divided by three, and finally adjusted for inflation according to CPI through 2024.

No later than June 30, 2022, the parties shall agree upon the estimated Venue Owner Expenses, which shall be mutually determined by the parties by reference to the Venue Owner Expenses reflected on Venue Owner's operating income statement for the dates corresponding to the Exclusive Use Period in the years 2019, 2020 and 2021, divided by three, and finally adjusted for inflation according to CPI through 2024. The parties shall make necessary adjustments for the Games, including any increase or decrease to labor provided, any increase or decrease to supplies necessary for the Games, any increase or decrease to expected utility usage related to the Games, and any necessary adjustments to avoid double-counting of expenses or revenues. For the avoidance of doubt, the parties agree that the full-time labor costs reimbursable by the 2024 Entity shall be solely those costs related to services provided directly to the 2024 Entity in connection with the Venue. To the extent that such costs are attributable to services provided to both to 2024 Entity and to Venue Owner, the parties shall determine a proportionate reimbursement for such shared services.

The parties shall true-up the Venue Owner Expenses to reflect the difference between estimated and actual expenses within sixty (60) days following the Games. Venue Owner shall issue an invoice to the 2024 Entity reconciling the difference between estimated Venue Owner Expenses and actual Venue Owner Expenses, as determined by the Venue Owner in good faith. Such invoice shall be reasonably detailed and include backup evidencing expenses incurred (e.g., copies of utility bills, payroll registers, invoices for supplies, etc.).

If as a result of the reconciliation, it is reasonably determined that (x) actual Venue Owner Expenses for the Exclusive Use Period exceeded estimated Venue Owner Expenses for such period, then the 2024 Entity shall promptly reimburse Venue Owner for the difference, or (y) estimated Venue Owner Expenses for the Exclusive Use Period exceed the actual Venue Owner Expenses then Venue Owner shall promptly reimburse the 2024 Entity for the difference.

In no event shall indirect expenses attributable to 2024 Entity exceed the “cap rate” set forth in the latest edition of the City of Los Angeles Cost Allocation Plan available at the time of the true-up.

For the avoidance of doubt, to the extent 2024 Entity requests the services of any Venue Owner Personnel (whether part-time or full-time), 2024 Entity shall reimburse Venue Owner for the hourly wages and any indirect costs attributable to such employees who provide services directly to 2024 Entity.

Venue Owner shall permit 2024 Entity or its Representatives to inspect and take copies of all relevant financial records necessary to calculate the amounts payable to Venue Owner hereunder.

The Consideration shall be payable upon a schedule to be mutually agreed upon by the parties no later than eighteen (18) months prior to the commencement of the Exclusive Use Period.

For the avoidance of any doubt, the Consideration includes all remuneration, expenses and other costs related to the Venue Services and Venue Owner Equipment used, at the option of the OCOG, during the Games.

The 2024 Entity shall provide notice to Venue Owner of the number of hours and people that it will require, together with such other information as Venue Owner may reasonably require, in relation to the Venue Owner Personnel, no later than one hundred eighty (180) days prior to the commencement of the Games.

**2. Use Periods:**

- (a) **“Pre-Olympic Period”**: Based on past experience from prior Olympic and Paralympic Games, the Pre-Olympic Period is anticipated to begin approximately on the dates set forth below. The period commencing at 12:00 a.m. local time on the first day of the period and ending at 11:59 p.m. local time on the last day of the period, inclusive. Exact dates will be determined by the 2024 Entity, in consultation with the IOC but otherwise in the 2024 Entity’s sole discretion, after the date of this Agreement.
- (b) **“Exclusive Use Period”**: Based on past experience from prior Olympic and Paralympic Games, the Exclusive Use Period is anticipated to correspond to the dates set forth on the table below, as well as such other period(s) (to be defined by mutual agreement of the 2024 Entity and the Venue Owner at a later stage) for the holding of Test Events. The corresponding dates for such Exclusive Use Period commences at 12:00 a.m. local time on the first day of the period and ending at 11:59 p.m. local time on the last day of the period, inclusive; provided that the exact dates may be subject to reasonable adjustment, and are to be determined by the 2024 Entity, in consultation with the IOC but otherwise in the 2024 Entity’s sole discretion, after the date of this Agreement.
- (c) **“Post-Olympic Period”**: Exact dates are to be determined by the 2024 Entity, in consultation with the IOC but otherwise in the 2024 Entity’s sole discretion, after the date of this Agreement.

<b>Sepulveda – Park Grounds</b>			
Venue Area	Description	Handover Date	Handback Date
Lake Balboa Field	Open recreational area	1 Apr. 2022	1 Jan. 2025
Lake Parking	Parking	1 Mar. 2024	31 Oct. 2024
Eastern Field	Open recreational area	1 Mar. 2024	31 Oct. 2024
<b>Sepulveda – Sports Complex</b>			

Northwest Fields	Open	1 Nov. 2023	31 Oct. 2024
Soccer Field	Soccer	1 Nov. 2023	31 Oct. 2024
Baseball Fields (2 western diamonds)	Baseball/Softball	1 Nov. 2023	31 Oct. 2024
Parking Lot (western portion)	Sports parking	1 Nov. 2023	31 Oct. 2024
Baseball Fields (2 eastern diamonds)	Baseball/Softball	1 Jan. 2024	31 Oct. 2024
Parking Lot (eastern portion)	Sports parking	1 Nov. 2023 (Non-Excl. – access)	31 Oct. 2024

The 2024 Entity may elect to extend the use periods identified herein by written notice to Venue Owner; provided, in respect of any additional days added to the Exclusive Use Period, the Consideration shall be increased proportionately.

The 2024 Entity may elect to reduce the use periods identified herein by written notice to Venue Owner; provided, in respect of any reduction to the Exclusive Use Period, the Consideration will be reduced proportionately.

The 2024 Entity shall notify Venue Owner of any such elections no later than the date that is two (2) years prior to the commencement of the Exclusive Use Period.

Venue Owner and the 2024 Entity may amend this Exhibit B in writing from time to time to reflect (i) the final determination of the Pre-Olympic Period, the Exclusive Use Period and the Post-Olympic Period, and (ii) any corresponding increase or decrease to Consideration payable hereunder

**Exhibit C**

**Competitions**

Canoe-kayak – Slalom

Shooting

**Exhibit D**

**International Federation(s) of Relevant Sport(s)**

International Canoe Federation

International Shooting Sport Federation

## Exhibit E

### **Venue Owner Equipment**

- (1) No less than the number of wheelchairs, motorized carts and such other auxiliary aids and accessibility equipment as is located at the Venue on the date of execution of this Agreement (if any) or is reasonably necessary to comply with IOC Requirements, Applicable Laws and recognized domestic and international accessibility standards;
- (2) [Intentionally deleted];
- (3) All technological equipment serving the Venue, including without limitation, all communication infrastructure and video and surveillance camera systems, all data/voice/video wiring infrastructure, display boards (digital signage, ribbon boards, video boards or other screens), timing equipment, distributed antenna system (“DAS”), wireless infrastructure, Wi-Fi telephone and Internet services, connections or equipment (including radios, telephones, and other communication equipment); IPTV and video distribution infrastructure, and all associated rigging, frames, structures and footing, cabling conduits, fibre or fibre optic cables, cable routes, ducts, and control equipment;
- (4) All power supply equipment and back-up generators;
- (5) All maintenance, janitorial or facility related equipment (including forklifts, dollies, push carts, loading dock equipment).

Venue Owner and the 2024 Entity will develop this list by mutual agreement following the execution of this Agreement and will amend this Exhibit E in writing to set forth the agreed upon list of the Venue Owner Equipment.

**Exhibit F**

**Site Plan**

The Venue is depicted on the attached site plan, subject to the provisions of Section 4.3 of this Agreement. The Venue shall be subject to expansion as required by the 2024 Entity in accordance with the Security and Safety Policies to establish a public safety “buffer” around the Venue, as may be required by the IOC or public safety authorities, and/or to facilitate or restrict access to/from the Venue. Venue Owner shall cooperate with the 2024 Entity to facilitate and accommodate such expansion, which shall be at 2024 Entity’s sole cost and expense.

Venue Owner and the 2024 Entity will amend this Exhibit F in writing to reflect any agreed upon changes to the Venue.

Exhibit F – Site Plan



**SEPULVEDA SITE PLAN:**

**1 Sepulveda – Park Grounds**

- a. Lake Balboa Field
- b. Lake Parking
- c. Eastern Field

**2 Sepulveda – Sports Complex**

- d. Northwest Fields
- e. Soccer Field
- f. Baseball (2 western diamonds)
- g. Parking (western portion)
- h. Baseball (2 eastern diamonds)
- i. Parking (eastern portion)

## Exhibit G

### **Dispute Resolution**

#### **1. Discussion Period**

In the event any Dispute is not resolved in the ordinary course of business, any party may provide written notice of the Dispute to the other party describing in reasonable detail the nature of the Dispute (a “**Dispute Notice**”). The parties will attempt in good faith to resolve the Dispute within thirty (30) days of the Dispute Notice through good faith discussions between executives who have authority to settle the Dispute.

#### **2. Agreement to Arbitrate**

The parties hereby agree that if they, or their respective indemnitees, successors, assigns or legal representatives, as applicable, are unable to resolve any Dispute pursuant to Section 1 above, then such Dispute shall be finally resolved by binding arbitration conducted by a single arbitration in accordance with this Agreement and the then current American Arbitration Association Commercial Arbitration Rules (the “**AAA Rules**”) applying the Expedited Procedures of such AAA Rules, and judgment on the award may be entered in any court having jurisdiction thereof.

#### **3. Seat of the Arbitration and Governing Law**

The seat of the arbitration shall be Los Angeles, California. The arbitrator(s) shall decide the issues submitted as arbitrator at law only and shall base any award, including any interim awards, upon the terms of this Agreement and the laws of the State of California.

#### **4. Awards and Relief**

All awards shall be in writing and shall state the reasoning upon which such award rests. The arbitrator is hereby expressly empowered to grant any remedy or relief not expressly prohibited by this Agreement and available under applicable law, including, but not limited to, specific performance. In its award, the arbitrator may apportion the costs of the arbitration between or among the arbitrating parties in such a manner as it deems reasonable, taking into account the circumstances of the case, the conduct of such parties during the proceedings and the result of the arbitration. Unless otherwise ordered by the arbitrator, each party to the arbitration shall bear its own costs and expenses of the arbitration, and the fees and expenses of the arbitrator and of any expert or other assistance engaged by the arbitrator shall be borne by the parties to the arbitration equally.

#### **5. Confidentiality**

The arbitrator and the American Arbitration Association shall treat all dispute resolution proceedings provided for herein, all related disclosures, and all decisions of the arbitrator as confidential, except (i) in connection with any judicial proceedings ancillary to the dispute resolution proceedings (such as a judicial challenge to, or enforcement of, the arbitral award), (ii) if and to the extent otherwise required by applicable law to protect any legal right of either party, or (iii) if and to the extent otherwise agreed by the parties.

**6. Survival**

The terms of this Exhibit G shall survive any termination or expiration of this Agreement.

## Schedule 2.3

### **IOC Clean Venue Schedule**

#### **1. Signage**

The 2024 Entity shall have, and Venue Owner hereby grants to the 2024 Entity the right to have:

- (a) exclusive use of all indoor and outdoor signage at the Venue as well as signage in areas adjacent thereto and under the control of Venue Owner or its Affiliates; and
- (b) exclusive control of all venue-naming rights and signage, (including but not limited to the right to re-brand or cover existing signage).

Venue Owner further undertakes to comply with the IOC's requirements related to naming rights (including rules related to the treatment of non-commercial names, names of individuals, and commercial or corporate names) for Venues used in the Games of the Olympiad from the date of election of the Host City to the conclusion of the Games.

#### **2. Retailing and concessions**

During the Exclusive Use Period, the 2024 Entity shall have, and Venue Owner hereby grants to the 2024 Entity, the right to:

- be the sole and exclusive manager and operator of merchandise retail outlets and food/beverage concessions at the Venue;
- sell Olympic and Paralympic merchandise at retail outlets and food/beverage concessions, services, facilities and outlets;
- access all merchandise retail outlets as well as food and beverage products in the Venue; and
- use staff of its choice and dress such staff in uniforms of its choice to operate the merchandise retail outlets and food/beverage concessions.

#### **3. Ticketing and hospitality**

During the Exclusive Use Period, the 2024 Entity shall have, and Venue Owner hereby grants to the 2024 Entity, the exclusive right to:

- manage and sell tickets and hospitality in relation to the Games for the Venue; and
- manage and sell suites and specialty seats in relation to the Games for the Venue.

Throughout the term of this Agreement, Venue Owner shall not subject the 2024 Entity to any taxes or any parking charges at the Venue in relation to the sale of the aforementioned.

#### 4. Broadcasting and sponsorship

Throughout the term of this Agreement, the IOC and/or the 2024 Entity shall have, and Venue Owner hereby grants to the IOC and/or the 2024 Entity, the exclusive right to sell broadcast, sponsorship or any other multimedia rights in relation to the Games being held at the Venue.

#### 5. Exclusive use of Olympic Marketing Partners' products

During the Exclusive Use Period, the 2024 Entity shall have, and Venue Owner hereby grants to the 2024 Entity, the right to exclusively use products and services of Games marketing partners at the Venue (and re-brand existing products and services, to the extent necessary to respect the exclusive rights granted to Olympic and Paralympic sponsors), including the following product categories:

- Payment systems (including but not limited to credit card acceptance, automated teller machines (ATMs) and telephone payment systems) in relation to all sales occurring at the Venue related to the Games;
- Non-alcoholic and alcoholic beverages;
- Audio-visual equipment including but not limited to video boards and speakers; and
- Timing, scoring and on-venue results equipment including but not limited to scoreboards.

#### 6. No use of Olympic Marks

Venue Owner agrees that, at no time, shall Venue Owner or any of its Representatives or Affiliates have any right to use any Olympic Marks, symbols, terminology or derivatives thereof.

#### 7. Brand protection and anti-ambush assistance

Throughout the term of this Agreement, Venue Owner agrees to reasonably assist the 2024 Entity to combat attempts of Ambush Marketing by advertisers at the Venue who are not Olympic Sponsors but develop advertisements for use at the Venue that may, implicitly, suggest that they are sponsors of the Games.

**Schedule 3.2.3**

**Test Event Schedule**

Venue Owner and the 2024 Entity will develop this list by mutual agreement following the execution of this Agreement and will amend this Schedule 3.2.3 in writing upon reaching mutual agreement to set forth the agreed upon list and date(s) of the Test Events.

## Schedule 5.2.1

### **Specific Elements**

- (1) Retail spaces (both internal and with street access), restaurants, concessions facilities, internal and external message, video and score boards, administrative offices, broadcast facilities, meeting spaces, locker rooms, signage, and maintenance and storage areas, to the extent such areas exist at the Venue on the execution date of this Agreement.
- (2) Media-related facilities, including production offices, hospitality/meeting rooms, media work areas, a press conference room, and specific parking capabilities for broadcast and media-related trucks, to the extent such areas exist at the Venue on the execution date of this Agreement.
- (3) Training rooms and related facilities, to the extent such areas exist at the Venue on the execution date of this Agreement.
- (4) Restrooms of the number and type as exists at the Venue on the execution date of this Agreement.
- (5) First aid and emergency medical facilities to the extent such areas exist at the Venue of the execution date of this Agreement.
- (6) All parking located at the Venue, including the number and types of stalls as exists at the Venue at the execution date of this Agreement.
- (7) Wheelchair-accessible exits and emergency safety plans, to the extent the same exists on the date of execution of this Agreement, and that, in all cases, comply with IOC Requirements, Applicable Laws and recognized domestic and international accessibility standards.
- (8) Orthotic, prosthetic and wheelchair repair facilities for all accredited athletes, National Paralympic Committee team officials, International Federation of Relevant Game(s) officials and other Paralympic Games participants, to the extent such facilities exist at the Venue on the execution date of this Agreement.
- (9) A dedicated “telecommunications equipment room” for the installation of core telecommunications equipment.
- (10) Staging, portable seating, spotlights, audio systems and crowd control equipment to the extent such equipment is located at the Venue on the execution date of this Agreement; and
- (11) Other traditional back-of-house elements consistent with the Quality Venue Standard, such as multiple loading docks, marshalling and other storage spaces, Venue security offices, and engineering spaces.

### Schedule 5.3.1

#### **Venue Services**

- (1) Heating, ventilation and air-conditioning which will cause the Venue to be maintained at temperatures customary for Comparable Facilities;
- (2) Utilities, including clear regulated electrical power, gas, hot and cold water, lighting, telephone and intercommunications equipment, elevators and escalators, customary for Comparable Facilities;
- (3) Lighting equipment and apparatus that are adequate (without additional or supplemental lighting equipment or apparatus) for color telecasts and otherwise up-to-date and in compliance with the reasonable technical and quality standards followed by the television networks and/or required by the 2024 Entity or the IOC (including as provided in the Host City Contract and other IOC Requirements);
- (4) Optical fiber cables and other equipment in accordance with the technical and quality standards and specifications necessary for OBS Operations or otherwise required by the 2024 Entity or the IOC (including as provided in the Host City Contract and other IOC Requirements);
- (5) Maintenance and repair of the Venue and all of its components in compliance with all Applicable Laws and in clean and good condition, subject to ordinary wear and tear;
- (6) Twenty-four (24) hour-per-day, year-round protection and security of the Venue and all its facilities;
- (7) Grounds maintenance, including, but not limited to keeping sidewalks, parking areas and other areas immediately surrounding the Arena in compliance with all applicable governmental laws, ordinances and regulations and free of debris, dirt, litter and trash;
- (8) Operation of box office facilities (if applicable) during all business hours and on dates of Competitions during the hours commencing three (3) hours before the start of the Competition and ending one (1) hour after completion of the Competition;
- (9) Set-up of staging areas for Competitions, practices and rehearsals; and
- (10) Day-of-event services for each Competition and Test Event, as follows:
  - (a) Operation of all Venue parking areas and concessions;
  - (b) Retention, management and supervision of day of event personnel necessary for preparing the Venue for, operating the Venue during and cleaning up the Venue after, a Competition or Test Event, including, but not limited to, security and crowd control personnel, medical and emergency personnel, ushers, ticket sellers, ticket takers, telephone receptionists, broadcast production personnel, computer graphics personnel, control room (for scoreboard and electronic equipment) personnel, spotlight operators, a keyboard player, electricians, maintenance and janitorial personnel and other necessary labor, but not including game officials, referees, timekeepers or stagehands;

- (c) Conversion of the playing surface or staging area for use Competitions or Test Events, deployment of downsizing equipment for Competitions and Test Events and cleanup following Competition and Test Events; and
- (d) Food service in food service areas to 2024 Entity and IOC personnel and guests and in the press areas to the press, all of such food service to be provided upon the request of the 2024 Entity and at the 2024 Entity's sole cost and expense.

## **Schedule 5.7.1**

### **Insurance Coverage**

Before the start of the Nonexclusive Use Period, the 2024 Entity shall obtain the following coverages:

1. **Workers' Compensation and Employers Liability**
  - a. Workers' compensation insurance in compliance with the laws of the State of California, covering employees, volunteers, temporary workers and leased workers.
  - b. Employers' liability insurance covering employees, volunteers, temporary workers and leased workers, with minimum limits of \$1,000,000 Each Accident; and \$1,000,000 Disease - Each Employee; \$1,000,000 Disease - Policy Limit.
2. **Commercial General Liability (CGL)**
  - a. Written on an occurrence basis including coverage for bodily injury and property damage; personal and advertising injury; products and completed operations; and contractual liability with a minimum combined limits of \$10,000,000.
  - b. The CGL policy shall provide that any individual or entity that the 2024 Entity is obligated to name as an additional insured pursuant to contract shall automatically receive additional insured status under the CGL policy and that additional insured coverage extends to all coverages under the policy.
  - c. The limit may be provided through a combination of primary and umbrella/excess policies.
3. **Liquor Liability**
  - a. Including coverage for all events at the Venue during the Nonexclusive Use Period and the Exclusive Use Period where alcoholic beverages are sold with minimum limits of \$5,000,000.
  - b. At the Venue Owner's option, this coverage may be provided, if available, as an express endorsement on the CGL Policy and the umbrella/excess policies.
4. **Comprehensive Automobile**
  - a. Including all owned, leased, hired and non-owned automobiles with a minimum combined single limit for bodily injury and property damage of \$10,000,000.
  - b. The limit may be provided through a combination of primary and umbrella/excess policies.
5. **Cyber Liability/Privacy/Media Liability Insurance**
  - a. With minimum limits of \$5,000,000 per claim and in the aggregate.

6. Professional (Medical Malpractice) Liability Insurance covering claims for actual or alleged malpractice by the first aid and emergency medical personnel secured by or during the Exclusive Use Period with minimum limits of \$1,000,000 per claim and \$2,000,000 in the aggregate.
7. Crime Insurance, including but not limited to Employee Dishonesty, Loss Inside the Premises (Robbery/Burglary) and Loss Outside the Premises (Messenger/Armored Motor Vehicle) coverage with minimum limits of \$1,000,000 per occurrence.
8. All-Risk Property Insurance
  - a. Covering Overlay.
  - b. Including comprehensive earthquake coverage appropriate for the Los Angeles area.
9. Garage Keepers Liability
  - a. With minimum limits of \$1,000,000 per occurrence.
10. Terrorism coverage reasonably appropriate for the event.

Umbrella and/or excess liability policies used to comply with any insurance requirement herein shall follow-form to the underlying coverage.

All insurance policies must be issued by an admitted insurance carrier with an A.M. Best rating of A- VIII or better. The Venue Owner must be named as an Additional Insured under the policies. Coverage for the Additional Insured shall apply on a primary basis irrespective of any other insurance, whether collectible or not. All policies shall be endorsed to provide a waiver of subrogation in favor of the Additional Insureds. The policies cannot contain any provision that would preclude coverage for suits/claims brought by an Additional Insured against a named insured.

In the event that any required insurance is written on a claims-made basis, the coverage shall remain in effect for a period of three (3) years after completion of all services under this agreement. All policies shall be endorsed to provide that in the event of cancellation, non-renewal or material modification, the Venue Owner shall receive at least thirty (30) days written notice thereof.

## Schedule 5.7.2

### Insurance Coverage

Before the start of the Nonexclusive Use Period, the Venue Owner shall evidence the following coverages (which may be self-insured):

1. Workers' Compensation and Employers Liability
  - a. Workers' compensation insurance in compliance with the laws of the State of California, covering employees, volunteers, temporary workers and leased workers.
  - b. Employers' liability insurance covering employees, volunteers, temporary workers and leased workers, with minimum limits of \$1,000,000 Each Accident; and \$1,000,000 Disease - Each Employee; \$1,000,000 Disease - Policy Limit.
2. Commercial General Liability (CGL)
  - a. Written on an occurrence basis including coverage for bodily injury and property damage; personal and advertising injury; products and completed operations; and contractual liability with a minimum combined limits of \$10,000,000.
  - b. The CGL policy shall provide that any individual or entity that the Venue Owner is obligated to name as an additional insured pursuant to contract shall automatically receive additional insured status under the CGL policy and that additional insured coverage extends to all coverages under the policy.
  - c. The limit may be provided through a combination of primary and umbrella/excess policies.
3. Liquor Liability
  - a. Including coverage for all events at the Venue during the Nonexclusive Use Period and the Exclusive Use Period where alcoholic beverages are sold with minimum limits of \$5,000,000.
  - b. At the Venue Owner's option, this coverage may be provided, if available, as an express endorsement on the CGL Policy and the umbrella/excess policies.
4. Comprehensive Automobile
  - a. Including all owned, leased, hired and non-owned automobiles with a minimum combined single limit for bodily injury and property damage of \$10,000,000.
  - b. The limit may be provided through a combination of primary and umbrella/excess policies.
5. Cyber Liability/Privacy/Media Liability Insurance
  - a. With minimum limits of \$5,000,000 per claim and in the aggregate.

6. Professional (Medical Malpractice) Liability Insurance covering claims for actual or alleged malpractice by the first aid and emergency medical personnel secured by or during the Exclusive Use Period with minimum limits of \$1,000,000 per claim and \$2,000,000 in the aggregate.
7. Crime Insurance, including but not limited to Employee Dishonesty, Loss Inside the Premises (Robbery/Burglary) and Loss Outside the Premises (Messenger/Armored Motor Vehicle) coverage with minimum limits of \$1,000,000 per occurrence.
8. All-Risk Property Insurance
  - a. Covering merchandise, inventory, equipment, furniture, fixtures and any other property (including real property) owned, leased, rented, borrowed or used by the Venue Owner on a full replacement cost basis.
  - b. Including comprehensive earthquake coverage appropriate for the Los Angeles area.
9. Garage Keepers Liability
  - a. With minimum limits of \$1,000,000 per occurrence.
10. Terrorism coverage reasonably appropriate for the event.

If Venue Owner elects to obtain commercial insurance, all insurance policies must be issued by an admitted insurance carrier with an A.M. Best rating of A- VIII or better. The 2024 Entity must be named as an Additional Insured under the policies. Coverage for the Additional Insured shall be primary to the extent that claims are based on the negligent acts or omissions or willful misconduct by the Venue Owner or its officers, directors, employees, contractors, subcontractors, or agents, and shall under no such circumstances be construed to apply as excess to any insurance coverage independently carried by the 2024 Entity. All policies shall be endorsed to provide a waiver of subrogation in favor of the Additional Insureds. The policies cannot contain any provision that would preclude coverage for suits/claims brought by an Additional Insured against a named insured. The Venue Owner is responsible for notifying its insurance carriers in the event of a loss or potential loss involving any of the Additional Insureds.

In the event that any required insurance is written on a claims-made basis, the coverage shall remain in effect for a period of three (3) years after completion of all services under this agreement. All policies shall be endorsed to provide that in the event of cancellation, non-renewal or material modification, the 2024 Entity shall receive at least thirty (30) days written notice thereof.

**Schedule 11.1**

**Sustainability Requirements Schedule**

*[To be mutually agreed upon]*

**Schedule 12.18**

**Notice Information**

If to the 2024 Entity:

Los Angeles 2024 Exploratory Committee  
10960 Wilshire Blvd., Suite 1050  
Los Angeles, California 90212  
Attention: John Harper, Chief Operating Officer

With copies to:

Los Angeles 2024 Exploratory Committee  
10960 Wilshire Blvd., Suite 1050  
Los Angeles, California 90212  
Attention: Brian Nelson, General Counsel

and

Proskauer Rose LLP  
11 Times Square  
New York, New York 10036-8299  
Attention: Jon H. Oram

If to Venue Owner:

Department of Recreation and Parks  
221 North Figueroa Street, Ste. 350  
Los Angeles, CA 90012  
Attention: Anthony-Paul Diaz, Esq.,  
Executive Officer and Chief of Staff

With a copy to:

Office of the Los Angeles City Attorney  
200 North Main Street, Ste 700  
Los Angeles, CA 90012  
Attention: Strefan Fauble, Esq.

## Schedule 12.1

### **Additional IOC Covenants**

Venue Owner acknowledges, confirms and agrees that:

- (a) Venue Owner shall respect and abide by the terms of the IOC Charter and the Host City Contract throughout the term of this Agreement;
- (b) all representations, warranties and covenants made by Venue Owner in this Agreement shall become a part of the 2024 Entity's and the City's bid documents, and, together with any other commitments made by it to the USOC or to the IOC, either in writing or orally, shall be binding upon the 2024 Entity, the City and Venue Owner;
- (c) Venue Owner shall take all the necessary measures to completely perform its obligations under this Agreement;
- (d) Venue Owner shall cooperate with, and to cause all of Venue Owner's Representatives and affiliates to cooperate with, the 2024 Entity and the IOC in their efforts to respect and promote the principles of equity, dignity and functionality of all persons with an impairment;
- (e) without limiting any provision of Article 6 (Signage; Marketing and Intellectual Property Rights), any construction work undertaken by Venue Owner or any of its Representatives in the Venue in preparation for the Games and/or during the Exclusive Use Period shall comply with all Applicable Laws, the principles set forth in Section 11.1 (Sustainability), all applicable international agreements and protocols regarding planning, construction and protection of the environment, the Quality Venue Standard and all applicable professional standards; and Venue Owner shall implement a formal and recorded process, and shall take such other measures as may be reasonably necessary, to confirm that all newly built permanent infrastructure intended for Games use is designed, installed and commissioned in accordance with the same;
- (f) in connection with any such construction work, Venue Owner shall comply with, and shall cause all contractors, subcontractors and other service providers involved therewith, to acknowledge and agree to, the terms of Sections 5.7 (Insurance), and 11.1 (Sustainability) and Article 12 (Fundamental Agreement Principles);
- (g) the 2024 Entity shall have (i) Exclusive Use of the Venue for the Games as specified in this Agreement, (ii) the right (and obligation) to facilitate the access of National Olympic Committee delegations to the Venue for training and Venue familiarization, and (iii) all rights with respect to commercial activities (including those rights, privileges and activities described in the IOC Clean Venue Schedule attached as Exhibit 2.3 to this Agreement) during each period in which the 2024 Entity has control of the Venue;
- (h) without the express written consent of the 2024 Entity and the City, Venue Owner shall neither schedule nor hold any other important national or international meeting or event at any site owned or controlled by it during the Games or for one (1) week immediately before or after the Games;
- (i) the 2024 Entity shall have no responsibility, obligation or liability for or under any existing contractual commitments in respect of the Venue (other than this Agreement), including in relation to ticketing, hospitality, retailing and concessions (including food and beverage

products), use of third party products and/or services, as well as rights of sponsorship, broadcasting, advertising, signage, branding and commercial display at the Venue.

VENUE USE AGREEMENT  
BY AND BETWEEN  
LOS ANGELES 2024 EXPLORATORY COMMITTEE  
AND  
THE CITY OF LOS ANGELES

DEPARTMENT OF RECREATION AND PARKS  
WOODLEY LAKES GOLF COURSE

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Additional IOC Covenants

Addenda

Addendum No. 1

City Standard Provisions

## VENUE USE AGREEMENT

THIS VENUE USE AGREEMENT is made as of the [ ] day of [ ], 2016, by and between LOS ANGELES 2024 EXPLORATORY COMMITTEE, a nonprofit public benefit corporation organized under the laws of the State of California ("LA24"); and THE CITY OF LOS ANGELES, a municipality incorporated under the laws of the State of California ("Venue Owner").

### Recitals

A. On September 15, 2015, the United States Olympic Committee formally submitted the City of Los Angeles (the "City") as the United States' official applicant city to host the 2024 Olympic and Paralympic Games, which are currently scheduled to commence on July 19, 2024 and end on August 27, 2024.

B. On September 16, 2015, the International Olympic Committee named the City as a candidate city in the competition to host the Games (defined below).

C. LA24 has been incorporated to act as the candidature committee for the City's bid to host the Games.

D. If the City is awarded the privilege of hosting the Games, an organizing committee for the Games, which is anticipated to be named the "Los Angeles Organizing Committee for the 2024 Olympic and Paralympic Games" (the "OCOG"), will be formed and will acquire all of LA24's rights and assume all of LA24's obligations under this Agreement. For the purposes of this Agreement, LA24 and its successors and assigns, including the OCOG, are referred to herein collectively as the "2024 Entity".

E. The City, in its capacity as Venue Owner, owns the Venue (as defined in Exhibit A), which includes the facilities commonly known as the Woodley Lakes Golf Course (collectively, the "Facilities").

F. The 2024 Entity desires to license and use the Venue and to obtain services from Venue Owner for events associated with the Games, all upon the terms and subject to the conditions contained herein, and in accordance with the terms and conditions of the Master Lease.

G. Hosting the Games at the Venue and at other locations in and around the City will bring significant benefits to the State of California, the City and its residents, including world-wide media exposure, substantial benefit to the reputation and prestige of the City and Venue, and advancement of the public interest in the region, and will highlight on the world stage the ability of the City and the Venue to attract world-class entertainment and sports events.

H. The City desires to make the Venue available to the 2024 Entity for the Games on the terms and subject to the conditions contained herein.

### Agreement

In consideration of the mutual promises set forth herein, and intending to be legally bound, the parties hereto agree as follows:

#### Article 1. General Provisions.

**1.1 Definitions.** Capitalized terms used but not otherwise defined in this Agreement have the meanings set forth in Exhibit A hereto.

**1.2 Rules of Construction.** Wherever any word or phrase is defined herein or on Exhibit A, each of its other grammatical forms shall have the corresponding meaning. The words “for example,” “include,” “includes,” and “including” when used in this Agreement without being following by words such as “but not limited to” or “without limitation,” shall be deemed to be followed by such words unless otherwise expressly specified. Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as amended, amended and restated, supplemented or otherwise modified from time to time, (b) any definition of or reference to any law, rule or regulation herein shall be construed as referring to such law, rule or regulation as amended, restated, supplemented or otherwise modified from time to time, and (c) any reference herein to any Person shall be construed to include such Person’s successors and assigns. Whenever used in this Agreement, any noun or pronoun shall be deemed to include both the singular and plural and to cover all genders, unless the context otherwise requires. Unless otherwise specified, the terms “hereof,” “herein,” “hereunder” and similar terms refer to this Agreement as a whole (and not only to the particular sentence, clause, paragraph or exhibit where they appear), and references herein to Articles, Sections, Exhibits and Schedules refer to Articles, Sections, Exhibits and Schedules of this Agreement.

**1.3 Incorporation of Exhibits, Schedules and Addenda.** The Schedules, Exhibits and Addenda attached hereto are incorporated herein and shall be considered a part of this Agreement for all purposes.

**1.4 Standard Provisions for City Contracts.** 2024 Entity, as “Contractor” shall comply with PSC-2, PSC-4, PSC-15, PSC-16, PSC-18, PSC-19, PSC-27, PSC-28, PSC-29, PSC-30, PSC-31, PSC-32, PSC-33, PSC-34, PSC-35 and PSC-36 of the Standard Provisions for City Contracts (Rev. 3/09), which are attached hereto, and made a part hereof (the “**City Standard Provisions**”). For the avoidance of doubt, the entire text of all City Standard Provisions have been included for the convenience of the parties only, and PSC-1, PSC-3, PSC-5, PSC-6, PSC-7, PSC-8, PSC-9, PSC-10, PSC-11, PSC-12, PSC-13, PSC-14, PSC-17, PSC-20, PSC-21, PSC-22, PSC-23, PSC-24, PSC-25, PSC-26 do not constitute a part of this Agreement.

**1.5 Order of Precedence.** In the event of a contradiction or inconsistency between or among any of the provisions of this Agreement, precedence will be given in the following order:

- 1.5.1** This Agreement (including the Schedules and Exhibits); and
- 1.5.2** The City Standard Provisions.

**Article 2. Basic Terms.**

**2.1 Consideration.** As full consideration for the license and rights to access and use the Venue (including all Venue Facilities and Venue Owner Equipment) and all other rights, licenses, properties and services (including the Venue Services) provided to or for the benefit of the 2024 Entity by Venue Owner or its Affiliates under this Agreement, the 2024 Entity shall pay to Venue Owner the consideration set forth in Section 1 of Exhibit B (the “**Consideration**”). The Consideration is inclusive of all taxes and fees and is stated in 2016 dollars, which will be adjusted solely for inflation according to the Consumer Price Index for all Urban Consumers (CPI-U) for the Los Angeles-Riverside-Orange County, CA metropolitan area, published by the U.S. Bureau of Labor Statistics (“**CPI**”), for the period between

January 1, 2016 and January 1, 2024. The Consideration shall be due and payable in the manner set forth in Section 1 of Exhibit B.

**2.2 Use Periods.** Pursuant to the terms of this Agreement, the 2024 Entity shall be entitled to license, access and use, and Venue Owner shall license and otherwise make available to the 2024 Entity in accordance with the terms of this Agreement, the Venue, all Venue Services and Venue Owner Equipment, and all other rights, licenses, properties and services provided to or for the benefit of the 2024 Entity under this Agreement (i) during the Pre-Olympic Period set forth in Section 2(a) of Exhibit B, (ii) during the Exclusive Use Period set forth in Section 2(b) of Exhibit B, (iii) during the Post-Olympic Period set forth in Section 2(c) of Exhibit B, and (iv) at such other times, and under such circumstances and for such purposes, as are expressly provided for herein. The Pre-Olympic Period and the Post-Olympic Period are sometimes referred to in this Agreement collectively as the “**Nonexclusive Use Periods**.”

**2.3 IOC-Required Guarantee Regarding Control of Commercial Activities.** Venue Owner acknowledges that the Candidature Procedures require that all commercial rights related to the Venue during the Exclusive Use Period be reserved for the 2024 Entity. Accordingly, Venue Owner hereby agrees that the 2024 Entity shall have the exclusive right to (a) determine which products, services and other commercial offerings are available within the Venue during the Exclusive Use Period, (b) exercise all of the rights and privileges described on the “IOC Clean Venue Schedule” attached hereto as Schedule 2.3, and (c) receive and retain any and all revenues and other proceeds arising from or otherwise relating to the use of the Venue during the Exclusive Use Period, the activities, rights and privileges described on the “IOC Clean Venue Schedule” attached hereto as Schedule 2.3 and the rights described in Article 6 (Signage; Marketing and Intellectual Property Rights). Venue Owner covenants and agrees that continually throughout the Exclusive Use Period, the Venue will satisfy all of the requirements of the “IOC Clean Venue Schedule” attached hereto as Schedule 2.3. Any breach by Venue Owner of this Section 2.3 (IOC-Required Guarantee Regarding Control of Commercial Activities) shall constitute a Venue Owner Event of Default, which shall entitle the 2024 Entity to exercise any of its rights and remedies hereunder in respect thereof.

**Article 3. License and Use of Venue.** Venue Owner hereby grants to the 2024 Entity a license to use and access the Venue (which includes all related rights, easements, interests and appurtenances), subject to the terms, conditions and restrictions expressly set forth in this Agreement.

**3.1 Pre-Olympic Period.** Venue Owner hereby grants to the 2024 Entity a nonexclusive irrevocable (except as set forth in Article 10 (Termination)) license to use and access the Venue during the Pre-Olympic Period for the purposes of (a) constructing, installing and testing Overlay and equipment, (b) implementing a phased move-in to the Venue in preparation for Permitted Uses, and (c) such other uses as may be necessary to prepare the Games. The 2024 Entity and Venue Owner shall coordinate and mutually agree upon the 2024 Entity’s activities in the Venue during the Pre-Olympic Period so that such activities do not unreasonably interfere with Venue Owner’s normal activities and operations. The 2024 Entity and Venue Owner may mutually agree to designate certain portions of the Venue for the Exclusive Use by the 2024 Entity during the Pre-Olympic Period, including for storage needs related to the move-in.

**3.2 Exclusive Use Period.**

**3.2.1 License.** Venue Owner hereby grants to the 2024 Entity an exclusive irrevocable (except as set forth in Article 10 (Termination)) license for the Exclusive Use of the Venue by the 2024 Entity during the Exclusive Use Period for the purposes of engaging in Permitted Uses. During the Exclusive Use Period, the 2024 Entity shall have exclusive use of and access to the Venue, including a secure perimeter established around the Venue (to be erected by the 2024 Entity or its designee at the 2024

Entity's cost and expense), and Games credentials shall be required for any and all access within the Venue. Venue Owner shall deliver the care, custody and exclusive control of the Venue to the 2024 Entity at the commencement of the Exclusive Use Period in a condition satisfying all requirements set forth in this Agreement, including, without limitation, Section 5.2 (Condition).

**3.2.2 Permitted Uses.** During the Exclusive Use Period, the 2024 Entity may (but shall not be obligated to) use, occupy, control and access the Venue, and may authorize or license others to use, occupy, control and access the Venue, for any and all of the following purposes (collectively, the "Permitted Uses"): (a) moving in and out; (b), constructing, installing, testing and using Overlay; (c) installing "look" and wayfinding signage; (d) training staff and conducting other readiness activities; (e) conducting, delivering or hosting of sport related activities (including Test Events, competition(s), athletic practice, training, and medal or award ceremonies or parades); (f) hosting live sites and cultural events held in connection with the Games; (g) broadcasting, designing, building, installing, testing, operating and dismantling broadcast and communication centers, facilities and equipment (collectively, the "OBS Operations"); (h) hosting marketing or hospitality events, site visits or tours; (i) conducting other activities contemplated by or referenced in this Agreement (such as advertising, marketing, promotion, hospitality and sponsor-related activities and the sale of food, beverages, novelties, souvenirs, and merchandise); and (j) any other purpose that is ancillary to any of the other purposes set forth in clauses (a)-(i) or otherwise necessary to host the Games. Without limiting any of the foregoing, the parties acknowledge and agree that during the Exclusive Use Period, the 2024 Entity shall also have the exclusive right, at its sole risk, cost and expense, to cause to be constructed or installed (consistent with City Standards) all Overlay and equipment within the Venue as the 2024 Entity, in its sole discretion, determines to be necessary or advisable in connection with the Permitted Uses.

**3.2.3 Test Events.** For the avoidance of doubt, all of the provisions of this Agreement applicable with respect to the Exclusive Use Period, including, without limitation, Sections 3.2.1 (License), 3.2.2 (Permitted Uses), 5.2 (Condition), 5.3.1 (Exclusive Use Period and Test Events), 5.3.3 (Supplementary Equipment), 5.4 (Personnel), 5.5 (Security and Access Control), 5.6 (Licenses and Permits), 5.7 (Insurance), 5.9 (Responsibility for Costs and Expenses), and Article 6 (Signage; Marketing and Intellectual Property Rights), shall apply with the same force and effect with respect to any Test Event, unless otherwise agreed in writing by the 2024 Entity.

**3.3 Post-Olympic Period.** Venue Owner hereby grants to the 2024 Entity a nonexclusive irrevocable license (except as set forth in Article 10 (Termination)) to use and access the Venue during the Post-Olympic Period for the purposes of removing the property of the 2024 Entity, the USOC, the IOC, the IPC or any of their respective Affiliates or Representatives and restoring the Venue in accordance with Section 4.2 (Site Restoration) and any applicable rules, regulations and requirements of the USOC, the IOC or the IPC, including the IOC Requirements. The 2024 Entity and Venue Owner may also mutually agree to designate certain portions of the Venue for the Exclusive Use by the 2024 Entity during the Post-Olympic Period.

**3.4 Reasonable Access at Other Times.** Without limiting any of the foregoing provisions of this Article 3 (License and Use of Venue), Venue Owner shall grant the 2024 Entity and its Representatives reasonable access to the Venue, at any mutually agreeable time prior to the Pre-Olympic Period or following the Post-Olympic Period, as applicable, for the purposes of (a) pre-installing necessary equipment in preparation for the Games in accordance with Section 4.1 (No Impairment), (b) meeting with members of the Venue staff for tours and refining the 2024 Entity's plans for the Venue, (c) arranging or conducting commercial and noncommercial photography, filming, videotaping, telecast and radio transmission associated with the Permitted Uses, (d) removing temporary equipment and Overlay and restoring the Venue in accordance with Section 4.2 (Site Restoration), (e) environmental, geotechnical and related testing and (f) conducting other tests or checks in accordance with IOC Requirements; provided that

the schedule for any activity that is conducted pursuant to this Section 3.4 (Reasonable Access at Other Times) shall be approved by Venue Owner, which approval shall not be unreasonably withheld, delayed or conditioned.

**Article 4.      Construction.**

**4.1      No Impairment.** The 2024 Entity agrees not to perform any construction on the Venue that would impair the safety or structural integrity of the Venue.

**4.2      Site Restoration.**

**4.2.1      Removal and Restoration.** During the Post-Olympic Period, the 2024 Entity shall, subject to Section 4.2.3 (Legacy Improvements), (a) remove all temporary materials (including all commercial signage and displays), equipment and Overlay installed by the 2024 Entity in the Venue, and (b) except as otherwise requested by Venue Owner in accordance with Section 4.2.3 (Legacy Improvement) below, restore the Venue to a condition comparable to its condition prior to the commencement of the 2024 Entity's construction activities, subject to ordinary wear and tear. The 2024 Entity shall coordinate its removal and restoration activities pursuant to this Section 4.2.1 (Removal and Restoration) with Venue Owner in order to give priority to areas thereof that are necessary to enable resumption of Venue Owner's normal Venue operations. If the 2024 Entity fails to commence restoration of the Venue within ten (10) days following the end of the Exclusive Use Period, or fails to diligently pursue restoration after commencement, Venue Owner shall be authorized to restore, or retain third parties to restore, the Venue to a condition comparable to its condition prior to the commencement of Pre-Olympic Period and the 2024 Entity shall reimburse Venue Owner for all reasonable, documented out-of-pocket expenses incurred in connection therewith within sixty (60) days of the presentation of invoices therefor; provided that the Venue Owner may, at the Venue Owner's option, elect to offset such cost and expenses against any amounts that would otherwise be payable to the 2024 Entity under this Agreement.

**4.2.2      Costs and Expenses.** All removal and restoration activities conducted by the 2024 Entity pursuant to Section 4.2.1 (Removal and Restoration) shall be at the 2024 Entity's sole cost and expense.

**4.2.3      Legacy Improvements.** Venue Owner may make a written request to the 2024 Entity that Venue Owner be permitted to retain any Overlay, equipment or improvement to the Venue made by the 2024 Entity or its Affiliates in connection with the Games in exchange for mutually agreed upon compensation. Such request must be received by the 2024 Entity by the later to occur of (a) the date that is one hundred eighty (180) days prior to the commencement of the Games Period, or (b) ninety (90) days after Venue Owner is provided with notice and specifications of the Overlay.

**4.2.4      Post-Use Inspection.** Promptly following, but not later than ten (10) days after the end of, the Post-Olympic Period, Venue Owner shall conduct a thorough inspection of the Venue to assess whether the Venue has been restored to a condition comparable to its condition prior to the commencement of the 2024 Entity's construction activities, subject to ordinary wear and tear (its "**Original Condition**") and shall notify the 2024 Entity in writing of any deficiencies (a "**Deficiency Notice**"). In the event Venue Owner determines that the Venue has been restored to its Original Condition, Venue Owner shall so notify the 2024 Entity in writing (a "**Satisfaction Notice**"). Upon delivery of a Satisfaction Notice, the 2024 Entity shall have no further obligations with respect to the removal of materials from, or any other restoration of, the Venue. If Venue Owner delivers a Deficiency Notice, then Representatives of the 2024 Entity and Venue Owner shall meet to discuss in good faith the deficiencies identified in the Deficiency Notice and how to address them in a timely and efficient manner. In the event that the 2024 Entity disputes any deficiency identified in the Deficiency Notice (or the 2024 Entity's obligations with respect to such

deficiency), such dispute shall be resolved in accordance with Section 11.16 and Exhibit G hereto. In the event that the parties mutually identify deficiencies for which the 2024 Entity is responsible under this Agreement, or an arbitrator determines that the 2024 Entity is responsible for any deficiencies pursuant to a judgment entered in accordance with Exhibit G, then the 2024 Entity shall promptly commence removal of the applicable materials or restoration of the Venue, as applicable, and shall continue to diligently pursue such removal or restoration activities until the Venue has been restored to its Original Condition. At such time as the Venue has been restored to its Original Condition, Venue Owner shall issue a Satisfaction Notice, and the 2024 Entity may request that Venue Owner inspect the Venue and issue a Satisfaction Notice at any time following the end of the Post-Olympic Period. For the avoidance of doubt, in no event shall the Consideration be adjusted, nor shall the 2024 Entity be obligated to pay any rent, use fee or other consideration of any kind, as a result of its or its Representatives' use of, presence at or access to the Venue following the end of the Post-Olympic Period for the purpose of performing its obligations under this Section 4.2.4; provided that this sentence shall not be construed to relieve the 2024 Entity of its obligations under Section 4.2.2.

**4.3 No Other Alterations by Venue Owner.** From the date of this Agreement until the commencement of the Pre-Olympic Period, Venue Owner shall be permitted to operate the Venue, and shall conduct its business, as it deems necessary and appropriate in its sole discretion, and Venue Owner may modify, alter, develop and otherwise change the Venue in any way it deems necessary and appropriate, provided that (a) any such modification, alteration, development or other change does not reduce the layout, access, configuration or size of the competition areas or reduce or change the seating capacity of the Venue, or materially impact the 2024 Entity's expected use of the Venue Facilities for the Permitted Uses, and (b) in no event shall any such modification, alteration, development or other change shall be made during the Exclusive Use Period. Venue Owner agrees to use reasonable efforts to give IOC and USOC sponsors, when applicable (and to the extent it would not conflict with Venue Owner's then-existing sponsor contracts), first priority to provide any equipment or technology used for any Venue alterations or new construction undertaken by Venue Owner within the Venue after the Host City election.

## **Article 5. Ownership and Operational Matters.**

**5.1 Ownership; Taxes.** Venue Owner will at all times remain the legal and beneficial owner of the Venue. The 2024 Entity's interest in the Venue will be that of a licensee and permitted user, and the 2024 Entity shall have no responsibility at any time for any property taxes, payments in lieu of taxes or similar assessments relating to the Venue or any of the Venue Owner Equipment. The 2024 Entity will at all times be the legal and beneficial owner of all 2024 Entity Property.

### **5.2 Condition.**

**5.2.1 Specific Elements.** Venue Owner shall ensure that the Venue shall have all of the elements, amenities and other attributes that are specified on Schedule 5.2.1 at all times during the Exclusive Use Period.

**5.2.2 Quality Venue Standard.** Without limiting Section 5.2.1 (Specific Elements), the standard of quality of the Venue shall be substantially equivalent, taken as a whole, to the standard of quality of the Comparable Facilities; provided, however, that Venue Owner shall not be obligated to include in the Venue any element, amenity or attribute that it reasonably determines is not suitable for or commercially viable in the Los Angeles market (the foregoing standard set forth in this paragraph being referred to herein as the "Quality Venue Standard"). Venue Owner shall, however, be permitted to include products, features or materials of better quality than those in the Comparable Facilities.

**5.2.3 Legal Requirements.** Venue Owner shall ensure that all of the spaces, structures, services and facilities of whatsoever nature to be provided or procured by Venue Owner under this Agreement are in compliance with all Applicable Laws, including, without limitation, the Americans with Disabilities Act of 1990, as amended, building codes, laws pertaining to health, fire or public safety, laws pertaining to the sale, distribution and consumption of liquor and all applicable laws of California. In the event that it is determined by any Governmental Authority or any court of competent jurisdiction, prior to or during the Exclusive Use Period or any Nonexclusive Use Period, that any modification or alteration to any portion of the Venue must be made in order to satisfy any such requirement, Venue Owner shall be responsible for procuring such modification or alteration at Venue Owner's sole cost and expense. Notwithstanding the foregoing, the City, in its capacity as Venue Owner under this Agreement, shall not be considered a Governmental Authority for the purposes of this Agreement.

### **5.3 Venue Owner Facilities and Vendor Owner Equipment**

#### **5.3.1 Exclusive Use Period and Test Events.**

(a) During the Exclusive Use Period, Venue Owner shall make available to the 2024 Entity, if and when requested by the 2024 Entity: (i) all Venue Owner Facilities and all Venue Owner Equipment normally located in the Venue in good repair and operating condition, and (ii) all Venue Services normally employed or utilized by Venue Owner in connection with the operation of the Venue (including those services included on Schedule 5.3.1 hereto), at times and schedules as reasonably designated by the 2024 Entity. If the 2024 Entity desires the Venue to be made available for use free of some or all Venue Owner Equipment, the 2024 Entity shall notify Venue Owner and Venue Owner shall remove such Venue Owner Equipment from the Venue, at Venue Owner's expense (as allocated in accordance with Exhibit B); provided, however, the relocation of existing storage or warehouse facilities at the Venue shall require mutual agreement of the parties. The 2024 Entity shall use reasonable efforts to provide Venue Owner with reasonable advance notice of the 2024 Entity's requirements for providers of Venue Services. If any Venue Services are normally provided by a third party in connection with the operation of the Venue, Venue Owner shall reasonably cooperate with the 2024 Entity to assist the 2024 Entity in obtaining all rights that may be necessary or desirable for the 2024 Entity to utilize such third party's Venue Services during the Exclusive Use Period pursuant to (and on the same terms as) Venue Owner's existing agreements with such third party for such Venue Services. Notwithstanding the foregoing, the 2024 Entity may elect, in its sole and absolute discretion, upon reasonable advance notice to Venue Owner, to arrange for the provision of any or all of the Venue Services by Olympic Sponsors or other third parties selected by the 2024 Entity in its sole discretion, provided, however, only to the extent the provision of services would not violate applicable labor or collective bargaining agreements (as the same may be modified pursuant to Section 5.4.4 (Labor Matters)).

(b) During the Exclusive Use Period, the 2024 Entity shall be permitted to perform any non-structural repairs and maintenance that may be reasonably necessary in connection with its use of the Venue, at the 2024 Entity's cost and expense; provided, however, to the extent Venue Owner's prior approval is not received the 2024 Entity shall restore the Venue in compliance with Section 4.2 (Site Restoration). In the case of any repair, maintenance or other corrective action that is reasonably required with respect to the Venue's existing structure, infrastructure, servicing, building systems or capital equipment in order to maintain the Quality Venue Standard (such repairs, maintenance and other corrective action, collectively, "**Venue Owner Repairs**"), the 2024 Entity shall give Venue Owner prompt written notice thereof; provided that such notice need not be in writing if the matter is of an urgent nature or if public safety is at risk. Venue Owner agrees that promptly upon its receipt of such notice from the 2024 Entity, Venue Owner will take all actions as may be reasonably necessary to comply with the Quality Venue Standard. The cost of all Venue Owner Repairs will be borne by Venue Owner, unless such Venue Owner Repairs are attributable to any willful misconduct or negligence by the 2024 Entity, in which case the 2024

Entity will reimburse Venue Owner for reasonable out-of-pocket costs incurred by Venue Owner in making such Venue Owner Repairs within sixty (60) days after receipt of an invoice detailing Venue Owner's out-of-pocket costs.

### **5.3.2 Nonexclusive Use Periods.**

(a) During each Nonexclusive Use Period, Venue Owner shall (i) provide, operate, service and maintain, all at its sole risk and expense and in accordance with Venue Owner's ordinary course of business, all Venue Owner Facilities and all Venue Owner Equipment in the Venue, (ii) provide all Venue Services (including any Venue Services necessary for the installation of any Overlay or equipment as permitted in accordance with Article 4 (Construction)), and (iii) provide the 2024 Entity with reasonable access to Venue Owner's Representatives and, on an as-needed basis, Venue Owner Personnel subject to City Standards.

(b) To the extent reasonably possible, the 2024 Entity shall provide reasonable advance notice to Venue Owner of any special needs of the 2024 Entity for Venue Owner Facilities, Venue Owner Equipment or Venue Services during its access to the Venue during any Nonexclusive Use Period.

**5.3.3 Supplementary Equipment.** The 2024 Entity shall have the right, at any time in its sole discretion (whether during the Exclusive Use Period or any Nonexclusive Use Period) and at its sole risk, cost and expense, to supplement the Venue Owner Equipment with its own equipment or the equipment of any third party in connection with Permitted Uses; provided, however, the use of large or heavy machinery by 2024 Entity during any Nonexclusive Period shall require prior approval by Venue Owner.

## **5.4 Personnel.**

**5.4.1 Use of Venue Owner Personnel.** Venue Owner shall make (a) its Venue management staff available to the 2024 Entity at reasonable times to consult with the 2024 Entity during the Exclusive Use Period and each Nonexclusive Use Period and (b) all of its Venue event and operations staff, personnel and other service providers, including house technical, mechanical and janitorial staff (all such persons described in this clause (b), "Venue Owner Personnel"), available to the 2024 Entity during all events held by the 2024 Entity at the Venue, in each case subject to conformance with City Standards. 2024 Entity shall reimburse Venue Owner for all out-of-pocket costs associated with overtime performed by Venue Owner Personnel at 2024 Entity's request. All Venue Owner Personnel shall be subject to the security requirements, operating plans, background checks and accreditation procedures established by the 2024 Entity in accordance with Section 5.5 (Security and Access Control). Any services provided by Venue Owner or any Venue Owner Personnel, whether during the Exclusive Use Period or any Nonexclusive Use Period, shall (i) comply with all Applicable Laws and with quality and safety standards and (ii) be at least as comprehensive as the services provided by Venue Owner in connection with other events. During the Exclusive Use Period, the 2024 Entity may require any Venue Owner Personnel providing Venue Services to wear identification and/or uniforms as provided in Section 5.5.1 (Controlled Access). For the avoidance of doubt, any salary, wages, fees, remuneration or other benefits to which the Venue Owner Personnel are entitled pursuant to their employment contracts or terms of engagement by Venue Owner shall remain the sole responsibility of Venue Owner.

**5.4.2 Supervision of Venue Owner Personnel.** No Venue Owner Personnel shall be supervised by any 2024 Entity employees; provided, however, consultation by management staff with 2024 Entity shall not be deemed supervision.

**5.4.3 2024 Entity Employees, Contractors, Volunteers and Equipment.**

Notwithstanding anything to the contrary herein, the 2024 Entity shall have the exclusive right (either directly or indirectly) to select, manage, hire and/or retain, in its sole discretion and at its sole cost and expense, the services of any staff, personnel, vendors, contractors, individuals, volunteers or other service providers to perform any of the Venue Services or any other services that may be required by 2024 Entity in the Venue instead of or in addition to Venue Owner Personnel during the Exclusive Use Period and each Nonexclusive Use Period. In addition, the 2024 Entity shall be permitted to use any contractors, subcontractors and other service providers of its choosing to install any Overlay and equipment in the Venue, subject to any reasonable insurance requirements of Venue Owner. All of the foregoing shall be in accordance with City Standards.

**5.4.4 Labor Matters.**

Venue Owner recognizes that certain modifications to existing agreements with local labor organizations that relate to the Venue may be required in order for certain of the Permitted Uses to fully and efficiently occur within the Venue, as determined by the 2024 Entity in its sole discretion. Venue Owner agrees not to interfere with the 2024 Entity in seeking and obtaining such modifications, including modifications relating to (i) the 2024 Entity's use of volunteers and (ii) the OBS Operations. In addition, as and to the extent reasonably requested by the 2024 Entity, Venue Owner shall cooperate with the 2024 Entity and local labor organizations, including those labor organizations and other building and construction trades-related unions, to accommodate the OBS Operations.

**5.4.5 No Discrimination.**

In its performance of this Agreement, Venue Owner shall not, and shall cause its Representatives and Venue Owner Personnel not to, (a) discriminate or permit discrimination against any person because of race, creed, color, religion, national origin, gender, age, military status, sexual orientation, marital status or physical or mental disability; or (b) refuse to hire or promote, or discharge or demote, or discriminate in matters of compensation against any person otherwise qualified, solely because of that person's race, creed, color, religion, national origin, gender, age, military status, sexual orientation, marital status or physical or mental disability. Any such discrimination shall constitute a Venue Owner Event of Default, which shall entitle the 2024 Entity shall have the right to exercise any and all of its rights and remedies hereunder in respect thereof.

**5.5 Security and Access Control.**

**5.5.1 Controlled Access.**

(a) During the Exclusive Use Period, the 2024 Entity shall have the sole and exclusive right to determine all conditions of access to the Venue. Such conditions may include, without limitation, (i) requiring all Venue Owner Representatives, Venue Owner Personnel and other persons seeking access to the Venue during the Exclusive Use Period, for any purpose, to submit to the 2024 Entity's security background check and accreditation procedures, (ii) requiring all Venue Owner Representatives, Venue Owner Personnel, and other providers of Venue Services in the Venue to wear uniforms provided by the 2024 Entity (it being understood that any such uniforms shall be at the 2024 Entity's expense, shall remain the property of the 2024 Entity and shall be returned to the 2024 Entity at the 2024 Entity's direction, and must comply with City Standards regarding uniforms), and (iii) if the 2024 Entity does not provide uniforms for such persons as contemplated by the foregoing clause (ii), ensuring all uniforms and other attire worn by such persons during the Exclusive Use Period comply with all IOC Requirements. No later than eighteen (18) months prior to the commencement of the Exclusive Use Period, the 2024 Entity and Venue Owner shall mutually agree upon a list of any individuals (x) whose services are uniquely required to ensure the safe operation of the Venue and (y) who cannot satisfy the 2024 Entity's security background check and accreditation procedures but who otherwise have satisfactorily completed the Venue Owner's background check requirements in accordance with City Standards (such persons, the "Critical Safety

Personnel”). The 2024 Entity shall work with the IOC and applicable law enforcement in order to seek access to the Venue for such Critical Safety Personnel, provided the parties agree that the terms and conditions of such access shall be as dictated by the IOC or applicable law enforcement.

(b) During the Exclusive Use Period, the 2024 Entity shall have the right to deny access to, or exclude or eject from, the Venue any person who fails to (i) wear and display the appropriate 2024 Entity accreditation card, access permit and/or uniform at all times while in the Venue, (ii) satisfy or comply with any of the security, accreditation and confidentiality procedures, policies and requirements imposed by the 2024 Entity, or (iii) satisfy any of the other conditions established by the 2024 Entity for access to the Venue.

**5.5.2 Security and Safety Policies.** The 2024 Entity, in cooperation with federal, regional and local security, public safety, emergency response and fire and rescue services may develop and implement comprehensive written instructions, procedures, policies and guidelines covering security, public safety, emergency response, fire response and evacuation policies for the Venue (“**Security and Safety Policies**”) during the Exclusive Use Period. In furtherance thereof, Venue Owner agrees to make available to the 2024 Entity copies of all written Security and Safety Policies of Venue Owner and (b) comply in all respects with all Security and Safety Policies required to be implemented by the 2024 Entity during the Exclusive Use Period.

**5.5.3 Methods.** During the Exclusive Use Period, the 2024 Entity shall have the exclusive right to secure or otherwise control the Venue and all roads, sidewalks, loading areas or other access points, and other infrastructure within a five-hundred meter radius measured from the secure perimeter of the Venue and is under the control of Venue Owner either directly or through its Affiliates (the “**500m Perimeter**”), by any lawful means, without any consent or waiver by Venue Owner. Without limiting the generality of the foregoing, the 2024 Entity and any Olympic “Public Safety Command” may erect temporary fencing, employ access control staff, patrol the perimeter of the Venue and/or conduct lawful searches of all vehicles, packages, containers, equipment and/or persons seeking entry into the Venue during the Exclusive Use Period.

**5.6 Licenses and Permits.** The 2024 Entity shall have sole responsibility for obtaining and paying for any certificates, permits, licenses, variances and approvals that may be required under any Applicable Law in connection with any occupancy or use by the 2024 Entity of, or any event or activity conducted by the 2024 Entity in, the Venue during the Exclusive Use Period or any Nonexclusive Use Period (“**Required 2024 Entity Approvals**”). Venue Owner shall cooperate with and assist the 2024 Entity in identifying and securing all Required 2024 Entity Approvals. 2024 Entity shall notify the Venue Owner within ten (10) business days of receipt by 2024 Entity of notice of any suspension, termination, lapse, non-renewal, or restriction of Required 2024 Entity Approvals; provided, however, 2024 Entity shall notify the Venue Owner within forty-eight (48) hours of receipt by 2024 Entity of notice of any suspension, termination, lapse, non-renewal, or restriction of any Required 2024 Entity Approvals that may place public safety at risk; provided, further, when the last day to deliver a notice in compliance with this Section 5.6 falls on a Saturday, Sunday, or legal holiday, the notice shall be timely delivered if given on the next succeeding day which is not a Saturday, Sunday, or legal holiday.

## **5.7 Insurance.**

**5.7.1** The 2024 Entity will maintain at all times during the Nonexclusive Use Period and the Exclusive Use Period insurance coverage of the types and in the amounts specified in Schedule 5.7.1.

**5.7.2** Venue Owner will maintain at all times during the Nonexclusive Use Period and the Exclusive Use Period insurance coverage of the types and in the amounts specified in Schedule 5.7.2.

**5.7.3** The 2024 Entity and Venue Owner will each cause the other to be named as additional insureds on their respective policies. Any policy deductibles or retentions, whether self-insured or self-funded, will be the obligation of the insured party. Each party will furnish the other party with certificates of insurance evidencing compliance with its obligations under this Section 5.7 (Insurance) prior to the commencement of the Nonexclusive Use Period.

**5.7.4** Any one or more of the types of insurance coverage required in this article may be obtained, kept and maintained through a blanket or master policy insuring other entities provided that such blanket or master policy and the coverage effected thereby comply with all applicable requirements of this Agreement.

## **5.8 Operational Planning; Reports and Inspections.**

### **5.8.1 Operational Planning**

(a) As soon as reasonably feasible after the date of this Agreement, the Venue Owner shall provide the 2024 Entity (at no additional cost) with any existing detailed CAD plans of the Venue in electronic format (or in hard copy where such plans are not available in electronic format), 3D models, photographs (including 3D photographs, aerial shots, or other footage) and other plans (collectively, the “**Facility Design Assets**”), showing details such as access points, seating areas, interior plans of all rooms, offices, and other Venue Facilities, cables pathways, technology infrastructure, telecom demarcation points, mobile cell tower locations, wireless access points, computer rooms, switch rooms, power distribution rooms, spectator approach routes, plans of lighting, camera positions, broadcasting platforms, press boxes, scoreboards, and field of play designs. The Venue Owner shall promptly provide 2024 Entity (at no additional cost) with any updates to such plans that become available to Venue Owner from time to time.

(b) The Venue Owner shall cooperate with 2024 Entity and/or its Affiliates, in respect of any analysis of the technology infrastructure within the Venue to assist 2024 Entity to develop its technology overlay requirements.

**5.8.2 Copies of Reports.** Venue Owner shall provide to the 2024 Entity upon its request copies of (a) Venue Reports in Venue Owner’s possession, whether now existing or hereafter obtained, and (b) all surveys and title documents (including title reports and copies of all recorded instruments) in Venue Owner’s possession, whether now existing or hereafter obtained.

**5.8.3 Additional Reports.** The 2024 Entity shall have the right to commission, at its sole cost and expense, any additional Venue Report that the 2024 Entity deems necessary or desirable from any third party (each, an “**Additional Venue Report**”) at any time prior to or during the Exclusive Use Period; provided the activities of the 2024 Entity and such third party in connection therewith do not unreasonably interfere with Venue Owner’s operations or events at the Venue (other than during the Exclusive Use Period). The 2024 Entity shall provide copies of each Additional Venue Reports obtained by the 2024 Entity to Venue Owner promptly upon request by Venue Owner. If the 2024 Entity obtains knowledge of any matter affecting the Venue that would make the Venue undesirable for the Games or any of the Permitted Uses, the 2024 Entity may provide written notice to Venue Owner, in which event Venue Owner shall respond within ten (10) business days of receipt of such notice as to whether Venue Owner intends to cure such condition within sixty (60) days following receipt of such notice. If Venue Owner does

not agree to cure such condition, or fails to commence and diligently pursue and complete such cure within such sixty (60) day period (or such longer period as may be approved in writing by the 2024 Entity in its sole discretion), then the 2024 Entity shall have the right to terminate this Agreement.

**5.9 Responsibility for Costs and Expenses.** The 2024 Entity shall bear all costs and expenses arising directly out of the 2024 Entity's license and use of the Venue and presentation of the Games at the Venue, including all costs and expenses directly relating to the rehearsal for, production of and promotion of the Games, the sale of tickets, all installations necessary therefor, the restoration of the Venue as provided herein, the cost of all utility usage in excess of the normal and customary utility usage during the Exclusive Use Period (as measured in reference to the corresponding utility usage in the same time period in the year prior to the Games) and the performance of all of the 2024 Entity's obligations hereunder, other than (i) those cost and expenses that are expressly stated in this Agreement to be borne by Venue Owner, (ii) all costs and expenses that are both necessary and incidental to Venue Owner's performance of its obligations hereunder, (iii) all costs and expenses of owning and maintaining the Venue that would otherwise have been incurred in the absence of the Games, including all overhead costs and insurance costs, property taxes and all costs of utilities that would have been consumed in the absence of the Games, as allocated on Exhibit B, and (iv) all costs and expenses arising from Force Majeure Events.

#### **Article 6. Signage; Marketing and Intellectual Property Rights.**

Without limiting Section 2.3 (IOC-Required Guarantee Regarding Control of Commercial Activities) or any of the provisions of the "IOC Clean Venue Schedule" attached hereto as Schedule 2.3, Venue Owner hereby acknowledges, confirms and agrees to the following, subject to Section 12.6 (Compliance with Laws):

**6.1 Limitations on Signage in or Visible from Venue.** Venue Owner hereby acknowledges that, pursuant to IOC Requirements, all commercial signage and commercial displays of every kind (including names, logos and other signage or identifying material on telephones, food and beverage vending machines, products and supplies and other Venue Owner Equipment, as well as signage on buildings, and fencing, including in and on all Venue Owner Facilities, and in or on any ground surface) ("**Prohibited Commercial Signage**") in, on or above the Venue, or within the 500m Perimeter must be removed or covered during the Exclusive Use Period. Venue Owner hereby agrees (a) at the commencement of the Exclusive Use Period, to deliver to the 2024 Entity the Venue, and the 500m Perimeter (the "**Venue Controlled Areas**"), free and clear of all Prohibited Commercial Signage and (b) at all times during the Exclusive Use Period, to cooperate (and to use commercially reasonable efforts to cause its contractors, agents and licensees in and around the Venue and the Venue Controlled Area to cooperate) with the 2024 Entity in complying with such IOC Requirements. If Venue Owner does not deliver the Venue or any Venue Controlled Area to the 2024 Entity in accordance with the preceding sentence, the 2024 Entity and its Representatives shall have the right to remove, relocate or cover any or all Prohibited Commercial Signage. Venue Owner shall cooperate with the 2024 Entity in removing, relocating or covering such Prohibited Commercial Signage and shall promptly reimburse the 2024 Entity for all costs and expenses incurred in connection with such removal, relocation or covering; provided that the 2024 Entity may, at the 2024 Entity's option, elect to offset such cost and expenses against any amounts that would otherwise be payable to Venue Owner under this Agreement.

**6.2 Display and Advertising Rights; Sponsorships.** During the Exclusive Use Period, the 2024 Entity shall have the sole and exclusive right: (a) to display, and to permit and/or sell the right to display, any and all commercial advertising of any kind or description whatsoever, in any medium (whether now existing or hereafter devised), in, on and above the Venue and within the 500m Perimeter; (b) to determine the pricing for and other terms and conditions of any such grant of rights; (c) to receive and retain all revenues and other proceeds derived from any such grant of rights; (d) to temporarily name

the Venue, the Venue Controlled Area or any portion thereof (the assigned name, the “Temporary Name”) and to use and refer to the Temporary Name in connection with the Games; and (e) to use depictions of the Venue (or any portion thereof) in any materials in any medium (whether now existing or hereafter devised) in connection with the Games. Without limiting any of the foregoing, the 2024 Entity and the IOC shall have the exclusive right to sell sponsorships and supplierships of, and other rights of affiliation with, the Games. Venue Owner shall not, and shall cause its Venue Owner-controlled Affiliates and Representatives not to, undertake any promotional or advertising activities at the Venue or within the 500m Perimeter during the Exclusive Use Period.

**6.3 Photography, Broadcast and Multimedia Rights.** During the Exclusive Use Period, the 2024 Entity shall:

**6.3.1** have the sole and exclusive right to: (a) arrange, conduct and permit commercial and noncommercial photography, filming, videotaping, television and radio transmission, internet and web transmission, and similar activities in and above the Venue or from any other vantage points within the Venue Controlled Areas (including of the Venue or the Competition(s)), subject to the 2024 Entity’s applying for and receiving all necessary film permits, (b) record, telecast, re-telecast or otherwise distribute and re-broadcast (using any and all media, whether now known or hereafter devised), and to permit media coverage, telecasting, and any other multimedia coverage or other distribution of, the Venue and all activities within the 500m Perimeter; and (c) make available to the public or otherwise by any means (in any medium) any coverage of or information in any form or media that relates to the Games, including the Competitions and the Venue as it relates to the Games; and

**6.3.2** be the sole legal and beneficial owner of all intellectual property rights to all audio-visual productions, sound recordings, and broadcasts of the Competition(s) and all activities related to the Games at the Venue (including on digital or analogue radio and all terrestrial, satellite, cable, pay television, pay per view, video on demand, or subscription video on demand rights on either digital or analogue television and all streaming, hyperlink or text rights on either the Internet or through mobile telephony) and have the exclusive rights to sublicense any such audio-visual productions, sound recordings and broadcasting rights to any third party.

**6.4 Tickets; Suites; Premium Seating.** The 2024 Entity and IOC shall have the exclusive right to sell tickets, suites, premium seating and other rights to view any or all events at the Venue or elsewhere within the 500m Perimeter, and to collect, receive and retain all gross income and revenues and other consideration of whatever kind or nature realized by, from or in connection with the sale or other distribution of such rights. For the avoidance of doubt, during the Exclusive Use Period Venue Owner shall not have access to any box offices or ticket offices located at the Venue to sell tickets, premium seating and/or other rights to view any or all future events at the Venue.

**6.5 Concessions.** 2024 Entity shall have the exclusive right (either directly or indirectly through its concessionaire(s)) to distribute, dispense and sell food, beverages and merchandise in all areas of the Venue and 500m Perimeter during the Exclusive Use Period. Without limiting the generality of foregoing, 2024 Entity shall have the exclusive right to (i) close any concession stand, kiosk or food court during the Exclusive Use Period, (ii) limit the menu of food and beverages served during the Exclusive Use Period by any concession stand, kiosk or food court, and (iii) determine all items of food, beverages and merchandise sold or distributed at the Venue during the Exclusive Use Period.

**6.6 Olympic Marks.** No license or right to the use of any of Olympic- or Paralympic-related symbols, emblems, marks or terminology, including (a) the words “Olympic” and “Olympiad” and “Paralympic”; (b) the symbol of the IOC, consisting of five interlocking rings, and (c) the symbol of the IPC, consisting of three Agitos (all Olympic or Paralympic symbols, emblems, marks and terminology,

collectively, the “**Olympic Marks**”), is granted to Venue Owner by this Agreement. Venue Owner hereby expressly acknowledges and agrees that any use of Olympic Marks in the United States is restricted by Title 36, United States Code, Section 220506, and may be used only with the prior written permission of the USOC, IOC or the IPC, as applicable; provided that (i) nothing contained herein shall prevent Venue Owner from negotiating or entering into separate agreements with the 2024 Entity, the USOC, the IOC, the IPC or any of their respective Affiliates for the use of any Olympic Mark or shall restrict Venue Owner’s use of any Olympic Mark pursuant to any such separate agreements, and (ii) if permitted by the IOC and the IPC, the 2024 Entity will provide Venue Owner with approved terminology and, if necessary, a limited license or sublicense to use certain Olympic Marks for the purpose of enabling Venue Owner to identify the Venue as one of the venues for the Games. Venue Owner shall be permitted to use depictions of the Venue in its non-Games configuration, but at no time will Venue Owner have the right to use depictions of the Venue when decorated and prepared for the Games without the prior written consent of the 2024 Entity.

**6.7 2024 Entity Marks.** No license or right to any present or future trademark, service mark, copyrighted work or other intellectual property, including any logo, sport pictograms and mascot, of the USOC or the 2024 Entity (all trademarks, service marks, copyrighted works and other intellectual property of the USOC and/or the 2024 Entity, collectively, the “**2024 Entity Marks**”) is granted to Venue Owner by this Agreement. The parties expressly acknowledge and agree that the 2024 Entity Marks are or will be protected by state and federal trademark, copyright, unfair competition and other laws.

**6.8 Commercial Identification Prohibitions.** In no event shall Venue Owner have any right to grant, and Venue Owner hereby represents, warrants and covenants that it has not entered into and will not enter into any agreement, understanding or arrangement that grants or purports to grant, any commercial sponsorship, affiliation or other identification rights of any kind or description with respect to the Games, the USOC, the IOC, the 2024 Entity, this Agreement or any of the services or uses contemplated hereunder to any supplier of goods or services or to any other Person, without the prior written consent of the 2024 Entity. Venue Owner shall not make, and shall not permit any of its Representatives or Affiliates to make, any commercial use of Venue Owner’s relationship with the 2024 Entity or the Games (whether prior to, during or after the Games Period) without the prior written consent of the 2024 Entity, including by:

(a) referring to the Games, the USOC, the IOC, the IPC, the 2024 Entity, this Agreement or any of the services or uses contemplated hereunder in any sales literature, letters, client lists, press releases, website, social media, apps, brochures or other written materials, except as may be necessary to perform Venue Owner’s obligations under this Agreement; or

(b) using or allowing the use of any Olympic Mark, any 2024 Entity Mark or any other service mark, trademark or trade name that is now or may be hereafter associated with, owned by or licensed by the 2024 Entity, the USOC, the IOC or the IPC, in connection with any service or product; or

(c) contracting with or receiving money or anything of value from any commercial entity to facilitate such entity obtaining any type of commercial identification, advertising or visibility in connection with the Games.

**6.9 License of Venue Owner Logos, Names and Marks.** Venue Owner hereby grants to the 2024 Entity an irrevocable royalty-free and unlimited license (including sublicense rights), exercisable from the date of this Agreement through the end of the Exclusive Use Period, to use any and all of the Venue’s symbols, emblems, marks, logos, trademarks, service marks, and any photographs, films, videotapes, pictures, paintings, images or likenesses of the Venue or any part thereof (including the Facility Design Assets), in any medium (whether now existing or hereafter devised), including the name of the

Venue, in each case, for the purposes of: (a) broadcasting, telecasting or otherwise distributing any depiction of the Test Events and the Games (including in any electronic or computer games), (b) identifying the location of the Games and any Test Events, (c) providing map and way-finding information, (d) advertising and promoting the Test Events and Games, (e) promoting and creating educational materials regarding the Test Events and Games generally, (f) making any presentations (in any format) to the IOC, IPC or any International Federation or National Governing Body of sport, and (g) any other commercial or non-commercial purpose in connection with the Games.

#### **6.10 Prevention of Ambush Marketing and Other Infringing Activities.**

(a) Venue Owner shall not interfere with the 2024 Entity's efforts to prevent Ambush Marketing within the Venue, the Venue Controlled Areas, and any adjacent land owned, operated or controlled by Venue Owner or any of its Venue Owner-controlled Affiliates, in each case, at any time during the Games Period and, to the extent Venue Owner is aware of any such Ambush Marketing, Venue Owner shall immediately notify 2024 Entity who may take appropriate measures.

(b) The 2024 Entity shall have the right to take appropriate legal action against any Person that engages in activities which undermine, encroach, compromise, curtail, infringe or ambush the rights of sponsors of the Games, and Venue Owner hereby agrees to reasonably cooperate with the 2024 Entity (and take such reasonable actions as may be requested by the 2024 Entity, provided, however, such actions are limited to those actions that may be reasonably requested of Venue Owner in its capacity as an owner of commercial property and not as a Governmental Authority) in pursuing such legal action. Any measures, steps or actions taken by Venue Owner under this Section 6.10(b) at the request of the 2024 Entity shall be at the 2024 Entity's sole cost and expense.

**6.11 Outdoor Advertising and Signage.** Venue Owner may continue to use its outdoor marquee(s) and other signage to promote events taking place at the Venue before and after the Exclusive Use Period; provided, however, during the period commencing on the first day of the Exclusive Use Period and ending on the day immediately following the closing ceremonies of the Games, the 2024 Entity shall have the exclusive right to use the Venue Owner's outdoor marquee(s) and all other outdoor signage.

**6.12 Special Events Carve-Outs.** Venue Owner shall cause all concessions within the 500m Perimeter and other service contracts entered into that directly service the Venue on or after the date hereof that could be in effect during the Exclusive Use Period to include the following provision (*mutatis mutandis*):

"Notwithstanding anything to the contrary in this Agreement, [Service Provider] shall suspend or modify its [Services] at the Venue, upon Venue Owner's request, as and to extent necessary (as determined by Venue Owner in its sole discretion): (i) to accommodate Olympic Events (defined below) held at the Venue or within the 500m Perimeter, (ii) to comply with the terms of any contract between Venue Owner or any of its Affiliates, on the one hand, and any lessee, licensee or other user or occupant of the Venue in connection with any Olympic Event (collectively, "Olympic Users"), on the other, and (iii) to permit Venue Owner or any Olympic User to authorize any other Person to provide such [Services] at the Venue or within the 500m Perimeter in connection with any Olympic Event and for such Person to perform such [Services]. All revenues arising from or relating to any Olympic Event shall not be included in [*Gross Receipts or such comparable compensation formula under the Agreement*]. Upon reasonable advance written notice to [Service Provider], Venue Owner shall have the right from time to time to require

[Service Provider] to provide all or a portion of the [Services] for any specified Olympic Event; provided that [Service Provider] hereby acknowledges and confirms that it shall have no right to provide [Services] for any Olympic Event except as and to the extent expressly authorized by Venue Owner. [Service Provider] shall not interfere with the provision of [Services] by any other Person in connection with any Olympic Event to the extent such Person has been authorized by Venue Owner or the applicable Olympic User to provide such Services. Without limiting the generality of this paragraph, Venue Owner and any Olympic User shall have the unrestricted right and license to use any and all [Service Facilities] and [Service Provider Equipment] during or otherwise in connection with any Olympic Event or the provision of [Services] for any Olympic Event (provided that in such event, [Service Provider] shall have no responsibility for any damage to any of the [Service Facilities or Service Provider Equipment] that is caused by such Olympic User), and to solicit, employ or otherwise retain any employee or contractor of [Service Provider] in connection with the provision of such [Services], and no fee, rent, royalty or other amount shall be payable to [Service Provider] in connection with such use, solicitation, employment or other retention. Furthermore, [Service Provider] acknowledges that during each Olympic Event, and for periods before and after each Olympic Event, [Service Provider] and other Olympic Users may be required to, and shall have the right to, remove, obscure, cover, obstruct or otherwise block from view (collectively, "Cover") all or any portion of [Service Provider]'s signage, recognition, menu boards and other advertising at the Venue or within the 500m Perimeter, including by Covering the same with temporary banners or other advertising of any third party (including other service providers), in each case, if required or requested by the IOC, the IPC, any OOC or any other Olympic User. In the event of any conflict or inconsistency between this paragraph and any other term of this Agreement, this paragraph shall control." The term "Olympic Event" as used herein shall mean any competition, ceremony, concert, practice, preparation or other athletic, entertainment, cultural, charitable or civic event held in connection with any Olympic Games or Paralympic Games, and specifically including any event designated as such by the International Olympic Committee (the "IOC"), the International Paralympic Committee (the "IPC") or any local organizing committee for any Olympic Games or Paralympic Games (an "OOC")."

**6.13 No Conflict or Encumbrances.** Venue Owner represents, warrants and covenants that it has not entered into and is not a party to or otherwise bound by, and shall not enter into or become a party to or otherwise bound by, any agreement or understanding that conflicts or would conflict with any of its obligations under this Agreement or any of the 2024 Entity's rights under this Agreement, including any agreement or understanding that would (a) limit, restrict or prohibit any of the rights of the 2024 Entity granted herein, (b) grant any Person the right to enter, access, occupy, exploit or otherwise use any seating, suite, club or other space in the Venue during the Exclusive Use Period, (c) permit any Person to sell or give away any consumable or non-consumable merchandise of any kind in the Venue during the Exclusive Use Period, (d) limit in any way the ability of the 2024 Entity to produce and sell any consumable or non-consumable merchandise in the Venue during the Exclusive Use Period, (e) grant any rights to advertise or display any commercial signage or other advertising of any kind in the Venue during Exclusive Use Period, (f) restrict or prohibit the removal, relocation or covering of any commercial signage or display in the Venue during the Exclusive Use Period (including signage or other displays that include the name of the Venue), (g) prevent any Olympics Sponsor or vendor from installing systems for the Games or (h) encumber any portion of the Venue.

## **Article 7. Environmental Matters.**

**7.1 Condition of Venue.** Venue Owner hereby represents and warrants to the 2024 Entity that, to the best of Venue Owner's knowledge (based on a reasonably review of Venue Owner's reasonably accessible records or actual knowledge of management-level or senior employees) that: (a) no portion of the Venue, including the soil, surface area, groundwater and soil vapor, contains or is or has been

otherwise impacted by a Hazardous Substance; (b) except as disclosed in writing to the 2024 Entity, no leak, spill, release, discharge, emission, generation or disposal of Hazardous Substances has occurred within the Venue on or prior to the date of this Agreement; and (c) any handling, transportation, storage, treatment or use by Venue Owner of Hazardous Substances that has occurred within the Venue on or prior to the date of this Agreement has been in compliance with all Applicable Laws, except as disclosed in writing to the 2024 Entity; provided that the foregoing clauses (a)-(c) shall not apply to any fuels, solvents and similar substances that were used and disposed of in the ordinary course of operational and janitorial activities at the Venue in compliance with all applicable laws, regulations and ordinances. Venue Owner further represents and warrants to the 2024 Entity that Venue Owner is not subject to any existing, pending or, to Venue Owner's knowledge, threatened investigation, remediation obligations, liability, notice of violation, litigation or claim by any governmental authority or third party under any applicable Environmental Law with respect to the Venue.

## **7.2 Venue Owner's Covenants.**

**7.2.1 Representations, Warranties and Covenants.** Venue Owner represents, warrants and covenants to the 2024 Entity that from and after the date of this Agreement: (a) all uses of the Venue shall comply with all Environmental Laws, (b) no Hazardous Substances will be brought onto, into or in the vicinity of the Venue or will otherwise be used, stored, disposed or permitted to be used, stored, or disposed in or on the Venue by Venue Owner; and (c) Venue Owner will not use, allow or authorize any tenant, subtenant or other occupant to use, store or dispose Hazardous Substances within one-hundred (100) feet of the Venue or upon any property owned by Venue Owner that abuts the Venue, provided that this clause (c) shall not apply to any commercially reasonable quantities of Hazardous Substances that were, are or will be used, stored, disposed of or sold in the ordinary course of any business or operations conducted by Venue Owner or any tenant, subtenant or other occupant of the Venue and handled in compliance with all Applicable Laws.

**7.2.2** Venue Owner shall immediately notify the 2024 Entity in writing after it has become aware of (a) any presence or Release or threatened Release of Hazardous Substances in, on, under, from or migrating towards the Venue; (b) any non-compliance with any Environmental Laws related in any way to the Venue; (c) any required or proposed remediation of environmental conditions relating to the Venue; or (d) any written or oral notice or other communication of which Venue Owner becomes aware from any source whatsoever (including but not limited to a Governmental Authority) relating in any way to Hazardous Substances that has or which may impact the Venue.

## **7.3 Remediation of Venue.**

**7.3.1 Venue Owner's Obligation to Remediate.** Except as expressly set forth below, if at any time any Hazardous Substances are determined to be present in the Venue (except as a result of the actions or omissions of the 2024 Entity, the OCOG, the IOC, the IPC or any of their respective Affiliates, Representatives, agents, tenants, subtenants, licensees, invitees, or assigns) in a manner that interferes with the conduct of the Games or any Permitted Use or that has or, in the 2024 Entity's reasonable judgment, could have a material negative impact thereupon, including risk to human health or the environment (the existence of any of the foregoing, a "**Hazardous Condition**"), then Venue Owner shall take all steps necessary to promptly investigate, remove, abate or otherwise remediate such Hazardous Condition in accordance with all applicable Environmental Laws. Venue Owner shall use commercially reasonable efforts not to interfere with the conduct of the Games or any Permitted Use and not to impair or endanger any structural foundations, or other improvements within the Venue during any such investigation, removal, remediation or abatement process.

### **7.3.2 2024 Entity's Cure Right.**

(a) If (i) Venue Owner is unable or unwilling to take steps to promptly investigate, remove, remediate or abate any Hazardous Condition or to provide substituted premises to the 2024 Entity that are acceptable to the 2024 Entity (as determined by the 2024 Entity in its sole discretion) and (ii) such Hazardous Condition has or will have a material adverse effect on the conduct of the Games or any Permitted Use (as determined by the 2024 Entity in its reasonable discretion), then, upon giving Venue Owner at least ten (10) days' written notice of its intention to do so, the 2024 Entity may undertake such actions, and elect to expend such sums, as are reasonably necessary to remedy such Hazardous Condition. Venue Owner agrees to reimburse the 2024 Entity promptly for any costs or expenses incurred by the 2024 Entity or any of its Representatives in taking such remedial action; provided that the 2024 Entity may, at the 2024 Entity's option, elect to offset such cost and expenses against any amounts that would otherwise be payable to Venue Owner under this Agreement.

(b) If Venue Owner agrees to remove, abate or otherwise remediate the Hazardous Substance condition within a reasonable period of time and Venue Owner diligently pursues such action, the 2024 Entity shall not exercise its rights under Section 7.3.2(a); provided, however, that any amount payable to Venue Owner under this Agreement shall be equitably reduced to reflect the economic loss to the 2024 Entity during the period in which the Hazardous Condition exists.

**7.3.3 Cumulative Rights.** Nothing herein shall be deemed to limit any other rights or remedies to which the 2024 Entity may be entitled to exercise by reason of the existence of any Hazardous Substance that interferes with or has a material adverse effect on the 2024 Entity's use of the Venue.

**7.3.4 Costs and Expenses.** Without limiting any of the 2024 Entity's rights pursuant to this Section 7.3.4 (Costs and Expenses) or any other provision of this Agreement, Venue Owner acknowledges and agrees that (a) all costs and expenses for the investigation, removal, abatement and/or remediation of all Hazardous Substances that Venue Owner is required to address by the provisions of this Agreement or under applicable Environmental Laws shall be the sole obligation of Venue Owner, and (b) the 2024 Entity and its successors and assigns shall have no duty to contribute to or participate in such investigation, removal, remediation and/or abatement and shall have no responsibility for any cost or expense relating thereto. The provisions of this Section 7.3.4 shall be binding upon Venue Owner and upon any successor or assign of Venue Owner and shall survive any termination of this Agreement.

**7.4 Venue Owner's Environmental Indemnity.** Venue Owner covenants and agrees at the Venue Owner's sole cost and expense, to protect, defend, indemnify, release and hold harmless the 2024 Entity, the USOC, the IOC and the IPC and each of their respective Affiliates and Representatives (collectively, the "LA24 Indemnified Parties") harmless from and against any and all Indemnifiable Claims imposed upon or incurred by or asserted against any LA24 Indemnified Party that directly or indirectly arise out of or in any way relate to any one or more of the following: (a) any presence of any Hazardous Substances in, on, above, or under the Venue; (b) any past, present or threatened Release of any Hazardous Substances in, on, above, under or from the Venue; (c) any activity by the Venue Owner, any person or entity affiliated with the Venue Owner, and any tenant, subtenant or other user of the Venue in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Venue of any Hazardous Substances at any time located in, under, on or above the Venue, or any actual or proposed remediation of any Hazardous Substances at any time located in, under, on or above the Venue, whether or not such remediation is voluntary or pursuant to court or administrative order, including but not limited to any removal, remedial or corrective action; (d) any past, present or threatened non-compliance or violations of any Environmental Law (or permits issued pursuant to any Environmental Law) in connection with the Venue or operations thereon, including but not limited to any failure by the Venue Owner, any person or entity affiliated with

the Venue Owner, and any tenant or other user of the Venue to comply with any order of any governmental authority in connection with any Environmental Law; (e) any act or omission of the Venue Owner, any person or entity affiliated with the Venue Owner, and any tenant, subtenant or other user of the Venue in (i) arranging for disposal or treatment, or arranging with a transporter for transport for disposal or treatment, of any Hazardous Substances at any facility or incineration vessel containing any such or similar Substances or (ii) accepting any Hazardous Substances for transport to disposal or treatment facilities, incineration vessels or sites from which there is a Release, or a threatened Release of any Hazardous Substances which causes the incurrence of costs for remediation; and (f) any misrepresentation or inaccuracy in any representation or warranty or material breach or failure to perform any covenants or other obligations pursuant to this Agreement or relating to environmental matters; provided, however, that Venue Owner's liabilities and obligations under this Section 7.4 (Venue Owner's Environmental Indemnity) shall not apply to Indemnifiable Claims to the extent they arise from (x) any negligence or willful misconduct by any LA24 Indemnified Party or (y) any Hazardous Substances migrating offsite onto the Venue from a source other than the Venue (hereinafter defined as ("**Unallowed Hazardous Substances**")). The provisions of this Section 7.4 (Venue Owner's Environmental Indemnity) shall be binding upon Venue Owner and upon any successor or assign of Venue Owner and shall survive any termination of this Agreement.

**7.5 2024 Entity's Environmental Indemnity.** The 2024 Entity covenants and agrees at the 2024 Entity's sole cost and expense, to protect, defend, indemnify, release and hold the Venue Owner harmless from and against any and all Indemnifiable Claims imposed upon or incurred by or asserted against the Venue Owner and directly or indirectly arising out of or in any way relating to any one or more of the following: (a) any activity by the 2024 Entity, its successors, assigns, tenants, subtenants or other occupant of the Venue or by any of their respective Representatives in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Venue of any Hazardous Substances at any time located in, under, on or above the Venue, or any actual or proposed remediation of any Hazardous Substances at any time located in, under, on or above the Venue, whether or not such remediation is voluntary or pursuant to court or administrative order, including but not limited to any removal, remedial or corrective action; (b) any non-compliance or violations of any Environmental Law (or permits issued pursuant to any Environmental Law) in connection with the Venue or operations therein, including but not limited to any failure by the 2024 Entity, its successors, assigns, tenants, subtenants or other occupant or any of their Representatives to comply with any order of any governmental authority in connection with any Environmental Law; (c) any acts of the 2024 Entity its successors, assigns, tenants, subtenants or other occupant of the Venue or by any of their respective Representatives in (i) arranging for disposal or treatment, or arranging with a transporter for transport for disposal or treatment, of any Hazardous Substances at any facility or incineration vessel containing any such Hazardous Substances or (ii) accepting any Hazardous Substances for transport to disposal or treatment facilities, incineration vessels or sites from which there is a Release, or a threatened Release of any Hazardous Substances which causes the incurrence of costs for remediation; and (d) any misrepresentation or inaccuracy in any representation or warranty or material breach or failure to perform any covenants or other obligations pursuant to this Agreement or relating to environmental matters; provided, however, that Venue Owner's liabilities and obligations under this Section 7.5 (2024 Entity's Environmental Indemnity) shall not apply to Indemnifiable Claims to the extent they arise from (x) any negligence or willful misconduct of the Venue Owner or its successors, assigns or by any of their respective Representatives or (y) any Unallowed Hazardous Substances. The provisions of this Section 7.5 (2024 Environmental Indemnity) shall be binding upon the 2024 Entity and upon any successor or assign of the 2024 Entity and shall survive any termination of this Agreement.

#### **7.6 The 2024 Entity Covenants.**

(a) The 2024 Entity warrants and represents to the Venue Owner that from and after the date of this Agreement that (i) the 2024 Entity and its successors, assigns, tenants, subtenants or occupants of the Venue or by any of their respective Representatives' uses of the Venue or 500m Perimeter shall be in compliance with all Environmental Laws, and (ii) the 2024 Entity and its successors, assigns, tenant, subtenants, occupants or any of their respective Representatives' shall not bring Hazardous Substances onto or into or about the Venue or shall not otherwise use, store, dispose of or permit Hazardous Substances to be used, stored, or disposed in or on the Venue or within the 500m Perimeter; provided that the prohibition in this Section 7.6 (The 2024 Entity Covenants) shall not apply to commercially reasonable quantities of Hazardous Substances used, stored, or disposed of or sold in the ordinary course of any business or operations conducted by the 2024 Entity or any tenant, subtenant or other occupant of the Venue and handled in compliance with all applicable laws.

(b) The 2024 Entity shall immediately notify the Venue Owner in writing after it has become aware of (i) any presence or Release or threatened Release of Hazardous Substances in, on, under, from or migrating towards the Venue resulting from the 2024 Entity's or its successors, assigns, tenants, subtenants or occupants or their respective representatives' use of the Venue or 500m Perimeter; (ii) any non-compliance with any Environmental Laws related in any way to the 2024 Entity's or its successors, assigns, tenants, subtenants, occupants or their respective Representative's use of the Venue or 500m Perimeter; (iii) any required or proposed remediation of environmental conditions relating to the Venue or 500m Perimeter resulting from the 2024 Entity's, its successors, assigns, tenants, subtenants, occupants and their respective Representatives use of the Venue or 500m Perimeter; and (iv) any written or oral notice or other communication of which Venue Owner becomes aware from any source whatsoever (including but not limited to a Governmental Authority) relating in any way to Hazardous Substances that has or which may impact the Venue.

**7.7 2024 Entity's Obligation to Remediate.** If at any time any Hazardous Substances are determined to be present in the Venue within one year after the conclusion of the Post-Olympic Period as a direct result of the actions or omissions of the 2024 Entity or any of its Affiliates, Representatives, agents, tenants, subtenants, licensees, invitees, or assigns, then the 2024 Entity shall take all steps necessary to promptly investigate, remove, abate or otherwise diligently and continuously remediate such Hazardous Condition in accordance with all applicable Environmental Laws. The 2024 Entity shall not impair or endanger any structural foundations, or other improvements within the Venue during any such investigation, removal, remediation or abatement process, and shall repair any damage caused by its removal, remediation or abatement process.

## **Article 8. Defaults and Remedies.**

**8.1 Events of Default.** The occurrence of any of the following events shall constitute an event of default for purposes of this Agreement (each, an "**Event of Default**"):

(a) any material breach of this Agreement by either the 2024 Entity or Venue Owner; or

(b) solely in the case of Venue Owner, any failure by Venue Owner to perform any of its obligations under Section 2.3 (IOC-Required Guarantee Regarding Control of Commercial Activities), Section 5.4.5 (No Discrimination) or Article 6 (Signage; Marketing and Intellectual Property Rights).

### **8.2 Venue Owner Event of Default.**

**8.2.1 Venue Owner Cure Period.** Upon the occurrence of any Event of Default by Venue Owner under Section 8.1(a) or 8.1(b) (a “**Venue Owner Event of Default**”), the 2024 Entity may provide written notice of the occurrence of such Event of Default to Venue Owner. In such event, Venue Owner shall have thirty (30) days from receipt of such notice with respect to a Venue Owner Event of Default under Section 8.1(a) (Events of Default) and three (3) business days with respect to a Venue Owner Event of Default under Section 8.1(b) (Events of Default), (each such period, the “**Venue Owner Cure Period**”) to cure such Venue Owner Event of Default. If such Venue Owner Event of Default is not cured within the applicable Venue Owner Cure Period or if the cure is not timely commenced or diligently pursued, the 2024 Entity shall have the right to exercise its cure rights pursuant to Section 8.2.2 (2024 Entity Cure Right) or 8.2.3 (Specified Venue Owner Event of Default), as applicable, and/or to exercise any and all remedies that it may have, whether under this Agreement, in equity or at law.

**8.2.2 2024 Entity Cure Right.** If Venue Owner fails to timely cure or to timely commence to cure or to diligently pursue the cure of any Venue Owner Event of Default after receiving notice of such Venue Owner Event of Default, the 2024 Entity shall have the right, but no obligation, to perform any obligation of Venue Owner hereunder, and Venue Owner shall promptly reimburse the 2024 Entity for all costs and expenses incurred by the 2024 Entity or any of its Affiliates in connection with such performance; provided that the 2024 Entity may, at the 2024 Entity’s option, elect to offset such cost and expenses against any amounts that would otherwise be payable to Venue Owner under this Agreement.

**8.2.3 Specified Venue Owner Event of Default.** Venue Owner acknowledges and agrees that the organization and staging of the Games is a time-critical event, for which numerous decisions must be made and implemented immediately. Therefore, notwithstanding anything to the contrary contained in Section 8.2 (Venue Owner Event of Default) or any other provision of this Agreement, Venue Owner acknowledges and agrees that upon the occurrence of any Venue Owner Event of Default within thirty (30) days prior to, or at any time during, the Exclusive Use Period (a “**Specified Venue Owner Event of Default**”), the 2024 Entity shall have the right, but no obligation, to cure such Specified Venue Owner Event of Default and to take any and all actions as the 2024 Entity deems necessary or appropriate to enable fulfillment of the defaulted obligation and/or satisfaction of the IOC Requirements. The 2024 Entity shall use reasonable efforts to notify Venue Owner of such Specified Venue Owner Event of Default and the intended curative actions, but failure to deliver such notice shall not prevent the taking of any such curative action. Venue Owner agrees to reimburse the 2024 Entity promptly for all costs and expenses incurred by the 2024 Entity or any of its Affiliates in connection with such curative actions; provided that the 2024 Entity may, at the 2024 Entity’s option, elect to offset such cost and expenses against any amounts that would otherwise be payable to Venue Owner under this Agreement.

**8.2.4 Cumulative Rights.** The rights and remedies of the 2024 Entity under this Section 8.2 (Venue Owner Event of Default) are not exclusive, but rather shall be cumulative and in addition to any and all other remedies available to the 2024 Entity, whether under this Agreement, in equity or at law.

**8.3 2024 Entity Event of Default.** Upon the occurrence of any Event of Default by the 2024 Entity under Section 8.1(a) (a “**2024 Entity Event of Default**”), Venue Owner may provide written notice of the occurrence of such 2024 Entity Event of Default to the 2024 Entity. In such event, the 2024 Entity shall have thirty (30) days from receipt of such notice (the “**2024 Entity Cure Period**”) to cure such 2024 Entity Event of Default. If such 2024 Entity Event of Default is not cured within such thirty (30) day period or if the cure is not timely commenced and diligently pursued, Venue Owner shall have the right to exercise any and all remedies that it may have, whether under this Agreement, in equity or at law.

**Article 9. Indemnification.**

**9.1 Indemnities by 2024 Entity.** The 2024 Entity shall indemnify, defend and hold harmless Venue Owner and its Representatives (“**Venue Owner Indemnified Parties**”) from and against any and all costs, losses, liabilities, damages, lawsuits, claims and expenses (including court costs, reasonable attorneys’ fees and disbursements), and all amounts paid in investigation, defense or settlement of any of the foregoing (all of the foregoing, collectively, “**Indemnifiable Claims**”), incurred by Venue Owner or any of its Representatives in connection with or arising out of or resulting from (a) any negligent act or omission or willful misconduct of the 2024 Entity or any of its Representatives in connection with this Agreement, (b) any breach by the 2024 Entity of any of the 2024 Entity’s representations, warranties or covenants under this Agreement, (c) any claim that relates to any construction of Overlay in the Venue by the 2024 Entity or its agents or contractors, or (d) any claim or action that relates to the use, occupancy, management, operation or possession of the Venue by the 2024 Entity, including any third party claim or action that relates to the production, promotion, clean-up after or cancellation of the Games; provided that the foregoing indemnification provisions shall not apply to the extent that any Indemnifiable Claim arises out of or results from (i) any negligent act or omission or willful misconduct of Venue Owner or any of its Representatives or Affiliates or (ii) any Force Majeure Event. The indemnification obligations of the 2024 Entity under this Section 9.1 (Indemnification) shall survive any termination of this Agreement.

**9.2 Indemnities by Venue Owner.** Venue Owner shall indemnify, defend and hold harmless the LA 24 Indemnified Parties from and against any and all Indemnifiable Claims incurred by any LA24 Indemnified Party in connection with or arising out of or resulting from (a) any negligent act or omission or willful misconduct by Venue Owner or any of its Representatives in connection with this Agreement, (b) any breach of any of Venue Owner’s representations, warranties or covenants under this Agreement, (c) any claim that relates to any defect in the structure, design or layout of the Venue, or any portion thereof, or (d) any claim by any sponsor (including any naming rights sponsor), advertiser, concessionaire, suite licensee or other customer, contractor or licensee of Venue Owner or any of its Affiliates; provided that the foregoing indemnification provisions shall not apply to the extent that any Indemnifiable Claim arises out of or results from (i) any negligent act or omission or willful conduct of the 2024 Entity or any of its Representatives or Affiliates or (ii) any Force Majeure Event. The indemnification obligations of Venue Owner under this Section 9.2 (Indemnities by Venue Owner) shall survive any termination of this Agreement.

**9.3 Duty to Mitigate.** Any Person that has incurred Indemnifiable Claims that are subject to the indemnification obligations of Section 9.1 or 9.2 (such party, an “**Indemnified Party**”) shall take all commercially reasonable steps to mitigate damages in respect of such Indemnifiable Claims in any manner that it deems reasonably appropriate, and the costs of such defense shall constitute Indemnifiable Claims.

**9.4 Waiver of Subrogation.** 2024 Entity and its respective Representatives, (a) waive any right of subrogation that might otherwise exist in or accrue to any Person on account of insurance coverage for the Venue or for property located or activities conducted on or in the Venue, and (b) agree to evidence such waiver by endorsement to the applicable insurance policies; provided that the foregoing waiver shall not apply to the extent that the same would invalidate or increase the cost of the insurance coverage; and provided, further, that in the case of any increased costs, the other parties shall have the right, within thirty (30) days following a written notice, to pay such increased costs and thereby restore the applicability of the foregoing waiver.

## **Article 10. Termination**

**10.1 Automatic Termination Upon Non-Selection.** If the City is not selected by the IOC to be the host city for the Games, this Agreement shall immediately and automatically terminate upon the selection of any other city as the host city for the Games.

**10.2 2024 Entity’s Termination Right.** This Agreement may be terminated by the 2024 Entity without penalty or other liability, at any time by written notice to Venue Owner, (a) for any reason up until the date that is one (1) year prior to the commencement date of the Pre-Olympic Period, in the 2024 Entity’s sole and exclusive discretion; or (b) pursuant to the terms of Section 5.8.3 (Additional Reports).

**10.3 Effect of Termination.** From and after any termination of this Agreement in accordance with its terms, all rights, covenants and obligations of performance by the parties (except for those rights and obligations that are expressly stated to survive termination, including those contained in Sections 7.3.4 (Costs and Expenses), 7.4 (Venue Owner’s Environmental Indemnity), 7.5 (2024 Entity’s Environmental Indemnity), 9.1 (Indemnities by 2024 Entity), 9.2 (Indemnities by Venue Owner), 11.5 (No Obligations for Unrelated Parties), 11.7 (Confidentiality), and Exhibit G (Dispute Resolution) shall immediately terminate; provided that no termination of this Agreement shall alter any of the claims of either party for any breach of this Agreement occurring prior to such termination, and the obligations of the parties with respect to such breaches (including those giving rise to such termination) shall survive such termination. Except as expressly set forth herein, neither party shall be obligated to pay the other any cost, fee, premium or penalty as a result of any termination of this Agreement.

**Article 11. Miscellaneous Provisions.**

**11.1 Sustainability.** Venue Owner hereby acknowledges that it is the goal of the IOC and the 2024 Entity to encourage and support a responsible concern for environmental issues, to promote sustainable development and operation in sport and to require that the Games are conducted in a manner consistent with these values. To that end, Venue Owner agrees to cooperate with, and to cause all of Venue Owner’s Representatives and Affiliates to cooperate with, the 2024 Entity in its efforts to reduce waste, increase energy efficiency, conserve water and other resources and minimize pollution, including compliance with the sustainability requirements set forth in Schedule 11.1.

**11.2 Cooperation; Further Assurances.** The parties acknowledge that the success of the Games requires cooperation between them at all times and that each of them shall make every effort to keep the other fully informed in a timely manner as to the progress of their plans and activities, any particular difficulties encountered by them, any changes in plans and any other information that might affect the obligations of the other party under this Agreement. Each party agrees to, with reasonable diligence, do all such things, provide all such assurances and assistance and execute and deliver such other documents or instruments as may be reasonably required by any other Person to give effect to the terms and purpose of this Agreement and to carry out its provisions.

**11.3 Representations and Warranties of Venue Owner.** Venue Owner hereby represents, warrants and covenants to the 2024 Entity that, as of the date of this Agreement and at all times during the term of this Agreement: (a) it is and will continue to be a municipality incorporated under the laws of the State of California, and it is and will continue to be authorized to do business, and is in good standing, in the State of California; (b) it has and will continue to have all necessary power and authority to enter into this Agreement and to perform its obligations hereunder; (c) the execution of this Agreement by it and the performance by it of its obligations hereunder have been duly authorized by all necessary action; (d) any governmental or third party consents or approvals necessary for the due and valid execution, delivery and performance by Venue Owner of this Agreement have been obtained and are and will continue to be in full force and effect; (e) this Agreement has been duly executed and delivered by Venue Owner and is and will continue to be a valid and binding obligation of Venue Owner, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general application relating to or affecting creditors’ rights and to general equity principles; (f) the execution, delivery and performance of this Agreement will not result in the breach of or default under (or

with notice or passage of time would constitute a breach of or default under) any agreement, understanding or contract with any Person; and (g) the Venue is and will continue to be in compliance with all, and within the past five (5) years has not received any notices of any violations of any, local, state, and federal safety and accessibility laws, including the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq., as amended. Venue Owner further represents and warrants to the 2024 Entity that Venue Owner has fee simple title to or a valid leasehold interest in the Venue, that all of the structures and grounds within the Venue are under the jurisdiction and control of Venue Owner, and that Venue Owner has all necessary right, power and authority to license and otherwise grant the 2024 Entity the right to access and use the Venue for the period and purposes contemplated by this Agreement.

**11.4 Relationship of Parties.** Each of the 2024 Entity and Venue Owner shall be solely responsible for its own duties and obligations under this Agreement and shall be deemed to be an independent contractor contracting at arms' length with the other party. Neither Venue Owner nor the 2024 Entity shall be deemed to have guaranteed performance by, or to be jointly liable, for the obligations of the other party under this Agreement or otherwise (except as and to the extent expressly agreed by both parties in a separate writing). Nothing contained in this Agreement shall (a) be deemed to create any agency, partnership or other similar relationship between the parties; and (b) authorize or permit either party to represent or otherwise hold out itself or any of its Representatives to be an agent, employee or partner of the other party.

**11.5 No Obligations for Unrelated Parties.** It is expressly understood and agreed by Venue Owner that:

(a) None of the State of California, the IOC, the IPC, the USOC or any of their respective Representatives, nor any Representative of the 2024 Entity (all of the foregoing, collectively, "**Unrelated Parties**") shall incur any financial responsibility or liability of any kind or nature whatsoever in connection with or arising out of this Agreement or any subsequent agreement between the parties relating to the subject matter hereof;

(b) Without limiting the foregoing, the 2024 Entity shall not be deemed to be an agency, instrumentality, joint venturer or agent of any Unrelated Party; and

(c) The City, for itself and its successors and assigns, acting solely in its capacity as Venue Owner, hereby irrevocably waives and releases, and hereby agrees and covenants to refrain from bringing or causing to be brought, any claims, demands, action, suits or other proceedings, whether at law or in equity, or whether before a court, arbitration panel, agency board or other body, against any Unrelated Party on account of any and all rights, demands, damages, claims, actions, causes of action, duties or breaches of duty, known or unknown, existing, pending, accrued or unaccrued (each, a "**Cause of Action**"), that Venue Owner has, claims to have or may have against any Unrelated Party, to the extent any such Cause of Action arises from or relates to this Agreement.

The provisions of this Section 11.5 (No Obligations for Unrelated Parties) shall survive any termination of this Agreement.

**11.6 Compliance with Laws.** During the term of this Agreement, Venue Owner and the 2024 Entity shall each comply with, and shall each cause their respective Representatives and Affiliates to comply with, all applicable laws, including all federal, state, local and municipal laws, statutes, ordinances, orders, decrees, regulations, permits, guidance documents, policies and other requirements of Governmental Authorities, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees (collectively, "**Applicable**

Laws”), in each case, to the extent relating to this Agreement, or the Venue. Venue Owner and the 2024 Entity hereby agree to promptly disclose in writing to the other party any information obtained by Venue Owner or the 2024 Entity, as applicable, relating to any actual, potential or alleged non-compliance by Venue Owner or the 2024 Entity, as applicable, or any its Representatives or Affiliates, with any Applicable Law.

**11.7 Confidentiality.** While recognizing that documents provided to the City are generally public documents subject to Public Records Act requests, the 2024 Entity may on its own initiative and its own expense seek recourse of the courts to prevent the release of documents or information that it deems confidential and not subject to public disclosure. Without limiting the foregoing, (i) Venue Owner (in its capacity as Venue Owner) shall not discuss the terms of this Agreement or the planned use of the Venue for the Games with any member of the media without the prior written consent of the 2024 Entity, and (ii) neither party shall issue any press release or make any other public statement concerning the terms of this Agreement without the prior written consent of the other party; provided that nothing in this Section 11.7 (Confidentiality) shall be deemed to prevent the 2024 Entity from making any statement regarding its intended use of the Venue as part of the Games; and provided, further, that nothing in this Section 11.7 (Confidentiality) shall restrict Venue Owner in its capacity as a Governmental Authority, including in connection with any public hearings, meetings, testimony, or written or oral reports necessary for the approval or administration of this Agreement. The provisions of this Section 11.7 (Confidentiality) shall survive any termination of this Agreement for a period of five (5) years.

**11.8 Governing Law.** This Agreement shall be construed in accordance with, and governed by the substantive laws of, the State of California, without reference to principles governing choice or conflicts of laws. This Agreement will be interpreted without reference to any law, rule, or custom construing this Agreement against the party which drafted this Agreement.

**11.9 Time of the Essence.** With respect to all dates and time periods in or referred to in this Agreement, time is of the essence.

**11.10 IOC Approvals.** This Agreement and terms hereof shall be subject to approval by the IOC (“IOC Approval”). The 2024 Entity agrees to seek IOC Approval if the City is awarded the right to host the Games. Venue Owner shall cooperate with and support the 2024 Entity in obtaining IOC Approval, and the 2024 Entity shall notify Venue Owner of its receipt of such IOC Approval. Notwithstanding anything to the contrary in this Agreement, Venue Owner shall not be entitled to revoke or otherwise withdraw any of its offers or obligations under this Agreement prior to (or after) the receipt of IOC Approval, and this Agreement shall be fully binding on and enforceable against Venue Owner upon execution hereof. In the event IOC Approval is not obtained for any reason, the 2024 Entity shall have the right to terminate this Agreement in accordance with Section 10.2(a) (2024 Entity’s Termination Right) above.

**11.11 Severability.** Upon execution by the parties, each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by Applicable Law. If any term or provision of this Agreement, or the application thereof to any Person or circumstance, shall be held invalid or unenforceable to any extent in any jurisdiction, then, as to such jurisdiction, the remainder of this Agreement (including the application of such term or provision to Persons or circumstances other than those as to which such term or provision is held invalid or unenforceable in such jurisdiction) shall not be affected thereby. Any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by Applicable Law, the parties to this Agreement hereby waive any provision of any Applicable Law that renders any provision of this Agreement unenforceable in any respect.

**11.12 Assignment and Delegation.** Venue Owner may not assign or in any manner transfer any of its rights or delegate any of its obligations under this Agreement; provided, however, Venue Owner may delegate any of its obligations to any operator or manager of the Venue; and provided, further, no such delegation shall relieve Venue Owner of its obligations under this Agreement. LA24 may freely assign any of its rights and may delegate any of its obligations to the OCOG or any other assignee of or successor to all or part of the business of LA24. Subject to the limitation set forth in the first sentence of this Section 11.12 (Assignment and Delegation), this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

**11.13 Waiver.** No action or inaction by either party shall be deemed to constitute a waiver by such party of any compliance by the other party with any representation, warranty or covenant contained in this Agreement. Neither the waiver by any party of a breach of or default under any of the provisions of this Agreement, nor the failure of any party to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder shall thereafter be construed as a waiver of any subsequent breach or default or as a waiver of any other provisions, rights or privileges hereunder. No failure or delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

**11.14 Headings.** The Section, Exhibit and Schedule headings herein are for convenience and reference only, and in no way define or limit the scope and content of this Agreement or in any way affect its provisions.

**11.15 Entire Agreement; Amendment.** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter contained herein, and there are no covenants, terms or conditions, express or implied, whether written or oral, other than as set forth or referred to herein. This Agreement may be amended or modified only by a written agreement signed by each of the parties hereto and approved pursuant to the provisions of PSC-4 attached hereto.

**11.16 Dispute Resolution.** Any dispute involving breach (or alleged breach) of this Agreement (including the interpretation or invalidity of any of its terms) or fraud (any of the foregoing, a “**Dispute**”), will be resolved in accordance with the procedures specified in Exhibit G attached hereto, which will be the sole and exclusive procedure for the resolution of any such Dispute, except that a party, without prejudice to such procedures, may file a complaint to seek preliminary injunctive or other provisional judicial relief if such party determines, in its sole discretion, that such action is necessary to avoid irreparable damage or to preserve the status quo, provided that the parties will continue to participate in good faith in the procedures specified in Exhibit G attached hereto; and provided further that nothing in this Section 11.16 (Dispute Resolution) shall be construed to limit or restrict a party’s rights under Section 11.22 (Right to Enforce Strictly; Specific Performance) hereof. Other than the LA24 Indemnified Parties and the Venue Owner Indemnified Parties, no person or entity who is not a party to this Agreement shall be bound by this Section 11.16 (Dispute Resolution).

**11.17 [Intentionally Deleted].**

**11.18 Notices.** All notices, requests, consents and demands shall be given to or made upon the parties at their respective addresses set forth on Schedule 11.18, or at such other address as either party may designate in writing delivered to the other party in accordance with this Section 11.18 (Notices). Unless otherwise agreed in this Agreement, all notices, requests, consents and demands shall be given or made by personal delivery, by confirmed air courier, by electronic mail (with a copy to follow by first-class mail), or by certified first-class mail, return receipt requested, postage prepaid, to the party addressed as aforesaid. If sent by confirmed air courier, such notice shall be deemed to be given upon the earlier to occur of (i) the date upon which it is actually received by the addressee and (ii) the business day upon which

delivery is made at such address as confirmed by the air courier (or if the date of such confirmed delivery is not a business day, the next succeeding business day). If mailed, such notice shall be deemed to be given upon the earlier to occur of (x) the date upon which it is actually received by the addressee and (y) the second business day following the date upon which it is deposited in a first-class postage-prepaid envelope in the United States mail addressed as aforesaid. If given by electronic mail, such notice shall be deemed to be given upon the date it is delivered to the addressee by electronic mail, regardless of whether any subsequent copy is sent or received.

**11.19 Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Any counterpart or other signature delivered by .pdf or other electronic transmission shall be deemed for all purposes as being good and valid execution of this Agreement by the applicable party.

**11.20 Right to Record Memorandum of Agreement.** The parties hereto acknowledge that a memorandum of this Agreement may be recorded in the public record by the 2024 Entity at its expense. Venue Owner shall, at the request of the 2024 Entity, enter into such a memorandum of this Agreement prescribed by the 2024 Entity in recordable form. No party hereto shall record this Agreement in the public records without the express written consent of the other party hereto, except as provided above.

**11.21 Cumulative Rights.** Except as expressly set forth in this Agreement, the rights and remedies provided by this Agreement are cumulative and are in addition to any other rights the parties may have by law, or otherwise, and the use of any one right or remedy by any party shall not preclude or waive its right to use any or all other remedies; provided, however, in no event shall any party be permitted to recover more than once for the same damages or otherwise be unjustly enriched.

**11.22 Right to Enforce Strictly; Specific Performance.**

**11.22.1 Right to Enforce Strictly.** Notwithstanding any law, usage or custom to the contrary, Venue Owner and the 2024 Entity shall at all times have the right to enforce each of the provisions of this Agreement in strict accordance with its terms. If, at any time, Venue Owner or the 2024 Entity (as the case may be) fails to enforce, or otherwise elects not to enforce, any provision of this Agreement or any right or remedy of Venue Owner or the 2024 Entity (as the case may be) with respect thereto strictly in accordance with its terms, such failure or election shall not constitute, and shall not be construed as creating, any custom or course of dealing in any way or manner contrary to any provision of this Agreement or as having in any way or manner modified the same.

**11.22.2 Strict Performance.** It is acknowledged and agreed that the 2024 Entity will suffer immediate and irreparable harm in the event of a breach or attempted or threatened breach of this Agreement by Venue Owner of any of Venue Owner's obligations hereunder and that the 2024 Entity will not have an adequate remedy at law. Accordingly, Venue Owner hereby acknowledges and agrees that the 2024 Entity shall, in addition to the remedies set forth herein and any other remedy available to the 2024 Entity at law or in equity, be entitled to temporary, preliminary and permanent injunctive relief and a decree for specific performance in the event of any such breach or threatened or attempted breach, without the necessity of showing any actual damage or irreparable harm or the posting of any bond or furnishing of any other security.

**11.23 Force Majeure.** If a Force Majeure Event prohibits, prevents or delays either party, whether directly or indirectly, from performing any of its obligations under this Agreement, then (whether or not Force Majeure Events are expressly referred to in any provision of this Agreement relating to such obligation) such party shall be excused from performance of such obligation to the extent, but only

to the extent made necessary by the Force Majeure Event and only until such time as the Force Majeure Event terminates or is removed or resolved. At all times during such period of prevention, prohibition or delay, the parties shall act diligently and in good faith to bring about the termination or removal of the Force Majeure Event as promptly as reasonably possible. None of the parties shall be liable to the other party as a result of such party's failure to perform any of its obligations as a result of a Force Majeure Event.

**Article 12. Fundamental Agreement Principles.**

**12.1 Primacy of the IOC Requirements.** Notwithstanding anything contained in this Agreement, to the extent any term of provision of this Agreement conflicts or is inconsistent with any IOC Requirement, such IOC Requirement will govern and control. If any such conflict or inconsistency arises, the 2024 Entity will advise Venue Owner thereof and Venue Owner shall comply with such IOC Requirement; provided, however, to the extent the Venue Owner (acting solely in its capacity as Venue Owner and not as a Governmental Authority) is required to expend any amount in order to comply with any IOC Requirement that is enacted at any time after the date of the execution of this Agreement, and Venue Owner would not otherwise have been responsible for under the terms of this Agreement, then the 2024 Entity shall promptly reimburse Venue Owner such amount. In accordance with IOC Candidature Procedures, Venue Owner specifically agrees to abide by the terms of the "Additional IOC Covenants" set forth on Schedule 12.1.

**12.2 Conformance with Minimum Requirements of the International Federation(s) of Relevant Sport(s).** The 2024 Entity and Venue Owner agree that the Competition areas and practice areas in the Venue during the Exclusive Use Period will comply with the sport and competition requirements of the International Federation(s) of Relevant Sport(s), as such requirements may be in effect from time to time. The 2024 Entity shall advise Venue Owner of such requirements, and the parties shall cooperate in incorporating such requirements into the Venue; provided the cost of incorporating all such requirements will be borne by the 2024 Entity.

**12.3 USOC Requirements.** Venue Owner acknowledges and agrees that it has no right of recovery of any kind against the USOC, or any Affiliate, director, officer, employee, consultant or independent contractor of the USOC, under this Agreement, and that the sole and exclusive recourse or remedy by Venue Owner for any claims, demands, actions, suits or other proceedings under this Agreement shall be against the assets of the 2024 Entity only. The USOC shall be a third party beneficiary of this Section 13.3 with full rights of enforcement thereof.

**12.4 Retention of Records.** 2024 Entity shall maintain all records, including records of financial transactions, pertaining to the performance of this Agreement, in accordance with its normal and customary business practices. These records shall be retained during the term of this Agreement and for a period of three years following final payment made by the Venue Owner hereunder or until such time as the 2024 Entity is dissolved ("**Record Retention Period**"). Said records shall be subject to examination and audit by authorized Venue Owner Personnel or Representatives during the Record Retention Period upon reasonable prior notice. 2024 Entity shall provide any reports reasonably requested by the Venue Owner regarding performance of this Agreement.

*[Remainder of page intentionally left blank. Signature pages follow.]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

LOS ANGELES 2024 EXPLORATORY  
COMMITTEE

By: \_\_\_\_\_  
Name:  
Title:

THE CITY OF LOS ANGELES

By: \_\_\_\_\_  
Name:  
Title:

## Exhibit A

### **Definitions**

**“2024 Entity”** has the meaning assigned to such term in the Recitals.

**“2024 Entity Cure Period”** has the meaning assigned to such term in Section 8.3 (2024 Entity Event of Default).

**“2024 Entity Event of Default”** has the meaning assigned to such term in Section 9.3 (2024 Entity Event of Default).

**“2024 Entity Marks”** has the meaning assigned to such term in Section 6.7 (2024 Entity Marks).

**“2024 Entity Property”** means all of the Overlay and other equipment installed at the Venue by the 2024 Entity and any other personal property brought into the Venue by the 2024 Entity or any of its Representatives (other than Venue Owner Facilities and Venue Owner Equipment).

**“500m Perimeter”** has the meaning assigned to such term in Section 5.5 (Security and Access Control).

**“AAA Rules”** has the meaning assigned to such term in Exhibit G.

**“Additional Venue Reports”** has the meaning assigned to such term in Section 5.8.3 (Additional Reports).

**“Affiliate”** means with respect to any Person, a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such Person.

**“Agreement”** means this Venue Use Agreement, including all Exhibits, Schedules and Addenda attached hereto and referred to herein, as it and/or they may be amended in accordance with Section 11.15 (Entire Agreement; Amendment).

**“Ambush Marketing”** means any or all of the following:

(a) any non-Games partner/sponsor company’s use of creative means or efforts to generate any false association with the Games;

(b) any non-Games partner/sponsor company’s infringement of any law, rule or regulation that protects the use of Olympic and Paralympic imagery and indicia; and

(c) any other action or activity of any non-Games partner/sponsor company that intentionally or unintentionally interferes with the legitimate marketing activities of Olympic or Paralympic partners.

**“Applicable Laws”** has the meaning assigned to such term in Section 11.6 (Compliance with Laws).

**“Candidature Procedures”** means the Candidature Questionnaire Olympic Games 2024 issued by the IOC, which sets forth certain requirements and guarantees that must be provided by any prospective host city for the Games.

**“Cause of Action”** has the meaning assigned to such term in Section 11.5(c) (No Obligations for Unrelated Parties).

**“City”** has the meaning assigned to such term in the Recitals.

**“City Standard Provisions”** has the meaning assigned to such term in Section 1.4 (Standard Provisions for City Contracts).

**“City Standards”** means conformance with the City Charter; City policies, including personnel practices, procedures and policies; and all local and State rules, regulations and laws. All union contracts and agreements with the City remain in full force and effect unless and until the 2024 Entity separately negotiates exceptions or exclusions from any all labor related City agreements for the exclusive purposes of all 2024 Entity activity.

**“Comparable Facilities”** means those public golf-courses in California.

**“Competition(s)”** means those competitions for the Games that are anticipated to occur at the Venue and are identified on Exhibit C, as such Exhibit may be modified from time to time in accordance with the terms of this Agreement.

**“Confidential Information”** means (i) any and all information of any type and in any medium (written, oral, electronic or otherwise) furnished or made available (whether before or after the date hereof) by a party or such party’s Representatives (“Disclosing Party”) to the other party or such party’s Representatives (“Receiving Party”) or that otherwise relates to the Disclosing Party, and (ii) any and all analyses, compilations, forecasts, studies, work-product or other documents prepared by Receiving Party or its Representatives which reflects any such information; excluding in all cases, information which is or becomes publicly available (other than in breach of this Agreement), or which is or becomes available to Receiving Party or its Representatives on a non-confidential basis from a source (other than Disclosing Party or Disclosing Party’s Representatives) which, to the best of Receiving Party’s knowledge after due inquiry, is not prohibited from disclosing such information to Receiving Party or its Representatives by a legal, contractual or fiduciary obligation.

**“Consideration”** has the meaning assigned to such term in Section 2.1 (Consideration).

**“Dispute”** has the meaning assigned to such term in Section 11.16 (Dispute Resolution).

**“Dispute Notice”** has the meaning assigned to such term in Exhibit G.

**“Environmental Laws”** means any and all present and future federal, state, county, municipal or local statutes, ordinances, regulations, rules, orders, judgments, permits or decrees or common law, relating to the discharge, emission, spill, release, generation, handling, storage, use, transport, disposal, investigation, removal, remediation or other cleanup of any Hazardous Substances, or otherwise relating to pollution or the protection of human health, safety or the environment. **“Environmental Laws”** shall include but not be limited to the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Hazardous Substances Transportation Uniform Safety Act of 1990; the Resource Conservation and Recovery Act (including but not limited to Subtitle I relating to underground storage tanks); the Solid Waste Disposal Act; the Clean Water Act; the Clean Air Act; the Toxic Substances Control Act; the Safe Drinking Water Act; the Occupational Safety and Health Act; the Federal Water Pollution Control Act; the Occupational, Safety and Health Act; the Endangered Species Act; the National Environmental Policy Act; the River and Harbors Appropriation Act; the Federal Insecticide, Fungicide and Rodenticide Act; Porter-Cologne Water Quality Control Act; and

Proposition 65 (Health and Safety Code sections 25249.5 et seq.). The term “**Environmental Law**” also includes, but is not limited to, any present and future federal, state and local laws, statutes ordinances, rules, regulations, permits or authorizations and the like, as well as common law, that (a) require notification or disclosure of Releases of Hazardous Materials or other environmental condition of the Venue to any Governmental Authority or other Person, whether or not in connection with transfer of title to or interest in the Venue; (b) impose conditions or requirements in connection with permits or other authorization for lawful activity; (c) relate to nuisance, trespass or other causes of action related to the Venue; or (d) relate to wrongful death, personal injury, or property or other damage in connection with any physical condition or use of the Venue.

“**Event of Default**” has the meaning assigned to such term in Section 8.1 (Events of Default).

“**Exclusive Use**” means the sole and exclusive use, control, occupancy and exploitation of, and the sole and exclusive control of all access to, the Venue by the 2024 Entity, its Affiliates and/or Representatives.

“**Exclusive Use Period**” has the meaning assigned to such term in Exhibit B.

“**Facility**” has the meaning assigned to such term in the Recitals.

“**Facility Design Assets**” has the meaning assigned to such term in Section 5.8.1 (Operational Planning).

“**Force Majeure Event**” means the occurrence of any of the following: acts of God; acts of the public enemy; the confiscation or seizure by any government or public authority; insurrections; wars or war-like action (whether actual or threatened); arrests or other restraints of government (civil or military); blockades; embargoes; strikes, labor unrest or disputes (in each case without regard to the reasonableness of any party’s demands or ability to satisfy such demands); unavailability of or delays in obtaining labor or materials; epidemics; quarantine restrictions, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, wash-outs, explosions, other severe weather or casualty events; civil disturbance or disobedience; riot, sabotage, terrorism or threats of sabotage or terrorism; injunctions; other governmental action or change in law; shortages or failures or delays of sources of labor, material, energy, fuel, equipment or transportation; freight embargoes; or any other cause, whether of the kind herein enumerated or otherwise, that is not within the reasonable control and without the fault and negligence of the party claiming the right to delay or excuse performance on account of such occurrence. Notwithstanding the foregoing, no action of any Governmental Authority shall, as applied to Venue Owner, be considered governmental actions that excuse or may permit delay in performance by Venue Owner, and the term “Force Majeure Event” shall not include economic hardship or inability to pay debts or other monetary obligations in a timely manner.

“**Games**” means, collectively, (a) the Games of the XXXIII Olympiad, currently scheduled to commence on July 19, 2024 and to end on August 4, 2024 (this clause (a), the “**Olympic Games**”); and (b) the Paralympic Games, currently scheduled to commence on August 16, 2024 and to end on August 27, 2024 (this clause (b) the “**Paralympic Games**”).

“**Games Period**” means that certain 6-week period that includes the dates of the Games, currently scheduled to commence on July 19, 2024 and to end on August 27, 2024; provided, however, the Games Period shall be subject to change in the event of any change in the dates of the Games.

“**Governmental Authorities**” means any and all jurisdictions, entities, courts, boards, agencies, commissions, authorities, offices, divisions, subdivisions, departments or bodies of any nature

whatsoever and any and all any governmental units (federal, state, county, municipality or otherwise) whether now or hereafter in existence. Notwithstanding the foregoing, for purposes of this Agreement, the City, in its capacity as Venue Owner under this Agreement, shall not be considered a Governmental Authority for purposes of this Agreement.

**“Hazardous Condition”** has the meaning assigned to such term in Section 7.3.1 (Venue Owner’s Obligation to Remediate).

**“Hazardous Substance”** shall be interpreted broadly to include, but not be limited to, (a) any hazardous, toxic, petroleum-derived substance or petroleum products, flammable or explosive materials, radioactive materials (including radon), asbestos in any form that is or could become friable, urea formaldehyde, foundry sand, and polychlorinated biphenyls (“PCBs”); (b) any chemical, material or substance that is defined, regulated as or included in the definition of “hazardous substance,” “hazardous waste,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” “pollutant,” or “contaminant” under any Environmental Law; (c) any other chemical or other material, waste or substance, exposure to which is now prohibited, limited or regulated by or under any Environmental Law or the exposure to which presents a risk to human health or the environment; and (d) any biological contaminants, including bioaerosols, fungi, mold and mildew, that can be inhaled and cause adverse health effects, including allergic reactions, respiratory disorders, hypersensitivity diseases, and infectious diseases, but excluding substances of kinds and in amounts ordinarily and customarily used or stored in properties similar to the Venue for the purposes of cleaning or other maintenance or operations and otherwise in compliance with all Environmental Laws.

**“Host City Contract”** means the contract to be entered into by and among the IOC, the USOC and the City governing the planning, development and operation of the Games. Each reference to the Host City Contract shall include the Operational Requirements, Technical Manuals and User Guides related thereto, in each case as the same may now exist and as they may be hereafter amended, supplemented or otherwise modified by the IOC during the term of this Agreement.

**“Indemnifiable Claims”** has the meaning assigned to such term in Section 9.1 (Indemnities by 2024 Entity).

**“Indemnified Party”** has the meaning assigned to such term in Section 9.3 (Duty to Mitigate).

**“International Federation(s) of Relevant Sport(s)”** means the organizations listed on Exhibit D hereto.

**“IOC”** means the International Olympic Committee, an international, non-governmental not-for-profit organization of unlimited duration, organized in the form of an association with the status of a legal person, recognized by the Swiss Federal Council in accordance with an agreement entered into on November 1, 2000.

**“IOC Approval”** has the meaning assigned to such term in Section 11.10 (IOC Approvals).

**“IOC Charter”** means the Olympic Charter and associated Rules and By-Laws, as they now exist and as they may be hereafter amended, supplemented or otherwise modified by the IOC during the term of this Agreement.

**“IOC Requirements”** means, collectively, the IOC Charter, the Host City Contract and the Candidature Procedures, each as amended, supplemented or otherwise modified from time to time.

**“IPC”** means the International Paralympic Committee, an international, not-for-profit organization, based in Bonn, Germany, serving as the international governing body of sports for athletes with a disability.

**“LA24”** has the meaning assigned to such term in the Preamble.

**“LA24 Indemnified Parties”** has the meaning assigned to such term in Section 7.4 (Venue Owner’s Environmental Indemnity)

**“Nonexclusive Use Periods”** has the meaning assigned to such term in Section 2.2 (Use Periods).

**“OBS Operations”** has the meaning assigned to such term in Section 3.2.2 (Permitted Uses).

**“OCOG”** has the meaning assigned to such term in the Recitals.

**“Olympic Games”** has the meaning assigned to such term in the definition of “Games.”

**“Olympic Marks”** has the meaning assigned to such term in Section 6.6 (Olympic Marks).

**“Overlay”** means all temporary buildings, tents, trailers, platforms and other structures located in the Venue that are intended to support the temporary expansion and outfitting of the Venue during the Games, including to provide temporary seating and spectator areas as well as areas, systems and structures for broadcast, media, telecom, technology, medical and first aid, catering, hospitality, sanitary, waste management, scoring, judging and venue results, storage, staging, security and other logistics compounds; provided, however to the extent installation of any of the foregoing requires any license, permit, variance, or other similar approval, the foregoing shall be subject to the provision of general plans for the same being provided by the 2024 Entity to Venue Owner and Venue Owner’s approval of the same (such approval not to be unreasonably withheld, conditioned or delayed). The term “Overlay” shall also include such infrastructure as may be necessary in order to use the Venue for the Permitted Uses.

**“Paralympic Games”** has the meaning assigned to such term in the definition of “Games.”

**“Permitted Uses”** has the meaning assigned to such term in Section 3.2.2 (Permitted Uses).

**“Person”** means any individual, partnership, firm, limited liability company, corporation, association, trust, unincorporated organization, governmental authority or other legal entity of any kind.

**“Post-Olympic Period”** has the meaning assigned to such term in Exhibit B.

**“Pre-Olympic Period”** has the meaning assigned to such term in Exhibit B.

**“Prohibited Commercial Signage”** has the meaning assigned to such term in Section 6.1 (Limitations on Signage in or Visible from Venue).

**“Quality Venue Standard”** has the meaning assigned to such term in Section 5.2.2 (Quality Venue Standard).

**“Required 2024 Entity Approvals”** has the meaning assigned to such term in Section 5.6 (Licenses and Permits).

**“Representatives”** means, with respect to any Person, such Person’s directors, trustees, officers, employees, volunteers, contractors, subcontractors, vendors and other agents, sponsors, advisors, consultants and representatives (including, solely with respect to the 2024 Entity, the IOC, the IPC, the USOC and their respective Representatives, and solely, with respect to the Venue Owner, any operator or manager of the Venue).

**“Release”** with respect to any Hazardous Substances includes but is not limited to any release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Substances.

**“Security and Safety Policies”** has the meaning assigned to such term in Section 5.5.2 (Security and Safety Policies).

**“Specified Venue Owner Event of Default”** has the meaning assigned to such term in Section 8.2.3 (Specified Venue Owner Event of Default).

**“Temporary Name”** has the meaning assigned to such term in Section 6.2 (Display and Advertising Rights; Sponsorship).

**“Test Event”** means any competition, exhibition or other event scheduled or conducted by the 2024 Entity, Venue Owner and/or other Persons designated by the 2024 Entity within the Venue to test the technical and operational systems of the Venue or the use of the Venue for the Competition(s), as identified in Schedule 3.2.3.

**“Unallowed Hazardous Substances”** has the meaning assigned to such term in Section 8.4.

**“Unrelated Parties”** has the meaning assigned to such term in Section 11.5(a) (No Obligations for Unrelated Parties).

**“USOC”** means the United States Olympic Committee, a not-for-profit corporation chartered by the United States Congress as the National Olympic Committee for the United States of America.

**“Variable Services”** means those Venue Services corresponding to clauses (8), (9) and (10) on Schedule 5.3.1.

**“Venue”** means the Facility and any adjoining areas depicted within the red bounded areas on the site plan attached hereto as Exhibit F (including any concourses adjacent to the Venue or other areas under control of the Venue Owner or its Affiliates as shown on Exhibit F), together with all rights, easements and appurtenant rights thereto (including rights to airspace above Facility, and all access routes or other rights of ingress/egress to the Facility), and all real and personal property related to the Facility (including Venue Owner Facilities and Venue Owner Equipment), in each case, whether now owned or hereafter acquired. Unless otherwise specified in this Agreement, all references in this Agreement to the “Venue” shall include all assets and properties at or within the Venue (including furniture, fixtures and equipment), whether installed at the time of original construction, by subsequent capital improvement or repair, or otherwise.

**“Venue Controlled Areas”** has the meaning assigned to such term in Section 6.1 (Limitations on Signage in or Visible from Venue).

**“Venue Owner”** has the meaning assigned to such term in the Preamble.

**“Venue Owner Cure Period”** has the meaning assigned to such term in Section 8.2.1 (Venue Owner Cure Period).

**“Venue Owner Equipment”** means all furniture, fixtures or equipment of any kind normally located or used in the Venue to conduct operations or to prepare for or conduct competitions in the Venue, including any items set forth on Exhibit E hereto, and all other mechanized equipment and other furnishings owned or leased by Venue Owner and located at or used in support of operations or activities in the Venue.

**“Venue Owner Event of Default”** has the meaning assigned to such term in Section 8.2.1 (Venue Owner Cure Period).

**“Venue Owner Facilities”** means all structures, fixtures, improvements, infrastructure and other facilities, that are located, used or necessary to conduct operations in the Venue (including all related support and ancillary areas); including, without limitation all (i) seating (whether temporary or permanent), including boxes, suites or similar “premium” seating areas or lounges, (ii) media facilities (including press boxes, broadcast compounds and video control rooms), (iii) medical facilities, (iv) hospitality and catering areas, including all concessions, bars, lounges, green rooms or entertainment areas, (v) parking areas for the Facility (whether or not located at the Venue) and loading docks, (vi) ticket box offices (including the use of any safes therein), turnstiles and spectator access control systems, (vii) storage facilities, (viii) retail areas, (ix) all areas for commercial or marketing purposes, (x) locker room facilities, (xi) security facilities, and (xii) IT, telecom and/or internet control rooms; provided that the term “Venue Owner Facilities” shall not include any 2024 Entity Property.

**“Venue Owner Personnel”** has the meaning assigned to such term in Section 5.4.1 (Use of Venue Owner Personnel).

**“Venue Owner Repairs”** has the meaning assigned to such term in Section 5.3.1(b) (Exclusive Use Period and Test Events).

**“Venue Reports”** means all building, sanitary, life safety and other governmental inspections and reports, tests, examinations, environmental studies, geotechnical studies, engineering inspections and reports and similar analyses relating to the Venue; provided however, such reports may be redacted to exclude any confidential information.

**“Venue Services”** means all utilities and services that are customarily provided or consumed in connection with the operation of the Venue, including heat and air conditioning, administration, security, cleaning and waste management, janitorial, food and hospitality, concessions, restrooms, ushering, water, electricity, Internet, Wi-fi, and other utilities, emergency repairs and general repairs and maintenance, together with use of electrical, mechanical, audiovisual, telecommunications and other systems and equipment and scoreboards.

## Exhibit B

### **Basic Terms**

#### **1. Consideration:**

Following Venue Owner's commercially reasonable efforts to mitigate any negative financial impact due to hosting Games events at the Venue (including compliance with Section 6.12 (Special Events Carve-Outs), and time-shifting of events (if applicable)), 2024 Entity will reimburse Venue Owner for its Expected Net Income (if positive) for the Exclusive Use Period, *plus* the following out-of-pocket costs (to the extent unavoidable, mitigated and actually paid by Venue Owner), as reflected on the operating income statement: (a) salaries, benefits and other indirect costs of full-time employees providing services directly to the 2024 Entity, (b) supplies and contract services benefitting the 2024 Entity, and (c) utilities used by the 2024 Entity (collectively, "Venue Owner Expenses"). Notwithstanding the foregoing, 2024 Entity shall also reimburse Venue Owner for its retained labor expenses (e.g., relating to labor expense not directly benefitting 2024 Entity) up to the total value of expected but displaced revenue; provided in no event shall Consideration payable hereunder exceed the sum of Venue Owner Expenses and Venue Owner's retained labor expenses.

Expected Net Income shall mean "Total Gross Revenue" minus "Total Expenses" as reflected on the Venue Owner's operating income statement for Woodley Lakes for the dates corresponding to the Exclusive Use Period in the years 2019, 2020 and 2021, divided by three, and finally adjusted for inflation according to CPI through 2024.

No later than June 30, 2022, the parties shall agree upon the estimated Venue Owner Expenses, which shall be mutually determined by the parties by reference to the Venue Owner Expenses reflected on Venue Owner's operating income statement for the dates corresponding to the Exclusive Use Period in the years 2019, 2020 and 2021, divided by three, and finally adjusted for inflation according to CPI through 2024. The parties shall make necessary adjustments for the Games, including any increase or decrease to labor provided, any increase or decrease to supplies necessary for the Games, any increase or decrease to expected utility usage related to the Games, and any necessary adjustments to avoid double-counting of expenses or revenues. For the avoidance of doubt, the parties agree that the full-time labor costs reimbursable by the 2024 Entity shall be solely those costs related to services provided directly to the 2024 Entity in connection with the Venue. To the extent that such costs are attributable to services provided to both to 2024 Entity and to Venue Owner, the parties shall determine a proportionate reimbursement for such shared services.

The parties shall true-up the Venue Owner Expenses to reflect the difference between estimated and actual expenses within sixty (60) days following the Games. Venue Owner shall issue an invoice to the 2024 Entity reconciling the difference between estimated Venue Owner Expenses and actual Venue Owner Expenses, as determined by the Venue Owner in good faith. Such invoice shall be reasonably detailed and include backup evidencing expenses incurred (e.g., copies of utility bills, payroll registers, invoices for supplies, etc.).

If as a result of the reconciliation, it is reasonably determined that (x) actual Venue Owner Expenses for the Exclusive Use Period exceeded estimated Venue Owner Expenses for such period, then the 2024 Entity shall promptly reimburse Venue Owner for the difference, or (y) estimated Venue Owner Expenses for the Exclusive Use Period exceed the actual Venue Owner Expenses then Venue Owner shall promptly reimburse 2024 Entity for the difference.

In no event shall indirect expenses attributable to 2024 Entity exceed the “cap rate” set forth in the latest edition of the City of Los Angeles Cost Allocation Plan available at the time of the true-up.

For the avoidance of doubt, to the extent 2024 Entity requests the services of any Venue Owner Personnel (whether part-time or full-time), 2024 Entity shall reimburse Venue Owner for the hourly wages and any indirect costs attributable to such employees who provide services directly to 2024 Entity.

Venue Owner shall permit 2024 Entity or its Representatives to inspect and take copies of all relevant financial records necessary to calculate the amounts payable to Venue Owner hereunder.

The Consideration shall be payable upon a schedule to be mutually agreed upon by the parties no later than eighteen (18) months prior to the commencement of the Exclusive Use Period.

For the avoidance of any doubt, the Consideration includes all remuneration, expenses and other costs related to the Venue Services and Venue Owner Equipment used, at the option of the OCOG, during the Games.

The 2024 Entity shall provide notice to Venue Owner of the number of hours and people that it will require, together with such other information as Venue Owner may reasonably require, in relation to the Venue Owner Personnel, no later than one hundred eighty (180) days prior to the commencement of the Games.

**2. Use Periods:**

- (a) **“Pre-Olympic Period”:** Based on past experience from prior Olympic and Paralympic Games, the Pre-Olympic Period is anticipated to begin approximately on the dates set forth below. The period commencing at 12:00 a.m. local time on the first day of the period and ending at 11:59 p.m. local time on the last day of the period, inclusive. Exact dates will be determined by the 2024 Entity, in consultation with the IOC but otherwise in the 2024 Entity’s sole discretion, after the date of this Agreement.
- (b) **“Exclusive Use Period”:** Based on past experience from prior Olympic and Paralympic Games, the Exclusive Use Period is anticipated to correspond to the dates set forth on the table below, as well as such other period(s) (to be defined by mutual agreement of the 2024 Entity and the Venue Owner at a later stage) for the holding of Test Events. The corresponding dates for such Exclusive Use Period commences at 12:00 a.m. local time on the first day of the period and ending at 11:59 p.m. local time on the last day of the period, inclusive; provided that the exact dates may be subject to reasonable adjustment, and are to be determined by the 2024 Entity, in consultation with the IOC but otherwise in the 2024 Entity’s sole discretion, after the date of this Agreement.
- (c) **“Post-Olympic Period”:** Exact dates are to be determined by the 2024 Entity, in consultation with the IOC but otherwise in the 2024 Entity’s sole discretion, after the date of this Agreement.

Venue	Description	Handover Date	Hand Back Date
<b>Woodley Lakes Golf Course</b>			
Greens	18-hole course	1 Jul. 2023 (Non-Exclusive)	31 Oct. 2024
Visitor Parking Lot	Consumer golf parking	1 Mar. 2024 (Exclusive)	31 Oct. 2024
Facilities/Maintenance*	Grounds Facilities	1 Mar. 2024 (Exclusive)	31 Oct. 2024
Driving Range	Driving Range	1 Mar. 2024 (Exclusive)	31 Oct. 2024

The Lake House	Restaurant; Pro-shop	1 Mar. 2024 (Exclusive)	31 Oct. 2024
Facilities Parking // Lot North of Greens	Parking, grounds maintenance	1 Mar. 2024 (Exclusive)	31 Oct. 2024

The 2024 Entity may elect to extend the use periods identified herein by written notice to Venue Owner; provided, in respect of any additional days added to the Exclusive Use Period, the Consideration shall be increased proportionately.

The 2024 Entity may elect to reduce the use periods identified herein by written notice to Venue Owner; provided, in respect of any reduction to the Exclusive Use Period, the Consideration will be reduced proportionately.

The 2024 Entity shall notify Venue Owner of any such elections no later than the date that is two (2) years prior to the commencement of the Exclusive Use Period.

Venue Owner and the 2024 Entity may amend this Exhibit B in writing from time to time to reflect (i) the final determination of the Pre-Olympic Period, the Exclusive Use Period and the Post-Olympic Period, and (ii) any corresponding increase or decrease to Consideration payable hereunder

**Exhibit C**  
**Competitions**

Equestrian

**Exhibit D**

**International Federation(s) of Relevant Sport(s)**

Fédération Équestre Internationale (International Equestrian Federation)

## Exhibit E

### Venue Owner Equipment

- (1) No less than the number of wheelchairs, motorized carts and such other auxiliary aids and accessibility equipment as is located at the Venue on the date of execution of this Agreement (if any) or is reasonably necessary to comply with IOC Requirements, Applicable Laws and recognized domestic and international accessibility standards;
- (2) Sound equipment customary for Comparable Facilities;
- (3) All technological equipment serving the Venue, including without limitation, all communication infrastructure and video and surveillance camera systems, all data/voice/video wiring infrastructure, display boards (digital signage, ribbon boards, video boards or other screens), timing equipment, distributed antenna system (“DAS”), wireless infrastructure, Wi-Fi telephone and Internet services, connections or equipment (including radios, telephones, and other communication equipment); IPTV and video distribution infrastructure, and all associated rigging, frames, structures and footing, cabling conduits, fibre or fibre optic cables, cable routes, ducts, and control equipment;
- (4) All power supply equipment and back-up generators;
- (5) All maintenance, janitorial or facility related equipment (including forklifts, dollies, push carts, loading dock equipment).

Venue Owner and the 2024 Entity will develop this list by mutual agreement following the execution of this Agreement and will amend this Exhibit E in writing to set forth the agreed upon list of the Venue Owner Equipment.

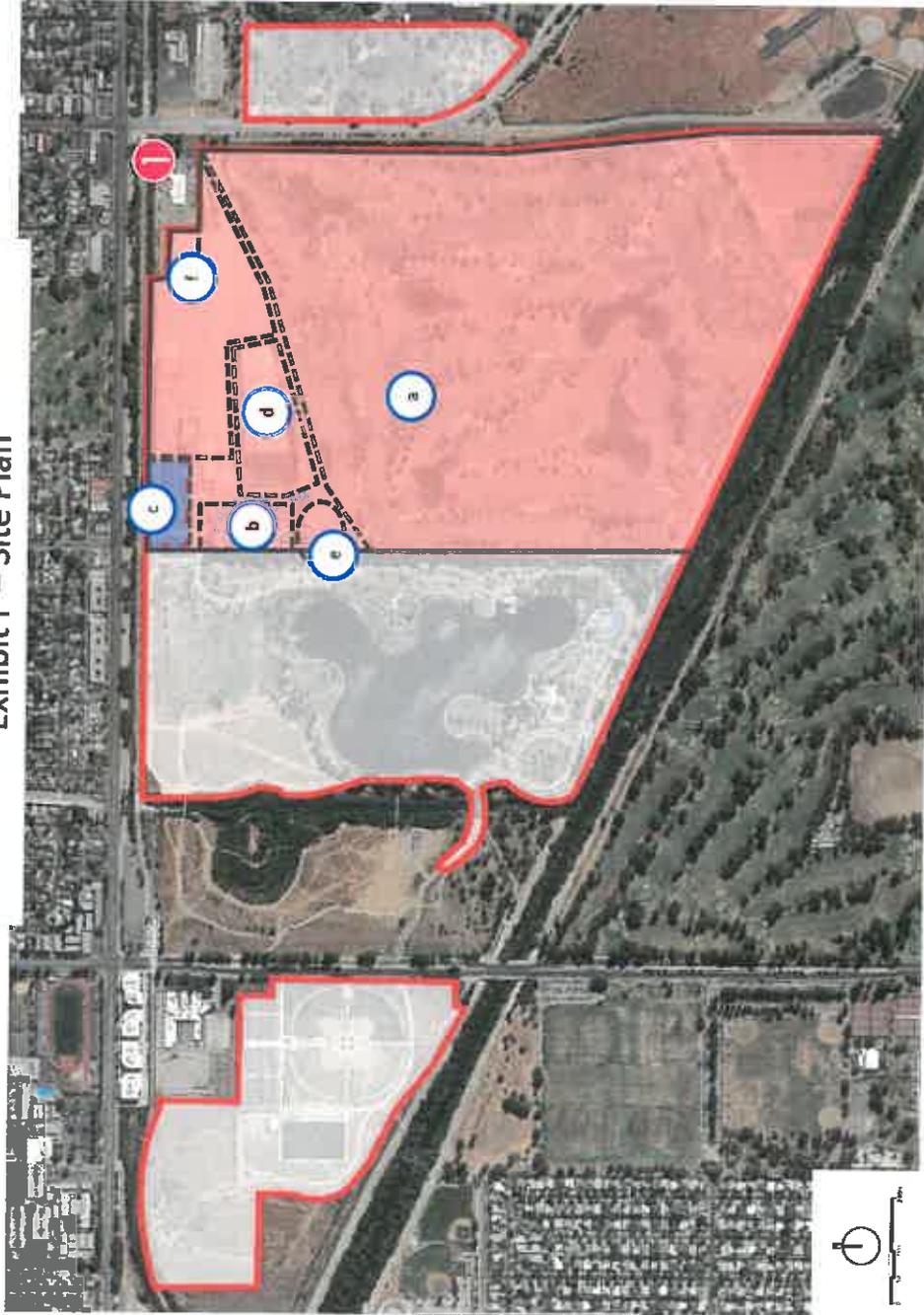
## **Exhibit F**

### **Site Plan**

The Venue is depicted on the attached site plan, subject to the provisions of Section 4.3 of this Agreement. The Venue shall be subject to expansion as required by the 2024 Entity in accordance with the Security and Safety Policies to establish a public safety “buffer” around the Venue, as may be required by the IOC or public safety authorities, and/or to facilitate or restrict access to/from the Venue. Venue Owner shall cooperate with the 2024 Entity to facilitate and accommodate such expansion, which shall be at 2024 Entity’s sole cost and expense.

Venue Owner and the 2024 Entity will amend this Exhibit F in writing to reflect any agreed upon changes to the Venue.

Exhibit F – Site Plan



**WOODLEY LAKES SITE PLAN:**

- 1** Woodley Lakes Golf Course
  - a. Greens
  - b. Visitor Parking
  - c. Facilities/Maintenance  
(shared access throughout)
  - d. Driving Range
  - e. The Lake House
  - f. Facilities Parking/N. Lot

## Exhibit G

### **Dispute Resolution**

#### **1. Discussion Period**

In the event any Dispute is not resolved in the ordinary course of business, any party may provide written notice of the Dispute to the other party describing in reasonable detail the nature of the Dispute (a “**Dispute Notice**”). The parties will attempt in good faith to resolve the Dispute within thirty (30) days of the Dispute Notice through good faith discussions between executives who have authority to settle the Dispute.

#### **2. Agreement to Arbitrate**

The parties hereby agree that if they, or their respective indemnitees, successors, assigns or legal representatives, as applicable, are unable to resolve any Dispute pursuant to Section 1 above, then such Dispute shall be finally resolved by binding arbitration conducted by a single arbitration in accordance with this Agreement and the then current American Arbitration Association Commercial Arbitration Rules (the “**AAA Rules**”) applying the Expedited Procedures of such AAA Rules, and judgment on the award may be entered in any court having jurisdiction thereof.

#### **3. Seat of the Arbitration and Governing Law**

The seat of the arbitration shall be Los Angeles, California. The arbitrator(s) shall decide the issues submitted as arbitrator at law only and shall base any award, including any interim awards, upon the terms of this Agreement and the laws of the State of California.

#### **4. Awards and Relief**

All awards shall be in writing and shall state the reasoning upon which such award rests. The arbitrator is hereby expressly empowered to grant any remedy or relief not expressly prohibited by this Agreement and available under applicable law, including, but not limited to, specific performance. In its award, the arbitrator may apportion the costs of the arbitration between or among the arbitrating parties in such a manner as it deems reasonable, taking into account the circumstances of the case, the conduct of such parties during the proceedings and the result of the arbitration. Unless otherwise ordered by the arbitrator, each party to the arbitration shall bear its own costs and expenses of the arbitration, and the fees and expenses of the arbitrator and of any expert or other assistance engaged by the arbitrator shall be borne by the parties to the arbitration equally.

#### **5. Confidentiality**

The arbitrator and the American Arbitration Association shall treat all dispute resolution proceedings provided for herein, all related disclosures, and all decisions of the arbitrator as confidential, except (i) in connection with any judicial proceedings ancillary to the dispute resolution proceedings (such as a judicial challenge to, or enforcement of, the arbitral award), (ii) if and to the extent otherwise required by applicable law to protect any legal right of either party, or (iii) if and to the extent otherwise agreed by the parties.

**6. Survival**

The terms of this Exhibit G shall survive any termination or expiration of this Agreement.

## Schedule 2.3

### **IOC Clean Venue Schedule**

#### 1. Signage

The 2024 Entity shall have, and Venue Owner hereby grants to the 2024 Entity the right to have:

- (a) exclusive use of all indoor and outdoor signage at the Venue as well as signage in areas adjacent thereto and under the control of Venue Owner or its Affiliates; and
- (b) exclusive control of all venue-naming rights and signage, (including but not limited to the right to re-brand or cover existing signage).

Venue Owner further undertakes to comply with the IOC's requirements related to naming rights (including rules related to the treatment of non-commercial names, names of individuals, and commercial or corporate names) for Venues used in the Games of the Olympiad from the date of election of the Host City to the conclusion of the Games.

#### 2. Retailing and concessions

During the Exclusive Use Period, the 2024 Entity shall have, and Venue Owner hereby grants to the 2024 Entity, the right to:

- be the sole and exclusive manager and operator of merchandise retail outlets and food/beverage concessions at the Venue;
- sell Olympic and Paralympic merchandise at retail outlets and food/beverage concessions, services, facilities and outlets;
- access all merchandise retail outlets as well as food and beverage products in the Venue; and
- use staff of its choice and dress such staff in uniforms of its choice to operate the merchandise retail outlets and food/beverage concessions.

#### 3. Ticketing and hospitality

During the Exclusive Use Period, the 2024 Entity shall have, and Venue Owner hereby grants to the 2024 Entity, the exclusive right to:

- manage and sell tickets and hospitality in relation to the Games for the Venue; and
- manage and sell suites and specialty seats in relation to the Games for the Venue.

Throughout the term of this Agreement, Venue Owner shall not subject the 2024 Entity to any taxes or any parking charges at the Venue in relation to the sale of the aforementioned.

#### 4. Broadcasting and sponsorship

Throughout the term of this Agreement, the IOC and/or the 2024 Entity shall have, and Venue Owner hereby grants to the IOC and/or the 2024 Entity, the exclusive right to sell broadcast, sponsorship or any other multimedia rights in relation to the Games being held at the Venue.

#### 5. Exclusive use of Olympic Marketing Partners' products

During the Exclusive Use Period, the 2024 Entity shall have, and Venue Owner hereby grants to the 2024 Entity, the right to exclusively use products and services of Games marketing partners at the Venue (and re-brand existing products and services, to the extent necessary to respect the exclusive rights granted to Olympic and Paralympic sponsors), including the following product categories:

- Payment systems (including but not limited to credit card acceptance, automated teller machines (ATMs) and telephone payment systems) in relation to all sales occurring at the Venue related to the Games;
- Non-alcoholic and alcoholic beverages;
- Audio-visual equipment including but not limited to video boards and speakers; and
- Timing, scoring and on-venue results equipment including but not limited to scoreboards.

#### 6. No use of Olympic Marks

Venue Owner agrees that, at no time, shall Venue Owner or any of its Representatives or Affiliates have any right to use any Olympic Marks, symbols, terminology or derivatives thereof.

#### 7. Brand protection and anti-ambush assistance

Throughout the term of this Agreement, Venue Owner agrees to reasonably assist the 2024 Entity to combat attempts of Ambush Marketing by advertisers at the Venue who are not Olympic Sponsors but develop advertisements for use at the Venue that may, implicitly, suggest that they are sponsors of the Games.

**Schedule 3.2.3**

**Test Event Schedule**

Venue Owner and the 2024 Entity will develop this list by mutual agreement following the execution of this Agreement and will amend this Schedule 3.2.3 in writing upon reaching mutual agreement to set forth the agreed upon list and date(s) of the Test Events.

## Schedule 5.2.1

### **Specific Elements**

- (1) Retail spaces (both internal and with street access), restaurants, concessions facilities, internal and external message, video and score boards, administrative offices, broadcast facilities, meeting spaces, locker rooms, signage, and maintenance and storage areas, to the extent such areas exist at the Venue on the execution date of this Agreement.
- (2) Media-related facilities, including production offices, hospitality/meeting rooms, media work areas, a press conference room, and specific parking capabilities for broadcast and media-related trucks, to the extent such areas exist at the Venue on the execution date of this Agreement.
- (3) Training rooms and related facilities, to the extent such areas exist at the Venue on the execution date of this Agreement.
- (4) Restrooms of the number and type as exists at the Venue on the execution date of this Agreement.
- (5) First aid and emergency medical facilities to the extent such areas exist at the Venue of the execution date of this Agreement.
- (6) All parking located at the Venue, including the number and types of stalls as exists at the Venue at the execution date of this Agreement.
- (7) Wheelchair-accessible exits and emergency safety plans, to the extent the same exists on the date of execution of this Agreement, and that, in all cases, comply with IOC Requirements, Applicable Laws and recognized domestic and international accessibility standards.
- (8) Orthotic, prosthetic and wheelchair repair facilities for all accredited athletes, National Paralympic Committee team officials, International Federation of Relevant Game(s) officials and other Paralympic Games participants, to the extent such facilities exist at the Venue on the execution date of this Agreement.
- (9) A dedicated “telecommunications equipment room” for the installation of core telecommunications equipment.
- (10) Staging, portable seating, spotlights, audio systems and crowd control equipment to the extent such equipment is located at the Venue on the execution date of this Agreement; and
- (11) Other traditional back-of-house elements consistent with the Quality Venue Standard, such as multiple loading docks, marshalling and other storage spaces, Venue security offices, and engineering spaces.

### **Schedule 5.3.1**

#### **Venue Services**

- (1) Heating, ventilation and air-conditioning which will cause the Venue to be maintained at temperatures customary for Comparable Facilities;
- (2) Utilities, including clear regulated electrical power, gas, hot and cold water, lighting, telephone and intercommunications equipment, elevators and escalators, customary for Comparable Facilities;
- (3) Lighting equipment and apparatus that are adequate (without additional or supplemental lighting equipment or apparatus) for color telecasts and otherwise up-to-date and in compliance with the reasonable technical and quality standards followed by the television networks and/or required by the 2024 Entity or the IOC (including as provided in the Host City Contract and other IOC Requirements);
- (4) Optical fiber cables and other equipment in accordance with the technical and quality standards and specifications necessary for OBS Operations or otherwise required by the 2024 Entity or the IOC (including as provided in the Host City Contract and other IOC Requirements);
- (5) Maintenance and repair of the Venue and all of its components in compliance with all Applicable Laws and in clean and good condition, subject to ordinary wear and tear;
- (6) Twenty-four (24) hour-per-day, year-round protection and security of the Venue and all its facilities;
- (7) Grounds maintenance, including, but not limited to keeping sidewalks, parking areas and other areas immediately surrounding the Arena in compliance with all applicable governmental laws, ordinances and regulations and free of debris, dirt, litter and trash;
- (8) Operation of box office facilities during all business hours and on dates of Competitions during the hours commencing three (3) hours before the start of the Competition and ending one (1) hour after completion of the Competition;
- (9) Set-up of staging areas for Competitions, practices and rehearsals; and
- (10) Day-of-event services for each Competition and Test Event, as follows:
  - (a) Operation of all Venue parking areas and concessions;
  - (b) Retention, management and supervision of day of event personnel necessary for preparing the Venue for, operating the Venue during and cleaning up the Venue after, a Competition or Test Event, including, but not limited to, security and crowd control personnel, medical and emergency personnel, ushers, ticket sellers, ticket takers, telephone receptionists, broadcast production personnel, computer graphics personnel, control room (for scoreboard and electronic equipment) personnel, spotlight operators, a keyboard player, electricians, maintenance and janitorial personnel and other necessary labor, but not including game officials, referees, timekeepers or stagehands;

- (c) Conversion of the playing surface or staging area for use Competitions or Test Events, deployment of downsizing equipment for Competitions and Test Events and cleanup following Competition and Test Events; and
- (d) Food service in food service areas to 2024 Entity and IOC personnel and guests and in the press areas to the press, all of such food service to be provided upon the request of the 2024 Entity and at the 2024 Entity's sole cost and expense.

## Schedule 5.7.1

### Insurance Coverage

Before the start of the Nonexclusive Use Period, the 2024 Entity shall obtain the following coverages:

1. Workers' Compensation and Employers Liability
  - a. Workers' compensation insurance in compliance with the laws of the State of California, covering employees, volunteers, temporary workers and leased workers.
  - b. Employers' liability insurance covering employees, volunteers, temporary workers and leased workers, with minimum limits of \$1,000,000 Each Accident; and \$1,000,000 Disease - Each Employee; \$1,000,000 Disease - Policy Limit.
2. Commercial General Liability (CGL)
  - a. Written on an occurrence basis including coverage for bodily injury and property damage; personal and advertising injury; products and completed operations; and contractual liability with a minimum combined limits of \$10,000,000.
  - b. The CGL policy shall provide that any individual or entity that the 2024 Entity is obligated to name as an additional insured pursuant to contract shall automatically receive additional insured status under the CGL policy and that additional insured coverage extends to all coverages under the policy.
  - c. The limit may be provided through a combination of primary and umbrella/excess policies.
3. Liquor Liability
  - a. Including coverage for all events at the Venue during the Nonexclusive Use Period and the Exclusive Use Period where alcoholic beverages are sold with minimum limits of \$5,000,000.
  - b. At the Venue Owner's option, this coverage may be provided, if available, as an express endorsement on the CGL Policy and the umbrella/excess policies.
4. Comprehensive Automobile
  - a. Including all owned, leased, hired and non-owned automobiles with a minimum combined single limit for bodily injury and property damage of \$10,000,000.
  - b. The limit may be provided through a combination of primary and umbrella/excess policies.
5. Cyber Liability/Privacy/Media Liability Insurance
  - a. With minimum limits of \$5,000,000 per claim and in the aggregate.

6. Professional (Medical Malpractice) Liability Insurance covering claims for actual or alleged malpractice by the first aid and emergency medical personnel secured by or during the Exclusive Use Period with minimum limits of \$1,000,000 per claim and \$2,000,000 in the aggregate.
7. Crime Insurance, including but not limited to Employee Dishonesty, Loss Inside the Premises (Robbery/Burglary) and Loss Outside the Premises (Messenger/Armored Motor Vehicle) coverage with minimum limits of \$1,000,000 per occurrence.
8. All-Risk Property Insurance
  - a. Covering Overlay.
  - b. Including comprehensive earthquake coverage appropriate for the Los Angeles area.
9. Garage Keepers Liability
  - a. With minimum limits of \$1,000,000 per occurrence.
10. Terrorism coverage reasonably appropriate for the event.

Umbrella and/or excess liability policies used to comply with any insurance requirement herein shall follow-form to the underlying coverage.

All insurance policies must be issued by an admitted insurance carrier with an A.M. Best rating of A- VIII or better. The Venue Owner must be named as an Additional Insured under the policies. Coverage for the Additional Insured shall apply on a primary basis irrespective of any other insurance, whether collectible or not. All policies shall be endorsed to provide a waiver of subrogation in favor of the Additional Insureds. The policies cannot contain any provision that would preclude coverage for suits/claims brought by an Additional Insured against a named insured.

In the event that any required insurance is written on a claims-made basis, the coverage shall remain in effect for a period of three (3) years after completion of all services under this agreement. All policies shall be endorsed to provide that in the event of cancellation, non-renewal or material modification, the Venue Owner shall receive at least thirty (30) days written notice thereof.

## Schedule 5.7.2

### Insurance Coverage

Before the start of the Nonexclusive Use Period, the Venue Owner shall evidence the following coverages (which may be self-insured):

1. Workers' Compensation and Employers Liability
  - a. Workers' compensation insurance in compliance with the laws of the State of California, covering employees, volunteers, temporary workers and leased workers.
  - b. Employers' liability insurance covering employees, volunteers, temporary workers and leased workers, with minimum limits of \$1,000,000 Each Accident; and \$1,000,000 Disease - Each Employee; \$1,000,000 Disease - Policy Limit.
2. Commercial General Liability (CGL)
  - a. Written on an occurrence basis including coverage for bodily injury and property damage; personal and advertising injury; products and completed operations; and contractual liability with a minimum combined limits of \$10,000,000.
  - b. The CGL policy shall provide that any individual or entity that the Venue Owner is obligated to name as an additional insured pursuant to contract shall automatically receive additional insured status under the CGL policy and that additional insured coverage extends to all coverages under the policy.
  - c. The limit may be provided through a combination of primary and umbrella/excess policies.
3. Liquor Liability
  - a. Including coverage for all events at the Venue during the Nonexclusive Use Period and the Exclusive Use Period where alcoholic beverages are sold with minimum limits of \$5,000,000.
  - b. At the Venue Owner's option, this coverage may be provided, if available, as an express endorsement on the CGL Policy and the umbrella/excess policies.
4. Comprehensive Automobile
  - a. Including all owned, leased, hired and non-owned automobiles with a minimum combined single limit for bodily injury and property damage of \$10,000,000.
  - b. The limit may be provided through a combination of primary and umbrella/excess policies.
5. Cyber Liability/Privacy/Media Liability Insurance
  - a. With minimum limits of \$5,000,000 per claim and in the aggregate.

6. Professional (Medical Malpractice) Liability Insurance covering claims for actual or alleged malpractice by the first aid and emergency medical personnel secured by or during the Exclusive Use Period with minimum limits of \$1,000,000 per claim and \$2,000,000 in the aggregate.
7. Crime Insurance, including but not limited to Employee Dishonesty, Loss Inside the Premises (Robbery/Burglary) and Loss Outside the Premises (Messenger/Armored Motor Vehicle) coverage with minimum limits of \$1,000,000 per occurrence.
8. All-Risk Property Insurance
  - a. Covering merchandise, inventory, equipment, furniture, fixtures and any other property (including real property) owned, leased, rented, borrowed or used by the Venue Owner on a full replacement cost basis.
  - b. Including comprehensive earthquake coverage appropriate for the Los Angeles area.
9. Garage Keepers Liability
  - a. With minimum limits of \$1,000,000 per occurrence.
10. Terrorism coverage reasonably appropriate for the event.

If Venue Owner elects to obtain commercial insurance, all insurance policies must be issued by an admitted insurance carrier with an A.M. Best rating of A- VIII or better. The 2024 Entity must be named as an Additional Insured under the policies. Coverage for the Additional Insured shall be primary to the extent that claims are based on the negligent acts or omissions or willful misconduct by the Venue Owner or its officers, directors, employees, contractors, subcontractors, or agents, and shall under no such circumstances be construed to apply as excess to any insurance coverage independently carried by the 2024 Entity. All policies shall be endorsed to provide a waiver of subrogation in favor of the Additional Insureds. The policies cannot contain any provision that would preclude coverage for suits/claims brought by an Additional Insured against a named insured. The Venue Owner is responsible for notifying its insurance carriers in the event of a loss or potential loss involving any of the Additional Insureds.

In the event that any required insurance is written on a claims-made basis, the coverage shall remain in effect for a period of three (3) years after completion of all services under this agreement. All policies shall be endorsed to provide that in the event of cancellation, non-renewal or material modification, the 2024 Entity shall receive at least thirty (30) days written notice thereof.

**Schedule 11.1**

**Sustainability Requirements Schedule**

*[To be mutually agreed upon]*

**Schedule 12.18**

**Notice Information**

If to the 2024 Entity:

Los Angeles 2024 Exploratory Committee  
10960 Wilshire Blvd., Suite 1050  
Los Angeles, California 90212  
Attention: John Harper, Chief Operating Officer

With copies to:

Los Angeles 2024 Exploratory Committee  
10960 Wilshire Blvd., Suite 1050  
Los Angeles, California 90212  
Attention: Brian Nelson, General Counsel

and

Proskauer Rose LLP  
11 Times Square  
New York, New York 10036-8299  
Attention: Jon H. Oram

If to Venue Owner:

Department of Recreation and Parks  
221 North Figueroa Street, Ste. 350  
Los Angeles, CA 90012  
Attention: Anthony-Paul Diaz, Esq.,  
Executive Officer and Chief of Staff

With a copy to:

Office of the Los Angeles City Attorney  
200 North Main Street, Ste 700  
Los Angeles, CA 90012  
Attention: Strefan Fauble, Esq.

## Schedule 12.1

### **Additional IOC Covenants**

Venue Owner acknowledges, confirms and agrees that:

- (a) Venue Owner shall respect and abide by the terms of the IOC Charter and the Host City Contract throughout the term of this Agreement;
- (b) all representations, warranties and covenants made by Venue Owner in this Agreement shall become a part of the 2024 Entity's and the City's bid documents, and, together with any other commitments made by it to the USOC or to the IOC, either in writing or orally, shall be binding upon the 2024 Entity, the City and Venue Owner;
- (c) Venue Owner shall take all the necessary measures to completely perform its obligations under this Agreement;
- (d) Venue Owner shall cooperate with, and to cause all of Venue Owner's Representatives and affiliates to cooperate with, the 2024 Entity and the IOC in their efforts to respect and promote the principles of equity, dignity and functionality of all persons with an impairment;
- (e) without limiting any provision of Article 6 (Signage; Marketing and Intellectual Property Rights), any construction work undertaken by Venue Owner or any of its Representatives in the Venue in preparation for the Games and/or during the Exclusive Use Period shall comply with all Applicable Laws, the principles set forth in Section 11.1 (Sustainability), all applicable international agreements and protocols regarding planning, construction and protection of the environment, the Quality Venue Standard and all applicable professional standards; and Venue Owner shall implement a formal and recorded process, and shall take such other measures as may be reasonably necessary, to confirm that all newly built permanent infrastructure intended for Games use is designed, installed and commissioned in accordance with the same;
- (f) in connection with any such construction work, Venue Owner shall comply with, and shall cause all contractors, subcontractors and other service providers involved therewith, to acknowledge and agree to, the terms of Sections 5.7 (Insurance), and 11.1 (Sustainability) and Article 12 (Fundamental Agreement Principles);
- (g) the 2024 Entity shall have (i) Exclusive Use of the Venue for the Games as specified in this Agreement, (ii) the right (and obligation) to facilitate the access of National Olympic Committee delegations to the Venue for training and Venue familiarization, and (iii) all rights with respect to commercial activities (including those rights, privileges and activities described in the IOC Clean Venue Schedule attached as Exhibit 2.3 to this Agreement) during each period in which the 2024 Entity has control of the Venue;
- (h) without the express written consent of the 2024 Entity and the City, Venue Owner shall neither schedule nor hold any other important national or international meeting or event at any site owned or controlled by it during the Games or for one (1) week immediately before or after the Games;
- (i) the 2024 Entity shall have no responsibility, obligation or liability for or under any existing contractual commitments in respect of the Venue (other than this Agreement), including in relation to ticketing, hospitality, retailing and concessions (including food and beverage

products), use of third party products and/or services, as well as rights of sponsorship, broadcasting, advertising, signage, branding and commercial display at the Venue.

**BOARD REPORT**

NO. 16-198

DATE September 21, 2016

C.D. 4

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: GRIFFITH PARK – GREEK THEATRE – AMENDED CONTRACT WITH SMG FOR OVERSIGHT MANAGEMENT TO EXERCISE FIRST OPTION TO EXTEND AND AMEND CONTRACT TERMS; AMENDMENT TO THE USER AGREEMENT, BOOKING AND TICKET POLICIES AND EVENT VOLUME INCENTIVE PROGRAM

AP Diaz	_____	*V. Israel	_____
R. Barajas	_____	K. Regan	_____
H. Fujita	_____	N. Williams	_____

  
 \_\_\_\_\_  
 General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

**RECOMMENDATIONS**

1. Approve a proposed Amended Contract No.3534, between the Department of Recreation and Parks (RAP) and SMG for Oversight Management of the Greek Theatre's Open Venue Model, subject to the approval of the Mayor and the City Attorney as to form;
2. Approve amendments to the User Agreement, Booking and Ticket Policies, and Event Volume Incentive Program;
3. Authorize the Department to make any necessary technical changes consistent with the intent of these actions to implement these policies; and
4. Authorize the General Managers or his designee to execute the Amended Contract substantially in the form attached (Attachment 1).

**SUMMARY**

The historic Greek Theatre is located at 2700 North Vermont Avenue in Griffith Park. The 5,901 capacity outdoor venue is among the City's most cherished public sites, the Theatre stands as one of the Nation's iconic and recognized outdoor entertainment venues. On April 15, 2015, the Board of Recreation and Park Commissioners (Board) approved the Operation and Management of the Greek Theatre as an Open Venue Model (Report No. 15-082).

On September 22, 2015, the Board approved the Contract for Oversight Management of the Greek Theatre Open Venue Model (CON-M15-001) to SMG for the Greek Theatre's 2016 season. Contract No. 3534 between RAP and SMG was executed on November 2, 2016 for one (1) year with two (2) one-year extension options. Staff is recommending to exercise the first option to extend the contract with SMG with minor amendments for a period of one year consistent with the approved September 22, 2015 Board Report 15-212 which recommended the Department

## BOARD REPORT

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operate the Greek Theatre as an open venue for a minimum of two (2) years to evaluate and analyze projected increased annual revenues.

On June 18, 2016, the Board approved the Open Venue Operating Policies & Procedures – Booking Policy, Venue Rental Application, User Agreement and Commercial Promoter Incentive Program under Board Report No. 15-139. SMG has implemented the policies of the User Agreement and Booking Policy and has recommended minor adjustments and additions to better streamline bookings and create uniform, industry standard practices and procedures at the venue.

### *Schedule*

The 2016 schedule includes seventy-one (71) concert events, seven (7) community events and two (2) film shoots.

All concerts have performed well, promoters and audiences have expressed their appreciation of the physical improvements to the venue. When launching the season, RAP and SMG worked diligently to create a new website domain, weekly email newsletter database and social media handles. These methods of communicating with public started 10 months ago and already have 57,628 email subscribers, 10, 886 Facebook Fans, 6,884 Instagram and 1,259 Twitter Followers.

### *Surveys*

Patrons have the opportunity to voluntarily fill out post show surveys. Patrons give high marks for venue cleanliness, staff responsiveness and the overall customer service experience at each event. Survey responses also demonstrate patron comments on the desire for additional snack food items offered which continue to be addressed by our concessionaire, Premier Food & Beverage. It is also common to receive comments on parking rates. The current rates range from \$10.00 per vehicle in the shuttle lot to \$25-\$40 around the venue. There is also an available option to park in the quick park area directly in front of the theatre for \$75. In addition discounts are given pre-purchased parking available on the Greek Theatre's website. The fee structure is such to encourage off-site parking and use of the shuttle service.

### *Parking & Shuttle*

As of mid-September and after hosting forty-nine (49) events with attendance over 224,000 the average number of cars parking offsite per night at the pony ride parking lot is 247 with total patron shuttle ridership of 25,500. Saturday evenings seem to create the most traffic challenges due to the popularity with the Griffith Observatory. SP Plus Parking manager, DOT representatives, Griffith Park Services team members, LAPD and SMG staff meet prior to each concert to address parking and safety plans. This pre-show meeting ensures all team members are in sync with the parking/traffic operations for both the Greek Theatre and Griffith Observatory. Department staff are very encouraged with shuttle, parking and traffic operations to date and feel there has been a positive reaction by the local residents. However, we recognize the need to continue to improve these operations and increase ridership in our shuttle program.

### *Neighborhood Relations*

Neighborhood relations are positive with the monthly GTAC meetings and community coffee hour gatherings. SMG and the Greek Theatre Community Liaison team communicate with the adjacent

## BOARD REPORT

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residents on upcoming events and are always available on event nights to quickly address issues or concerns.

In addition, SMG neighborhood staff members are assigned and positioned in the neighborhood to assist residents for such things as accessing their driveways, controlling traffic, picking up trash and assisting event patrons with a quiet exit of the park. Electronic message boards are also stationed along Vermont Canyon to remind patrons to be sensitive to the neighborhood and to keep their noise level low as they exit the park.

We have created a strong, open dialogue with the local residents and are committed to continuing and improving that dialogue to best ensure their voice is heard and issues resolved very quickly.

### *Box Office*

The Box Office is open to the public on event days and on Saturdays from 10am – 6pm for patrons interested in purchasing tickets in person. Patrons still have the option in purchasing tickets on line or over the phone through the two (2) ticketing systems. (Ticketmaster and AXS).

### *Capital Investments*

The capital investments at the Greek Theatre have included refurbishments of the dressing rooms, upgrades to the fire life safety systems, the sound, lighting, marquees, signage, plaza upgrades and wifi service are visible to everyone which have been an overwhelming success via the public's reaction and comments. A detailed accounting and description will be included in the Department's year-end report.

### **Contract Amendments**

To improve performance, the following clarifications and revisions are recommended to Contract No. 3534:

- Clarified language under sponsorships to allow for barter of equipment or services as long as it reduces the venues capital or operating expenses.
- Clarified language in Section 11 to add an additional account for a total of three (3) bank accounts (operations, deposits and box office) established annually by the City with SMG having Power of Attorney to operate the venue.
- Removed cash flow retentions from SMG's monthly closing statement in Section 11. Now that a steady stream of revenue is established, the retentions from payments to the Department are no longer necessary going forward.
- Clarified language under SMG's responsibilities for them to establish and maintain a telephone hotline to accommodate public feedback and develop a log to monitor response times and respond to calls within 24 to 48 hours.

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### **User Agreement Amendments**

- The Greek Theatre has a Hard Curfew of 11pm, additional labor fees will be applied for events whose duration time exceed three and one half hours from scheduled event time as indicated on ticket.,
- For the 2017 Season, the House Flat Rate will be \$28,000, an increase of \$3,000 from the 2016 House Flat Rate to accommodate the increase in security costs, as metal detectors and additional staff will be on site for each concert event.
- Promoters with less than four (4) shows for the current season shall furnish a Security deposit of \$10,000.00 (cashier's check only) to SMG for each show. Beginning with the fifth (5<sup>th</sup>) booking, promoters must provide a letter of credit.
- There will now be a confetti cleaning charge of \$1,500.
- More strict sound level requirements and penalties. During the performance, SMG will work in conjunction with the User to monitor sound levels. In the event, sound levels exceed 95dBA, the USER will be fined after one minute of sound levels at 95dBA and monetary penalties shall apply as set forth below. If additional violations occur, monetary penalties shall apply as set forth below:

First Offense: Shall be a Five Thousand Dollar (\$5,000.00) fine.

Second Offense: Shall be a Seven Thousand Five Hundred Dollar (\$7,500.00) fine.

Subsequent Offenses: Shall be Ten Thousand Dollars (\$10,000.00) per violation.

However, should sound levels exceed 100dBA at any time, there will be no warnings to lower the sound and an immediate fine of \$10,000 will be assessed to the USER and for any subsequent violations that also exceed 100dBA.

### **Booking Policy Amendments:**

- User agreement submission via email to the Greek Theatre General Manager or in person to administrative office Monday- Friday between the hours of 9am to 5pm (excluding City of Los Angeles observed Holidays). Challenges delivered after these set hours (either in person or by email) will not start until the next business day. Challenges start once both deposit and signed User Agreement have been received.
- SMG shall use the Greek Theatre logo in all advertising controlled by or done on behalf of the USER relating to an event, including but not limited to, television, internet, newspaper, magazine, and outdoor advertising. Onsite activation and/or signage, sampling, giveaways are not permitted inside the seating area of the Greek Theatre.

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### **Ticket Policy Amendments**

- Premium seating programs 200 seats from 150 seats, shall be placed on hold prior to any sales being conducted, and shall be held until the option is exercised or released, even if the USER is placing the holds and managing the inventory. Revised premium seating chart is attached.

### **Event Volume Incentive Program Amendments (Formerly Promoter Incentive)**

A promoter or event organizer must bring a minimum of twenty (20) events to the Venue in the qualifying period to be eligible to receive a rebate(s). In the event of a co-promotional event, a qualified rebate will be paid only to the promoter or show organizers listed on the User Agreement.

Rebates will accrue starting with the first event in the qualifying period, but will not be earned and payable until the twentieth event occurs during the period. The accrued amount for the first twenty events will be calculated at the conclusion of the twentieth event, and all rebates which will be paid thirty (30) days after the conclusion of the season.

The volume incentive is based on attendance figures per show and incorporates both paid and complimentary tickets. For each scanned, paid ticket a rebate of \$1.25 per ticket will be applied and fifty cents (\$0.50) for each scanned complimentary ticket.

The volume incentive program only applies to commercial events and is not applicable to events booked under the Community Rental Rates.

This is the only form of commercial incentive program recognized by the Venue. The Venue will review the incentive program requirements on an annual basis and retains the right to modify the incentive program at any time, subject to rights under an existing contract.

### **CONCLUSION**

The Department recommends approval to the amendments and exercising the first option to extend SMG's contract, and inclusion of the amended User Agreement, Booking and Ticket Policy and Event Volume Incentive Program to assist SMG in implementing and managing the Department's Open Venue Model in the oversight and management of the Greek Theatre with clarifications.

Department staff looks forward to submitting to the Board and City Council, a final financial analysis and operations report for the 2016 season in November, 2016. It is our intent at that time to make a recommendation on the proposed long term plan for operations of the Greek Theatre.

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### FISCAL IMPACT STATEMENT

Through July, 2016 the Department has received and reconciled \$1.9 million in net revenue. The 10 year historical seasonal average of net revenue to the Department from 2006-2015 was \$1,562,453.00 with the highest year's (2014) total season revenue at \$1,977,314.00.

The Department is very encouraged with the revenue to date noting that we have yet to realize the revenue from the three (3) remaining months of the season which will only further increase our totals for the 2016 season. A final financial accounting of all revenue and expenses will be submitted to the Board following conclusion of the 2016 season. The revenue to date further supports our recommendation for extending SMG's contract for an additional year.

This Report was prepared by Anthony-Paul (AP) Diaz, Executive Officer and Chief of Staff.

#### List of Attachments:

Attachment 1: Proposed Amended Greek Theatre Agreement for Oversight Management and Implementation of Open Venue Operations, Booking and Event Coordination

Attachment 2: User Agreement

Attachment 3: 2017 Event Volume Incentive Program

AMENDED  
GREEK THEATRE  
AGREEMENT  
FOR OVERSIGHT MANAGEMENT  
AND  
IMPLEMENTATION  
OF  
OPEN VENUE  
OPERATIONS, BOOKING  
AND EVENT COORDINATION

Between

THE CITY OF LOS ANGELES DEPARTMENT OF  
RECREATION AND PARKS

And

SMG

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THE GREEK THEATRE

AMENDED AGREEMENT FOR OVERSIGHT MANAGEMENT AND IMPLEMENTATION OF  
OPEN VENUE OPERATIONS, BOOKING AND EVENT COORDINATION

**THIS AGREEMENT** is made and entered in this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the CITY OF LOS ANGELES, a municipal corporation (hereinafter referred to as CITY), acting by and through the Department of Recreation and Parks ("DEPARTMENT"), and SMG ("SMG").

**WHEREAS**, DEPARTMENT seeks to hire a venue management company to oversee management operations of the Greek Theatre's Open Venue Model; and

**WHEREAS**, DEPARTMENT, finds, in accordance with Charter Section 1022, that it is necessary, feasible and economical to secure these services by contract as it lacks sufficient and necessary personnel to undertake these specialized professional services; and

**WHEREAS**, DEPARTMENT finds, pursuant to Charter Section 371 (e) (10), and Los Angeles Administrative Code Section 10.15(a)(10), that the use of competitive bidding would be undesirable, impractical or otherwise excused by the common law and the Charter because, unlike the purchase of a specified product, there is no single criterion, such as price comparison, that will determine which proposer can best provide the services required by the Department for oversight of the Greek Theatre's Open Venue Model; and

**WHEREAS**, DEPARTMENT finds it is necessary to utilize a standard request for proposals process and to evaluate proposals received based upon the criteria included in a Request for Proposals (RFP); and

**WHEREAS**, DEPARTMENT advertised for proposals for Oversight Management of the Greek Theatre's Open Venue Model; and

**WHEREAS**, DEPARTMENT received and evaluated two proposals from venue management companies; and

**WHEREAS**, SMG scored the highest-ranking among both proposers, and selected to conduct oversight management of the Greek Theatre's Open Venue Model in accordance with the terms and conditions of this AGREEMENT; and

**WHEREAS**, SMG desires to enter into such AGREEMENT to assist DEPARTMENT in providing the public with premium, high-quality patron and community experience and services at the Greek Theatre.

**NOW THEREFORE**, in consideration of the terms, covenants and conditions hereinafter to be kept and performed by the respective parties, it is agreed as follows:

**SECTION 1. DEFINITIONS**

For the purpose of this AGREEMENT, the following words and phrases are defined and shall be construed as hereinafter set forth:

- ADDITIONAL PARKING SITES: Parking areas as shown on the map attached as Exhibit D.
- ADMINISTRATIVE COSTS: SMG'S general and administrative costs for operating the FACILITY, which are further described on Exhibit L,
- AGREEMENT: This Operational AGREEMENT consisting of thirty- six (36) pages and Exhibits (A thru Q) attached thereto.
- ANNUAL FIXED FEE: The total annual compensation to SMG as specified in Section 8.
- BOARD: Board of Recreation and Park Commissioners.
- CITY: CITY's cost to equip the FACILITY with furnishings, fixtures and equipment sufficient to allow operation of the FACILITY for its intended purposes as provided in Section SW, except for the SMG'S equipment and furnishings covered in SMG'S ADMINISTRATIVE COSTS.
- CITY FF&E COSTS: CITY's cost to equip the FACILITY with furnishings, fixtures and equipment sufficient to allow operation of the FACILITY for its intended purposes as provided in Section SW, except for the SMG'S equipment and furnishings covered in SMG'S ADMINISTRATIVE COSTS
- CITY'S OPERATING EXPENSES: Shall consist of: (i) UTILITY, MAINTENANCE AND REPAIR COSTS, (ii) REIMBURSABLE EXPENSES, (iii) EVENT SERVICES AND STAFFING COSTS, (iv) TRANSITION EXPENSES, (v) CITY'S FF&E COSTS and (vi) the ANNUAL FIXED FEE. CITY'S OPERATING EXPENSES shall be calculated in compliance with this AGREEMENT, Generally Accepted Accounting Principles (GAAP), City Controller's policies and procedures, the City Charter and the LAAC.
- CONCERT SEASON: April 15 through October 31
- SMG OFFICE COSTS: SMG's costs to satisfy SMG's obligation to provide SMG'S OFFICE FURNITURE AND EQUIPMENT pursuant to Section 5W hereof.
- DEPARTMENT: The Department of Recreation and Parks, acting through the Board of Recreation and Park Commissioners.
- EFFECTIVE DATE: The date first written above.

**EVENT SERVICES AND STAFFING COSTS:**

Any and all expenses incurred, or payments made by SMG, in connection with the staffing, operation and production of events at the PREMISES, except for expenses included in SMG'S ANNUAL FIXED FEE.

**FACILITY:**

GREEK THEATRE, located at 2700 N. Vermont Avenue, Griffith Park, Los Angeles, California 90027

**GENERAL MANAGER:**

The SMG employee designated as the Greek Theatre Manager to oversee, operate and manage the venue.

**LAAC:**

Los Angeles Administrative Code

**LAMC:**

Los Angeles Municipal Code

**MANAGEMENT STAFFING COSTS:**

All costs related to providing personnel for the following positions: Greek Theatre Manager, Operations/Event Manager, Box Office Manager, Finance Manager, Executive Assistant/Booking Coordinator, Marketing Manager, Patron Services Supervisor, and Receptionist.

**OPEN VENUE MODEL:**

The FACILITY operating model, as defined by the BOARD's approved policies and procedures attached as Exhibits E, F and G

**PREMISES:**

The geographical area, as defined in SECTION 3 of this AGREEMENT, including the FACILITY

**PREMIUM SEATING REVENUE:**

All gross revenue from the sale of all premium seating programs including, but not limited to: 1) Box Seats, 2) Personal Seat Licenses, and 3) VIP seats, or other similar programs where license fees are charged in connection with seating programs created by the SMG at the FACILITY.

**REIMBURSABLE EXPENSE:**

A purchase, lease or operating expense paid by SMG on behalf of DEPARTMENT, including but not limited to website hosting and maintenance costs, parking management, sound system and video equipment and other related expenses, lighting system and any other equipment other than equipment procured as a part of SMG'S OFFICE FURNITURE AND EQUIPMENT

TERM:	As defined in Section 4.
TRANSITION EXPENSE:	An expense incurred by SMG prior to the commencement TERM in connection with SMG'S preparation to transition and perform the services hereunder.
UTILITY MAINTENANCE AND REPAIR COSTS:	The CITY's costs for utilities (excluding telephone and internet hosting charges, which will be paid by SMG) and for maintenance and repair as provided in Sections 5 AA and 5X, respectively but excluding SMG'S OFFICE COSTS.

**SECTION 2. RIGHTS AND RESPONSIBILITIES**

The CITY hereby grants to SMG, subject to all of the terms and conditions of this AGREEMENT, the right to provide operational oversight and coordinated management of the Greek Theatre and to act as the DEPARTMENT's agent working with and under the direction of the Department's staff with respect to the day to day operations of the venue.

SMG shall manage and operate the FACILITY on a year-round basis per applicable CITY and DEPARTMENT codes, rules, regulations, ordinances, and laws regarding levels of noise and public/private access.

SMG shall be required to submit copies of all sponsorship AGREEMENTS that relate to and/or affect the Greek Theatre, including in-kind, barter and cash sponsorships, throughout the term of the AGREEMENT (see SECTION 7 "Sponsorships, Box Seats and Premium Seating Sales," for details).

SMG, in conjunction with DEPARTMENT, shall participate and organize at the DEPARTMENT'S request certain community oriented operations and FACILITY related services such as traffic and parking control, neighborhood security and crowd control measures, and post-event, surrounding neighborhood clean-ups, community meetings and other duties described below.

SMG shall collect all fees for FACILITY services, maintain DEPARTMENT-approved accounting records for the FACILITY, pay for and obtain all licenses, permits and insurance (Insurance Requirements and Instructions, Exhibit B) (excluding insurance for CITY'S personal property and/or business interruption) necessary for the operations granted, and perform or supervise SMG and subcontractor employees in the performance of all other tasks related to the operations granted.

CITY reserves the right to develop or improve the PREMISES as needed, without interference or hindrance; however the CITY shall consider and request SMG's views and operational perspectives.

### **SECTION 3. PREMISES**

The PREMISES (hereinafter referred to as PREMISES) to be authorized for use by SMG shall only include:

- Theatre building and the surrounding hillside including the fencing:
  - Theatre building shall include the main theatre structure; all areas, structures, and FACILITY facilities in the North Wing, South Wing, North Concourse, South Concourse, and Front Concourse; Box Office; seating areas; light booth; immediate exterior walls, fencing and public access areas fronting North Vermont Avenue.
- VIP parking lot and the adjacent valley West of theatre.

SMG shall not use or permit the FACILITY PREMISES to be used, in whole or in part, for any other purpose other than as set forth in this AGREEMENT except with prior, written consent of DEPARTMENT, nor allow any use in violation of any present or future laws, ordinances, rules and regulations relating to sanitation or the public health, safety or welfare of operations at and use of the FACILITY PREMISES. SMG hereby expressly agrees at all times during the term of this AGREEMENT, to maintain, use and operate the FACILITY PREMISES in a safe, clean, wholesome and sanitary condition, and in compliance with any and all present and future laws, ordinances and rules and regulations relating to public health, safety or welfare and DEPARTMENT standards.

In addition to the PREMISES, CITY shall provide SMG with ADDITIONAL PARKING SITES as shown on the map attached as Exhibit D, i.e. Boy Scout Road, and such other parking areas as may be designated by the parties for use only during show days, or other Facility use days. These additional areas may not be used for purposes other than to park vehicles of show patrons, employees of SMG and subcontractor employees and licensees at the FACILITY, unless otherwise approved in advance by the DEPARTMENT. The CITY shall retain responsibility for the maintenance of these parking areas.

CITY undertakes and agrees to deliver to SMG the PREMISES described in Exhibit C in as-is condition.

### **SECTION 4. TERM OF AGREEMENT**

The term of the AGREEMENT was executed and commenced on November 2, 2015 and shall be for one (1) year, with two (2) one (1) year extension options, exercisable at the sole discretion of the DEPARTMENT, along with approval of the Board of Recreation and Park Commissioners. To exercise the first of two (2) one (1) year renewal options as provided in Board Report No. 15-212, the new term of AGREEMENT will commence on November 2, 2016 through November 2, 2017.

Neither City, nor any BOARD member, officer, or employee thereof shall be liable to SMG in excess of the then-applicable FIXED ANNUAL FEE and CITY'S OPERATING EXPENSES because of any action taken to revoke, decline to exercise an option or disapprove a renewal of the AGREEMENT.

## SECTION 5. SERVICES TO BE PROVIDED AND OPERATING RESPONSIBILITIES

SMG shall, at all times, provide the following services and comply with the following conditions:

- A. Implementation and enforcement of the DEPARTMENT'S Open Venue Model in compliance with all DEPARTMENT policies and procedures:
1. SMG will provide operational oversight management at the Greek Theatre.
  2. SMG will be responsible for coordinating and collaborating with promoters, agents, and interested parties to facilitate approximately 70 concerts and/or community events during the CONCERT SEASON.
  3. SMG agrees to use its Venue Management Software, at no additional cost to DEPARTMENT, to manage, book and coordinate the execution of all events. SMG further agrees to manage the Challenge Process within the Venue Management Software. SMG will provide DEPARTMENT access to all information and databases related to the FACILITY, including access and log-in information and passwords related to the highest available internet connections. All data captured within the Venue Management Software belongs to the DEPARTMENT and shall be provided to DEPARTMENT upon request.
  4. SMG will manage and provide all as-needed event services staffing required for each event or concert including, but not limited to, ushers, ticket-takers, security, event cleaning, parking attendants, shuttles, neighborhood event staffing and box office staff. SMG may use its own staff or subcontract for the event services staffing
  5. Event Management Staffing Plans: SMG must submit Event Services Staffing Plans to the DEPARTMENT for written approval ninety (90) days prior to the start of the CONCERT SEASON. The Event Services Staffing Plans must include appropriate staffing levels for all aspects of the PREMISES and the surrounding neighborhood, including:
    - a. A traffic control plan to manage traffic must be submitted that includes input from the community, DEPARTMENT and Department of Transportation.
    - b. A neighborhood security plan must be submitted and shall address crowd control outside the PREMISES, including excessive noise, illegal merchandise vending, ticket scalping, alcohol/drug use and littering on residential properties in the surrounding area impacted by FACILITY. The neighborhood security plan, at minimum, shall:
      - Provide sufficient off-duty uniformed police officers and neighborhood event staff at key locations outside Griffith Park during all shows. This includes non- police neighborhood walking patrols.
      - Provide consistent post-show clean up in the neighborhood area impacted by the FACILITY after all events.

- Provide other related services directly related to traffic control, neighborhood security, and clean up in areas immediately impacted by FACILITY.

**6. Parking and Shuttles**

SMG will manage all parking operations including a shuttle program to transport customers from off-site DEPARTMENT parking lots, transportation hubs or other leased parking areas. SMG shall obtain the DEPARTMENT'S prior written approval before commencing contract negotiations or executing such contracts for any leased parking areas. Lease payments for approved parking areas are a REIMBURSABLE EXPENSE. SMG shall staff these operations with SMG's employees or may subcontract one or both operations.

**7. Box Office Operations**

SMG shall manage and staff the Greek Theatre Box Office. There will be no exclusive rights to a particular ticketing vendor at the Greek Theatre. A promoter, agent or other FACILITY user shall have the option to designate and select the ticketing vendor for their respective events, provided that such ticketing vendor meets all of the minimum requirements of the DEPARTMENT.

8. SMG shall coordinate with the Los Angeles Fire and Police Departments on all scheduled events regarding Fire, EMS and security services required for public protection.
9. SMG will at all times be responsible for maintaining public and concert staff ingress and egress to the FACILITY.
10. SMG will manage the VIP areas within the FACILITY and the VIP Parking.
11. SMG will be responsible for enforcing the DEPARTMENT'S established acceptable sound level requirements in the User Agreement (Exhibit E).

**B. Fiscal Responsibilities**

SMG shall act as the DEPARTMENTS fiscal agent for the OPEN VENUE MODEL SMG will collect all fees associated with FACILITY operations, excluding food and beverage and merchandise sales, and will ensure proper accounting for all monies collected and any interest earned.

1. SMG shall ensure promoters and agents submit the required advance deposits, and any other fees for their events by the timelines established in the Booking Policy (Exhibit F) and the User Agreement.
2. SMG shall accept challenge request checks and process the challenge in compliance with the DEPARTMENTS User Agreement.
3. SMG shall complete end of show settlement at the end of each show and will ensure monies for the show are properly distributed to all parties. SMG shall submit the end of show settlement statement to DEPARTMENT within two (2) business days of settlement.

4. SMG shall manage and administer the DEPARTMENT'S Promoter's Commercial Incentive Program Policy (Exhibit G).
  - a. Payment to promoters or agents achieving incentive will be made from the Greek Theatre bank account at the end of the season (SECTION 12).
- C. SMG will oversee the Greek Theatre's contracted food and beverage concessionaire and will include such concessionaire's financial sales data in all financial reports.
- D. SMG shall be accessible to the surrounding community to address questions and concerns and to collaborate on all aspects of FACILITY operations in conjunction with DEPARTMENT'S designated Community Liaison.
- E. **Website and Social Media**

SMG will coordinate with the DEPARTMENT'S website vendor to maintain current event and promotional content on the website. including but not limited to updating concert calendar, promotional opportunities, venue information, ticketing, parking and shuttle services and food and beverage selections. SMG will coordinate resolution of any potential issues with the website vendor. SMG will coordinate and manage all social media apps for the Greek Theatre including, but not limited to Twitter, Facebook, Instagram or other designated SMG social media outlets. SMG shall provide and refuse designated City staff with access to the Venue highest available Wi-Fi access, including log in information and passwords.
- F. **Operating Budget**

SMG will prepare an annual FACILITY operating budget, monthly financial reports, annual branding campaign, outreach programs, and pro-forma for the length of the AGREEMENT, including the monthly financial statement reports identified in Proposal Page 46 (Exhibit H). In addition, SMG will submit audited financials on an annual basis. DEPARTMENT may request additional reports to assist DEPARTMENT with managing the FACILITY. SMG will cooperate with DEPARTMENT to provide the requested reports. The reports may be changed from time to time to include additional information as required by the DEPARTMENT.
- G. **International Alliance of Theatrical Stage Employees and American Federation of Musicians Agreements**

SMG shall use the existing union contracts to develop and hold an agreement with the International Alliance of Theatrical Stage Employees (IATSE) Local 33 (Stage Technicians Union) and 857 (Treasurers and Ticket Sellers Union) and develop and hold contracts with IATSE Local 706 (Make-up Artists and Hair Stylists Guild), Local 768 (Theatrical Wardrobe Union) and the American Federation of Musicians, Local 47 (AFM Local47). SMG will coordinate the reasonable use of FACILITY to IATSE for job training opportunities at IATSE's cost. There will be no FACILITY rental fee charged to IATSE for this use.
- H. **Community Cultural Events**

SMG shall use reasonable efforts to raise funds to offset the FACILITY rental fees and the production costs of three (3) identified annual community cultural events to assist

local organizations to put on performances. SMG will not be responsible for any shortfalls. Should a shortfall occur, SMG shall collect the appropriate fees in compliance with DEPARTMENT policies.

**I. Filming**

It is the policy of the CITY to facilitate the use of CITY properties as film locations when appropriate. DEPARTMENT has established a Park Film Office to coordinate the use of park property for film production purposes. All fees for use of park property by film production companies shall be established and collected in accordance with CITY and DEPARTMENT policies. SMG shall charge any fees for film production conducted at FACILITY as provided in the User Agreement and for filming on the PREMISES on non-event days, such uses and fees subject to DEPARTMENT approval.

J. SMG will work with private entities to book the FACILITY for private events throughout the year. The DEPARTMENT must authorize all non-concert season events.

**K. Customer Satisfaction Surveys**

SMG shall be responsible to ensure Customer Satisfaction Surveys are conducted after every event. The Customer Satisfaction Survey measures the quality of service being delivered to patrons, which rates service in five (5) separate categories. SMG will provide summary reports to the DEPARTMENT on June 15, September 15 and November 15 for all events held in the previous period. The DEPARTMENT shall be consulted regarding survey questions and reserves the right to suggest additional questions as necessary to assist in the evaluation of community satisfaction. Surveys may be carried out in the form of e-mail messaging QR codes, website link, or other methods as may be determined by SMG.

**L. Community Engagement**

1. SMG agrees to organize, host, maintain, oversee and arrange a regular monthly community meeting to accommodate neighborhood associations and community groups at times when convenient for the public to such meetings. Should SMG fail to host community meeting for two (2) consecutive months, such failure will be considered a material breach and may result in termination of AGREEMENT.

2. SMG shall work in conjunction with the DEPARTMENT's assigned community liaison(s) and work collaboratively to address all issues related to community engagement and outreach.

3. SMG will establish and maintain a telephone 'hotline' to accommodate public feedback and develop a log to monitor response times and respond to calls within 24 to 48 hours.

**M. Greek Theatre Advisory Committee**

SMG agrees to organize, host, maintain, oversee and arrange the DEPARTMENTS Greek Theatre Advisory Committee (GTAC), which shall act solely in an advisory capacity to the DEPARTMENT in specific matters relating to the operation of the FACILITY. GTAC may make recommendations to the DEPARTMENT regarding programs related to theatre

operations, maintenance, food concessions, merchandising, traffic control, security, and community relations, and will work with SMG in establishing community involvement and cultural development. SMG shall staff, host and coordinate a monthly meeting with GTAC to keep the community engaged, informed and to resolve quality of life issues associated with the VENUE. However, operation of the FACILITY is the contractual obligation of the SMG and GTAC is to remain an advisory arm of the DEPARTMENT representing community interests related to the Greek Theatre.

**N. Citywide Outreach**

SMG shall coordinate and cooperate with DEPARTMENT to develop strategies to outreach to at risk youth to provide enrichment opportunities including, but not limited to, job training, workshops, tours, educational concerts or attending concerts/events.

**O. Cleanliness**

SMG shall ensure the VENUE and PREMISES are always maintained in a safe and clean condition and will work in conjunction with the DEPARTMENT to keep the PREMISES, including the theatre building, parking lots, surrounding community and the surrounding hillside, including fencing, clean, uncluttered, and sanitary at all times. SMG shall work in conjunction with the DEPARTMENT to keep the VIP Parking Lot, the adjacent valley (west of the Theatre) and the surrounding area impacted by the FACILITY, clean, uncluttered and sanitary after all events, or other use by SMG. SMG shall work in conjunction with the DEPARTMENT and/or custodial subcontractors to provide all necessary janitorial services to maintain PREMISES, restrooms and public areas according to CITY standards. SMG agrees to respond and correct any instruction of the DEPARTMENT immediately or to provide a written response within twenty-four (24) hours of necessary corrective action.

SMG shall not permit any offensive or refuse matter, nor any substance constituting an unnecessary, unreasonable, or unlawful fire hazard, nor any material detrimental to the public health, to remain thereon, and SMG shall prevent any such matter or material from being or accumulating upon said PREMISES.

SMG, at its own expense, shall see that all garbage or refuse is collected from the offices, as often as necessary and in no case less than twice a week, and disposed of in the main dumpster. This expense is included in the ANNUAL FIXED FEE. SMG will incur the cost of all garbage pick-ups from the main dumpster for the PREMISES during the term of this AGREEMENT.

**P. Conduct**

SMG and its representatives, agents, servants, and employees shall at all times conduct its business in a quiet and orderly manner to the satisfaction of the DEPARTMENT.

**Q. Disorderly Persons**

SMG shall use its best efforts to permit no intoxicated person or persons, profane or indecent language, or boisterous or loud conduct in or about the PREMISES and will call upon the aid of peace officers to assist in maintaining peaceful conditions. SMG shall not

knowingly allow the use or possession of illegal drugs, narcotics, or controlled substances on the PREMISES.

## **R. Personnel**

1. SMG shall develop a protocol, subject to the DEPARTMENTS approval, for the engagement of any employee or subcontractor. SMG'S protocol shall comply with all applicable CITY, STATE, and/or Federal labor laws.

### **2. Qualified Personnel**

SMG will, in the operation of the FACILITY, employ or permit the employment of only such personnel as will assure a high standard of service to the public and cooperation with the CITY. All personnel will be trained in accordance with SMG'S submitted training plan prior to starting work at the premises. All such personnel, while on or about the PREMISES, shall be neat in appearance and directed to be courteous at all times and shall be appropriately attired in conjunction with agreed upon appearance standards attached, with badges or other suitable means of identification. SMG shall prohibit persons employed by SMG, while on or about the PREMISES, to be under the influence of illegal drugs, narcotics, other controlled substances or alcohol, or use inappropriate language, or engage in otherwise inappropriate conduct for a work environment. In the event an employee is not satisfactory, the DEPARTMENT may direct SMG to remove that person from the PREMISES or from employment at the Greek Theatre. The SMG will create an employee handbook that will delineate these requirements to be signed by all employees.

### **3. GENERAL MANAGER of the Greek Theatre:**

SMG shall appoint, subject to written approval by the DEPARTMENT, a GENERAL MANAGER of SMG'S operations at the FACILITY.

The GENERAL MANAGER must be a qualified and experienced manager or supervisor of operations, vested with full power and authority to accept service of all notices provided for herein and regarding operation of the FACILITY, including the quality and prices of goods and services, and the appearance, conduct, and demeanor of SMG'S agents, servants, and employees. The GENERAL MANAGER shall be available during regular business hours, including show times and, at all times during that person's absence, a responsible subordinate shall be in charge and available. The authority of the GENERAL MANAGER includes, but is not limited to, the ability to: hire, fire, and schedule personnel; order merchandise and materials; oversee inventory control and tracking; implement a marketing plan; maintain accounting records; book parties and events; oversee operations; train employees (to include such areas as customer service); and have ultimate on-site decision-making responsibility, as delegated and under the ultimate discretion of the DEPARTMENT.

The GENERAL MANAGER shall devote the greater part of their working time and attention to the operation of the FACILITY and shall promote, increase and develop

the business. During the days and hours established for the operation of the subject FACILITY, the GENERAL MANAGER'S personal attention shall not be directed toward the operation of any other business activity.

#### **4. Approval of Personnel**

The DEPARTMENT shall have the right to approve or disapprove any employees of SMG or hired to work, in any capacity at the Greek Theatre.

#### **S. Diversion of Business**

SMG shall not divert, cause, allow, or permit to be diverted any business from the PREMISES and shall take all reasonable measures, to develop, maintain, and increase the business conducted by it under the AGREEMENT.

#### **T. Equipment and Furnishings**

Office Space at the FACILITY (but not office equipment and furniture) will be provided to SMG by CITY at no cost to SMG. SMG shall provide, maintain and repair office furniture and equipment necessary to operate the administrative offices located at the facility ("SMG'S OFFICE FURNITURE AND EQUIPMENT"). SMG shall pay all SMG'S OFFICE FURNITURE AND EQUIPMENT costs with no reimbursement from the CITY. SMG'S office furniture and equipment shall remain the personal property of SMG. The DEPARTMENT reserves the right to approve or disapprove any office equipment and/or furnishing provided at the Greek Theatre.

Except for SMG'S OFFICE FURNITURE AND EQUIPMENT AND ADMINISTRATIVE COSTS, equipment, furnishings, and expendables required to operate the PREMISES shall be a CITY obligation to provide, obtain or reimburse SMG for the provision of any property (all such property being referred to herein as "CITY'S FF&E"). CITY may request SMG to purchase and install the same on its behalf and, in such case, the expense of doing so shall be a REIMBURSABLE EXPENSE. SMG shall deliver an inventory of all equipment with designation of ownership at the beginning of each calendar year and for each year of the term of the AGREEMENT thereafter. The inventory report shall include updated equipment lists as well as equipment status, length of remaining useful life, and explanations of any reduction in inventory. If, upon termination of the AGREEMENT, the DEPARTMENT does not renew said AGREEMENT, SMG shall have the right to remove its SMG'S OFFICE FURNITURE AND EQUIPMENT, but not improvements, from the PREMISES and shall be allowed a period of thirty (30) calendar days to complete such removal. If not removed within that period, said equipment, furnishings and expendables shall become the property of the DEPARTMENT.

#### **U. Maintenance of Equipment**

SMG shall, at all times and at its expense, keep and maintain SMG'S OFFICE FURNITURE AND EQUIPMENT, in good repair and in a clean, sanitary, and orderly condition and appearance. As between SMG and the CITY, CITY will be responsible for maintenance and repair of the PREMISES, the FACILITY, ADDITIONAL PARKING SITES and all CITY FF&E, which the CITY shall maintain and repair in a manner to support a premium, high-quality operation. CITY may request SMG to maintain and repair the PREMISES, FACILITY AND CITY'S FF&E on its behalf and, in such case; the expense

of doing so shall be a REIMBURSABLE EXPENSE. The CITY reserves the right to conduct inspections of the FACILITY and make additional requirements to the maintenance of equipment at any time or to approve or disapprove the placement of any property located on any location on or within the PREMISES.

No equipment provided by CITY shall be removed or replaced by SMG without the prior written consent of the DEPARTMENT.

**V. Permits and Licenses**

SMG shall obtain at its sole expense any and all permits, approvals, and licenses that may be required in connection with the operation of the FACILITY including, but not limited to: tax permits, business licenses, health permits, police, fire and Building and Safety permits. All permits, approvals and licenses shall be posted in the appropriate areas on a year-round basis

**W. Signs and Advertisements**

SMG shall not erect, construct, or place any signs, banners, ads, or displays of any kind whatsoever upon any portion of CITY property without the prior written approval from the DEPARTMENT, who reserves the right and who may require the removal or refurbishment of any previously approved sign.

SMG shall not permit vendors to display wares inside or outside the building or on said property unless written permission is secured from the DEPARTMENT in advance of installation, and such permission shall be subject to revocation at any time but shall not be unreasonably withheld, unless signage is part of a concessionaire or approved artist merchandise. The type of sign or advertisement and the duration of display shall be approved in advance and in writing by the DEPARTMENT.

At the FACILITY, a sign maybe posted in a non-public place stating that the FACILITY is operated under an AGREEMENT issued by CITY through the Department of Recreation and Parks.

**X. Utilities**

The DEPARTMENT shall pay for utility charges associated with the PREMISES, FACILITY and ADDITIONAL PARKING SITES, with the exception of telephone, internet and trash pick-up. Charges for telephone, internet and trash pick-up shall be paid by SMG and are included in SMG'S ADMINISTRATIVE COSTS regardless of whether such utility services are furnished by CITY or by other utility service providers. The telephone number shall be placed in the FACILITY'S name and shall not be transferable to any other location. SMG will comply with all water and energy saving policies and produce a monthly report on achieving improvements in water and energy usage.

Except to the extent of CITY's fault, including failure to maintain and repair as provided in this AGREEMENT, SMG hereby expressly waives all claims for compensation, or for any diminution or abatement of the revenue-sharing payment provided for herein, for any and all loss or damage sustained by reason of any defect, deficiency, or impairment of the water, heating, or air conditioning systems, electrical apparatus, or wires furnished

to the PREMISES which may occur from time to time and from any cause or from any loss resulting from water, earthquake, wind, civil commotion, or riot; and SMG hereby expressly releases and discharges CITY and its officers, employees, and agents from any and all demands, claims, actions, and causes of action arising from any of the aforesaid causes.

In all instances of damage to any utility service line, CITY shall be responsible for the cost of repairs and any and all damages occasioned thereby, except to the extent that such damage is caused by the negligence of SMG or its employees.

SMG shall use best efforts to assure that water and energy are utilized by SMG in the most efficient manner possible, and SMG expressly agrees to comply with all CITY water and energy conservation programs.

SMG shall reimburse the DEPARTMENT if the DEPARTMENT pays any telephone, internet or trash pick-up charges.

**Y. Safety**

SMG will prepare a safety plan with specific training programs for all employees. SMG will designate a safety officer to report on safety statistics including employee and patron injuries on a monthly basis. SMG will review all workers compensation claims that arise from premises.

SMG shall correct violations of safety practices immediately and shall cooperate fully with CITY in the investigation of accidents occurring on the PREMISES. SMG agrees to respond and correct any instruction of the DEPARTMENT immediately or to provide a written response within twenty-four (24) hours of necessary corrective action. In the event of injury to an employee, staff person, manager, patron or customer, SMG shall summon medical attention as soon as reasonably possible thereafter. SMG shall keep internal documentation of the incident and shall submit to the DEPARTMENT a CITY Form General No. 87 "Non-Employee Accident or Illness Report" (Exhibit I) within forty-eight (48) hours of the incident, two (2) copies of all Accident/incident reports shall be sent to address identified in SECTION 237 NOTICES.

If SMG fails to correct hazardous conditions which have led or, in the reasonable opinion of the DEPARTMENT, could lead to injury, the DEPARTMENT may at its option, and in addition to all other remedies (including termination of this AGREEMENT) which may be available to it, take the necessary action to remedy that condition and recover the cost thereof, including administrative overhead, to be paid by SMG to CITY as set forth in SEC. AA; provided that SMG shall not be responsible for such hazardous conditions to the extent caused by CITY or which are otherwise an obligation of the CITY.

**Z. Security**

SMG shall be responsible for the security of the interior PREMISES. SMG will designate a security director to report on security statistics on a monthly basis. SMG may install equipment, which will assist in protecting the PREMISES from theft, burglary, or vandalism. Any such equipment must be purchased, installed, and maintained by SMG

and shall be a REIMBURSABLE EXPENSE. SMG shall obtain the DEPARTMENT'S prior written approval for the expenditure. Security personnel shall remain on duty while guests and artists are on the PREMISES.

#### **AA.Sponsorships**

As noted in SECTION 2, SMG shall provide copies of all sponsorship agreements that relate to and/or affect the Greek Theatre, including the fair market value for any in-kind, barter and cash sponsorships, to the DEPARTMENT.

SMG shall comply with all CITY rules, procedures and sign regulations, including the DEPARTMENT'S Sponsorship Recognition Policy, Procedures and Guidelines for Recognizing Organizations and Individuals who Contribute to and/or Support City of Los Angeles Parks and Programs, (Exhibit J) and the Naming Policy, Procedures and Guidelines for Parks and Recreational Facilities, (Exhibit K). Sponsorships shall be approved by the CITY, who reserves the right to approve or disapprove any sponsorship. The following sponsorship categories are prohibited: firearms products, tobacco products including e-cigarettes, gaming. Sponsorships, which assign Naming Rights to sponsor, shall comply with the DEPARTMENT'S Naming Policy and are subject to prior written approval of the DEPARTMENT. The DEPARTMENT reserves the right to decline recommended sponsorship partners, but unless such sponsorship is otherwise prohibited under this paragraph, the potential revenue from such declined sponsorship shall be counted towards the Annual Minimum Guarantee in Section 7A.

The CITY reserves the right to conduct an audit/review of sponsorships obtained by the SMG and collect a percentage on any in-kind/donated or additional sponsorship or support that was not submitted to the DEPARTMENT and which should have been included in the calculation of the Annual Minimum Guarantee

The CITY further reserves the right to solicit, obtain and enact any sponsorship opportunity at the Greek Theatre.

#### **SECTION 6. SPONSORSHIPS, BOX SEATS AND PREMIUM SEATING SALES**

SMG shall comply with the DEPARTMENT'S Sponsorship Recognition Policy, Procedures and Guidelines for Recognizing Organizations and Individuals who contribute and Support City of Los Angeles Parks and Programs (Exhibit J) and Naming Policy, Procedures and Guidelines for Parks and Recreation Facilities (Exhibit K).

SMG shall pay to the DEPARTMENT 75% of all sponsorship revenue, less fulfillment costs and 75% of all premium seating revenue. Should the DEPARTMENT approve barter, SMG would receive the full value of the City approved estimated barter value towards SMG's minimum performance guarantee on a dollar for dollar basis and would be credited 25% of that value as part of their revenue share. Any approved barter must reduce the CITY's OPERATING EXPENSES not covered by SMG's annual fixed fee. The CITY shall be owner of any and all bartered equipment.

SMG agrees to pay all costs associated with marketing, selling and generating SPONSORSHIP AND PREMIUM SEATING REVENUE out of its twenty-five percent (25%) share of such revenue (e.g. salespersons' base compensation, sales commissions and fulfillment costs) and CITY shall simply receive its seventy-five percent (75%) share with no obligation to pay any of such costs not otherwise approved as fulfillment costs .

The CITY reserves the right to secure, obtain and provide it owns sponsorship opportunities and venue partnerships. Any CITY obtained sponsorships or partnerships shall not be shared on any percentage split with SMG.

**SECTION 7. SMG PERFORMANCE GUARANTEE**

The CITY reserves the right to impose a financial penalty in the event the SMG does not meet the agreed-upon benchmarks, deliverables and standards for the FACILITY as described below. Failure to achieve the applicable benchmarks as set forth in the two (2) performance categories below shall result in SMG remitting to the DEPARTMENT a portion of its Two Hundred Thousand Dollars (\$200,000.00) annual SMG profit, in proportion to the percentage amounts established for each performance category ("Performance Penalty") as follows:

- I. Shuttle Transportation Increase (25%): There shall be an increase in the total number of automobiles parked offsite during each season of operation as provided below. The Annual Shuttle Transportation Benchmark is defined as the total number of automobiles parked offsite. In the event SMG fails to achieve an increase in offsite automobile parking, then CITY may elect to impose a Performance Penalty of up to Fifty Thousand Dollars (\$50,000.00), based on the percentage by which SMG failed to meet the applicable Annual Shuttle Transportation Benchmark.

Example: For an actual increase of twelve percent (12%) compared to an Annual Shuttle Transportation Benchmark of fifteen (15%) (i.e., twenty percent (20%) below Benchmark), the penalty would be Ten Thousand Dollars (\$10,000.00) (i.e., twenty percent (20%) of Fifty Thousand Dollars (\$50,000)).

The Annual Shuttle Transportation Benchmark shall be as follows:

Contract Year	Annual Shuttle Transportation Benchmark
2016 Season	15% over 2015 Season Actual
2017 Season	17% over 2015 Season Actual
2018 Season	20% over 2015 Season Actual

- II. Combined Annual Sponsorships and Premium Seating Revenue (75%): Failure of SMG to remit a certain minimum annual revenue share to the DEPARTMENT of SPONSORSHIP REVENUE (only excluding fair market of all City approved estimated barter value and fulfillment costs and PREMIUM SEATING REVENUE during each year of the AGREEMENT as described below shall result in a SMG Performance Penalty of up to One Hundred Fifty Thousand Dollars (\$150,000.00) for each year of the AGREEMENT to be applied on a dollar- for-dollar basis against any shortfall. to the extent

the actual amounts remitted to the DEPARTMENT fall below the Annual Minimum Guarantee as follows:

Contract Year	Annual Minimum Guarantee
2016 Season	\$800,000.00
2017 Season	\$825,000.00
2018 Season	\$850,000.00

## **SECTION 8. ANNUAL FIXED FEE**

An ANNUAL FIXED FEE shall be paid by CITY to SMG for the services provided by SMG in AGREEMENT. The ANNUAL FIXED FEE shall consist of the three (3) following components:

- A. Greek Theatre Management Team and all operations expense, including but not limited to payroll taxes, insurance, employee benefits, bonds and any other employee related expenses;
- B. General and Administrative Expense (Exhibit L, Proposal Pages 74-75); and
- C. SMG'S Fee.

The Greek Theatre Management Team shall consist of the following eight (8) position classifications. Each of the following positions shall at all times be filled and maintained to perform the services required in this AGREEMENT. Failure to maintain these positions will be considered a material breach and may result in deductions of the Greek Theatre Management Team expense to SMG and/or termination of AGREEMENT.

Greek Theatre Manager, Operations/Event Manager, Box Office Manager, Finance Manager, Executive Assistant/Booking Coordinator, Marketing Manager, Patron Services Supervisor, Receptionist. Subject to reasonable modification at discretion of SMG with approval by DEPARTMENT, provided however it shall not create any variance to the MANAGEMENT STAFFING REQUIREMENTS and COSTS. The CITY reserves the right to approve or disapprove or have removed any employee of SMG or of THE VENUE from working that the Greek Theatre and SMG agrees to comply and remove any SMG or contracted employee from employment at the VENUE or its PREMISES.

The ANNUAL FIXED FEE for the first year of the AGREEMENT was not to exceed One Million Four Hundred Eighty-Six Thousand One Hundred Fifty Dollars (\$1,486,150.00), consisting of the following:

- 1. Greek Theatre Management Team and all operations expense, including but not limited to payroll taxes, insurance, employee benefits, bonds and any other employee related expenses- \$800,800.00;
- 2. General and Administrative Expense - \$485,350.00; and

### 3. SMG'S Fee \$200,000.00

The ANNUAL FIXED FEE in the second year of the AGREEMENT shall not exceed One Million Four Hundred Ninety Thousand One Hundred Thirty-Five Dollars (\$1,490,135.00). If there is a third year of the AGREEMENT, the ANNUAL FIXED FEE shall not exceed One Million Five Hundred Thirty-Four Thousand Eight Hundred Thirty-Nine Dollars (\$1,534,839.00).

## **SECTION 9. REIMBURSABLE EXPENSES**

SMG will procure services at the FACILITY on behalf of the DEPARTMENT. SMG will submit qualified vendors for the equipment or service and will recommend the specific vendor to the DEPARTMENT. SMG must obtain the DEPARTMENT'S prior written approval for the expenditure. SMG will be reimbursed for the service costs by providing DEPARTMENT the appropriate documentation to support the request for reimbursement. REIMBURSABLE EXPENSES will be included in the Monthly Event Closing Statement for reimbursement.

## **SECTION 10. EVENT SERVICES STAFFING EXPENSES**

SMG shall ensure each event is staffed in accordance with the approved Event Services Staffing Plan. Each event will include the following position classifications and have the following services performed:

Usher, ticket takers, security, parking attendants, box office personnel, neighborhood event staffing, administration, hospitality, Los Angeles Police Department officers (off duty or on duty uniformed), Department of Transportation officers, Los Angeles Fire Department Emergency Medical Technicians, Offsite Parking Shuttles, ADA Shuttles, traffic control and equipment

For the 2017 CONCERT SEASON, rates billed for EVENT SERVICES AND STAFFING COSTS for the applicable cost category are provided for in Exhibit M. The EVENT SERVICES AND STAFFING COSTS for subsequent CONCERT SEASONS must be submitted to the DEPARTMENT for approval. Any proposed adjustments to said rates at any time subsequent to each pre-CONCERT SEASON submittal shall require approval from the DEPARTMENT.

SMG shall submit the appropriate documentation with the Monthly Event Closing Statement for reimbursement of actual expenditures.

## **SECTION 11. ACCOUNTING, RECORDS AND ADDITIONAL FEES**

### **A. Bank Accounts**

THREE (3) OPERATING ACCOUNTS: On or before November 2 of each year CITY will open three (3) new bank accounts, operations, deposits and box office. RAP must be owner of all three (3) bank accounts and DEPARTMENT will give SMG Power of Attorney to sign checks, in addition reconciliation annually and close out cost of payment must be completed by December 31 of each contract year.

1. SMG shall establish a separate and distinct interest bearing bank account for the DEPARTMENT'S Greek Theatre OPEN VENUE MODEL operations. Any funds derived from FACILITY operations shall be deposited into that bank account. All accrued interest from this account belongs to the DEPARTMENT.
2. PROMOTER AND/OR AGENT

- i. SMG will receive deposits (or letters of credit as permissible under Exhibit E- User Agreement) for incidental charges from promoters and agents as required by the User Agreement in the normal course of business. CITY shall establish a separate and distinct interest bearing bank account to deposit such funds from promoters and agents. SMG shall be responsible for accurately maintaining records of each promoter or agent deposit and the associated accrued interest so that the proper monies are refunded to promoter or agent at the end of the event or at the end of the concert season.
3. BOX OFFICE/ADVANCE TICKET SALES ACCOUNT
- i. SMG will receive ticket proceeds for events via the ticketing agents as well as through box office operations. CITY shall establish a separate and distinct bank account for SMG to deposit ticket proceeds and will only access these funds as necessary at event settlement in order to distribute funds to promoter and venue.
  - ii. .  
Previous year's accounts must be reconciled by December 31 each year to satisfaction of the DEPARTMENT, and final payments and close outs are paid to the CITY.

#### **B. Monthly Event Closing Statement**

SMG shall submit a monthly event closing statement to the DEPARTMENT for review and approval within twenty-five (25) calendar days after the end of the month. The monthly event closing statement shall be accompanied by a Monthly Remittance Advice Form (Exhibit N), clearly identifying: (i) all revenues recognized for that month at the facility including, without limitation, event revenue, sponsorship and premium seating revenue and any miscellaneous revenue generated from operations at the FACILITY ("monthly operating revenue") and (ii) all expenses incurred in that month including, without limitation, city's operating expenses applicable to such period along with outstanding amounts of city's operating expenses due for prior periods, SMG's share of sponsorship and premium seating revenue and any miscellaneous expenses incurred in connection with the operation of the FACILITY ("monthly operating expenses"). SMG shall include with such statement detail of monthly operating revenue and expenses including a line item event profit and loss statement for each event presented during the period and supporting documentation for CITY's operating expenses in a form acceptable to DEPARTMENT.

SMG will include a statement for each of the three (3) bank accounts established for the FACILITY as described in SECTION 11.A above. The statement shall clearly identify the cash position for each account.

1. SMG must pay each eligible promoter the Event Volume Incentive dollar amount (with prior approval by the DEPARTMENT) by December 1<sup>st</sup> after conclusion of the current concert season.

SMG will include a check payable to the DEPARTMENT for any MONTHLY Operating Revenue exceeding the MONTHLY OPERATING EXPENSE, by December 31, annually.

**C. Late Payment Fees**

Failure of SMG to pay any of the revenue-sharing payments or any other fees, charges, or payments within ten (10) days following notice of such failure to pay is a material breach of the AGREEMENT for which CITY may terminate same or take such other legal action as it deems necessary.

Without waiving any rights available at law, in equity or under the AGREEMENT, in the event of late or delinquent payments by SMG, the latter recognizes that CITY will incur certain expenses as a result thereof, the amount of which is difficult to ascertain. Therefore, in addition to monies owing, SMG agrees to pay the CITY a late fee set forth below to compensate CITY for all expenses and/or damages and loss resulting from said late or delinquent payments.

The charges for late or delinquent payments shall be One Thousand Dollars (\$1,000.00) for each month late plus interest calculated at the rate of eighteen percent (18%) per annum, assessed monthly, on the balance of the unpaid amount. Payments shall be considered past due if postmarked after the fifteenth (15th) day of the month in which payment is due. The DEPARTMENT reserves the right to increase any and all administrative fees at the time of exercising each option to renew the AGREEMENT.

The acceptance of late revenue-sharing payment by CITY shall not be deemed as a waiver of any other breach by SMG of any term or condition of this AGREEMENT other than the failure of SMG to timely make the particular revenue-sharing payment so accepted.

**D. Annual Accounting Adjustment**

No later than November 25th of each year, OPERATOR shall prepare and submit to CITY a statement showing the total gross receipts for the last AGREEMENT year by category and the revenue-share paid for the year. If the sums paid by SMG during said period total less than the annual minimum revenue-sharing guarantee, as noted in SECTION 7, SMG shall remit to the CITY the under payment amount with the annual statement postmarked no later than November 25th.

- E. If CITY pays any sum or incurs any obligations or expense which SMG has agreed to pay or reimburse CITY for, or if CITY is required or elects to pay any sum or to incur any obligations or expense by reason of the failure, neglect, or refusal of SMG to perform or fulfill any one or more of the conditions, covenants, or agreements contained in the AGREEMENT, or as a result of an act or omission of SMG contrary to said conditions, covenants, and agreements, SMG agrees to pay to CITY the sum so paid or the expense so incurred, including all interest, costs (including CITY'S 15% administrative overhead cost), damages, and penalties. This amount shall be added to the revenue-sharing payment thereafter due hereunder, and each and every part of the same shall be and become additional revenue-sharing payment, recoverable by CITY in the same manner and with like remedies as if it were originally a part of the basic revenue-sharing payment set forth in SECTION 6 hereof. The DEPARTMENT reserves the right to increase any and all administrative fees at the time of exercising each option to renew the AGREEMENT.

- F. The charges for any late or delinquent payments shall be One Thousand Dollars (\$1,000.00) for each month late plus interest calculated at the rate of eighteen percent (18%) per annum, assessed monthly, on the balance of the unpaid amount. The DEPARTMENT reserves the right to increase any and all administrative fees at the time of exercising each option to renew the AGREEMENT.
- G. For all purposes under this Section, and in any suit, action, or proceeding of any kind between the parties hereto, any receipt showing the payment of any sum by CITY for any work done or material furnished shall be prima facie evidence against SMG that the amount of such payment was necessary and reasonable. Should CITY elect to use its own personnel in making any repairs, replacements, and/or alterations chargeable to SMG, and charge SMG with the cost of same, receipts and timesheets will be used to establish the charges, which shall be presumed to be reasonable in absence of contrary proof submitted by SMG.

## **SECTION 12. MAINTENANCE OF PREMISES**

- A. The DEPARTMENT will be responsible for the maintenance of PREMISES, except custodial maintenance services covered under Event Services. During all periods that the PREMISES are used or are under the control of the SMG for the uses, purposes, and occupancy aforesaid, SMG shall work in conjunction with DEPARTMENT to coordinate all necessary damage/maintenance repairs, including general exterior appearance of all equipment and facilities and regular graffiti removal, to the satisfaction of the DEPARTMENT and in keeping with other first class, high-quality venues. The cause of said maintenance, cleaning and repairs may result from normal wear and tear, as well as vandalism.

Building maintenance which includes all building components including but not limited to structural, mechanical and electrical for the FACILITY will be provided by the DEPARTMENT unless the SMG is specifically requested by the DEPARTMENT to perform a replacement or repair. Should a request be made and a mutually agreed upon scope and cost be reached, said cost will be paid to SMG by CITY as a REIMBURSABLE EXPENSE.

The DEPARTMENT will provide grounds maintenance which includes tree trimming, mowing, weeding and landscaping.

### **B. Property Damage and Theft Reporting**

SMG shall complete and submit to the DEPARTMENT a "Special Occurrence and Loss Report," in the event that the PREMISES and/or CITY-owned property is damaged or destroyed, in whole or in part, from any cause whatsoever, and in the event of theft, burglary, or other crime committed on the PREMISES. The DEPARTMENT shall provide blank forms for this purpose

### **C. Damage or Destruction to Premises**

#### **a. Partial Damage**

If all or a portion of the PREMISES are partially damaged by fire, explosion, flooding inundation, floods, the elements, public enemy, or other casualty, but not rendered uninhabitable, the same will be repaired with due diligence by CITY at its own cost and expense, subject to the limitations as hereinafter provided; if said damage is caused by the negligent acts or omissions of SMG, its agents, officers, or employees, SMG shall be responsible for reimbursing CITY for the cost and expense incurred in making such repairs.

#### **b. Extensive Damage**

If the damages as described above in "Partial Damage" are so extensive as to render the PREMISES or a portion thereof uninhabitable, but are capable of being repaired within a reasonable time not to exceed sixty (60) days, the same shall be repaired with due diligence by CITY at its own cost and expense and a negotiated portion of the fees and charges payable hereunder shall abate from the time of such damage until such time as the PREMISES are fully restored and certified by DEPARTMENT as again ready for use; provided, however, that if such damage is caused by the negligent acts or omissions of SMG, its agents, officers, or employees, said fees and charges will not abate and SMG shall be responsible for the cost and expenses incurred in making such repairs.

#### **c. Complete Destruction**

In the event all or a substantial portion of the PREMISES are completely destroyed by fire, explosion, the elements, public enemy, or other casualty, or are so damaged that they are uninhabitable and cannot be replaced except after more than sixty (60) days, CITY shall be under no obligation to repair, replace or reconstruct said PREMISES, and an appropriate portion of the fees and charges payable hereunder shall abate as of the time of such damage or destruction and shall henceforth cease until such time as the said PREMISES are fully restored. If within four (4) months after the time of such damage or destruction said PREMISES have not been repaired or reconstructed, SMG may terminate this AGREEMENT in its entirety as of the date of such damage or destruction. Notwithstanding the foregoing, if the said PREMISES, or a substantial portion thereof, are completely destroyed as a result of the negligent acts or omissions of SMG, its agents, officers, or employees, said fees and charges shall not abate and CITY may, in its discretion, require SMG to repair and reconstruct the same within twelve (12) months of such destruction and SMG shall be responsible for reimbursing CITY for the cost and expenses incurred in making such repairs.

#### **d. Limits of CITY'S Obligation Defined**

In the application of the foregoing provisions, CITY may, but shall not be obligated to, repair or reconstruct the PREMISES. If CITY chooses to do so, CITY'S obligation shall also be limited to repair or reconstruction of the PREMISES to the same extent and of equal quality as obtained by SMG at the commencement of its operations hereunder. Redecoration and replacement of furniture, equipment and supplies included within SMG'S office furniture and equipment costs shall be the

responsibility of SMG and any such redecoration and refurbishing/re-equipping shall be equivalent in quality to that originally installed.

**D. Pest Control**

CITY shall perform and pay for pest control in or on structures or areas maintained by CITY. SMG shall take all reasonable measures to reduce the proliferation of pests, including maintaining the PREMISES in clean condition. DEPARTMENT may direct SMG to take additional measures to abate pests, which are an immediate threat to public health or safety.

**SECTION 13. PROHIBITED ACTS**

SMG shall not:

1. Use the PREMISES to conduct any other businesses operations of SMG not related to the Greek Theatre;
2. Do or allow to be done anything which may interfere with the effectiveness or accessibility of utility, heating, ventilating j or air conditioning systems or portions thereof on the PREMISES or elsewhere on the FACILITY, nor do or permit to be done anything which may interfere with free access and passage in the PREMISES or the public areas adjacent thereto, or in the streets or sidewalks adjoining the PREMISES, or hinder police, fire fighting or other emergency personnel in the discharge of their duties;
3. Interfere with the public's enjoyment and use of the FACILITY or use the PREMISES for any purpose which is not essential to the FACILITY operations;
4. Rent, sell, lease or offer any space for storing of any articles whatsoever within or on the PREMISES other than specified herein, without the prior written approval of the DEPARTMENT;
5. Overload any floor or roof in the PREMISES;
6. Place any additional lock of any kind upon any window or interior or exterior door in the PREMISES, or make any change in any existing door or window lock or the mechanism thereof, unless a key therefore is maintained on the PREMISES, nor refuse, upon the expiration or sooner termination of the AGREEMENT, to surrender to DEPARTMENT any and all keys to the interior or exterior doors on the PREMISES, whether said keys were furnished to or otherwise procured by SMG, and in the event of the loss of any keys furnished by DEPARTMENT, SMG shall pay CITY, on demand, the cost for replacement thereof;
7. Do or permit to be done any act or thing upon the PREMISES which will invalidate, suspend or increase (except in connection with increased or changed usage) the rate of any insurance policy required under the AGREEMENT, or carried by CITY, covering the PREMISES, or the buildings in which the same are located or which, in the opinion of DEPARTMENT, may constitute a hazardous condition that will increase the

risks normally attendant upon the operations contemplated under the AGREEMENT, provided, however, that nothing contained herein shall preclude SMG from bringing, keeping or using on or about the PREMISES such materials, supplies, equipment and machinery as are appropriate or customary in carrying on its business, or from carrying on said business in all respects as is customary;

8. Use, create, store or allow any hazardous materials as defined in Title 26, Division 19.1, Section 19-2510 of the California Code of Regulations, or those which meet the criteria of the above Code, as well as any other substance which poses a hazard to health and environment, provided, however, that nothing contained herein shall preclude SMG from bringing, keeping or using on or about the PREMISES such materials, supplies, equipment and machinery as are appropriate or customary in carrying on its business, or from carrying on said business in all respects as is customary except that all hazardous materials must be stored and used in compliance with all City, State and Federal rules, regulations, ordinances and laws;
9. Permit undue loitering on or about the PREMISES;
10. Use the PREMISES in any manner that will constitute waste;
11. Use or allow the PREMISES to be used for, any improper, immoral, or unlawful purposes
12. Install or allow the installation of video games, or vending machines including but not limited to Automated Teller Machines (ATMs) without the prior written approval of the DEPARTMENT.
13. Permit gambling on the PREMISES or install or operate or permit to be installed or operated thereon, any device which is illegal; or use the PREMISES or permit it to be used for any illegal business or purpose.
14. Permit smoking in the audience seating area and any other interior areas of the theatre building or FACILITY PREMISES, with the exception of designated dressing rooms in conformance with AB13 California Smoke-Free Workplace Law. Any exceptions to this policy will require the prior written approval of the DEPARTMENT.

#### **SECTION 14. NUMBER OF ORIGINALS**

The number of original texts of this AGREEMENT shall be equal to the number of parties hereto, one text being retained by each party

#### **SECTION 15. RATIFICATION LANGUAGE**

Due to the need for the SMG'S services to be provided continuously on an ongoing basis, the SMG may have provided services prior to the execution of this AGREEMENT. To the extent that said services were performed in accordance with the terms and conditions of this AGREEMENT, those services are hereby ratified.

## **SECTION 16. PERFORMANCE DEPOSIT**

- A. SMG shall provide the DEPARTMENT a sum equal to Five Hundred Thousand Dollars (\$500,000.00) for the term of the AGREEMENT.
- B. **Form of Deposit**  
SMG'S Deposit shall be in the following form:
  - 1. A cashier's check drawn on any recognized local bank, which cashier's check is payable to the order of the City of Los Angeles.
- C. **Agreement of Deposit and Indemnity**  
SMG unconditionally agrees that in the event of any material default of this AGREEMENT by SMG and consequent termination by CITY, CITY shall have full power and authority to use the deposit in whole or in part to indemnify CITY. All deposits of cash or checks must be immediately so deposited by the DEPARTMENT.
- D. **Maintenance of Deposit**  
CITY shall hold SMG'S deposit in an interest-bearing account during the entire term of the AGREEMENT.
- E. **Return of Deposit to SMG**  
Said Deposit, together with accumulated interest, shall be returned to SMG and any rights assigned to Deposit shall be surrendered by CITY in writing, after the expiration or earlier termination of the AGREEMENT and the later of (i) any exit audits and inspections performed in conjunction with the AGREEMENT, or (ii) ninety (90) days thereafter. The CITY reserves the right to deduct from the Deposit, any amounts up to and including the full amount of the Deposit as stated herein, owed to the CITY by SMG as shown by any exit audits performed by CITY, or as compensation to CITY for material breach by SMG of this AGREEMENT. SMG shall have the right to challenge the accuracy of such audit and/or the propriety of any claim by CITY against the funds, and in the event that the parties fail to reach AGREEMENT concerning the disposition of the funds, may institute appropriate dispute resolution or legal proceedings.

## **SECTION 17. TAXES, PERMITS AND LICENSES**

- A. SMG shall obtain and maintain any and all approvals, permits, or licenses that may be required in connection with the operation of the FACILITY including, but not limited to, tax permits, business licenses, health permits, building permits, police and fire permits, etc.
- B. SMG shall pay all applicable CITY, STATE and Federal taxes associated with SMG'S business activities in performance of the services required in AGREEMENT.
- C. During the entire term of the AGREEMENT, the SMG must hold a current Los Angeles Business Tax Registration Certificate (BTRC) as required by the CITY'S Business Tax Ordinance (LAMC Article 1, Chapter 2, Sections 21.00 et. seq.)

## **SECTION 18. ASSIGNMENT, SUBLEASE, BANKRUPTCY INDIRECT TRANSFERS RESULT IN CITY'S RIGHT TO TERMINATE**

SMG shall not under-let or sub-let the subject PREMISES or any part thereof or allow the same to be used or occupied by any other person or for other use than that herein specified, nor assign the AGREEMENT nor transfer, assign or in any manner convey any of the rights or privileges

herein granted without the prior written consent of CITY. Neither the AGREEMENT nor the rights herein granted shall be assignable or transferable by any process or proceedings in any court, or by attachment, execution, proceeding in insolvency or bankruptcy either voluntary or involuntary, or receivership proceedings. Any attempted assignment, mortgaging, hypothecation, or encumbering of the FACILITY rights or other violation of the provisions of this Section shall be void and shall confer no right, title or interest in or to the AGREEMENT or right of use of the whole or any portion of the PREMISES upon any such purported assignee, mortgagee, encumbrance, pledgee or other lien holder, successor or purchaser.

SMG may not, without prior written permission of the CITY:

- A. Assign or otherwise alienate *any* of its rights hereunder, including the right to payment, except that the parties acknowledge that the foregoing does not preclude the assignment by SMG of its rights to receive fees hereunder to its lender(s) as collateral security for SMG's obligations under any credit facilities provided to it by such lender(s), provided that such collateral assignment shall not in any event cover SMG's rights to manage, promote or operate the Facility hereunder.
- B. Delegate, subcontract, or otherwise transfer any of its duties hereunder.

## **SECTION 19. BUSINESS RECORDS**

- A. SMG shall maintain for three (3) years after termination, all of its books, ledgers, journals, and accounts wherein are kept all entries reflecting the gross receipts received or billed by it from the business transacted pursuant to the AGREEMENT. Such books, ledgers, journals, accounts, and records shall be available for inspection and examination by DEPARTMENT, or a duly authorized representative, during ordinary business hours at any time during the term of this AGREEMENT and for at least three (3) years thereafter.
- B. Employee Fidelity Bonds**  
At the DEPARTMENT'S discretion, adequate employee fidelity bonds may be required to be maintained by SMG covering all its employees who handle money.
- C. Cash and Record Handling Requirements**  
If requested by DEPARTMENT, SMG shall prepare a description of its cash handling and sales recording systems and equipment to be used for operation of the FACILITY, which shall be submitted to DEPARTMENT for approval.

SMG shall be required to maintain a method of accounting in compliance with Generally Accepted Accounting Principles of the FACILITY, which shall correctly and accurately reflect the gross receipts and disbursements received or made by SMG from the operation of the FACILITY. The method of accounting, including bank accounts, established for the FACILITY shall be separate from the accounting systems used for any other business operated by SMG or for recording SMG'S personal financial affairs. Such method shall include the keeping of the following documents:

1. Regular books of accounting such as general ledgers.

2. Journals including supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc.
3. State and Federal income tax returns and sales tax returns and checks and other documents proving payment of sums shown.
4. Receipt vouchers shall be retained in order for daily sales to be identified. Reconciliations required per event.
5. Any other accounting records that CITY, in its sole discretion, deems necessary for proper reporting of receipts.

**D. Method of Recording Gross Receipts**

Gross receipts will be recorded through the Point of Sale system in order to establish the daily receipts records and reconciliation per event with the exception of onsite parking for which ticket vouchers are retained.

**E. Annual Statement of Gross Receipts and Expenses**

SMG shall transmit certified financial statements for the FACILITY operations, prepared in a form and by a Certified Public Accounting firm acceptable to the DEPARTMENT, on or before January 15th for the foregoing AGREEMENT year during the term of the AGREEMENT. Notwithstanding the expiration of the AGREEMENT on November 1, 2016, the certified financial statements provisions shall survive the expiration of the AGREEMENT and the final certified financial statements shall be filed on or prior to January 15th of the calendar year after the expiration of the AGREEMENT. To the extent required by law, the certified financial statements shall set forth an expense account entitled "Compensation to Officers" or an account having some similar title. The amount shown opposite this item shall include all salaries or other compensation paid to officers of the SMG'S corporation, directors, shareholders, any individual owning stock indirectly and other persons employed by SMG to manage the operations or supervise SMG'S employees and members of their respective families where such payment is for services derived from the FACILITY operations by SMG. These salaries or other compensation shall not be indicated in any other expense category.

The annual certified financial statements shall include an attachment containing the following information for each show of the preceding season:

- All actual revenue, categorized by source (i.e. gate, parking, etc.)
- Paid attendance and total attendance

Failure to provide the certified financial statements described above, within the prescribed time allowed, shall be cause for the DEPARTMENT to call for an immediate audit of the FACILITY operations. SMG shall be charged for the full cost of labor, mileage, and materials expended in the investigation and preparation of the audit, plus 30 percent (30%) of said costs for administrative overhead.

All records obtained or created in connection with CITY'S inspections of record or audits, will be or become subject to public inspection and production as public records, except to the extent that certain records or information are not required by law to be disclosed.

All documents, books and accounting records shall be open for inspection and reinsertion at any reasonable time during the term of the AGREEMENT, and for a reasonable period, not to exceed one year, thereafter. In addition, CITY may from time to time conduct an audit and re-audit of the books and businesses conducted by SMG and observe the operation of the business so that accuracy of the above records can be confirmed. If the report of gross sales made by SMG to CITY shall be found to be less than the amount of gross sales disclosed by such audit and observation, SMG shall pay CITY within 30 days after billing any additional rentals disclosed by such audit. If discrepancy exceeds two percent (2%) and no reasonable explanation is given for such discrepancy, SMG shall also pay the cost of the audit.

## **SECTION 20. REGULATIONS, INSPECTION, AND DIRECTIVES**

### **A. Constitutional and Other Limits on SMG's Rights to Exclusivity**

Notwithstanding exclusivity granted to SMG by the terms of this AGREEMENT, the CITY in its discretion may require SMG, without any reduction in rent or other valuable consideration to SMG, to accommodate the rights of persons to access and engage in expressive activities, as guaranteed by the first amendment to the United States constitution, the California constitution, and other laws, as these laws are interpreted by the City. Expressive activities include, but are not limited to, protesting, picketing, proselytizing, soliciting, begging, and vending of certain expressive, message-bearing items.

### **B. Conformance with Laws:**

- a. Any and all applicable rules, regulations, orders, and restrictions which are now in force or which may be hereafter adopted by CITY with respect to the operation of the FACILITY;
- b. Any and all orders, directions or conditions issued, given, or imposed by DEPARTMENT with respect to the use of the roadways, driveways, curbs, sidewalks, parking areas, or public areas adjacent to the PREMISES;
- c. Any and all applicable laws, ordinances, statutes, rules, regulations or orders, including the LAMC, LAAC, the Charter of the City of Los Angeles, and of any governmental authority, federal, state or municipal, lawfully exercising authority over the SMG'S operations; and,
- d. Any and all applicable local, state and federal laws and regulations relative to the design and installation of facilities to accommodate disabled persons.

### **C. Permissions**

Any permission required by the AGREEMENT shall be secured in writing by SMG from CITY or the DEPARTMENT and any errors or omissions therefrom shall not relieve SMG of its obligations to faithfully perform the conditions therein. SMG shall immediately comply with any written request or order submitted to it by CITY or the DEPARTMENT.

#### **D. Right of Inspection and Access to Venue**

CITY and the DEPARTMENT, their authorized representatives, agents and employees shall possess and maintain the right to enter upon the PREMISES at any and all times. Said access and/or inspections may be made at any time by persons identified to SMG as CITY employees, or CITY authorized persons. Inspections may be made for the purpose set forth below, however, the enumerations below shall not be construed to limit CITY'S right of inspection for any purpose incidental to the rights of CITY:

1. To determine if SMG is complying with the terms and conditions of the AGREEMENT.
2. To observe transactions between the SMG and patrons in order to evaluate the quality and quantities of services provided or items sold or dispensed, the courtesy extended to and method of dealing with the public, the performance and caliber of SMG'S employees, subcontractor employees and the methods for recording receipts.

The information gathered on these inspections may be used to evaluate SMG to provide a basis for an action by CITY for the termination, renewal or denial of extensions to the AGREEMENT or for any other appropriate action.

#### **E. Control of Premises**

CITY shall at all times retain and possess absolute and full access to the PREMISES and all its appurtenances during the term of the AGREEMENT and may make such changes and alterations therein, and in the grounds surrounding same, as may be determined by said CITY. Such determination shall not be unreasonable and shall take into account the business considerations presented by SMG.

#### **F. Business Inclusion Program**

SMG agrees and obligates itself to utilize the services of Minority, Women, Small, Emerging, Disabled Veteran and Other Business Enterprise firms on a level so designated in its proposal, Schedule a (Exhibit O). SMG certifies that it has complied with Executive Directive No. 14 regarding the Outreach Program. SMG shall not change any of these designated sub consultants and subcontractors, nor shall SMG reduce their level of effort, without prior written approval of the CITY, provided that such approval shall not be unreasonably withheld.

During the term of the AGREEMENT, SMG must submit the MBE/WBE/SBE/EBE/DVBE/OBE Utilization Profile, Schedule 8 (Exhibit P) when submitting the Monthly Event Closing Statement. Upon completion of the project, a summary of these records shall be prepared on the "Final Subcontracting Report" form, Schedule C (Exhibit Q) and certified correct by the SMG or its authorized representative. The completed Schedule C shall be furnished to the DEPARTMENT within fifteen (15) working days after completion of the AGREEMENT.

## **G. First Source Hiring Ordinance**

Unless otherwise exempt in accordance with the provisions of this Ordinance, this AGREEMENT is subject to the applicable provisions of the First Source Hiring Ordinance (FSHO), Section 10.44 et seq. of the LAAC, as amended from time to time.

1. SMG shall, prior to the execution of the contract, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that SMG estimates it will need to fill in order to perform the services under the AGREEMENT. The Department of Public Works, Bureau of Contract Administration is the DAA.
2. SMG further pledges that it will, during the term of the AGREEMENT:
  - a. At least seven business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the Economic and Workforce Development Department of Los Angeles (EWDD), which will refer individuals for interview;
  - b. Interview qualified individuals referred by EWDD; and
  - c. Prior to filling any employment opportunity, the SMG shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the SMG interviewed and the reasons why referred individuals were not hired
3. Any Subcontract entered into by the SMG relating to this AGREEMENT, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO.
4. SMG shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.

Where under the provisions of Section 10.44.13 of the LAAC the DAA has determined that the SMG intentionally violated or used hiring practices for the purpose of avoiding the article, the determination must be documented in the Awarding Authority's SMG Evaluation, required under LAAC Section 10.39 et seq., and must be documented in each of the SMG's subsequent SMG Responsibility Questionnaires submitted under LAAC Section 10.40 et seq. This measure does not limit the CITY'S authority to act under this article.

Under the provisions of Section 10.44.8 of the LAAC, the Awarding Authority shall, under appropriate circumstances, terminate this AGREEMENT and otherwise pursue legal remedies that may be available if the DAA determines that the subject SMG has violated provisions of the FSHO.

## **H. CEC Form 50**

Certain contractors agree to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if those contractors qualify as a lobbying entity under Los Angeles Municipal Code 48.02. CEC Form 50 attached as Exhibit R. Responses submitted without a completed CEC Form 50,

by proposers that qualify as a lobbying entity under Los Angeles Municipal Code 48.02 shall be deemed nonresponsive.

Bidder Contributions -City Charter Sections 470(c) (12) Persons who submit a response to this solicitation (bidders) are subject to Charter section 470(c) (12) and related ordinances. As a result, bidders may not make campaign contributions to and or engage in fundraising for certain elected City officials or candidates for elected City office from the time they submit the response until either the contract is approved or, for successful bidders, 12 months after the contract is signed. The bidder's principals and subcontractors performing \$100,000.00 or more in work on the contract, as well as the principals of those subcontractors, are also subject to the same limitations on campaign contributions and fundraising.

**I. CEC Form 55**

CEC Form 55 requires bidders to identify their principals, their subcontractors performing \$100,000.00 or more in work on the contract, and the principals of those subcontractors. Bidders must also notify their principals and subcontractors in writing of the restrictions and include the notice in contracts with subcontractors. Responses submitted without a completed CEC Form 55 shall be deemed nonresponsive. Bidders who fail to comply with City law may be subject to penalties termination of contract, and debarment. Additional information regarding restrictions and requirements may be obtained from the City Ethics Commission at (213) 978-1960 or ethics.lacity.org.

**SECTION 21. SURRENDER OF POSSESSION**

SMG agrees to yield and deliver possession of the PREMISES to CITY on the date of the expiration or earlier termination of the AGREEMENT promptly, peaceably, quietly, and in as good order and condition as the same now are or may be hereafter improved by SMG or CITY.

No agreement of surrender or to accept a surrender shall be valid unless and until the same is in writing and signed by the duly authorized representatives of CITY and SMG. Neither the doing nor omission of any act or thing by any of the officers, agents or employees of CITY shall be deemed an acceptance of a surrender of the PREMISES utilized by SMG under the AGREEMENT.

**SECTION 22. NOTICES**

**A. To CITY:**

Unless otherwise stated in the AGREEMENT, written notices to CITY hereunder shall be addressed to:

Department of Recreation and Parks  
Attention: Partnership and Revenue Branch/Concessions Unit  
P. O. Box 86610  
Los Angeles, California 90086-0610

All such notices may either be delivered personally or may be deposited in the United States mail, properly addressed as aforesaid with postage fully prepaid for delivery by registered or certified mail. Service in such manner by registered or certified mail shall be effective upon receipt.

CITY shall provide SMG with written notice of any address change within thirty (30) days of the occurrence of said change.

B. To SMG:

The execution of any notice to SMG by DEPARTMENT shall be as effective for SMG as if it were executed by BOARD, or by Resolution or Order of said BOARD.

All such notices may either be delivered personally to the SMG or to any officer or responsible employee of SMG or may be deposited in the United States mail, properly addressed as aforesaid with postage fully prepaid for delivery by registered or certified mail. Service in such manner by registered or certified mail shall be effective upon receipt.

Written notices to SMG shall be addressed to SMG as follows:

SMG  
300 Conshohocken State Rd., Suite 770  
West Conshohocken, PA 19428  
Attn: President

And

SMG  
300 Conshohocken State Rd., Suite 770  
West Conshohocken, PA 19428  
Attn: Counsel

With a copy to (which shall not constitute notice):

SMG  
Attention: GREEK THEATRE MANAGER  
2700 North Vermont Avenue  
Los Angeles, CA 90027

SMG shall provide CITY with written notice of any address change within thirty (30) calendar days of the occurrence of said address change.

## SECTION 23. INCORPORATION OF DOCUMENTS

This AGREEMENT and incorporated documents represent the entire integrated AGREEMENT of the parties and supersedes all prior written or oral representations, discussions, and agreements. The following Exhibits are to be attached to and made part of this AGREEMENT by reference:

- A. Standard Provisions for City Contracts (Rev. 3/09), excluding PSC-34
- B. Insurance Requirements and Instructions
- C. Premises Map
- D. Additional Parking Lots
- E. User Agreement, Revised February 2, 2016, Re-revised September 21, 2016
- F. Event Volume Incentive Program, Established June 18, 2015, Revised September 21, 2016
- G. Proposer's Financial Reports, Proposal Page 46
- H. Form General No. 87 "Non-Employee Accident or Illness Report
- I. Sponsorship Recognition Policy, Procedures and Guidelines for Recognizing Organizations and Individuals who Contribute to and/or Support City of Los Angeles Park and Programs
- J. Naming Policy, Procedures and Guidelines for Parks and Recreational Facilities
- K. Proposer's General and Administrative Expense, Proposal Page 74-75
- L. 2017 Event Services and Staffing Costs.
- M. Monthly Remittance Advice Form
- N. Schedule A, MBE/WBE/SBE/EBE/DVBE/OBE Subcontractors Information Form
- O. MBE/WBE/SBE/EBE/DVBE/OBE Utilization Profile, Schedule B
- P. Final Subcontracting Report form, Schedule C
- Q. CEC Form 50

In the event of any inconsistency between any of the provisions of this AGREEMENT and/or exhibits attached hereto, the inconsistency shall be resolved by giving precedence in the following order: 1) This AGREEMENT exclusive of attachments, 2) Exhibit A, 3) Exhibit 8, 4) Exhibit C, 5) Exhibit 0, 6) Exhibit E, 7) Exhibit F, 8) Exhibit G, 9) Exhibit H, 10) Exhibit I, 11) Exhibit J, 12) Exhibit K, 13) Exhibit L, 14) Exhibit M, 15) Exhibit N, 16) Exhibit 0, 17) Exhibit P, 18) Exhibit Q, and 19) Exhibit R.

(Signature Page to Follow)

**IN WITNESS WHEREOF, THE CITY OF LOS ANGELES has caused this AMENDED AGREEMENT** to be executed on its behalf by its duly authorized General Manager of the Department of Recreation and Parks, and SMG has executed the same as of the day and year herein below written.

**THE CITY OF LOS ANGELES**, a municipal corporation, acting by and through the Department of Recreation and Parks

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

MICHAEL A. SHULL  
General Manager

SMG

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

Title: \_\_\_\_\_

APPROVED AS TO FORM:

MICHAEL N. FEUER, City Attorney

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

Stefan Fauble  
Deputy City Attorney

Business Tax Registration Certificate Number: \_\_\_\_\_

Internal Revenue Service Taxpayer Identification Number: \_\_\_\_\_

AGREEMENT Number: \_\_\_\_\_

**CITY OF LOS ANGELES  
DEPARTMENT OF RECREATION AND PARKS  
Greek Theatre  
User Agreement**

This User Agreement No. \_\_\_\_ is made and entered into this day \_\_\_\_ of \_\_\_\_20\_\_ by and between SMG, a Pennsylvania General Partnership ("SMG"), as agent for the City of Los Angeles ("City"), a municipal corporation, acting through its Department of Recreation and Parks ("Department") and **[INSERT USER NAME AND ADDRESS]** (hereinafter referred to as the "User").

**WITNESSETH:**

**SECTION 1. Permitted Premises and Term**

1. For and in consideration of the mutual agreements contained herein and subject to its stated terms and conditions, SMG hereby grants a Right of Entry and leases to the User, the Greek Theatre, located at 2700 North Vermont Ave. in Griffith Park, Los Angeles, The leased premises shall consist of the theatre stage house, the spectator seating area, available dressing rooms, production offices, green room/hospitality room, and such other areas permitted by SMG for the sole purpose of presenting the event ("Premises"), expressly excepting any rights to all parking lots, except for the allotted parking spaces provided in Section 3 of this Agreement.

**SECTION 2. Event Information and Term**

The User shall have the right to occupy and use the venue for **[INSERT HEADLINER ARTIST or SHOW NAME]**, (the "Event") on **INSERT DATES AND TIME** and no other, and the tenancy shall not be assigned or sublet.

Access to the PREMISES shall be granted at **[time]** a.m. (Load-In) on **[day and date]**. The Event shall commence at **[time]** p.m. and conclude at approximately \_\_\_\_p.m. Door opening time is agreed to be Ninety Minutes before scheduled show time indicated on ticket. Load-out of the Event shall commence immediately after the conclusion of the Event and be completed no later than 2:00am the day following the Event.

**SECTION 3. Rental Rates**

- a. For each performance, the rental rate shall be either eleven percent (11%) of the gross gate receipts (less applicable taxes and facility fee) or the minimum rental rate of Twenty-Five Thousand Dollars (\$25,000.00), whichever is greater. In no event shall the maximum rental rate for each performance exceed Thirty-Five Thousand Dollars (\$35,000.00). Should the same artist have multiple performances on the same day, the rental rate for each subsequent performance on the same day shall be at a flat rate of Fifteen Thousand Dollars (\$15,000.00)

per subsequent performance. The advance deposit for this engagement is Twenty-Five Thousand Dollars (\$25,000.00).

- b. Rental rate includes a total of twenty-five (25) parking passes for USER or show vehicles
- c. Each additional parking space is Twenty-Five Dollars (\$25.00).
- d. Move-in and move-out dates must be arranged with SMG, and will be subject to availability of the premises and conditioned upon the User paying all costs as stated in the below table. If a definite booking of a rehearsal date or move-in or move-out date is authorized before or after the performance date, the User shall pay Two Thousand Five Hundred Dollars (\$2,500.00) for each such reserved date in addition to all applicable costs. \* In no case shall the load in for any performance be authorized to begin prior to 7:00 AM.

e. Rental Rate Table:

		Commercial Rental Rate (Those events promoted and/or sponsored by a commercial group organization)		Community Rental Rate (Those events which are promoted and/or sponsored by a Civic, Educational, Religious or Charitable group registered as a non-profit 501c3 status)				
		(A) Admission Charged	(B) No Admission Charged	(C) Admission Charged	(D) No Admission Charged			
Venue	Capacity	Minimum	vs %	Minimum	Minimum	vs %	Load-In/Out Rate	
Greek Theatre	5,901	\$25,000	11%	\$35,000	\$7,500	8%	\$5,000	\$2,500
		Rental fee is Gross Ticket Receipts (less applicable taxes and facility fee)						

**SECTION 4. Fees**

All fees due to SMG must be remitted to:

**SMG GREEK THEATRE  
2700 VERMONT AVENUE  
Los Angeles, CA 90027  
Attn: Becky Colwell**

**A. Commercial Rental Rate, with Admission Charged (A):**

1. In addition to the rental rates in the table above, the User agrees to reimburse SMG for any and all labor utilized for this event at a House Flat Rate of Twenty-Eight Thousand Dollars (\$28,000.00). The House Flat Rate includes labor costs

for ushers, ticket takers, security, cleaning, police, emergency medical services, box office staff and leasing costs associated with the house sound, lighting and video. The House Flat Rate expressly excludes the costs of stagehands and production related personnel, which must be provided through the existing contracts with the International Alliance of Theatrical Stage Employees (IATSE) Local 33 (Stage Technicians Union), Local 706 (Make-up Artists and Hair Stylists Guild), Local 768 (Theatrical Wardrobe Union), and Local 47 (Musicians Union). The House Flat Rate also expressly excludes the costs of private security employed for personal protection of artists or not related to public safety, special medical services requested for the artist only, advertising, ASCAP/BMI/SESAC, insurance, catering, runners, transportation, sign language interpreters (if requested), pyro/fire watch expenses (if any), Confetti cleaning expenses (\$1,500) and other USER/artist requested expenses.

2. The House Flat Rate covers the event with doors opening ninety (90) minutes prior to the advertised Event time and the performance ending no later than 10:30PM. The Greek Theatre has a hard curfew of 11:00pm. Additional labor fees will be charged at a rate of \$2,750 per one-half hour or portion thereof for events who's duration time exceed three and one half hours from the scheduled event time as indicated on ticket . User will be responsible for any staffing costs associated with any load-in/load-out days and rehearsals.
3. The User shall provide SMG, at least ten (10) days prior to holding an event, a full and detailed Event and production advance, and such other information required by SMG concerning the booked event. SMG shall determine the final minimum number of, and use of, ushers, ticket takers, security, cleaning, police, emergency medical services and box office staff for those employed to handle and govern the conduct of all in attendance at the User's event.
4. The User also shall pay to SMG, on demand, any other and further sums which may become due to SMG on account of special facilities, equipment, material, or extra services furnished or to be furnished by SMG at the request of the User, or necessitated by the User's occupancy of the premises, the compensation for which is not included in the rent or rents specified above. The User shall pay the guaranteed minimum rental on signing this User Agreement. Should the User fail to satisfy and pay any debts, accounts, and amounts owing and due SMG under the terms of this User Agreement, then the SMG may apply the proceeds of the security deposit.
5. The User agrees to promptly pay any and all Municipal, State, or Federal taxes, permit or license fees of whatever nature applicable to this occupancy and to take out all permits and licenses required for occupancy, and further agrees to furnish SMG, upon request, duplicate receipts or other satisfactory evidence showing the prompt payment or possession of any such taxes, fees or permits. Appropriate records shall be maintained and made available upon request by SMG.

6. A Five Dollar (\$5.00) Facility Maintenance Fee must be added to the price of each ticket sold.
7. Any complimentary tickets set aside by the User and for the User's use shall be marked as such. Any tickets not marked accordingly will be counted as "sold" and Facility Maintenance Fee ("FMF") will be collected. For additional Greek Theatre Ticketing policy requirements please see policy attached in Exhibit A.

### **B. Commercial, with no admission charged and Community Rental Rates**

1. In addition to the policies and rental rates listed above, the User agrees to pay SMG for any and all labor costs for ushers, ticket takers, security, cleaning, police, emergency medical services, box office staff and leasing costs associated with the house sound, lighting and video systems, stagehands and production related personnel. These costs will be determined on an event by event basis. In addition, USER shall be responsible for the costs of private security employed for personal protection of artists or not related to public safety, medical services required for the artist only, advertising, ASCAP/BMI/SESAC, insurance, catering, runners, transportation, sign language interpreters (if requested), pyro/fire watch expenses (if any), confetti cleaning expenses (\$1,500) and other USER/artist requested expenses
2. The User also shall pay to SMG, on demand, any other and further sums which may become due to SMG on account of special facilities, equipment, material, or extra services furnished or to be furnished by SMG at the request of the User, or necessitated by the User's occupancy of the premises, the compensation for which is not included in the rent or rents specified above. The User shall pay the guaranteed minimum rental on signing this User Agreement. Should the User fail to satisfy and pay any debts, accounts, and amounts owing and due SMG under the terms of this User Agreement, then SMG may apply the proceeds of the security deposit.
3. The User agrees to promptly pay any and all Municipal, State, or Federal taxes, permit or license fees of whatever nature applicable to this occupancy and to take out all permits and licenses required for occupancy), and further agrees to furnish SMG, upon request, duplicate receipts or other satisfactory evidence showing the prompt payment or possession of any such taxes, fees or permits. Appropriate records shall be maintained and made available upon request by SMG. .

### **SECTION 5. Security Deposit**

Security Deposit for promoters with less than four (4) shows for the current season shall furnish a \$10,000.00 per show cashier check only, security deposit to SMG for each show. Beginning with fifth (5<sup>th</sup>) booking, promoters must provide letter of credit.

## **SECTION 6. Rules & Regulations**

It is understood and agreed that SMG hereby reserves the right to control and manage the Greek Theatre and to enforce all necessary and proper established rules for its management and operation and for its authorized representatives to enter any portion of the Greek Theatre and on any occasion, provided that SMG and its agents shall not unnecessarily disturb the privacy of the artists in areas and circumstances where the artists have a reasonable expectation of privacy. SMG also reserves the right, but not the duty, to safely and reasonably have any objectionable person or persons removed from the premises and the User hereby waives any and all claims for damages against or any and all of their officers, agents or employees resulting from the exercise of this authority. SMG reserves the right to manage and control all parking facilities on the Greek Theatre property or leased by SMG at all events held at the Greek Theatre. Notwithstanding the foregoing, SMG will make such parking facilities available to event patrons during the User's event (at such prices determined by the Department).

The standard door opening at the Greek Theatre shall be ninety minutes prior to the advertised start time of the show; this may be adjusted as necessary with advance notice by the User to SMG but may be subject to additional fees.

Performances must end no later than 10:30 PM, unless prior written permission has been granted by SMG. In no case, however shall a performance extend past 11:00 PM. SMG reserves the right to cut power, and assess a penalty of One Thousand Dollars (\$1,000.00) per minute for the first five (5) minutes past 11:00pm. A penalty of Five Thousand Dollars (\$5,000.00) per minute will be assessed thereafter.

SMG shall be the sole provider of conversion labor, ticket takers, ushers, ticket sellers, peer security, police, medical), cleaning personnel, receptionist, maintenance/ operations staff, engineers, event coordinator, and local stagehand labor. SMG, using reasonable discretion, shall have final say as to the minimum number of personnel required based on the nature of the Event and the anticipated attendance.

Special stage effects involving pyrotechnic displays (including fireworks and flash powders) are prohibited except by a special fee and a City permit from the Fire Prevention Bureau. If a pyrotechnic display is required, arrangements must be made through the Los Angeles Fire Department at the User's expense.

The User shall use and occupy the venue in a safe and careful manner and shall comply with all applicable Municipal, State, and Federal laws, rules and regulations pertaining to the City of Los Angeles, the Department of Recreation and Parks and all other rules and regulations prescribed by the Fire and Police Departments and other governmental authorities as may be in force and effect during the tenancy. The User shall not use said premises or any part thereof for the possession, storage, or sale of liquor (except with the permission of SMG, and according to law), for any unlawful or improper purpose or in any

manner so as to injure persons or property in, on, or near the premises. User shall not do any act or permit or allow, any act to be done during the term of this User Agreement which will in any way mark, deface, alter or injure any part of the Greek Theatre.

All portions of the sidewalks, entrances, passages, vestibules, halls, and all ways of access to public utilities on the Premises shall be kept unobstructed by the User and shall not be used for any purpose other than ingress or egress to and from the premises. The doors, stairways, or openings into any place in the structure, including, hallways, corridors, and passageways, also house lighting attachments, shall in no way be obstructed by the User.

SMG will be responsible for traffic control working in conjunction with the City's Department of Transportation (DOT).

SMG assumes no responsibility whatsoever, for any property placed in said premises, and SMG is hereby expressly released and discharged from any and all liabilities for any loss, injury or damages to person or property that may be sustained by reason of the occupancy of said premises under this User Agreement. All watchmen or other protective service desired by the User must be arranged for by special agreement with SMG with due diligence taken for the receipt, handling, care or custody of any property shipped or otherwise delivered to the Greek Theatre, either prior to, during, or subsequent to the User's occupancy. SMG and its officers, agents, and employees shall act solely for the accommodation of the User and neither SMG nor its officers, agents, or employees shall be liable for any loss, damage, or injury to such property.

SMG shall have the sole right to collect and have custody of all articles left on the premises by persons attending any function held on the premises. Any property left on the premises by User shall, after a period of thirty (30) days from the last day of tenancy hereunder, be deemed abandoned and at SMG's sole option, become the property of SMG, without further notice.

In the event any portion of the Greek Theatre is not vacated at the end of the term of this rental, then SMG shall be and is hereby authorized to remove articles from the venue, at the expense of the User. SMG shall not be liable for any damage to or loss of such goods, wares, merchandise or property sustained either during the removal or storage of by SMG and it and its agents, employees and officials are hereby expressly released from any and all claims for such loss or damage. SMG will notify the User of any equipment or articles inadvertently left by the User and provide the User with a reasonable opportunity to remove same prior to removal or disposal by SMG. Upon termination of this Agreement, the User will deliver back to SMG the venue in as good condition and repair as it was received and in conformance with the Department's guidelines. Should the User fail to return the venue in as good condition and repair as it was received, any necessary and reasonable amounts owed and due SMG under the terms of this User Agreement may be subtracted from the User's security deposit.

Notwithstanding exclusivity granted to User by the terms of this Agreement, the City in its discretion may require User, without any reduction in rent or other valuable consideration to User, to accommodate the rights of persons to access and engage in expressive activities, as guaranteed by the first amendment to the United States constitution, the California constitution, and other laws, as these laws are interpreted by the City. Expressive activities include, but are not limited to, protesting, picketing, proselytizing, soliciting, begging, and vending of certain expressive, message-bearing items in appropriately legal areas which are not disruptive to the Event, intrusive of the User's exclusivity or which impede commercial operations of the venue.

ADA – Americans with Disability Act Requirements:

The parties recognize that the City is subject to the provisions of Title II of the Americans with Disabilities Act ("ADA") and that the User is subject to the provisions of Title III of the ADA (including all revised regulations dated September 15, 2010 and effective March 15, 2011). Concerning compliance with the ADA and all regulations thereunder, the City is responsible for the permanent building access requirements; such as wheelchair ramps, elevators, restrooms, doors and walkways. The User is responsible for the non-permanent accessibility standards and requirements, such as, but not limited to, seating accessibility, ticketing, ticket pricing, sign language interpreters, signage and all other auxiliary aids and services customarily provided by the User. The User shall comply with the ADA and all regulations thereunder.

Tickets for unsold accessible seating may be released for sale to individuals without disabilities: 1. When all non-accessible tickets (excluding luxury boxes, club boxes, or suites) have been sold; 2. When all non-accessible tickets in a designated seating area have been sold and the tickets for accessible seating are being released in the same designated area; or 3. When all non-accessible tickets in a designated price category have been sold and the tickets for accessible seating are being released within the same designated price category. User represents that it has viewed or otherwise apprised itself that such access to the premises and common areas and accepts such access, common areas and other conditions of the premises as adequate for User's responsibilities under the ADA. The User shall be responsible for ensuring that the space rented by City to User complies and continues to comply in all respects with the ADA, including accessibility, usability and configuration insofar as the User modifies, rearranges or sets up in the facility in order to accommodate the performance produced by the User. The User shall be responsible for any violations of the ADA that arise from User's reconfiguration of the seating areas or modification of other portions of the premises in order to accommodate User's engagement. The User shall be responsible for providing and paying for auxiliary aids and services that are ancillary to its production and for ensuring that the policies, practices and procedures it applies in its production are in compliance with the ADA.

## **SECTION 7. Ticketing Agent and Tickets**

The User will adhere to the Greek Theatre Ticketing Policy as established by Department (Exhibit A). The User shall not sell, allow, or cause to be sold or issued, admission tickets in excess of the seating capacity of, or admit a larger number of persons to the area than can be lawfully and safely seated or moved about, with the final decision vested by SMG.

## **SECTION 8. Broadcasting & Advertising Rights**

This Agreement includes rights to broadcast from the Greek Theatre. Broadcast is defined as the "the dissemination of video, film or radio content via electronic means including but not limited to high definition, standard and cable television, radio, web casting, web streaming, down loads, and/or other forms of digital transmission, digital broadcast or digital distribution effectuated by means of the internet in all forms of television media now and hereafter known SMG shall retain all television, film, radio and/or recording rights to any Events which take place in or at the Facility. Licensee may purchase such rights from SMG for a broadcast and/or recording fee ("**Broadcast Fee**") of \$15,000. plus applicable stagehand costs.

This User Agreement does not include any advertising rights pertaining to the venue in favor of the User. SMG retains all rights to sell or lease advertising on the premises, and to determine whether any incidental display of products, logos, etc., may conflict with the Department's rights. SMG shall not permit any display on the premises of an objectionable nature, in the sole and absolute discretion of SMG

SMG further reserves the right to make or record any photographs, audio or video at the venue for its own personal use or for the customary advertising and publicity, subject to any applicable required approval(s) from the performing artist.

Except for announcement of upcoming concerts at the Greek Theatre, or events in which the User is promoting or advertising for artists performing at the event, the User shall not distribute fliers, brochures, petitions, surveys or literature of any kind nor sell or cause to be sold or sampled pamphlets, novelties, curios, souvenirs, or similar items at or in the Greek Theatre, except upon written permission of SMG.

USER shall use the Greek Theatre logo in all advertising controlled by or done on behalf of USER relating to an Event, including, but not limited to, television, internet, newspaper, magazine, and outdoor advertising. USER's right to use the Greek Theatre Logo shall be limited to the specific, express purpose set forth in the foregoing sentence and/or as otherwise authorized by SMG in writing prior to the use thereof. In connection with USER's use of the Greek Theatre Logo as permitted in this section, USER shall use only the form of the Greek Theatre as provided by SMG to USER in any artwork or other depiction thereof.

## **SECTION 9. Sound, Video & Lighting**

SMG will provide house sound, video displays and basic lighting systems originating at the front house mix position in the venue. The User is required to use the house audience public address/sound reinforcement system for the event but may provide alternative and/or additional-stage sound monitors and consoles, video displays and lighting systems required for the event. A comprehensive Greek Theatre Technical Package can be found at [www.lagreektheatre.com](http://www.lagreektheatre.com)

During the performance, SMG will work in conjunction with the USER to monitor sound levels. At no time shall sound levels exceed 95dba. Should sound levels exceed 95dba, for (1) minute, the User will be given a warning to immediately lower the sound to 95dba. Should USER fail to lower the sound to 95dba or should additional violations occur, monetary penalties will be assessed as follows:

First Offense: Shall be a Five Thousand Dollar (\$5,000.00) fine.

Second Offense: Shall be a Seven Thousand Five Hundred Dollar (\$7,500.00) fine.

Subsequent Offenses: Shall be Ten Thousand Dollars (\$10,000.00) per violation.

However, should sound levels exceed 100dba at any time, there will be no warnings to lower the sound and an immediate fine of \$10,000 will be assessed to the USER and for any subsequent violations that also exceed 100dba.

A sound monitoring data report showing sound readings each minute shall be generated at the conclusion of each performance. At the conclusion of the show the sound monitoring data report will be provided to document all violations of the sound level limit that occurred during the performance. If any violations occurred, the above penalties shall apply and shall be paid by USER as part of the Event settlement, or otherwise deducted from the USER's security deposit.

## **SECTION 10. Food and Beverage**

The User shall not sell or cause to be sold items of food or drink at or in the Greek Theatre, without written permission. Food and beverage sales are in the exclusive rights of the Department's Food and Beverage Concessionaire. SMG must approve any and all sampling requests, with such approval not to be unreasonably withheld if they are made at the request of artist's tour sponsors. The User may opt to bring in a caterer to perform backstage artist and stagehand duties with no additional buy-out fee.

## **SECTION 11. Artists Merchandise Sales**

With regard to Event merchandise sales, Department's Food and Beverage Concessionaire (Concessionaire) shall handle sales on behalf of the Event/artists. USER agree to a merchandise split of 80% (Event) AND 20%(Concessionaire), 90% (Event)/10% (Concessionaire) on recorded media, after the deduction of all applicable

taxes, credit card commissions and bootleg security, if requested. Concessionaire shall supply and pay the merchandise vendors. Neither User nor Department will receive any monetary benefits from the sale of artists' merchandise.

## **SECTION 12. Notices**

Any notice or formal communications between SMG and the User shall be made in writing and will be deemed sufficiently rendered or given when made or sent by e-mail to:

Email: bcolwell@lagreektheatre.com

## **SECTION 13. Legal Authority**

User assures and guarantees that it possesses the legal authority, pursuant to any proper, appropriate, and official motion, resolution, or action passed or taken, to enter into this User Agreement. The person or persons signing and executing this User Agreement on behalf of User, do hereby warrant and guarantee that he/she or they have been fully authorized by User to execute this User Agreement on behalf of User and to validly and legally bind User to all the terms, performances, and provisions herein set forth:

- A. Standard Provisions for City Contracts (Rev. 3/09), excluding PSC-33 and PSC-34.
- B. Ticketing Policy, Exhibit A
- C. Insurance Requirements Form, Exhibit B
- D. Greek Theatre Booking Policy, Exhibit C

*(Signature Page to Follow)*

**IN WITNESS WHEREOF, THE CITY OF LOS ANGELES** has caused this User Agreement to be executed on its behalf by its duly authorized Department of Recreation and Parks, and User has executed the same as of the day and year herein below written.

**SMG, as agent for THE CITY OF LOS ANGELES**, a municipal corporation, acting by and through its Department of Recreation and Parks:

**BY:** \_\_\_\_\_  
**General Manager or Designee**

**DATE:** \_\_\_\_\_

**[INSERT USER NAME]**

**BY:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

Signature

**BTRC:** \_\_\_\_\_

**APPROVED AS TO FORM:**  
**MICHAEL N. FEUER, City Attorney**

**BY:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**STREFAN FAUBLE**

## Greek Theatre Ticketing Policy – 2017 Season

Per the User Agreement, promoters/producers (hereafter referred to as “Users”) retain the right to select a preferred ticketing company for any performance. Any selected ticketing company can request to make their system available for selection by the User provided they meet the following, but not limited requirements:

1. **Infrastructure and Equipment** - ticketing company shall incur all costs for the installation and utilization of their ticketing system including wiring/cabling, telecommunication jacks/ports, ticket sales computer terminals, ticket printers, ticket stock, access control (scanners, antennas), and storage of said items when not in use.
2. **Training** – ticketing company shall provide initial and ongoing training, at no cost, to the Greek Theatre box office staff for proper utilization of the system to service the USERS and the public.
3. **On-site support** – ticketing company shall provide technical and operational support during events upon reasonable request of the Greek Theatre Operator (“Operator”). Ticketing company will also maintain phone and e mail support.
4. **Agreement** - after executing a User Agreement, User must identify its preferred ticketing company from among the Greek Theatre’s existing providers and enter into a Ticketing agreement with Operator.
5. **Ticketing Operations** - Ticketing operations will be conducted by the Operator in accordance with the Ticketing Agreement and the User will receive all financial and informational benefits associated with that agreement.

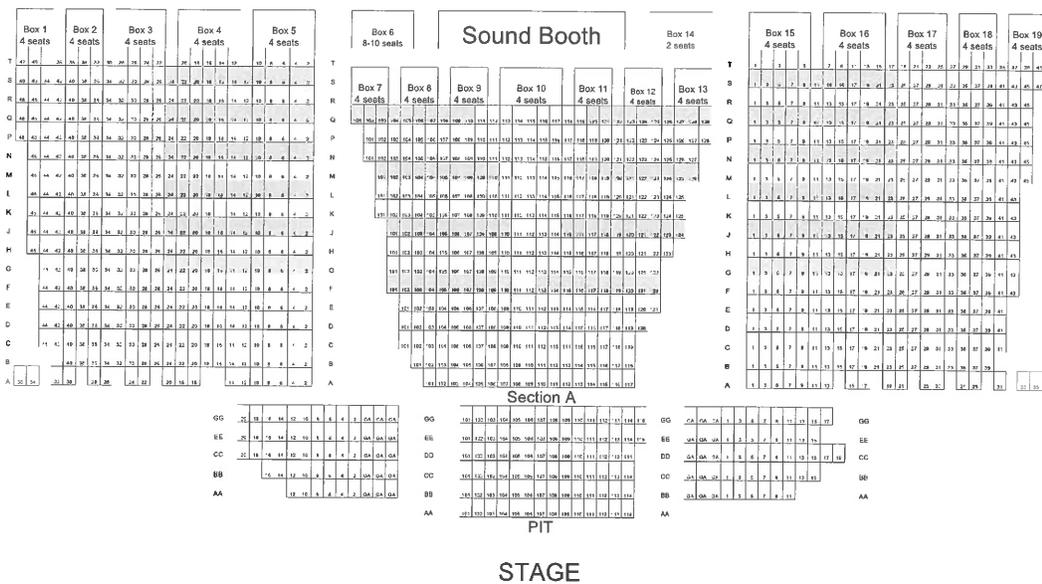
However, if the User already has an existing agreement of its own with the selected ticketing company, the USER shall not be required to execute a Ticketing Agreement, but shall receive the following benefits and required to provide:

- A. User shall be able to use their ticket convenience charge schedule.
- B. User will directly receive all ticket royalties in accordance with their agreement.
- C. User will receive ticket purchaser data and provide same to Operator.
- D. User will receive credit for the ticket sales volume of the event.
- E. User may request and will be granted advances on advance ticket sales (up to the amount in excess of estimated venue expenses). Said advances will be returned to Operator within twenty four (24) hours of any notice of a cancelled performance.

- F. User shall retain the right to to build their event, place holds, and otherwise manage the ticketing inventory, subject to compliance with the venues' stipulations below
6. **Stipulations** -Regardless of which ticketing agreement or ticketing company is used, the following venue ticketing stipulations will apply:
- A. Advance ticket sales monies will be sent by the ticketing company on a weekly basis to Operator.
  - B. A \$5.00 Facility Fee will be included in the sales price of every ticket sold, as per the USER agreement
  - C. No convenience or other service charge will apply to tickets purchased in advance of event day at the Greek Theatre box office.
  - D. Credit card fees from box office sales will be assessed to the buyer on the sale of each ticket
  - E. Operator shall determine the hours of operation of the Greek Theatre Box Office for public sales.
  - F. Operator shall manage and approve the on-sale schedule for all events, to coordinate the management of on-sale traffic and minimize conflicts between similar event types or genres.
  - G. Greek Theatre box seats shall not be included in the ticket manifest of the event, and Operator shall retain all revenues associated with the box seats.
  - H. Seating locations for the Greek Theatre Premium Seating Programs (200 seats) shall be placed on hold prior to any sales being conducted, and shall be held until the option is exercised or released, even if the USER is placing the holds and managing the inventory. Option to purchase tickets will expire prior to each show's general on-sale date for the public. These seats will be manifested and confirmation of holds must be provided to Operator before show goes on-sale. Please see venue Premium Seating map below.
  - I. User will set aside and provide Operator with Thirty (30) tickets for each event, at no charge to venue. The location of said venue comps shall be mutually agreed upon within 7 days after the on-sale.
  - J. Operator shall be permitted to place venue holds, for purchase, subsequent to show and premium program holds being placed and prior to public sale,

in quantities and locations comparable to industry standards for venue holds. Please see venue Premium Seating Program hold map attached.

- K. User shall also bear financial responsibility for any chargebacks related to the event.
- L. Operator shall have access to view and validate all ticket sales activity.
- M. Operator reserves the right to amend this ticketing policy at any time in its sole discretion.



**City of Los Angeles**  
**Department of Recreation and Parks**  
**General Booking Policy for the Greek Theatre**

## **RESERVATIONS**

Filling out and returning the venue rental application will ensure your reservation is placed in date receipt order on the master calendar of events and programs for the Greek Theatre ("Venue Calendar"). Venue rental applications can only be submitted by email at [booking@lagreektheatre.com](mailto:booking@lagreektheatre.com)

### **A. Reserving and Holding Dates on the Venue Calendar**

To place a hold on the Venue Calendar, an applicant must provide the headlining act name and date of performance to be placed in the first available hold position. Should an applicant wish to change the headlining act name, and there is (are) additional date holder(s) behind you, then the applicant's hold will be released and will be placed in the last hold position along with the new headlining act's name.

### **B. Challenge Policy**

An applicant in the first hold position cannot be challenged if the minimum rent deposit has been received (see rental rates below for appropriate minimum rent deposit amount). An applicant who has not paid the minimum rent deposit may be subject to the following challenge policy.

Prior to signing the User Agreement, any applicant behind the first hold position may issue a "challenge" to the first date holder's position. The challenger will be required to submit a certified check or a company check made payable to: SMG Greek Theatre, or electronically transfer funds to SMG Greek Theatre in the amount of Twenty-Five Thousand Dollars (\$25,000.00) for the challenge fee. The challenged holder may meet the "challenge" within forty-eight (48) business hours by providing a matching certified check or company check payable to: **SMG Greek Theatre** or electronically transfer funds to SMG Greek Theatre, in the amount of Twenty-Five Thousand Dollars (\$25,000.00) and executing the User Agreement. If the challenge is met, the challenger fee will be returned to the challenger. User Agreements may be submitted via email to the Greek Theatre General Manager or in person at the Greek Theatre Administrative Office Monday – Friday between the hours of 9am-5pm (excluding City of Los Angeles observed Holidays). Challenges delivered after these set hours (either in person or by email) will not start until the next business day.

Challenge starts once both deposit and signed User Agreement have been received.

If the challenged applicant fails to meet the challenge, the applicant's position will be immediately surrendered and the successful challenger will become the confirmed act. The challenge fee will be applied to the event (rent and incidental expenses) and is not

**City of Los Angeles  
Department of Recreation and Parks  
General Booking Policy for the Greek Theatre**

refundable nor is it transferable to any other event or date. Contracted dates with appropriate fees paid cannot be challenged.

*Please note: The act associated with this challenge MUST be the headliner on this date. Should the act not become the headliner, the date may be lost.*

### **MULTIPLE DATE PERFORMANCES**

Users may reserve multiple days on the calendar for one artist by providing a deposit of Twenty-Five Thousand Dollars (\$25,000.00) per performance day. Once desired dates are confirmed, User may elect to put one event day on-sale to the general public to determine consumer ticket demand. If after a period of 10 days from initial event on-sale date, User determines that additional dates for artist are no longer necessary, the additional dates will be returned to the Greek booking calendar for other Users to access. The deposit of \$25,000.00 for the released date(s) may be applied to another date in same calendar year for User.

### **RENT/DEPOSITS AND FEES**

To issue a User Agreement, the advance or minimum rent is due. All funds must be paid by a certified check or a company made payable to: SMG Greek Theatre or electronically transferred to SMG Greek Theatre. *Please Note: Multiple Dates require the minimum rent per day.*

Venue Capacity	Commercial Rental Rate (Those events promoted and/or sponsored by a commercial group organization)			Community Rental Rate (Those events which are promoted and/or sponsored by a Civic, Educational, Religious or Charitable group registered as a non-profit 501c3 status)			Load-In/Out Rate
	Admission Charged Minimum	No Admission Charged %	No Admission Charged Minimum	Admission Charged Minimum	No Admission Charged %	No Admission Charged Minimum	
5,901	\$25,000	11%	\$35,000	\$7,500	8%	\$5,000	\$2,500
	Rental fee is Gross Ticket Receipts (less applicable taxes and facility fee)						

### **CANCELLATION**

If the promoter or artist wishes to cancel a contracted event, the advance deposit is forfeited and will not be returned to the promoter. In addition the promoter will be responsible for any venue incurred costs associated with the cancelled event.

**City of Los Angeles  
Department of Recreation and Parks  
General Booking Policy for the Greek Theatre**

## **SELECTED VENUE RULES AND REGULATIONS**

User is responsible for all event related labor expenses as defined in the User Agreement. Event Load-in shall not occur prior to 7:00 AM. Performances must end no later than 10:30 PM, unless prior written permission has been granted by SMG but in no case shall a performance extend past 11:00 PM. Events whose duration time exceed three and one half hours from the scheduled event time as indicated on ticket will be subject to additional expenses. See User Agreement for fees. SMG reserves the right to cut power to any performance past 11:00 PM. Should the performance for whatever reason fail to end at the agreed upon ending time, a penalty of One Thousand Dollars (\$1,000.00) per minute for the first five (5) minutes past the ending time will be assessed. A penalty of Five Thousand Dollars (\$5,000.00) per minute will be assessed thereafter.

## **INSURANCE**

Insurance is required. Instructions and Information on Complying with City Insurance Requirements, Exhibit B, is provided for your insurance agent or broker's use. The City of Los Angeles requires specific language for the policy, a copy will be provided in the User Agreement at the time of contracting.

## **TICKETING**

Event on-sales must be communicated to SMG prior to events being announced or tickets going on sale to the general public. Information provided to SMG must include ticket prices, ticket purchase link and any age restrictions. Ticket sales must not take place before the advance deposit is received and the User Agreement has been executed. See Greek Theatre Ticketing Policy, Exhibit A of the User Agreement.

## **ADVERTISING**

Advertising must not take place before the advance deposit is received and the User Agreement has been executed. The Greek Theatre logo must be included in all marketing efforts utilized by User to promote their event. USER shall use the Greek Theatre logo in all advertising controlled by or done on behalf of USER relating to an Event, including, but not limited to, television, internet, newspaper, magazine, and outdoor advertising. USER's right to use the Greek Theatre Logo shall be limited to the specific, express purpose set forth in the foregoing sentence and/or as otherwise authorized by SMG in writing prior to the use thereof. In connection with USER's use of the Greek Theatre Logo as permitted in this section, USER shall use only the form of the Greek Theatre as provided by SMG to USER in any artwork or other depiction thereof.

**City of Los Angeles  
Department of Recreation and Parks  
General Booking Policy for the Greek Theatre**

**SPONSORSHIP/HOSPITALITY**

Greek Theatre management retains the right to display logos, branding, slides, and/or videos of their sponsor partners throughout the venue and on any video screens prior to performances, during intermission and after performances.

On-site exposure and activation of artists/tour sponsors and/or USER sponsors must be presented to Greek Theatre management for approval, and any expense of said activations shall be borne by USER or the applicable sponsor. This approval includes, but is not limited to, placement of signage, location and size of activation spaces, inflatables, product displays, sampling, or giveaways, etc. Onsite activation and/or signage, sampling, giveaways are not permitted inside the seating area of the Greek Theatre. In no event shall approval of said sponsors infringe upon, diminish, or violate the rights and entitlements of Greek Theatre sponsors in at the venue, including all hospitality areas, including, but not limited to The Redwood Deck and its adjacent hospitality room, or any other designated-hospitality areas for which access is permitted and controlled by Greek Theatre management. USERS may request access to these spaces for their guests. Requests may be granted based on availability, and USER may be charged a per person access fees for each access granted.

USERS are permitted use of the under stage catering rooms and dressing rooms for the hospitality of their sponsors, VIPs, and guests. USERS are permitted to provide their own catering for these spaces, or may select the Greek Theatre Concessionaire for their catering needs. Any and all alcohol provided by USER or any caterer other than the Greek Theatre Concessionaire will not be permitted to leave the aforementioned spaces in this paragraph.

**2017 EVENT VOLUME INCENTIVE PROGRAM**

The Greek Theatre (Venue) appreciates the continued programming support of our Venue. In an effort to incentivize and encourage a robust and diverse set of seasonal event bookings, the Venue will provide a rebate to promoters based on the parameters listed below:

1. **Qualifications:** A promoter or event organizer must bring a minimum of twenty (20) events to the Venue in the qualifying period to be eligible to receive a rebate(s). In the event of a co-promotional event, a qualified rebate will be paid only to the promoter or show organizers listed on the User Agreement.
2. **Payment terms:** Rebates will accrue starting with the first event in the qualifying period, but will not be earned and payable until the twentieth event occurs during the period. The accrued amount for the first twenty events will be calculated at the conclusion of the twentieth event, and all rebates which will be paid thirty ( 30) days after the conclusion of the season.

3.

**Rules:**

- A. The volume incentive is based on attendance figures per show and incorporates both paid and complimentary tickets. For each scanned, paid ticket a rebate of \$1.25 per ticket will be applied and .50 for each scanned complimentary ticket.
- B. The volume incentive program only applies to commercial events and is not applicable to events booked under the Community Rental Rates.
- C. All other rental terms as defined by the Venue apply including the terms in the standard User Agreement.
- D. This is the only form of commercial incentive program recognized by the Venue. The Venue will review the incentive program requirements on an annual basis and retains the right to modify the incentive program at any time, subject to rights under an existing contract.

**Examples:**

EVENT VOLUME INCENTIVE EXAMPLES	PRESENTED CONCERTS	PAID ATTENDANCE	PAID ATTENDANCE \$1,25 REBATE	COMP ATTENDANCE	COMP ATTENDANCE .50 REBATE	TOTAL INCENTIVE
PROMOTER	21	88,200	\$110,250.00	10,500	\$5,250.00	\$115,500.00
PROMOTER	34	142,800	\$178,500.00	17,000	\$8,500.00	\$187,000.00

**BOARD REPORT**

**NO.** 16-199

**DATE** September 21, 2016

**C.D.** 13

**BOARD OF RECREATION AND PARK COMMISSIONERS**

**SUBJECT:** HOLLYWOOD RECREATION CENTER – POOL AND POOL BUILDING (PRJ1402B) (W.O. #E170344F) PROJECT – RELEASE OF STOP NOTICE ON CONSTRUCTION CONTRACT NO. 3454

<i>for</i> AP Diaz _____	V. Israel _____
R. Barajas <u>CSD</u> _____	K. Regan _____
H. Fujita _____	N. Williams _____

  
 \_\_\_\_\_  
 General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATION

Accept the following Release of Stop Payment Notice.

RELEASE OF STOP PAYMENT NOTICE

The Department of Recreation and Parks (RAP) is in receipt of a Release of Stop Payment Notice filed by the claimant below, which releases the Board from any and all liability for withholding funds from the general contractor or the surety:

<u>Contract 3454</u>	CD 13		
Hollywood Recreation Center – Pool and Pool Building (PRJ1402B) (W.O. #E170344F)	General Contractor:	Morillo Construction, Inc.	
Project Status: 100% complete	Claimant:	Whitewater West Industries, Ltd.	
Project Impact: none	Amount:	\$10,661.30	

FISCAL IMPACT STATEMENT

There is no fiscal impact to the RAP's General Fund, as funds have already been appropriated for this purpose.

BOARD REPORT

PG. 2 NO. 16-199

This Report was prepared Iris Davis, Commission Executive Assistant I.

LIST OF ATTACHMENT(S)

- 1) Release of Stop Payment Notice

**RELEASE OF STOP PAYMENT NOTICE**BOARD OF RECREATION  
AND PARK COMMISSIONERS

2016 AUG 12 AM 8:52

To: City of Los Angeles  
 Attn: Dept. of Recreation & Parks  
 350 South Grand Avenue  
 Los Angeles, CA 90071

You are hereby notified that the undersigned claimant releases that certain Stop Payment Notice dated March 15, 2016, in the amount of \$10,661.30 against City of Los Angeles, Attn: Dept. of Recreation & Parks, 350 South Grand Avenue, Los Angeles, CA 90071 as owner or public body and Morillo Construction, Inc., 227 North Holliston Avenue, Pasadena, CA 91106 as direct contractor in connection with the work of improvement known as: Hollywood Recreation Center, Pool & Pool Building, 1122 North Cole Avenue, Hollywood, CA in the County of Los Angeles, State of California.

Dated: August 4, 2016

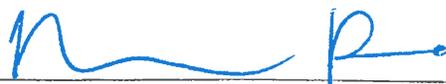
Name of Claimant:  
 Whitewater West Industries, Ltd. c/o  
 Emalfarb, Swan & Bain

By   
 Naomi Pele / Authorized Agent

**VERIFICATION**

I, the undersigned, say: I am the Authorized Agent of the claimant of the foregoing Release of Stop Payment Notice; I have read said Release of Stop Payment Notice and know the contents thereof: the same is true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.  
 Executed on August 4, 2016, at San Diego, California.



**BOARD REPORT**

NO. 16-200

DATE September 21, 2016

C.D. 9

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: SOUTH PARK RECREATION CENTER – NORTHWEST SYNTHETIC SOCCER FIELD IMPROVEMENT (PRJ20812) (W.O #E1907808) PROJECT – ACCEPTANCE OF STOP PAYMENT NOTICE ON CONSTRUCTION CONTRACT NO. 3468

<i>for</i> AP Diaz _____	V. Israel _____
*R. Barajas <u>CSD</u> _____	K. Regan _____
H. Fujita _____	N. Williams _____

*Nut [Signature]*  
 \_\_\_\_\_  
 General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATION

Direct Department of Recreation and Parks (RAP) staff to withhold the amounts claimed in the following Stop Payment Notice, plus an additional sum equal to 25% thereof, to defray any costs of litigation in the event of court action, if said amount of said funds are available, and to notify contractors, sureties, and other interested parties that the amount of said claims plus 25% will be withheld.

STOP PAYMENT NOTICE

RAP is in receipt of a legal notice to withhold construction funds, pursuant to California Civil Code Sections 8044, 9100, and 9350 on the following contract:

Contract 3468      CD 9

South Park Recreation Center – Northwest Synthetic Soccer Field Improvement (W.O # E1907808) (PRJ20812) Project  
Project Status: Complete

General Contractor: California Landscape & Design

Claimant: Builders Fence Company, Inc.

Project Impact: none

Amount: \$3,826.16

FISCAL IMPACT STATEMENT

Acceptance of Stop Payment Notices has no impact on the RAP's General Fund.

BOARD REPORT

PG. 2 NO. 16-200

This Report was prepared by Iris Davis, Commission Executive Assistant I.

LIST OF ATTACHMENT(S)

- 1) Acceptance of Stop Payment Notice

STOP PAYMENT NOTICE - PUBLIC WORKS  
LEGAL NOTICE TO WITHHOLD CONSTRUCTION FUNDS

(California Civil Code §§ 8044, 9350 et seq.)

TO: CONSTRUCTION LENDER  
(see California Civil Code § 8006)  
Department of Public Works  
Bureau of Engineering  
1149 S Broadway Ste 700  
Los Angeles, CA 90015-2237

TO: PUBLIC ENTITY  
(see California Civil Code §§ 8036)  
City of Los Angeles  
Department of Recreation & Parks  
Po Box 86328  
Los Angeles, CA 90086-0328

TO: DIRECT CONTRACTOR  
(see California Civil Code § 8018)  
California Landscape & Design  
273 N Benson Ave  
Upland, CA 91786-5614

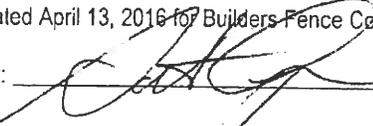
FROM: STOP PAYMENT NOTICE CLAIMANT  
Builders Fence Company, Inc.  
P.O. Box 125  
Sun Valley, CA 91352

BOARD OF RECREATION  
AND PARKS COMMISSIONER  
2016 APR 19 AM 10:28

Please take notice that Builders Fence Company, Inc., P.O. Box 125, Sun Valley, CA 91352, Phone: (818) 768-5500, Fax: (818) 768-9454 has furnished or has agreed to furnish the following kind of materials, labor, services or equipment: Fencing Materials. The person to or for whom the same was done or furnished is: Quality Fence Company, 14929 Garfield Ave, Paramount, CA 90723-3414, Phone: (323) 858-8585, Fax: (562) 869-7804, which was performed in connection with the public work of improvement commonly known as the S. Park Rec /14453, 345 E 51st St, Los Angeles, CA 90011-4503 in the County of Los Angeles. The Public Entity of the above-described work of improvement is City of Los Angeles, Department of Recreation & Parks, Po Box 86328, Los Angeles, CA 90086-0328. The value of all labor, services, equipment and materials already done or furnished by Claimant is \$47,758.54. The value of all labor, services, equipment and materials agreed to be done or furnished by Claimant is \$47,758.54. The Claimant has been paid the sum of \$43,632.38 and there remains due and unpaid the sum of \$3,826.16 plus service charges or interest thereon at the rate of 1.50% per annum.

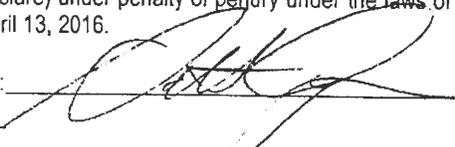
UNDER CALIFORNIA CIVIL CODE § 9358 YOU ARE REQUIRED TO SET ASIDE SUFFICIENT FUNDS TO SATISFY THIS CLAIM WITH INTEREST, COURT COSTS AND REASONABLE COSTS OF LITIGATION, AS PROVIDED BY LAW. YOU ARE ALSO NOTIFIED THAT CLAIMANT CLAIMS AN EQUITABLE LIEN AGAINST ANY CONSTRUCTION FUNDS FOR THIS PROJECT WHICH ARE IN YOUR HANDS.

Dated April 13, 2016 for Builders Fence Company, Inc., P.O. Box 125, Sun Valley, CA 91352, Phone: (818) 768-5500, Fax: (818) 768-9454.

By:  Salvator Campisi, Credit Manager

VERIFICATION

I, the undersigned state, I am the Credit Manager of the claimant named in the foregoing Stop Payment Notice - Public Works; I have read said claim of Stop Payment Notice - Public Works and know the contents thereof; and certify that the same is true of my own knowledge. I certify (or declare) under penalty of perjury under the laws of the State Of California that the foregoing is true and correct. Executed at Sun Valley, CA on April 13, 2016.

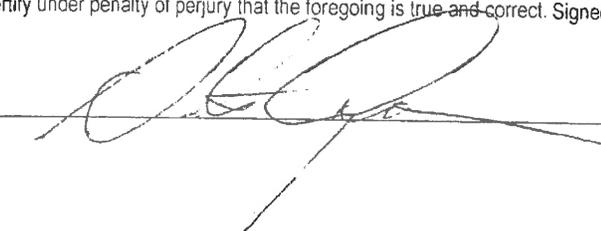
By:  Salvator Campisi, Credit Manager

PROOF OF SERVICE DECLARATION  
(CALIFORNIA CIVIL CODE § 8100-8118)

I, , declare that I served copies of the above STOP PAYMENT NOTICE - PUBLIC WORKS, (check appropriate box):

- By personally delivering copies to \_\_\_\_\_ (names(s) and title(s) of person served) at \_\_\_\_\_ (address), on \_\_\_\_\_ (date), at \_\_\_\_\_ (time).
- By Registered or Certified Mail, Express Mail or Overnight Delivery by an express service carrier, addressed to each of the parties at the address shown above on April 13, 2016.
- By leaving the notice and mailing a copy in the manner provided in § 415.20 of the California Code of Civil Procedure for service of Summons and Complaint in a Civil Action.

I certify under penalty of perjury that the foregoing is true and correct. Signed at SUN VALLEY, CA on April 13, 2016.

By: 

**BOARD REPORT**

NO. 16-201

DATE September 21, 2016

C.D. 3

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: WOODLAND HILLS RECREATION CENTER – PARK RENOVATIONS  
(W.O. #E1907454) – ACCEPTANCE OF STOP PAYMENT NOTICE ON  
CONSTRUCTION CONTRACT NO. 3515

AP Diaz _____	V. Israel _____
<i>for</i> *R. Barajas <u>CSD</u> _____	K. Regan _____
H. Fujita _____	N. Williams _____

  
 \_\_\_\_\_  
 General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATION

Direct Department of Recreation and Parks (RAP) staff to withhold the amounts claimed in the following Stop Payment Notice, plus an additional sum equal to 25% thereof, to defray any costs of litigation in the event of court action, if said amount of said funds are available, and to notify contractors, sureties, and other interested parties that the amount of said claims plus 25% will be withheld.

STOP PAYMENT NOTICE

RAP is in receipt of a legal notice to withhold construction funds, pursuant to California Civil Code Sections 9350-9510 on the following contract:

Contract 3515      CD 3

Woodland Hills Recreation Center – Park  
Renovations (W.O. #E1907454)  
Project Status: 69% Complete

General Contractor:	Royal Construction Corporation
Claimant:	Thompson Construction Supply Door & Frame
Amount:	\$17,133.29

Project Impact: none

FISCAL IMPACT STATEMENT

Acceptance of Stop Payment Notices has no impact on the RAP's General Fund.

This Report was prepared by Iris Davis, Commission Executive Assistant I.

BOARD REPORT

PG. 2 NO. 16-201

LIST OF ATTACHMENT(S)

- 1) Release of Stop Payment Notice

3515

# Stop Payment Notice

CALIFORNIA CIVIL CODE SECTION 8044

BOARD OF RECREATION AND PARK COMMISSIONER

NOTICE TO: City of Los Angeles / Department of Recreation and Parks

(If Private Job- File with responsible officer or person at office or branch of construction lender administering the construction funds or with the owner - CIVIL CODE SECTIONS 8500 - 8560)

(If Public Job - file with office of controller, auditor, or other public disbursing officer whose duty it is to make payments under provisions of the contract -CIVIL CODE SECTIONS 9350 - 9510)

Prime Contractor: Royal Construction Corporation

Sub Contractor: (If Any): Diamond Construction

Owner or Public Body: City of Los Angeles / Department of Recreation and Parks

Improvement known as Woodland Hills Recreation Center - 5858 Shoup Avenue, Woodland Hills CA 91367-4537

County of Los Angeles, State of California.

Thompson Construction Supply Door & Frame

Claimant, a Material supplier

furnished certain labor, service, equipment or materials used in the above described work of improvement. The name of the person or company by whom claimant was employed or to whom claimant furnished labor, service, equipment, or materials is Diamond Construction

The kind of labor, service, equipment, or materials furnished or agreed to be furnished by claimant was:

CDS Unit

Total value of labor, service, equipment, or materials agreed to be furnished.....	\$ 20,000.00
Total value of labor, service, equipment, or materials actually furnished is.....	\$ 17,133.29
Credit for materials returned, if any.....	\$ 0.00
Amount paid on account, if any.....	\$ 0.00
Amount due after deducting all just credits and offsets.....	\$ 17,133.29

YOU ARE HEREBY NOTIFIED to withhold sufficient monies held by you on the above described project to satisfy claimant's demand in the amount of \$ 17,133.29 and in addition thereto sums sufficient to cover interest, court costs and reasonable costs of litigation, as provided by law.

A bond (CIVIL CODE SECTION 8532) #SU1127227 attached. (Bond required with Stop Payment Notice served on construction lender on private jobs - bond not required on public jobs or on Stop Payment Notice served on owner on private jobs).

Date: May 16, 2016

Name of Claimant: Thompson Construction Supply Door & Frame

By: [Signature], Credit Manager

### VERIFICATION

I, the undersigned, state: I am the Credit Manager of the claimant named in the foregoing Stop Payment Notice; I have read said claim of Stop Payment Notice and know the contents thereof, and I certify that the same is true of my own knowledge. I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on May 16, 2016, at Corona, State of California.

[Signature]

### REQUEST FOR NOTICE OF ELECTION

(Private Works Only)

If an election is made not to withhold funds pursuant to this Stop Payment Notice by reason of a payment bond having been recorded in accordance with Sections 8600, 8536 or 8542, please send notice of such election and a copy of the bond within 30 days of such election in the enclosed preaddressed stamped envelope to the address of the claimant shown above. This information must be provided by you under Civil Code Sections 8538.

Signed: \_\_\_\_\_

**BOARD REPORT**

NO. 16-202

DATE September 21, 2016

C.D. 1

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: LINCOLN HEIGHTS RECREATION CENTER – MURAL RESTORATION;  
EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT  
(CEQA) PURSUANT TO ARTICLE VII, SECTION 1, CLASS 1 (1) OF THE CITY  
CEQA GUIDELINES

<i>Jos</i> AP Diaz _____	V. Israel _____
R. Barajas <i>LSD</i> _____	K. Regan _____
H. Fujita _____	N. Williams _____

*[Signature]*  
 \_\_\_\_\_  
 General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATION

1. Approve the reinstallation of a previously existing mural at Lincoln Heights Recreation Center;
2. Find the subject project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1 (1) of the City CEQA Guidelines;
3. Direct Staff to file the Notice of Exemption (NOE) within five working days of approval;
4. Direct the Chief Financial Officer to authorize a check to the Los Angeles County Clerk in the amount of \$75 for filing the NOE; and,
5. Authorize the Department of Recreation and Parks (RAP) to issue the appropriate Right of Entry permit.

SUMMARY

Lincoln Heights Recreation Center is a 2.88 acre park located at 2303 North Workman Street in the Northeast Los Angeles community. Lincoln Heights Recreation Center features an auditorium, basketball courts (both indoor and outdoor), children’s play area and an indoor gym. This facility serves the surrounding community by providing a variety of youth sports and arts activities as well as after school clubs, summer camps, and educational programs such as tutoring and computer use.

## BOARD REPORT

PG. 2 NO. 16-202

The Department of Recreation and Parks (RAP) has received a request from Councilmember Gilbert Cedillo's Office, First Council District (Council District 1), processed through the Department of Cultural Affairs (DCA), to restore a previously existing mural at Lincoln Heights Recreation Center. DCA is collaborating with the Council Office and has allocated Twenty-Four Thousand Dollars (\$24,000.00) to restore the mural titled, "¡Trucha! Vital Decision Ahead."

In 1988, East Los Streetscapers was selected to paint the "¡Trucha! Vital Decision Ahead" mural on the exterior wall of the Lincoln Heights Recreation Center for the filming of a television afterschool special. Though originally intended as a temporary installation, the mural remained in place until 2013 when it was painted over without advance notice to the artists. The mural had suffered vandalism while in place, prompting its removal; however, Council District 1 Office seeks to have the mural restored to its original condition (Project). DCA has contracted with the original artist, Wayne Healy, to restore the mural in place and has identified funds that can be utilized for this restoration.

The mural deals thematically with the positive and negative forces that influence youth decision-making. The mural originally contained the element of a syringe wielding skeleton that would not be in keeping with RAP's current policy on public art in parks. The artist has expressed willingness to modify this portion of the mural, as necessary, in order to comply with RAP's current policies. Photographs of the original mural and current conditions at the Recreation Center are attached hereto as Exhibit A.

The proposal to restore this mural was presented to the Facilities Repair and Maintenance Commission Task Force on April 6, 2016, at which time the Project was given conceptual approval to be followed by the appropriate public outreach. The Project was then presented to the Lincoln Height Recreation Center Park Advisory Board (PAB) on June 14, 2016. The PAB unanimously recommended approval of the project provided that the mural be reinstalled without the inclusion of the syringe. All other elements of the mural were deemed by the PAB to be appropriate for installation at the park. The artist has agreed to this specific modification to the original work.

The artist has declined to sign the standard Waiver of Proprietary Rights for Artwork Placed upon City Property, however the artist has entered into a contractual agreement with DCA which protects the City from copyright infringement liability. Removal of the restored mural is subject to the provisions of Federal and State law that require notice to artists prior to physical defacement, mutilation, alteration or destruction of works of fine art (17 U.S. Code 106A; California Civil Code section 987).

Council District 1 and Metro Region management and staff support this project at Lincoln Heights Recreation Center.

### ENVIRONMENTAL IMPACT STATEMENT

The Project consists of minor modifications and alterations through the creation of a mural on the exterior of an existing public structure involving negligible or no expansion of use beyond that previously existing. Therefore, Staff recommends that the Board make a determination that the

## BOARD REPORT

PG. 3 NO. 16-202

proposed Project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant Article III, Section 1, Class 1(1) of the CEQA Guidelines. A Notice of Exemption will be filed with the Los Angeles County Clerk within five working days upon approval.

### FISCAL IMPACT STATEMENT

There will be minimal fiscal impact to RAP as the cost of the mural installation is being funded by the Department of Cultural Affairs. RAP will be responsible for maintenance of the mural as it is being installed with public funds.

This Report was prepared by Melinda Gejer, City Planning Associate, Planning, Construction and Maintenance Branch.

### LIST OF ATTACHMENTS

- 1) Exhibit A – Photographs of Original Mural and Current Conditions

Previously Existing Mural at Lincoln Heights Recreation



Current condition at Lincoln Heights Recreation Center



Lincoln Heights Recreation Center – Mural Restoration

**BOARD REPORT**

NO. 16-203

DATE September 21, 2016

C.D. 13

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: HOLLYWOOD RECREATION CENTER – INSTALLATION OF TILE MURAL;  
EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT  
(CEQA), PURSUANT TO ARTICLE III, SECTION 1, CLASS 11 (6), OF THE CITY  
CEQA GUIDELINES

<i>for</i> AP Diaz _____	V. Israel _____
*R. Barajas <i>CSD</i> _____	K. Regan _____
H. Fujita _____	N. Williams _____

  
\_\_\_\_\_  
General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATIONS

1. Grant approval for the installation of a tile mural within Hollywood Recreation Center;
2. Find the subject project is exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Article III, Section 1, Class 11 (6), of the City CEQA Guidelines;
3. Direct Department of Recreation and Parks' (RAP) Staff to file the Notice of Exemption (NOE) within five working days of approval;
4. Direct RAP's Chief Accounting Employee to authorize a check to the Los Angeles County Clerk in the amount of Seventy-Five Dollars (\$75.00) for filing the NOE; and,
5. Authorize RAP staff to issue the appropriate Right-of-Entry Permit.

SUMMARY

Hollywood Recreation Center is a 3.12 acre park approximately located in the Hollywood community at 1122 North Cole Avenue. This park contains a recreation center, multi-purpose sports field, children's play area and a pool.

## BOARD REPORT

PG. 2 NO. 16-203

On March 20, 2013, the Board of Recreation and Parks Commissioners (Board) approved the final plans and specifications for the Hollywood Recreation Center: Pool and Pool Building (PRJ1402B) (W.O. #E170344F) Project (Project) (Report No. 13-069). This Proposition K Project scope includes instructions to 'construct wall surface area and coordinate with the City Contract Artist who will install artwork/mural.

The City, through its Percent-for-Art Policy, mandates that all public works capital improvement projects undertaken by the City must allocate funding, in an amount equal to one-percent (1%) of total construction project costs for the purposes of creating public art projects in compliance with the City's Public Works Improvements Arts Program, implemented, and administered by the Department of Cultural Affairs. The construction of the new pool building, being funded by Proposition K funds, therefore has funds set aside for the installation of an art component as part of the overall Project scope.

The Public Art component (mural) for this Project is also described briefly in Report No. 16-126 through which the Board gave final acceptance of the Hollywood Recreation Center Pool and Pool Building Project. The Report states, in part, that the mural portion of the project has been deferred "until the Department of Cultural Affairs and Department of Recreation and Parks (RAP) resolves the agreement with the artist.

The mural portion of the Project is now ready to proceed. The mural uses various types, sizes, textures and colors of ceramic tiles to build a floral design. The mural design will be presented to the Board for approval. The contractor has constructed a wall surface area of 25 feet by 9 feet to receive the artwork. This area is temporarily protected with a water resistant coating to permit later installation of the mural."

The title of the public art work, by Ms. Laura Hull, is "Holly-Wood-Pool." The 189 square foot mural is constructed of 8" x 8" photo-glazed ceramic tiles, bordered with a stainless steel edge. The design consists of a pattern of "holly" flowers floating above a "wood" grain background with strips of pool water at the top and bottom. The design combines conventional photos of water and wood, juxtaposed against digitally-manipulated photographed flowers, combining the past and present through the use of analog and digital imagery. Imbedded in the holly flowers are images of a variety of insects, animals and reptiles all native to the area. See attached Exhibit A for mural renderings.

The artist, Ms. Hull, is contractually required to provide the Department of Cultural Affairs and RAP with a Maintenance Manual for the artwork. The artist will apply an anti-graffiti coating to the tile mural for added protection. The City is responsible for the long-term care and maintenance of the public artwork created through the Public Works Improvements Arts Program. The Department of Cultural Affairs, as the applicant, has submitted the Artist Waiver for Murals, Plaques and Public Art which allows for the relocation and/or removal of the artwork if deemed necessary. The Waiver, included with the application in its entirety, is attached hereto as Exhibit B

## BOARD REPORT

PG. 3 NO. 16-203

This mural proposal was presented to the Facility Repair and Maintenance Commission Task Force (Task Force) at the regularly scheduled meeting on July 13, 2016. At that meeting, the Task Force reviewed the proposal and recommended that the Project be forwarded to the full Board for review and approval, and that a brief expository plaque be included with the mural installation. Should project funds be sufficient to include the manufacture and installation of a plaque, the plaque will follow RAP standards in materials and dimensions with the text limited to the following information:

Title:	Holly-Wood-Pool
Artist:	Laura Hull
Installation Date:	2016
Description:	This design consists of a pattern of "holly" flowers floating above a "wood" grain background with strips of pool water at the top and bottom.

### ENVIRONMENTAL IMPACT STATEMENT

The subject Project is exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Article III, Section 1, Class 11 (6), of the City CEQA Guidelines.

RAP management and staff have no objection to this project at Hollywood Recreation Center Pool

### FISCAL IMPACT STATEMENT

Installation of the mural should have no impact on RAP's General Fund as the cost of the mural has been accounted for through the Proposition K program, though ongoing maintenance of the mural is the responsibility of RAP.

This Report was prepared by Melinda Gejer, City Planning Associate, Planning, Construction and Maintenance Branch.

### LIST OF ATTACHMENTS/EXHIBITS

- 1) Board Report No. 16-126
- 2) Exhibit A – Mural Renderings
- 3) Exhibit B – Public Artwork, Murals and Plaques Application



## BOARD REPORT

PG 2 NO. 16-126

The Project replaced the existing old pool facility at the Hollywood Recreation Center, which was demolished under a separate contract to prepare for the new construction. A new 9,600 square-foot pool with integrated splash area, pool deck, Americans with Disabilities Act (ADA) compliant access ramp and railing, waterslide, diving stand, and covered spectator areas was built, as well as a new pool building with shower facilities, a life guard training room, a family changing room, a pool equipment room, and a storm water surge tank. Also, new irrigation, landscaping, and perimeter fencing with a gate was installed. The new facility provides the Department of Recreation and Parks' (RAP) the flexibility to operate the pool and pool building year-around.

Plans for the Project were prepared by Frank R. Webb Architects, Inc. under the direction of the Department of Public Works, Bureau of Engineering (BOE), Recreational and Cultural Facilities Division (RCFD). BOE, Construction Management Division (CMD), completed the construction management of the Project.

BOE has informed RAP that the Project is complete and that the contractor has furnished the required permits, drawings, operation and maintenance manuals, warranties and guarantees. The Statement of Completion (SOC) was issued by the Department of Public Works, Bureau of Contract Administration on January 11, 2016.

During the course of construction, ninety-five (95) change orders were issued in the total amount of One Million, Two Hundred Eighty-Four Thousand, Two Hundred Eighty-Five Dollars (\$1,284,285.00) or twenty-four point seven percent (24.7%) of the base contract amount. The list of change orders is included as Attachment 1 of this Report for reference. Over fifty percent (50%) of the change orders were attributed to unforeseen conditions.

When construction was first started, it was revealed that the deterioration of the existing structures was worse than expected. Therefore, some of the structures originally intended to be repaired or restored could not be salvaged for re-use, such as the retaining walls and fence posts along Lexington Avenue and North Cahuenga Boulevard and these structures were replaced with new structures to support the new perimeter fencing. Secondly, the Los Angeles Department of Water and Power (LADWP) mandated a larger power conduit for the new pool and bathhouse than was planned. In addition, a work backlog from LADWP resulted in an extended use of temporary power by the contractor to keep the existing gymnasium active while LADWP replaced the outdated power switch gear. This accounts for majority of the cumulative time impact (delays), which were compensable time extensions since the delay was caused by the City.

Furthermore, there were RAP requested change orders, which accounted for approximately twelve percent (12%) of the change orders. These change orders included adding security measures (video camera, alarm, doors and cashier's counter wire mesh), and a new ADA drinking fountain for the park.

Finally, the remaining change order costs were due to Errors and Omissions on the construction documents.

## BOARD REPORT

PG 3 NO. 16-126

The final construction contract amount, including change orders, is Six Million, Four Hundred Eighty Thousand, Two Hundred Eighty-Five Dollars (\$6,480,285.00). Although the amount of the change orders appears relatively high, the overall construction cost of the Project is very close to the City Engineer's original Class A estimate of Six Million, Three Hundred Thousand Dollars (\$6,300,000.00).

RAP staff consulted with the Office of Contract Compliance concerning the status of the labor compliance requirements and Affirmative Action requirements on the project. There are no outstanding wage violations and labor compliance issues with the work completed by Morillo Construction, Inc. in this contract.

### MURAL/ARTWORK

The Public Art component (mural) for this Project has been deferred until the Department of Cultural Affairs and RAP resolves the agreement with the artist. The mural uses various types, sizes, textures and colors of ceramic tiles to build a floral design. The mural design will be presented to the Board for approval. The contractor has constructed a wall surface area of 25 feet by 9 feet to receive the art work. This area is temporarily protected with a water resistant coating to permit later installation of the mural.

### TREES AND SHADE

As part of the Project, three shade structures were installed in the spectator areas and three Palm trees were planted at the entrance of the pool building, along with drought tolerant plants such as Agave and Senecio. In addition, three Canary Island Pine trees were added to replace one existing tree that had to be removed in order to construct the pool building foundation.

### FISCAL IMPACT STATEMENT

There is no immediate fiscal impact to the RAP's General Fund as this pool is a replacement and all the costs have been calculated in previous years.

This Report was prepared by Shashi Bhakta, Project Managers, Recreational and Cultural Facilities Division, Bureau of Engineering (BOE). Reviewed by Neil Drucker, Program Manager, Recreational and Cultural Facilities Division, BOE; Deborah Weintraub, Chief Deputy City Engineer, BOE; and Cathie Santo Domingo, Superintendent of Planning, Construction and Maintenance Branch.

### LIST OF ATTACHMENTS

- 1) List of Change Orders

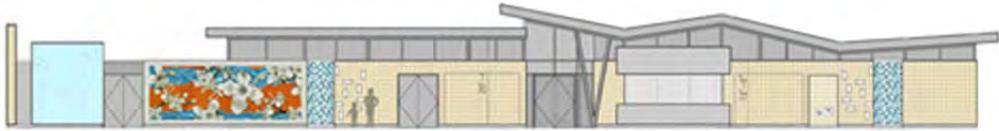
**CO & CO Request Log: Hollywood Recreation Center - Pool and Pool Bldg**  
**W.O. No: E170344F**

CO No	DESCRIPTIONS	Apprvd Amount	Apprvd Date	Change Order Status	C.O. Type	Apv'd Comp Cal Days	Apv'd Non Comp Cal Days	REMARKS
001	Door Changes Bulletin #2	\$14,728.00	5/1/14	Executed	S	0	0	Reissue PCO 1 per Bulletin #2; RFI 50, 76, 110, 114, 116; Converted to ECO 1 3/19; Morillo returned signed copy 7/11
002	Grading and Haul Out of Excess Soil at Southwest Site	\$60,578.00	12/13/13	Executed	U	0	0	ECO, RFI 42; Time Separate
003	Permits and Plan Check Fees	\$23,778.00	11/5/13	Executed	S	0	0	
004	Utility Survey at South Grass Area	\$4,054.00	12/6/13	Executed	S	0	0	RFI 39
006	Trim Bars for Surge Pit Access Hatch	\$438.00	12/17/13	Executed	E	0	0	RFI 3
007	Additional Cost for Surge Pit Stilling Chamber Wall	\$3,433.00	12/17/13	Executed	E	0	0	RFI 4
008	Surge Pit Shoring	\$57,967.00	12/19/13	Executed	U	0	0	RFI 112; Time Separate
009	Pool Heater Mechanical Pad	\$1,800.00	12/19/13	Executed	E	0	0	RFI 2
010	Entrance Gate	\$1,425.00	12/19/13	Executed	S	0	0	
011	Surge Pit Waterproofing	\$1,363.00	12/19/13	Executed	S	0	0	Submittal 32R1
012	Sump Pits in Pool Equipment Chambers	\$1,000.00	12/19/13	Executed	E	0	0	RFI 5, 7
013	Sewer Connection Bulletin #2	\$9,838.00	1/27/15	Executed	U	0	0	RFI 39, Bulletin #2
014	Submersible Pump Station Bulletin #2	\$15,708.00	4/2/14	Executed	U	0	0	RFI 108
016	DWP Power Line Changes at South of Building with Walkway Replacement	\$49,072.00	5/29/14	Executed	U	0	0	RFI 46, 47, 48, 137, 150, 162, 165, Bulletin #2; Morillo returned signed copy 7/11
017	Lower Footing and Utility Relocations at Lifeguard Training Room	\$30,837.00	10/1/14	Executed	U	0	0	RFI 163
019	Demolition of Retaining Walls at Perimeter of the Site	\$24,515.00	5/20/15	Executed	U	0	0	RFI 129, 178. Refer to Reports 1-5 in Change Order Request.
020	Drinking Fountain Replacement	\$3,477.00	11/19/14	Executed	S	0	0	RFI 88
021	Planter Wall, Curb Wall and Planting Plan Bulletin #2	\$25,500.00	4/2/14	Executed	E	0	0	RFI 18, 18R1, 18R2, Bulletin #2
022	Lower Footing in Men's and Women's Shower Rooms	\$4,931.00	4/2/14	Executed	E	0	0	RFI 62, 83
023	Wall Finish Bulletin #1	\$7,738.00	12/16/14	Executed	S	0	0	Bulletin #1
026	Structural Horizontal Framing Modifications	\$9,016.00	6/12/15	Executed	E	0	0	RFI 75, 87
028	Pool Starting Platform and Lifeguard Chair	\$0.00	11/20/15	Executed	S	0	0	RFI 173, 179, Submittal 22
029	Exterior Drinking Fountain Ceiling and Chiller Location	\$5,130.00	10/19/15	Executed	E	0	0	RFI 141, 155, 155R1, 155R2
030	Concrete Coverage for Columns at Isolated Footings	\$7,000.00	4/8/14	Executed	E	0	0	RFI 17A
031	Window Actuator Circuits and Panel C Relocation	\$12,903.00	5/29/14	Executed	E	0	0	RFI 24, 43; Morillo returned signed copy 7/11
032	Electrical Room Main Roof Drain	\$3,100.00	1/27/15	Executed	E	0	0	RFI 082, 126
033	Waterstop at Surge & Pump Pits	\$713.00	11/14/14	Executed	U	0	0	RFI 118
034	Pedestals for Canted Columns	\$1,500.00	4/8/14	Executed	E	0	0	RFI 55
035	Rebar at Surge & Pump Pit Pipe Penetrations	\$1,389.00	4/2/14	Executed	E	0	0	RFI 143
036	Diaper Changing Station in Family Changing Room #114	\$2,695.00	4/8/14	Executed	E	0	0	RFI 109
037	Conduit Trench Change at Electrical Room Foundation	\$4,623.00	1/15/15	Executed	U	0	0	
038	Credit for Fire Alarm System	(\$12,649.00)	4/8/14	Executed	S	0	0	
039	Water Service and Meter Size Change	\$16,133.00	5/30/14	Executed	U	0	0	RFI 53, 117, 219; Morillo returned signed copy 7/11
040	Revised Bulletin #2 Submersible Pump Station	\$8,546.00	2/5/15	Executed	U	0	0	Revised Bulletin #2, RFI 176
043	Bonding Grids for Pool Epoxy Rebar	\$6,439.00	8/22/14	Executed	E	0	0	RFI 232
044	Pool Shell Reconstruction	\$43,484.00	9/11/14	Executed	E	0	0	
045	Temporary Power Service to the Gym	\$47,692.00	9/25/15	Executed	U	0	0	ECO
046	Additional Security Conduits	\$12,925.00	3/13/15	Executed	S	0	0	ECO; RAP email, RFI 333
048	Cumulative Time Impacts up to 6/31/2014	\$42,000.00	9/5/14	Executed	U	42	147	
049	Additional Plaster at GL A & 2	\$404.00	9/9/14	Executed	E	0	0	RFI 95, 225
050	Additional Site Demolitions	\$9,388.00	9/11/14	Executed	U	0	0	RFI 26
051	Pool Equipment Room Conduit	\$7,166.00	10/1/14	Executed	E	0	0	RFI 180, 207
052	Additional Support for the Cantilevered Walls	\$12,906.00	8/6/15	Executed	S	0	0	RFI 337; ECO
053	Foundation Reinforcements at Columns	\$5,780.00	1/16/15	Executed	E	0	0	RFI 113, 193
054	Dedicating a Circuit to PA rack in Life Guard Room	\$1,002.00	1/16/14	Executed	E	0	0	RFI 153
055	Bag Racks	\$3,000.00	4/6/15	Executed	E	0	0	
056	DWP Charge for Power Service	\$28,000.00	6/17/15	Executed	U	0	0	RFI 137
057	West Brick Fence Wall	\$7,274.00	6/17/15	Executed	U	0	0	1/23 requested hydroblast;
058	Canopy and Light Pole Footing Extension	\$2,355.00	1/28/15	Executed	E	0	0	
059	Chemtrol Pool Controller Replacement	\$10,500.00	11/5/15	Executed	S	0	0	ECO
060	Cumulative Time Impacts from 9/1/2014 to 2/6/2015	\$22,000.00	2/25/15	Executed	U	22	92	
062	Water Pipe Connection, Drywell Installation, and Model Change for Drinking Fountain	\$10,160.00	6/12/15	Executed	U	0	0	ECO, RFI 384, 457
063	Waterslide Fencing	\$7,153.00	4/9/15	Executed	E	0	0	RFI 288S1, 433

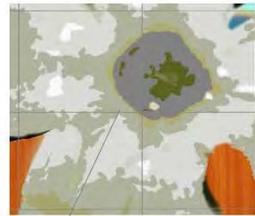
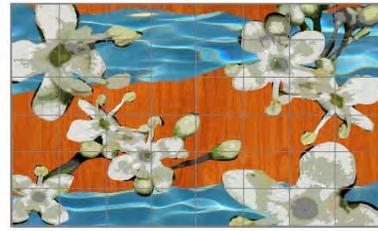
CO & CO Request Log: Hollywood Recreation Center - Pool and Pool Bldg  
W.O. No: E170344F

064	LADBS Correction on Bulletin 2 Valve Box	\$3,353.00	3/12/15	Executed	U	0	0	RFI 427
065	Surface Preparation of Steel/Decking in Mechanical/Chemical Rooms	\$7,500.00	6/19/15	Executed	E	0	0	
066	Haul Out of Remaining Soil CO No.2	\$23,474.00	5/8/15	Executed	U	0	0	
067	Wire Mesh Panel Custom Designed Posts and Plates	\$23,000.00	7/1/15	Executed	U	0	0	
068	Vibration Isolation Rail System for MUA-1	\$8,946.00	7/1/15	Executed	E	0	0	
069	Lexington Avenue Retaining Wall and Fence Post Replacement	\$53,732.00	5/12/15	Executed	U	0	0	*Applicable T&M Sheets from COR 55
070	Cahuenga Boulevard Retaining Wall and Fence Post Replacement	\$60,692.00	5/12/15	Executed	U	0	0	*Applicable T&M Sheets from COR 56
071	Window Sill Waterproofing	\$4,750.00	6/19/15	Executed	S	0	0	
072	Chain Link Fence Rails Addition	\$8,000.00	6/19/15	Executed	U	0	0	
073	HVAC Duct Modifications	\$7,389.00	7/24/15	Executed	E	0	0	
074	Sheet Metal Cap Mechanical Pads	\$1,313.00	5/18/15	Executed	S	0	0	
075	Water Slide Footing Additional Overexcavation	\$12,000.00	6/19/15	Executed	U	0	0	
076	CMU Wall Changes	\$8,219.00	6/24/15	Executed	E	0	0	
077	Additional No Diving Signs on Deck	\$1,815.00	6/24/15	Executed	S	0	0	RFI 504
078	Pump Pit Modifications	\$3,507.00	10/19/15	Executed	E	0	0	RFI 506
079	Men's and Women's Dressing Room Signs	\$1,261.00	6/25/15	Executed	E	0	0	
080	Cumulative Time Impacts from 2/7/2015 to Substantial Completion	\$65,000.00	11/30/15	Executed	U	65	71	
081	Additional Security Walls, Doors and Panels	\$30,780.00	9/25/15	Executed	S	0	0	ECO
082	Water Slide Reset	\$3,123.00	8/13/15	Executed	U	0	0	
083	LADBS Plumbing Corrections	\$11,113.00	7/24/15	Executed	E	0	0	ECO
084	Trapeze Supports	\$6,829.00	8/14/15	Executed	E	0	0	
086	Temporary Certification of Occupancy	\$2,225.00	9/17/15	Executed	U	0	0	
087	Hot Dip Galvanize Encased Steel Members	\$7,481.00	10/14/15	Executed	S	0	0	
088	Mechanical and Chemical Rooms Structural Steel Changes	\$15,461.00	10/6/15	Executed	E	0	0	RFI 328
090	Extend Door Header	\$1,000.00	3/13/15	Executed	E	0	0	
091	Modifications to Building Walls and Floors	\$16,577.00	10/19/15	Executed	E	0	0	RFI 87, 124, 139, 188, 198, 234, 331
092	Door Frame Weld	\$4,325.00	8/14/15	Executed	E	0	0	
093	Window Support and Attachments	\$7,315.00	8/14/15	Executed	E	0	0	
094	Exterior Utility Changes	\$13,568.00	11/10/15	Executed	E	0	0	RFI 60, 353, 422, 430, 477, 496, 534, 550
095	Additional Power and Low Voltage Works	\$9,636.00	11/16/15	Executed	S	0	0	RFI 153, 214, 268, 335, 412, 455, 509
096	Hardscape Changes	\$8,197.00	11/16/15	Executed	E	0	0	RFI 166, 233, 349, 367
097	Outdoor Gas and Lights	\$12,958.00	11/17/15	Executed	E	0	0	RFI 244, 399, 403, 410, 466, 468, 500, 543
098	Additional Accessory Items	\$6,333.00	11/18/15	Executed	E	0	0	RFI 470, 499
099	Mechanical Corrections	\$4,490.00	10/9/15	Executed	E	0	0	RFI 441R1, 442R2, 432, 480, 486, 549
100	Trench Drain Reinforcements and Modifications	\$18,556.00	10/8/15	Executed	E	0	0	RFI 291, 299; Submittal 69R1
101	Curved Wall Platform and Accessories	\$11,922.00	10/1/15	Executed	U	0	0	RFI 291,349, 352,360S1
102	Roof Deck Support Steel Angels and Bent Plates	\$24,377.00	10/1/15	Executed	E	0	0	RFI 292, 301
103	Steel Installation Changes	\$36,408.00	11/19/15	Executed	E	0	0	Submittal 14s
104	Replacement of Asphalt Concrete Adjacent to Right of Way	\$11,500.00	11/19/15	Executed	S	0	0	
105	Landscaping	\$12,420.00	11/19/15	Executed	U	0	0	RFI 370,439,548
85R	Security System Steel Hangers and Additional Conduit Changes	\$11,273.00	10/16/15	Executed	S	0	0	RFI 469
FCO	Final Closeout Change Order	\$20,559.00	1/11/16	Executed	U	0	0	RFI 70, 72S1, 136, 406, 407 Submittal 24S8,
Original Contract Amount =		\$5,196,000.00	Change Order Type		U Unforeseen	\$744,544.00		58 %
Revised Contingency =		\$1,299,000.00			E Errors & Omissions	\$380,948.00		30 %
Total Change Order Amount =		\$1,284,285.00			S Change in Scope	\$158,793.00		12 %
Revised Contract Price =		\$6,480,285.00	Approved Comp Cal Days	129	Change Order Percentage		24.7%	
Remaining Contingency =		\$14,715.00	Approved Non Comp Cal Days	310	Total Change Order Amount =		\$1,284,285.00	
Total # of Approved Days =		439	Total # of Change Order				95	

# EXHIBIT A



North Elevation of Building – Mural Placement



Design Details

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

**EXHIBIT B**

Date: July 7, 2016

Attn: Melinda Gejer, AICP  
City Planning Associate  
Department of Recreation and Parks  
213-202-2602

From: Felicia Filer MS 380  
Public Art Director  
Department of Cultural Affairs  
213-202-5547

SUBJECT: **HOLLYWOOD RECREATION CENTER NEW PUBLIC ART PROJECT**  
**Public Artwork, Murals and Plaques Application**

**Applicant: (Individual name or organization, address, email, telephone)**

The application is made by the Department of Cultural Affairs on behalf of the Artist, Laura Hull.

Felicia Filer, Public Art Director  
City of Los Angeles, Department of Cultural Affairs | Public Art Division  
201 North Figueroa Street | Suite 1400  
Los Angeles, California 90012 | culturela.org  
213-202-5544

**Project Title/Description:** "Holly-Wood-Pool" Exterior Tile Mural

**Project Location/Street Address:**

Hollywood Pool and Bathhouse  
1122 Cole Avenue, Hollywood, CA 90038

**Council District of Project Location:** Council District 13

**Artist(s): (Name(s), address(es), email(s), telephone(s))**

Laura Hull (Artist)  
344 Anna Maria Drive  
Altadena, CA 91001  
213-500-7208  
[lhull@sbcglobal.net](mailto:lhull@sbcglobal.net)

**Estimated Cost of Project (Materials, labor, insurance, etc.)**

\$16,400

**Expected Length of Time for Installation:**

The Artist will require approximately 1 week for installation.

**Expected Lifespan of Project: (3 years, 5 years, 7 years, other,) 10 year maximum**

The City of Los Angeles requires artwork commissioned by the Public Works Improvements Arts Program (PWIAP) to last a minimum of 25 years pursuant to Section 8 A. of contract C-124195.

**Who is responsible for maintaining the project during its lifespan? (Name, address, email, telephone)**

City of Los Angeles

**Do you have a signed, written contract with the artist regarding the proposed project? If yes, please attach one (1) copy of each contract.**

Yes. See attached for contract C-124195.

**Do you have a signed, written contract with the artist regarding the duration, maintenance, and/or removal of the project? If yes, please attach one (1) copy of each contract.**

Yes. See attached for contract C-124195. The project is part of the City's Public Work's Improvements Arts Program administered by the Department of Cultural Affairs.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: July 7, 2016

Attn: Melinda Gejer, AICP  
City Planning Associate MS  
Department of Recreation and Parks

From: Felicia Filer MS 380  
Public Art Director  
Department of Cultural Affairs

SUBJECT: **HOLLYWOOD RECREATION CENTER NEW PUBLIC ART PROJECT**

**Narrative**

The Department of Cultural Affairs (DCA) respectfully requests permission to proceed with the community meeting, artwork fabrication and installation of a new, city-owned public art project that was commissioned through the City's Public Works Improvements Arts Program for the Hollywood Recreation Center located at 1122 Cole Avenue, Hollywood, CA 90038.

**Funding Source**

Funding is provided by the Proposition K Bond Fund Program

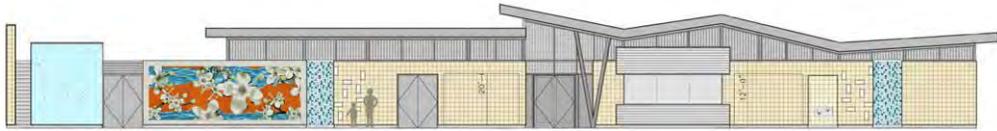
**Artist Selection Process**

In 2011, as part of the city's Public Works Improvements Arts Program (PWIAP), the Department of Cultural Affairs (DCA) issued a Request for Qualifications to establish a Pre-Qualified Artists roster for upcoming public art opportunities at new Recreation and Parks Facilities. A panel of arts professionals, and representatives from the Bureau of Engineering, reviewed 60 submissions and shortlisted 19 artists to form a pre-qualified list. Subsequently, DCA staff selected 4 artists from the list to develop a public art proposal for the Hollywood Recreation Center project. On October 18, 2011, an artist selection panel, comprised of the project architect, art professionals, a community member, and Recreation and Parks representatives, selected Laura Hull's public art proposal based on the quality of her proposal, artistic merit, and appropriateness of her work for the project.

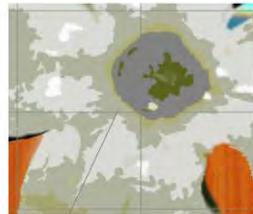
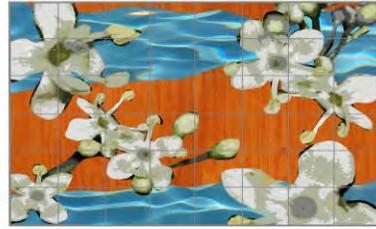
**Design**

The title of the public art work, by Laura Hull, is "Holly-Wood-Pool". The 189 square foot mural is constructed of 12" x 12" photo-glazed ceramic tiles, bordered with a stainless steel edge. The design consists of a pattern of "holly" flowers floating above a "wood" grain background with strips of pool water at the top and bottom, completing the tongue-in-cheek Holly-Wood-Pool. The design combines conventional photos of water and wood, juxtaposed against digitally-manipulated photographed flowers, combining the past and present through the use of analog and digital imagery. Imbedded in the holly flowers are images of a variety of insects, animals and reptiles all native to the area.

# North Elevation



# Closeups



## Surrounding Neighborhood



### Production Process

We would like to begin the artwork fabrication process in Fall 2016.

Design phase: two (2) weeks

Fabrication phase: Approximately six (6) weeks (off-site)

Installation phase: one (1) week

### Maintenance & Agreement Regarding Anti-Graffiti Coating

The artist is contractually required to provide to the Department of Cultural Affairs and Recreation and Parks, a Maintenance Manual for the artwork. The artist will apply an anti-graffiti coating to the tile mural for added protection. The City is responsible for the long-term care and maintenance of public artwork created through the Public Works Improvements Arts Program.

### Artist Waiver for Public Art, Murals and Plaques

#### Waiver of Proprietary Rights for Artwork Placed upon City Property

(The provisions of this paragraph shall apply to modify Artist's rights of attribution and integrity as set out in the Visual Artists Rights Act, 17 U.S.C. §§106A and 113(d) ("VARA"), the California Art Preservation Act, Cal. Civil Code §§ 987 and 989 ("CAPA"), and any rights arising under United States federal or state law or under the laws of another country that convey rights of the same nature as those conveyed under VARA and CAPA, as against the City of Los Angeles ("City") and its agents).

The Artist Waiver of Proprietary Rights for artwork placed upon city property is not applicable in this instance. The artist will retain the copyrights to the artwork, including the rights of attribution and integrity, pursuant to Sections 13.A and B. of contract C-124195, between the City of Los Angeles and Contractor Laura Hull.

(The City has the absolute right to change, modify, destroy, remove, relocate, move, replace, transport, repair or restore the [describe the artwork/project: mural, sculpture, etc. and medium]).

Contract Sections 13 B., C. D. F, and K., of contract C-124195 describe the City's process and required sequence to remove artwork that is the property of the city.

**Describe the artwork/project: mural, sculpture, etc. and medium**

Exterior photo-glazed ceramic tile mural, 8' 8.5" H x 22' 4 3/8" W

**Title of artwork**

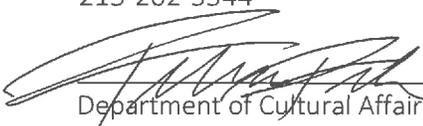
"Holly-Wood-Pool"

**Location [identify site, including interior location if applicable]:**

North facing exterior wall of the Hollywood Pool and Bathhouse at 1122 Cole Avenue, Hollywood, CA 90038

**Address for Notice:**

Department of Cultural Affairs  
Public Art Division  
201 N. Figueroa Street, Suite 1400  
Los Angeles, CA 90012  
213-202-5544

 7/7/14  
Department of Cultural Affairs Signature/Date

\_\_\_\_\_  
Recreation and Parks Signature/Date

# CONTRACT SUMMARY SHEET

TO: THE OFFICE OF THE CITY CLERK,  
COUNCIL/PUBLIC SERVICES DIVISION  
ROOM 395, CITY HALL

DATE: March 10, 2015

FROM (DEPARTMENT): Cultural Affairs

CONTACT PERSON: Paul Pescador PHONE: 213.202.5552

CONTRACT NO.: C124195 COUNCIL FILE NO.: \_\_\_\_\_

ADOPTED BY COUNCIL: \_\_\_\_\_  
DATE

APPROVED BY BPW: \_\_\_\_\_  
DATE

- NEW CONTRACT
- AMENDMENT NO. \_\_\_\_\_
- ADDENDUM NO. \_\_\_\_\_
- SUPPLEMENTAL NO. 1
- CHANGE ORDER NO. \_\_\_\_\_

CONTRACTOR NAME: Laura Hull

TERM OF CONTRACT: 1/18/12 THROUGH: 01/17/16

TOTAL AMOUNT: \$16,400

PURPOSE OF CONTRACT:  
Public art for Hollywood Pool

FIRST SUPPLEMENTAL LETTER OF AGREEMENT TO  
PERSONAL SERVICES AGREEMENT NO. C-124195 BETWEEN THE CITY OF LOS ANGELES AND LAURA HULL

This FIRST SUPPLEMENTAL LETTER OF AGREEMENT to PERSONAL SERVICES AGREEMENT NO. C-124195 is made and entered into by and between the CITY OF LOS ANGELES (hereinafter "CITY"), a municipal corporation, acting by and through its DEPARTMENT OF CULTURAL AFFAIRS (hereinafter "DEPARTMENT") and LAURA HULL (hereinafter "CONTRACTOR").

**WITNESSETH**

WHEREAS, the CITY, through its Percent-for-Art policy, mandates that all public works capital improvement project undertaken by the CITY must allocate funding, in an amount equal to one-percent (1%) of total construction project costs, for the purposes of creating public art project(s) in compliance with the CITY's Public Works Improvements Arts Program (hereinafter "PROGRAM"), implemented and administered by the DEPARTMENT, pursuant to the CITY's Administrative Code Section 19.85; and

WHEREAS, on January 18, 2012, the CITY and CONTRACTOR entered into AGREEMENT NO. C-124195 whereby the CONTRACTOR agreed to provide artwork design, fabrication and installation services supported by the milestones identified in that AGREEMENT and attached hereto as Exhibit 1; and

WHEREAS, AGREEMENT NO. C-124195 expired on January 17, 2015 and, through no fault of the CONTRACTOR, services could not be completed during the contract term, and the CITY and CONTRACTOR hereby desire to extend the term of AGREEMENT NO. C-124195 for an additional one (1) year.

NOW, THEREFORE, in consideration of the promises and of the covenants, representations, and agreements set forth herein, the parties hereby agree as follows:

1. Modify SECTION 9 of AGREEMENT NO. C-124195.

- a) Delete the following:

The term of this AGREEMENT shall commence January 18, 2012 and terminate January 17, 2015.

- b) Replace the deleted provision with the following:

The term of this AGREEMENT shall commence January 18, 2012 and terminate January 17, 2016.

2. Except as amended by this FIRST SUPPLEMENTAL LETTER OF AGREEMENT, all other terms and conditions of AGREEMENT NO. C-124195 shall remain in full force and effect.
3. In the event of any inconsistency between the provisions of this FIRST SUPPLEMENTAL LETTER OF AGREEMENT and the attachments hereto, the inconsistency shall be resolved by giving precedence to the documents in the following order:
  - (1) Paragraphs set forth in the body of this FIRST SUPPLEMENTAL LETTER OF AGREEMENT.
  - (2) Paragraphs set forth in the body of PERSONAL SERVICES AGREEMENT NO. C-124195.
  - (3) Appendix A, "Standard Provisions for City Contracts (Rev. 03/09)".

—SIGNATURE PAGE TO FOLLOW—

IN WITNESS THEREOF, the parties hereto have caused this **FIRST SUPPLEMENTAL LETTER OF AGREEMENT** to be executed by their respective duly authorized representatives.

**CITY OF LOS ANGELES**

**LAURA HULL**  
344 ANNA MARIA DRIVE, ALTADENA, CA 91001  
BTRC NO. 625268

By   
**DANIELLE BRAZELL**  
GENERAL MANAGER  
DEPARTMENT OF CULTURAL AFFAIRS

By   
**LAURA HULL**  
ARTIST

Date 5/21/15

Date 03.08.15

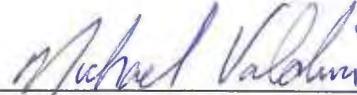
APPROVED AS TO FORM AND LEGALITY:

ATTEST:

**MICHAEL N. FEUER**  
CITY ATTORNEY

**HOLLY WOLCOTT**  
CITY CLERK

By   
**KIMBERLY MIERA**  
DEPUTY CITY ATTORNEY

By   
**DEPUTY CITY CLERK**

Date 5.21.15

Date 5/26/15



C-124195 SA1

C-124195

**PERSONAL SERVICES AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND  
LAURA HULL (CONTRACTOR)**

The AGREEMENT is entered into by and between the CITY OF LOS ANGELES, a municipal corporation (hereinafter "CITY"), through its DEPARTMENT OF CULTURAL AFFAIRS (hereinafter "DEPARTMENT"), and LAURA HULL (hereinafter "CONTRACTOR").

**WITNESSETH**

**WHEREAS**, CITY, through its Percent-for-Art policy, mandates that all public works capital improvement project undertaken by CITY must allocate funding, in an amount equal to one-percent (1%) of total construction project costs, for the purposes of creating public art project(s) in compliance with CITY's Public Works Improvements Arts Program (hereinafter "PROGRAM"), implemented and administered by DEPARTMENT, pursuant to CITY's Administrative Code Section 19.85;

**WHEREAS**, CITY authorizes payments to fund public arts projects administered by PROGRAM, including: acquisition or placement of publicly accessible works of art; acquisition or construction of arts or cultural facilities; provision of arts or cultural services; and/or restoration or preservation of existing works of art;

**WHEREAS**, to accomplish this purpose, CITY desires to contract with people who possess the necessary knowledge, experience, and professional expertise to execute public arts projects;

**WHEREAS**, the DEPARTMENT OF RECREATION AND PARKS of CITY (hereinafter "AGENCY") has allocated funds for the selection, purchase, and placement of a public arts project in compliance with PROGRAM;

**WHEREAS**, a shortlist of artists was established based on qualifications of each artist's skills, talent, and expression, and CONTRACTOR was selected from the established shortlist and asked to develop a proposal for the public arts project (hereinafter "ARTWORK") at the HOLLYWOOD POOL AND BATHHOUSE (hereinafter "PROJECT SITE");

**WHEREAS**, CONTRACTOR has been selected by a panel of experts from among the shortlist of artists invited to develop a proposal and because CONTRACTOR has the requisite skill and creativity to perform the services described in this AGREEMENT in public space located at PROJECT SITE;

**WHEREAS**, CONTRACTOR has demonstrated the ability to create and design ARTWORK to satisfy the needs identified by DEPARTMENT;

**WHEREAS**, CITY wishes to promote and maintain the integrity and clarity of CONTRACTOR's ideas and statements as represented by ARTWORK; and

**WHEREAS**, CITY has selected CONTRACTOR to perform professional, expert, and technical services that are of a temporary and occasional nature.

**NOW, THEREFORE**, the parties hereto agree as follows:

**SECTION 1. DESCRIPTION OF REQUIRED ARTWORK**

CITY—the CITY OF LOS ANGELES, a municipal corporation.

DEPARTMENT—the DEPARTMENT OF CULTURAL AFFAIRS of CITY.

COMMISSION—the BOARD OF CULTURAL AFFAIRS COMMISSIONERS of DEPARTMENT of CITY.

AGENCY—the DEPARTMENT OF RECREATION AND PARKS of CITY.

CONTRACTOR—LAURA HULL, 344 Anna Maria Drive, Altadena, CA 91001.

PROJECT SITE—HOLLYWOOD POOL AND BATHHOUSE, 1122 Cole Avenue, Hollywood, CA 90038.

ARTWORK—exterior tile mural.

SCOPE OF WORK—CONTRACTOR'S RESPONSIBILITIES; TERM, REQUESTS FOR PAYMENT & REMUNERATION; DELIVERY & ACCEPTANCE; MAINTENANCE, REPAIRS & RESTORATION OF THE

WORK; and ENGINEERING CONFORMANCE & PROTECTION OF WORK; pursuant to SECTIONS 3; 9; 10; 11; 17; and 24.

WORK PLAN—an established schedule with specific dates and milestones, including an itemized budget, work phases, and meetings for execution and delivery of ARTWORK, prepared by CONTRACTOR in consultation with DEPARTMENT and AGENCY.

NOTICE TO PROCEED—written notice issued by DEPARTMENT, authorizing CONTRACTOR to initiate fabrication of ARTWORK as specified in WORK PLAN as approved by COMMISSION, wherein CONTRACTOR may not initiate fabrication prior to receipt of such notice.

RECEIPT OF VERIFICATION—written notice issued by DEPARTMENT, verifying CONTRACTOR has completed fabrication of ARTWORK as specified in WORK PLAN as approved by COMMISSION, wherein CONTRACTOR may not initiate transportation or installation of ARTWORK at PROJECT SITE prior to receipt of such notice.

NOTICE OF FINAL ACCEPTANCE—written notice issued by DEPARTMENT, verifying CONTRACTOR's completed installation of ARTWORK as specified in WORK PLAN as approved by COMMISSION, subject to CITY's final inspection and approval of ARTWORK installation.

MAINTENANCE MANUAL—a comprehensive manual prepared and submitted by CONTRACTOR, detailing all required and suggested maintenance related to ARTWORK, and subject to review and written acceptance by DEPARTMENT and AGENCY.

RELEASE OF ALL CLAIMS—a document prepared and provided by CITY, for CONTRACTOR to review, sign, and submit, thereby fully releasing, acquiring, and discharging CITY from all claims, actions, causes of action, demands, damages, costs, expenses, attorney fees, obligations, and/or liabilities related to work performed under this AGREEMENT, applying to all unknown and all unanticipated damages, as well as to injuries and damages now known, disclosed, or anticipated that may result from or arise out of this AGREEMENT, or to the effects or consequences thereof.

WORK PRODUCTS—all materials, tangible or not, created in whatever medium under this AGREEMENT, including without limitation to artworks, audio-visual, reports, drawings and sketches, schematics, marks, logos, graphic designs, and all other intellectual property.

## **SECTION 2. REPRESENTATIVES OF THE PARTIES AND SERVICE OF NOTICES**

### **A. Parties to this AGREEMENT:**

1. CITY, a municipal corporation, chartered by the STATE OF CALIFORNIA, acting by and through DEPARTMENT.
2. LAURA HULL.

### **B. Representatives of the Parties.**

The representatives of the respective parties authorized to administer this AGREEMENT, and to whom formal notices, demands, and communications shall be given, are as follows:

1. The representative of CITY, unless otherwise stated in this AGREEMENT, shall be:

BECKY SNODGRASS, Public Art Division  
City of Los Angeles Department of Cultural Affairs  
201 North Figueroa Street, Suite 1400  
Los Angeles, CA 90012  
213 202-5544 <becky.snodgrass@lacity.org>

2. The representative of CONTRACTOR shall be:

LAURA HULL  
344 Anna Maria Drive  
Altadena, CA 91001  
213 500-7208 <lhull@sbcglobal.net>

- C. Formal notices, demands, and communications required hereunder by either party shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed communicated as of the date of mailing.
- D. CONTRACTOR shall give written notice to CITY detailing any change(s) in the name and/or address of the person designated as the representative of CONTRACTOR for receipt of notices, demands, or communications, within 5 days of any such change(s).
- E. The relationship of the parties under this AGREEMENT is, and at all times shall remain, solely that of independent contractors to each other. Neither DEPARTMENT nor CONTRACTOR undertakes nor assumes any responsibility or duty except as expressly provided herein. Except as specified in writing, no party shall have any authority to act as an agent for any other or to bind any other to any obligation.

### **SECTION 3. CONTRACTOR'S RESPONSIBILITIES**

SCOPE OF WORK contained in this AGREEMENT encompasses the full execution of ARTWORK, including construction documents, feasibility study, engineering, production, fabrication, transportation, inspection, installation, maintenance plan, and presentation to community and approving bodies.

- A. ARTWORK shall be coordinated, designed, and executed by CONTRACTOR throughout the entire scope of this project.
- B. Upon execution of this AGREEMENT, CONTRACTOR shall meet with DEPARTMENT and AGENCY representatives.
- C. CONTRACTOR shall be reasonably available to meet with community member(s) impacted by ARTWORK as requested by DEPARTMENT in consultation with AGENCY.
- D. Within sixty (60) days of meeting(s) with community member(s), pursuant to PARAGRAPH C of this SECTION, and upon DEPARTMENT's written request, CONTRACTOR shall prepare and submit design plan renderings and visual samples to DEPARTMENT for review by DEPARTMENT and AGENCY.
- E. Within sixty (60) days of meeting(s) with community, pursuant to PARAGRAPH C of this SECTION, CONTRACTOR shall submit a preliminary WORK PLAN for DEPARTMENT's review and written approval, which CONTRACTOR shall develop in consultation with DEPARTMENT, AGENCY, and other project stakeholders as instructed by DEPARTMENT.
- F. Additional or changed services to be provided by CONTRACTOR shall be subject to approval by DEPARTMENT and AGENCY, wherein any such services shall be described in the form of a written amendment to this AGREEMENT.
- G. CONTRACTOR shall present to COMMISSION the preliminary design concept for ARTWORK and preliminary WORK PLAN, and CONTRACTOR shall obtain COMMISSION's approval prior to proceeding with final design details for ARTWORK, wherein CONTRACTOR's presentation to COMMISSION shall include: renderings and/or models of ARTWORK, specifications regarding location(s), dimension(s), color(s), finish(es), and material(s) for ARTWORK, and a list of subcontractors identified to perform services related to the design, fabrication, and/or installation of ARTWORK, if and when appropriate. If it appears to DEPARTMENT and/or AGENCY that ARTWORK as designed may exceed the funding allocated under this AGREEMENT, then DEPARTMENT may require CONTRACTOR to modify ARTWORK's design in order to meet the funding allocated under this AGREEMENT. If the design is so modified, CONTRACTOR must submit ARTWORK's modified design for DEPARTMENT's review and written approval, and DEPARTMENT may require CONTRACTOR to submit ARTWORK's modified design to AGENCY and/or COMMISSION for additional approval(s).
- H. CONTRACTOR shall present to COMMISSION the final design concept for ARTWORK and final WORK PLAN, and CONTRACTOR shall obtain COMMISSION's approval prior to proceeding with final design detail plans and construction drawings for ARTWORK, wherein CONTRACTOR's presentation to COMMISSION shall include: renderings and/or models of ARTWORK, specifications regarding location(s), dimension(s), color(s), finish(es), and material(s) for ARTWORK, and a list of subcontractors identified to perform services related to the design, fabrication, and/or installation of ARTWORK, if and when appropriate. If it appears to DEPARTMENT and/or AGENCY that ARTWORK as designed may exceed the funding allocated under this AGREEMENT, then DEPARTMENT may require CONTRACTOR to modify ARTWORK's design in order to meet the funding

allocated under this AGREEMENT. If the design is so modified, CONTRACTOR must submit ARTWORK's modified design for DEPARTMENT's review and written approval, and DEPARTMENT may additionally require CONTRACTOR to submit ARTWORK's modified design to AGENCY and/or COMMISSION for additional approval(s).

- I. COMMISSION may require CONTRACTOR to modify the design of ARTWORK. If it appears to DEPARTMENT and/or AGENCY that the design requires such modification(s), CONTRACTOR shall so modify ARTWORK's design and submit to DEPARTMENT for review by DEPARTMENT, COMMISSION, and/or AGENCY within thirty (30) calendar days of DEPARTMENT's written request for such modification(s), the modified scale renderings and/or models of ARTWORK, exact location(s), dimension(s), color(s), finish(es), and material(s) for ARTWORK, a final itemized budget, and a list of subcontractors identified to perform services related to the design, fabrication, and/or installation of ARTWORK, including contact information for each subcontractor, if and when appropriate, or DEPARTMENT or CONTRACTOR may terminate this AGREEMENT, pursuant to SECTION 19.
- J. CONTRACTOR shall submit final design detailed plans and construction drawings for DEPARTMENT's review and written approval in consultation with AGENCY, including scale renderings and/or models of ARTWORK, exact location(s), dimension(s), color(s), finish(es), and material(s) for ARTWORK, a final itemized budget, and a list of subcontractors identified to perform services related to the design, fabrication, and/or installation of ARTWORK, including contact information for each subcontractor, if and when appropriate. If it appears to DEPARTMENT and/or AGENCY that ARTWORK as designed may exceed the funding allocated under this AGREEMENT, then DEPARTMENT may require CONTRACTOR to modify ARTWORK's design in order to meet the funding allocated under this AGREEMENT. If the design is so modified, CONTRACTOR must submit ARTWORK's modified design for DEPARTMENT's review and written approval, and DEPARTMENT may require CONTRACTOR to submit ARTWORK's modified design to AGENCY and/or COMMISSION for additional approval(s).
- K. Upon DEPARTMENT's written approval of the final design detailed plans and construction drawings, in consultation with AGENCY, CONTRACTOR shall submit WORK PLAN for DEPARTMENT's review and written approval.
- L. Upon DEPARTMENT's written approval of WORK PLAN, and upon DEPARTMENT's issuance of NOTICE TO PROCEED, CONTRACTOR shall begin fabrication of ARTWORK as specified in WORK PLAN.
- M. CONTRACTOR shall adhere to the funding allocated under this AGREEMENT for all costs associated with the execution of ARTWORK, including design, fabrication, and transportation of ARTWORK, installation of ARTWORK at PROJECT SITE, and for any travel and other costs incurred by CONTRACTOR and any subcontractor(s) performing under this AGREEMENT, unless otherwise agreed upon under this AGREEMENT. If ARTWORK requires any special provisions in design and/or building materials, or any structural, electrical, and/or mechanical systems for which costs exceed those that would normally be paid by AGENCY for work performed at PROJECT SITE, then such costs shall be borne by CONTRACTOR's budget.
- N. CONTRACTOR shall be responsible for submitting material specifications and a cost estimate for annual maintenance of ARTWORK, wherein CONTRACTOR shall devise the design of ARTWORK with the intention of minimizing potential effects of vandalism, weathering, or other hazards, as applicable. Upon completed fabrication and installation of ARTWORK, CONTRACTOR shall prepare and submit MAINTENANCE MANUAL to DEPARTMENT, subject to DEPARTMENT's review and written acceptance.
- O. CONTRACTOR shall make periodic written and/or verbal progress reports to DEPARTMENT throughout the term of this AGREEMENT, wherein such reports shall include information on any meetings, conflicts or resolutions, design, fabrication, installation, and/or progress related to services provided under this AGREEMENT.
- P. Upon reasonable prior notice and during normal business hours, CONTRACTOR shall provide DEPARTMENT access to ARTWORK and/or any part thereof, in order for DEPARTMENT to make reasonable inspections and reviews of CONTRACTOR's progress with respect to ARTWORK.
- Q. CONTRACTOR shall be responsible for providing the services described herein, including but not limited to the quality and timely completion of the services. CONTRACTOR shall promptly notify DEPARTMENT of any problems encountered that may impede the satisfactory and timely performance of the work, and/or the satisfactory completion of any other activities under supervision by CONTRACTOR hereunder.

- R. CONTRACTOR agrees that an essential element of this AGREEMENT is the personal skill and creativity of CONTRACTOR. Therefore CONTRACTOR shall not assign any creative and/or artistic portions of ARTWORK to a third party without prior written authorization by DEPARTMENT, wherein failure to obtain such prior written authorization shall constitute grounds for termination of this AGREEMENT, pursuant to SECTION 19.

#### **SECTION 4. ADDITIONS & CHANGES IN SCOPE OF WORK**

- A. CITY, from time to time, may desire to make changes in the services provided by CONTRACTOR under this AGREEMENT. Such changes may revise portions of SCOPE OF WORK previously completed, delete portions of SCOPE OF WORK not yet performed, require performance of additional work beyond original SCOPE OF WORK, and/or make other changes within SCOPE OF WORK to be performed by CONTRACTOR under this AGREEMENT. An amendment shall not modify the overall purpose of this AGREEMENT. In the event of such a desire for CITY to change SCOPE OF WORK, CONTRACTOR has two options:
1. If CONTRACTOR agrees to CITY's requested change(s) in SCOPE OF WORK, then the parties shall agree in the form of a written amendment to this AGREEMENT that includes specifications for any such change(s), including but not limited to, description(s) of services, budget, payment(s), and/or schedule.
  2. If the parties are unable to agree to requested change(s) in SCOPE OF WORK, despite best efforts made in accordance with the process outlined in SECTION 25, but no resolution can be reached, then DEPARTMENT may terminate this AGREEMENT pursuant to SECTION 19.
- B. CONTRACTOR shall prepare and submit in writing to CITY, for review and written approval(s), any significant change(s) in the cost, scope, design, color, size, material, and/or texture of ARTWORK not in substantial conformity with CONTRACTOR's original public art project proposal. A significant change is one that affects design, fabrication, installation, schedule, site preparation, and/or maintenance of ARTWORK, and/or CONTRACTOR's concept for ARTWORK. No services requiring additional compensation to CONTRACTOR shall be furnished without prior written authorization by DEPARTMENT and AGENCY in the form of a written amendment to this AGREEMENT.
- C. Upon DEPARTMENT's approval of any such change(s), CONTRACTOR shall submit to CITY any relevant, revised construction drawings for ARTWORK, as well as necessary revised maintenance information related to ARTWORK.

#### **SECTION 5. SERVICES TO BE PROVIDED BY CITY**

- A. DEPARTMENT shall provide CONTRACTOR with written notice regarding the appropriate point of contact for DEPARTMENT in regard to the execution of this AGREEMENT.
- B. DEPARTMENT and/or AGENCY may make available to CONTRACTOR copies of designs, drawings, reports, and/or other relevant project data that may be needed by CONTRACTOR for the design, fabrication, and/or installation of ARTWORK.
- C. DEPARTMENT shall act as liaison with AGENCY and COMMISSION as needed. AGENCY shall act as liaison with the project architect for PROJECT SITE and with community member(s) impacted by ARTWORK.
- D. Upon CONTRACTOR's submission of payment request(s) for completion of milestone(s) under this AGREEMENT, DEPARTMENT shall review such payment request(s) in order to verify milestone completion in accordance with the terms herein, and submit such request(s) to AGENCY for payment by CITY, pursuant to SECTION 10, PARAGRAPH B.

#### **SECTION 6. CONTRACT ADMINISTRATION**

- A. CONTRACTOR shall not subcontract with any CITY's current or former regular employee(s) throughout the term of this AGREEMENT without prior written authorization by DEPARTMENT. If CONTRACTOR desires to subcontract with any third parties to provide services under this AGREEMENT, CONTRACTOR agrees that all such subcontracts shall be bound by the terms and conditions of this AGREEMENT. DEPARTMENT reserves the right to approve and/or reject any subcontract(s) identified by CONTRACTOR to provide services under this AGREEMENT, wherein CONTRACTOR, upon identifying any such subcontractor, shall promptly notify and request written authorization by DEPARTMENT to procure any such subcontractor(s), prior to entering any subcontract and/or procuring any services from a third party.

- B. DEPARTMENT shall coordinate the services to be provided by CONTRACTOR under this AGREEMENT. DEPARTMENT may delegate administration of the AGREEMENT. Wherever this AGREEMENT requires any notice(s) be given to or by CITY, or any determination(s) and/or actions(s) by made by CITY, DEPARTMENT shall so represent and/or act on behalf of CITY.
- C. CONTRACTOR shall determine the artistic expression, scope, design, color, size, material, and texture of ARTWORK, subject to review and written acceptance by DEPARTMENT, AGENCY, and COMMISSION.

#### **SECTION 7. ADDITIONAL PROVISIONS REFERENCE DOCUMENTS**

Herein incorporated by reference to this AGREEMENT are "Standard Provisions for City Contracts (Rev. 03/09)", attached hereto and labeled APPENDIX A.

#### **SECTION 8. WARRANTIES**

- A. CONTRACTOR shall guarantee all work to be free from faults of material and/or workmanship for a period of no less than one (1) year after installation, free and clear of any liens from any source whatsoever, and not to require any maintenance substantially in excess of that specified by CONTRACTOR in MAINTENANCE MANUAL. This guarantee shall apply only to work performed entirely by CONTRACTOR as specified in MAINTENANCE MANUAL. This guarantee shall apply only to work performed entirely by CONTRACTOR as installed, and shall not apply to material and/or workmanship of ARTWORK that is integrated and/or combined with material acquired from and/or installed by any person or entity other than CONTRACTOR. CONTRACTOR warrants that ARTWORK shall be fabricated such that neither normal environmental exposure nor inherent vice shall cause ARTWORK to require significant conservation for a minimum term of twenty-five (25) years from the date of completed installation of ARTWORK.
- B. CONTRACTOR shall, within the period of guarantee and without additional compensation, correct and/or revise any errors, omissions, and/or other deficiencies in work performed under this AGREEMENT, and make any such correction(s) and/or revision(s) within sixty (60) days of the date of DEPARTMENT's written notice of such errors, omissions, and/or other deficiencies, or within another specified term mutually agreed upon by CONTRACTOR and DEPARTMENT, pursuant to SECTION 11.
- C. CONTRACTOR warrants that, unless otherwise stipulated, ARTWORK is an original and an edition of one (1). CONTRACTOR shall not sell or reproduce ARTWORK and/or allow others to do so without advance receipt of a written license approval issued by CITY, wherein such license approval(s) shall not be unreasonably withheld.

#### **SECTION 9. TERM**

The term of this AGREEMENT shall commence January 18, 2012 and terminate January 17, 2015.

#### **SECTION 10. REQUESTS FOR PAYMENT & REMUNERATION**

- A. CONTRACTOR shall be paid for work and services associated with the design of ARTWORK under this AGREEMENT in accordance with the terms herein, and subsequent adjustments, changes, and/or additions as specifically provided for under this AGREEMENT. Such payment shall be full compensation for work performed and services rendered for all supervision, labor supplies, materials, equipment or use thereof, taxes, and for all other necessary incidentals.
  - 1. The amount and date of payments to CONTRACTOR shall be computed as stipulated below, subject only to adjustments, changes, or additions as specifically provided for under this AGREEMENT.
  - 2. In the event that CONTRACTOR incurs costs in excess of the total funding allocated under this AGREEMENT, and such excess is incurred without a written amendment to this AGREEMENT, CITY shall not be required to pay any part of such excess and CONTRACTOR shall have no claim against CITY on account thereof.
- B. Upon CONTRACTOR's submission of payment request(s) for completion of milestone(s) under this AGREEMENT, DEPARTMENT shall review such payment request(s) to verify milestone completion in accordance with the terms herein, and submit such request(s) to AGENCY, for CITY to pay CONTRACTOR a total sum not to exceed \$16,400 to provide services under this AGREEMENT, which shall be paid in the following manner:

1. \$4,100 upon COMMISSION's approval of the preliminary design concept for ARTWORK and preliminary WORK PLAN, pursuant to SECTION 3, PARAGRAPH G.
  2. \$6,560 payable in up to two (2) individual payments, upon COMMISSION's approval of the final design concept for ARTWORK and final WORK PLAN, pursuant to SECTION 3, PARAGRAPH H, and upon DEPARTMENT's issuance of NOTICE TO PROCEED to CONTRACTOR, and upon DEPARTMENT's receipt and verification of CONTRACTOR's submitted documentation of amounts expended or invoiced for purchase of labor and/or materials, pursuant to SECTION 3, PARAGRAPH K.
  3. \$3,280 upon DEPARTMENT's final inspection and approval of fabricated ARTWORK and issuance of RECEIPT OF VERIFICATION to CONTRACTOR, pursuant to SECTION 11, PARAGRAPHS A and B.
  4. \$2,460 upon DEPARTMENT's written acceptance of MAINTENANCE MANUAL submitted by CONTRACTOR, pursuant to SECTION 3, PARAGRAPH N; and upon DEPARTMENT's issuance of NOTICE OF FINAL ACCEPTANCE to CONTRACTOR, upon DEPARTMENT's receipt of no fewer than five (5) high-resolution, digital image files of installed ARTWORK, and upon DEPARTMENT's receipt of RELEASE OF ALL CLAIMS, pursuant to SECTION 11, PARAGRAPH D.
- C. DEPARTMENT shall provide written notice to CONTRACTOR that specifies any failure(s) to provide services for which CONTRACTOR is requesting payment, within thirty (30) days of DEPARTMENT's receipt of any request(s) for payment. CONTRACTOR shall thereafter meet CITY's standards for performance, subject to DEPARTMENT's written satisfaction, or shall advise DEPARTMENT that a dispute exists. In the event of dispute(s), the parties shall make best efforts to remedy such dispute(s), pursuant to SECTION 25.
- D. Invoicing:
1. Invoices shall be submitted to:

Becky Snodgrass, Public Art Division  
City of Los Angeles Department of Cultural Affairs  
201 North Figueroa Street, Suite 1400, Los Angeles, CA 90012  
213 202-5544 <becky.snodgrass@lacity.org>
  2. To ensure that services provided under personal services agreements are measured against services detailed under this AGREEMENT, CITY's Controller has developed a policy requiring that specific supporting documentation be submitted with invoices.
  3. CONTRACTOR shall submit invoices that conform to CITY standards and that include, at a minimum, the following information:
    - a. Name and address of CONTRACTOR;
    - b. Name and address of CITY department being billed;
    - c. Date of invoice and date of activity;
    - d. AGREEMENT number;
    - e. Description of completed task/project and amount due for task/project;
    - f. Original invoice(s) for costs of procuring labor and/or materials under this AGREEMENT; and
    - g. Remittance address (if different from company address).
  4. All invoices shall be submitted on CONTRACTOR's letterhead, contain CONTRACTOR's official logo or other unique and identifying information such as the name and address of CONTRACTOR. Evidence that tasks have been completed, in the form of a report, brochure or photograph, shall be attached to all invoices. Invoices are considered complete when appropriate documentation or services provided are verified as satisfactory by CITY manager.
    - a. Invoices and supporting documentation shall be prepared at the sole expense and responsibility of CONTRACTOR. CITY shall not compensate CONTRACTOR for any costs incurred to prepare invoices

under this AGREEMENT. CITY may request, in writing, that CONTRACTOR make changes to the content and format of invoice(s) and/or supporting documentation at any time. CITY reserves the right to require CONTRACTOR to provide additional supporting documentation to substantiate costs at any time.

- b. Subcontractors' requirements: tasks completed by any subcontractor shall be supported by such subcontractor's invoice, copies of pages from reports, brochures, photographs, or other unique documentation that substantiates their charges.
- c. Failure to adhere to these policies may result in nonpayment or non-approval of demand, pursuant to CITY Charter Section 262(a) that requires CITY's Controller to inspect the quality, quantity, and condition of services, labor, materials, supplies, or equipment received by any CITY office or department, and to approve demands before they are drawn on from CITY's Treasury. Any incomplete requests for payment may be returned to CONTRACTOR with no action taken by CITY.

#### **SECTION 11. DELIVERY & ACCEPTANCE**

- A. CONTRACTOR shall notify DEPARTMENT in writing when fabrication of ARTWORK is complete and ready to be transported to PROJECT SITE for installation.
- B. DEPARTMENT shall inspect ARTWORK, prior to its transportation to PROJECT SITE, and upon verification of CONTRACTOR's satisfactory fabrication of ARTWORK, DEPARTMENT shall issue RECEIPT OF VERIFICATION to CONTRACTOR.
- C. AGENCY shall prepare PROJECT SITE for safe reception of ARTWORK for installation, wherein all expenses to prepare PROJECT SITE shall be borne by AGENCY unless otherwise specified under this AGREEMENT.
- D. Upon mutual agreement by DEPARTMENT and AGENCY that ARTWORK has been completed and installed satisfactorily, DEPARTMENT shall issue NOTICE OF FINAL ACCEPTANCE to CONTRACTOR and upon DEPARTMENT's acceptance of MAINTENANCE MANUAL submitted by CONTRACTOR, pursuant to SECTION 3, PARAGRAPH N, and CONTRACTOR's submission of RELEASE OF ALL CLAIMS and no fewer than five (5) high-resolution digital image files of installed ARTWORK to DEPARTMENT, pursuant to PARAGRAPH F of this SECTION, CONTRACTOR may submit to DEPARTMENT invoice(s) for payment of any unpaid monies due under this AGREEMENT.
- E. If DEPARTMENT determines that any contractual requirement(s) have not been satisfied, DEPARTMENT shall notify CONTRACTOR in writing within thirty (30) working days of any such determination(s) and withhold issuance of NOTICE OF FINAL ACCEPTANCE until all requirement(s) have been satisfied.

#### **SECTION 12. TITLES IN WORK PRODUCTS**

- A. CONTRACTOR shall retain the copyright in and to ARTWORK, as provided by federal law. CITY shall have all and exclusive rights of ownership, possession, and enjoyment of ARTWORK, which shall be single-edition, and upon payment in full, CONTRACTOR shall execute any documents CITY may require to evidence transfer. CITY has sole and exclusive discretion in the use, non-use, and enjoyment of the physical element of ARTWORK, subject to any restrictions contained in this AGREEMENT.
- B. Any and all materials and documents, including but not limited to models, maquettes, drawings, specifications, computations, designs, plans, proposals, digital images, photographs, reports, correspondence, and estimates prepared by CONTRACTOR or subcontractors under this AGREEMENT, shall become the property of CITY upon execution of this AGREEMENT, subject to CONTRACTOR's rights enumerated herein. CONTRACTOR shall deliver such materials and documents to CITY whenever requested to do so by DEPARTMENT. Said materials and documents prepared or acquired by CONTRACTOR pursuant to this AGREEMENT shall not be shown to any other public or private person or entity, except as authorized by DEPARTMENT. CONTRACTOR shall not disclose to any other public or private person or entity any information regarding the activities of CITY, except as expressly authorized in writing by CITY.
- C. The final ARTWORK shall be unique. CONTRACTOR shall not make any exact duplicate two or three-dimensional reproductions of the final ARTWORK, nor shall CONTRACTOR grant permission to others to do so except with the prior written permission of CITY. However, nothing shall prevent CONTRACTOR from creating future artworks in CONTRACTOR's manner and style of artistic expression.

- D. CONTRACTOR grants CITY and its assigns a nonexclusive irrevocable and royalty-free license to make two-dimensional reproductions of ARTWORK and any ARTWORK-related documentary works for non-commercial purposes, including but not limited to reproductions or transmissions used in media publicity, exhibitions, loans and/or collections management, or photographs. Such reproductions and transmissions may include but not be limited to magazines, books, newspapers, journals, brochures, exhibition catalogues, films, television, video, websites, slides, negatives, printed and electronic media, DVD, CD, computerized retrieval systems, and by all means or methods now known or hereafter invented in connection with standard CITY activities.
- E. CITY's rights under this license include the right to allow productions at PROJECT SITE for commercial and non-commercial movie, television, video, still photography, or any other content or media which image(s) of ARTWORK may appear without further compensation or notification by CITY to CONTRACTOR.
- F. CITY agrees that, unless CONTRACTOR requests to the contrary in writing, all reproductions of ARTWORK shall credit CONTRACTOR and CITY. CONTRACTOR shall make best efforts in any public showing or résumé use of reproductions to acknowledge CITY with the following credit line: "Commissioned by the City of Los Angeles."
- G. CONTRACTOR shall, at CONTRACTOR's expense, cause to be registered with the United States Register of Copyrights, a copyright of ARTWORK in CONTRACTOR's name.
- H. CITY may desire to make reproductions of ARTWORK for commercial purposes including but not limited to t-shirts, postcards, and posters, pursuant to a separate agreement which shall address the terms of the license granted by CONTRACTOR and the royalty, if any, CONTRACTOR may receive.
- I. CONTRACTOR shall not, during the performance of this AGREEMENT, disseminate media publicity of any kind regarding ARTWORK, SCOPE OF WORK, or PROJECT SITE without prior written approval of CITY.
- J. CONTRACTOR represents and warrants that ARTWORK's design and ARTWORK created under this AGREEMENT are either original, do not infringe upon the intellectual property rights of any third party, or are in the public domain. CITY shall not be liable for any third party claims, actions, judgments, costs, or damages of any type associated with ARTWORK design and ARTWORK provided hereunder that result from any infringement upon the intellectual property of any third party. If any third party infringement is claimed prior to CONTRACTOR receiving payment under this AGREEMENT, CITY shall have the right, upon written notice to CONTRACTOR, to withhold such payment until such claim(s) are resolved.
- K. CONTRACTOR hereby grants CITY all necessary legal standing "in the CONTRACTOR's shoes" to enforce CONTRACTOR's copyrights and related rights associated with ARTWORK. However, instituting such enforcement action shall not be a duty of CITY but rather an option to CITY absent timely action by CONTRACTOR. CITY's not instituting the enforcement actions shall not be construed as a waiver of any of its rights at law and in equity. Where CITY undertakes CONTRACTOR's duty to enforce against an infringer for want of timely action by CONTRACTOR, CONTRACTOR shall promptly reimburse CITY for actual costs incurred and prevailing, reasonable attorneys' fees arising out of such enforcement efforts ("Enforcement Expenses"), whether the enforcement efforts result in damages or recovery awarded or a settlement. Where CITY is successful in recovering damages from the infringer(s) in such actions, and upon full reimbursement of the Enforcement Expenses to CITY, CITY shall retain two-thirds ( $\frac{2}{3}$ ) of the gross recovery (without deductions of any kind) and distribute the remaining one-third ( $\frac{1}{3}$ ) to CONTRACTOR.
- L. All reproductions by CITY shall contain a credit or attribution to CONTRACTOR and a copyright notice in substantially the following form: "Copyright 20XX [Name of CONTRACTOR]", to the reasonably possible and appropriate extent, as determined by CITY.
- M. CITY's right of ownership includes the right to remove temporarily or permanently, and store (but not to relocate or reconfigure) ARTWORK in CITY's sole discretion. Further, nothing shall prevent CITY from altering or modifying ARTWORK by reason of business operations necessity, public safety, national security, federal regulations, or other such requirement. In the event that CITY desires to remove ARTWORK permanently, CITY shall give written notice to CONTRACTOR, pursuant to SECTION 12, and give CONTRACTOR the opportunity for a first right to reintegrate ARTWORK, regain ownership of ARTWORK, or disclaim authorship for reason of public safety, national security, or order(s) of the federal government or a court of competent jurisdiction. For avoidance of doubt, installation of ARTWORK at PROJECT SITE does not create any encumbrances on the land or the real estate thereof.

- N. CITY, at its expense and in consultation with CONTRACTOR, may prepare and install plaque(s) at PROJECT SITE, for the purposes of identifying CONTRACTOR, the title of ARTWORK, and the year of completed ARTWORK installation, and such plaque(s) shall be reasonably maintained, as more fully described in SECTION 17 of this AGREEMENT. CITY shall have discretion regarding the size, material, construction, and placement of such plaque(s), subject to public safety, maintenance, and operational considerations. The cost of such plaque(s) shall not be borne by CONTRACTOR's budget.

### **SECTION 13. CONTRACTOR'S RIGHTS**

- A. CONTRACTOR and CITY acknowledge that CONTRACTOR may have certain rights under the Visual Artists Rights Act (hereinafter "VARA") and the California Civil Code Section 987 (hereinafter "CAPA"). CITY and CONTRACTOR recognize the importance of CONTRACTOR's moral rights of attribution and integrity, as identified in VARA and CAPA. CITY and CONTRACTOR herein address those statutory rights pursuant to this AGREEMENT.
- B. CONTRACTOR shall have the right to claim authorship of ARTWORK. Further, CONTRACTOR shall have the right to prevent the use of his or her name as the author of ARTWORK in the event of physical defacement, mutilation, alteration, or destruction of ARTWORK.
- C. CITY shall, in its sole discretion, have the right to remove, relocate, or otherwise alter or modify ARTWORK at any time. CITY shall provide ninety (90) days written notice to CONTRACTOR, at CONTRACTOR's last known address, of its intended action affecting ARTWORK. CONTRACTOR acknowledges and understands that the installation of ARTWORK may subject ARTWORK to destruction, mutilation, alteration, or other modification due to the acts of third parties, or to its removal, relocation, conservation, maintenance, storage, or transfer of ownership by CITY.
- D. Pursuant to CITY's Administrative Code Section 22.109, no work of art belonging to or in the possession of CITY shall be removed, relocated, or altered in any way without the written approval of COMMISSION.
- E. CITY may exercise the option of contracting with CONTRACTOR, under separate agreement, for the consultation and assistance with any relocation, reintegration, or performance of any other services for the benefit of CITY, CONTRACTOR and ARTWORK.
- F. In consideration of the mutual covenants and conditions in this AGREEMENT, and except as otherwise provided for under this AGREEMENT, CONTRACTOR agrees to waive any right that CONTRACTOR may have under VARA to prevent the removal of ARTWORK, or the destruction, distortion, mutilation, or other modification of ARTWORK arising from, connected with, or caused or claimed to be caused by the removal, conservation, maintenance, storage, or transfer of ownership of ARTWORK by CITY or its agents, officers, employees, or representatives, or by the presence of ARTWORK at PROJECT SITE. CONTRACTOR's VARA rights under this AGREEMENT shall cease with CONTRACTOR's death and shall not extend to CONTRACTOR's heirs, successors, or assigns.
- G. In consideration of the mutual covenants and conditions in this AGREEMENT, CONTRACTOR waives any rights which CONTRACTOR or CONTRACTOR's heirs, beneficiaries, devisees, or personal representatives may have under California Civil Code Section 987 to prevent the removal, defacement, mutilation, alteration, or destruction of ARTWORK.
- H. If CITY, in its sole discretion, determines that ARTWORK presents imminent harm or hazard to the public, CITY may authorize its removal without prior notification to CONTRACTOR.
- I. Notwithstanding MAINTENANCE MANUAL submitted by CONTRACTOR, pursuant to SECTION 3, PARAGRAPH N, CITY, in its sole discretion, may determine when and if any maintenance or conservation to ARTWORK shall be made. In the event that such maintenance or conservation results in any substantial alteration, modification, or damage, CONTRACTOR shall have the right to disclaim ARTWORK as CONTRACTOR's creation, and to request that the identification plaque and any attributive references be removed from ARTWORK and reproductions thereof. All maintenance and conservation, whether performed by CONTRACTOR, CITY, or any third party responsible to CONTRACTOR or CITY, shall be made in accordance with professional conservation standards and in accordance with MAINTENANCE MANUAL.
- J. CITY shall, in its own discretion, have the right to donate, sell, transfer or exchange ARTWORK or ELEMENTS of ARTWORK at any time. CONTRACTOR shall have the right of first refusal. CITY shall provide written notice to CONTRACTOR at CONTRACTOR's last known address, providing CONTRACTOR the opportunity to

purchase ARTWORK for an amount equal to either its fair market value as determined by a qualified appraiser or the amount of any offer that CITY has received for the purchase of ARTWORK, whichever amount is greater, in addition to reimbursement to CITY for all costs associated with the removal of ARTWORK from PROJECT SITE, clean-up of PROJECT SITE, and transportation and delivery of ARTWORK to CONTRACTOR. CONTRACTOR shall have ninety (90) days from the date of CITY's notice to exercise the option described herein.

- K. This SECTION is intended to replace and substitute for the rights of CONTRACTOR under VARA and CAPA to the extent that any portion of this AGREEMENT is in direct conflict with those rights. The parties acknowledge that this AGREEMENT supersedes those laws to the extent that this AGREEMENT is in direct conflict therewith.

#### **SECTION 14. CONSTRUCTION DELAYS**

- A. If CONTRACTOR is delayed from installing ARTWORK during the term of this AGREEMENT as a result of the construction at PROJECT SITE not being sufficiently complete to permit safe installation of ARTWORK therein, AGENCY shall have two options:
1. Reimburse CONTRACTOR for reasonable storage and any other related costs incurred for the period between the time provided in the schedule for commencement of installation and the date upon which PROJECT SITE is complete to permit safe installation of ARTWORK, and extend the AGREEMENT for the time necessary to permit full performance of the AGREEMENT.
  2. Request CONTRACTOR to transport ARTWORK at the time of completed fabrication to PROJECT SITE or other designated location for storage. Cost(s) to transport ARTWORK to the storage location shall be borne by CONTRACTOR. Cost(s) to transport ARTWORK from storage location to PROJECT SITE, as well as all related storage costs, shall be borne by AGENCY, wherein CONTRACTOR shall mitigate such transportation and storage costs. DEPARTMENT shall provide CONTRACTOR with proof of insurance for the value of ARTWORK as stipulated by CONTRACTOR, not to exceed the value of services to be provided under this AGREEMENT.

#### **SECTION 15. EARLY COMPLETION OF CONTRACTOR SERVICES**

CONTRACTOR shall bear any transportation and storage costs resulting from the completion of services hereunder prior to the time provided for in the approved WORK PLAN.

#### **SECTION 16. IDENTIFICATION**

DEPARTMENT, at its expense and in consultation with CONTRACTOR, may prepare and install plaque(s), at appropriate location(s), for the purpose of identifying CONTRACTOR, title of ARTWORK, and year of completion of ARTWORK. Such plaque(s) and location(s) shall be subject to the mutual agreement among CONTRACTOR, DEPARTMENT, and AGENCY. Unresolved disputes shall be resolved pursuant to SECTION 25.

#### **SECTION 17. MAINTENANCE, REPAIRS & RESTORATION OF THE WORK**

- A. Maintenance: DEPARTMENT and AGENCY recognize that maintenance of ARTWORK on a regular basis is essential to the integrity of ARTWORK. DEPARTMENT and AGENCY shall reasonably assure that ARTWORK is properly maintained and protected, taking into account the instructions of CONTRACTOR as specified in MAINTENANCE MANUAL, and shall reasonably protect and maintain ARTWORK against the ravages of time, vandalism, and the elements, subject to provision of funds by CITY's Mayor and Council for such purposes.
- B. Repairs and restoration: DEPARTMENT shall have the right to determine when and if repairs and restorations to ARTWORK shall be made.

#### **SECTION 18. CONTRACTOR'S ADDRESS**

CONTRACTOR shall give written notice to DEPARTMENT of any change(s) in his/her address within five (5) days of such change(s). Failure to do so, thereby causing DEPARTMENT to be unable to locate CONTRACTOR as a result shall be deemed a waiver by CONTRACTOR to any rights under this AGREEMENT.

#### **SECTION 19. TERMINATION OF AGREEMENT**

- A. DEPARTMENT, by giving fourteen (14) calendar days written notice to CONTRACTOR, may terminate this AGREEMENT, in whole or part at any time, either for DEPARTMENT's convenience or due to CONTRACTOR's failure to fulfill contractual obligations. Upon receipt of such notice, CONTRACTOR shall:
1. Immediately discontinue all services affected (unless the written notice directs otherwise).
  2. Deliver to DEPARTMENT all data, drawings, blueprints, specifications, reports, estimates, summaries, and other such information and materials as may have been given to CONTRACTOR by CITY, DEPARTMENT, and/or AGENCY for the performance of work under this AGREEMENT, whether completed or in process.
  3. CONTRACTOR shall transfer ARTWORK, whether completed or in process, and legal title of ownership thereto, to DEPARTMENT.
- B. If termination is for CITY's convenience, DEPARTMENT shall pay CONTRACTOR for reasonable costs accrued by CONTRACTOR, subject to DEPARTMENT's review and written verification.
- C. If termination is due to CONTRACTOR's failure to fulfill contractual obligations, DEPARTMENT may take over the work and administer the same to completion by contract or otherwise. In such case, CONTRACTOR shall be liable to DEPARTMENT for any reasonable costs or damages occasioned to DEPARTMENT thereby. If CITY has paid CONTRACTOR for purchases of labor and/or materials and CONTRACTOR has not purchased all labor and/or materials for ARTWORK prior to such termination, all materials purchase by CONTRACTOR shall become property of CITY, and any unexpended amounts paid to CONTRACTOR for labor and/or materials shall be repaid immediately to CITY.
- D. If after DEPARTMENT issues a notice of termination for CONTRACTOR's failure to fulfill contractual obligations, and DEPARTMENT subsequently determines that CONTRACTOR did not so fail, then such termination shall be deemed effected for DEPARTMENT's convenience, and payment adjustment(s) shall be made by DEPARTMENT, pursuant to PARAGRAPH B of this SECTION.
- E. The rights and remedies of the parties provided in this SECTION are in addition to any other rights and remedies provided by law or under this AGREEMENT.
- F. CONTRACTOR, in executing this AGREEMENT, shall be deemed to have waived any and all claims for damages in the event of DEPARTMENT's termination for convenience as provided in PARAGRAPH B of this SECTION, including in the event that such termination is for DEPARTMENT's convenience, pursuant to PARAGRAPH D of this SECTION.
- G. If CONTRACTOR, due to illness or any other occurrence, becomes unable to render services under this AGREEMENT, this AGREEMENT shall be deemed terminated, unless stipulations have been made in writing by CONTRACTOR for completion of ARTWORK by a third party approved in writing by DEPARTMENT prior to any such written stipulations. If CONTRACTOR has not stipulated any such a third party, DEPARTMENT reserves the right to negotiate with CONTRACTOR's heirs, personal representatives, successors, and/or any party that DEPARTMENT deems suitable to complete ARTWORK.
- H. In the event of CONTRACTOR's death, this AGREEMENT shall automatically terminate and CONTRACTOR's representative shall proceed pursuant to PARAGRAPH A of this SECTION.

#### **SECTION 20. RATIFICATION**

At CITY's request, CONTRACTOR has begun performance of the services specified herein prior to execution of this AGREEMENT. CITY acknowledges the services previously performed by CONTRACTOR prior to execution, and so ratifies CONTRACTOR's performance of said services since January 18, 2012 to the extent that such services were performed in accordance with the terms and conditions of this AGREEMENT.

#### **SECTION 21. SUCCESSORS & ASSIGNS**

This AGREEMENT shall be binding on the parties hereto and their heirs, executors, administrators, successors, and assigns; provided however, that neither this AGREEMENT nor any part hereof, except for monies previously earned and due to CONTRACTOR, may be assigned to anyone without prior written authorization by DEPARTMENT.

#### **SECTION 22. PROHIBITED INTERESTS**

- A. CONTRACTOR warrants that s/he has not employed or retained any company or person, other than a *bona fide* employee working solely for CONTRACTOR, to solicit or secure this AGREEMENT, and has not paid or agreed to pay any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award or making of this AGREEMENT, to any company or person other than a *bona fide* employee working solely for CONTRACTOR. For breach or violation of this warranty, CITY shall have the right to terminate this AGREEMENT without liability.
- B. CONTRACTOR agrees that, for the term of this AGREEMENT, pursuant to SECTION 9, no member, officer, or regular employee of CITY, during his/her employment or for one (1) year thereafter, shall have any interest, direct or indirect, in this AGREEMENT or any benefit arising therefrom.

**SECTION 23. AUDIT & ACCESS TO RECORDS**

CONTRACTOR, including all subcontractors, shall maintain records and other evidence of all expenses incurred this AGREEMENT for a period of three (3) years after the termination date of this AGREEMENT, pursuant to SECTION 9. CITY, or any of its duly authorized representatives, for the purpose of audit and examination, shall have access to and be permitted to inspect all such records and other evidence.

**SECTION 24. ENGINEERING CONFORMANCE & PROTECTION OF WORK**

- A. CONTRACTOR shall coordinate with PROJECT SITE's architect(s) and/or engineer(s) on all related civil, architectural, structural, mechanical, electrical, and other issues as needed to ensure conformance of ARTWORK, and/or any part thereof, to all professional safety and material standards.
- B. CONTRACTOR shall bear all costs for any reasonable civil architectural, structural, mechanical, and/or electrical requirements, and safety and/or material tests as required by CITY for ARTWORK, and/or any part thereof.

**SECTION 25. DISPUTES & REMEDIES**

- A. All claims, disputes, and any other matters in question between CITY and CONTRACTOR arising out of or relating to this AGREEMENT or its breach, shall first be brought to DEPARTMENT'S attention.
- B. All disputes which have not been resolved by mutual agreement between DEPARTMENT and CONTRACTOR shall be reviewed by DEPARTMENT in consultation with AGENCY, wherein CONTRACTOR shall submit a written explanation of all unresolved issue(s) to DEPARTMENT's General Manager. Upon receipt of CONTRACTOR's written explanation and upon consultation with AGENCY's General Manager, within sixty (60) calendar days of receipt of said explanation, DEPARTMENT's General Manager shall render a final decision in writing to CONTRACTOR.
- C. CITY's rights and remedies under this AGREEMENT are in addition to any other rights and remedies provide by law.

**SECTION 26. COMPLIANCE WITH LOS ANGELES CITY CHARTER SECTION 470(c)(12)**

CONTRACTOR, subcontractors, and subcontractor principals performing work under any CITY contract valued at \$100,000 or more and that requires approval of elected CITY official(s), are obligated to comply fully with CITY's Charter Section 470(c)(12) and related ordinances regarding limitations on campaign contributions and fundraising for certain elected CITY officials or candidates for elected CITY office positions. Additionally, CONTRACTOR is required to provide and update certain information with CITY as specified by law. Any contractor subject to CITY Charter Section 470(c)(12) shall include the following notice in any subcontract in which the subcontractor is expected to receive at least \$100,000 to perform work under said subcontract:

*"Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions: As proved in City of Los Angeles Charter Section 470(c)(12) and related ordinances, you are a Subcontractor under a City of Los Angeles Contract and, pursuant to 470(c)(12), all Subcontractors and Subcontractor Principals under City Contracts are prohibited from making campaign contributions and fundraising for certain elected City officials for candidates seeking elected City office positions, for a term of twelve (12) months after the execution of the City Contract under which you are a subcontractor. Subcontractors are required to provide names and contact information for Subcontractor Principals must be proved to CITY contractor within five (5) business days of the execution of this Subcontract, and Subcontractors must update this information upon any such change during the stated twelve-month term. Failure to comply with 470(c)(12) or related ordinances may result in termination of this City Contract or any other available legal remedies, including fines. Detailed information about these restrictions may*

*be accessed through the City Ethics Commission's website at <http://ethics.lacity.org/>, or by calling (213) 978-1960. Contractors, Subcontractors, and Subcontractor Principals must comply with these requirements and limitations. Violations of this provision shall entitle the City to terminate this City Contract and pursue any and all legal remedies that may available."*

**SECTION 27. ENTIRE AGREEMENT**

- A. This AGREEMENT shall be executed in four (4) duplicate originals, each of which is deemed to be an original. The AGREEMENT includes fifteen (15) pages and one (1) appendix, which constitute the entire understanding and agreement of the parties.
- B. This AGREEMENT integrates all the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the services to be provided.
- C. No verbal agreement or conversation with any officer or employee of either party shall affect or modify any of the terms and conditions of this AGREEMENT.
- D. In the event of any inconsistency between the provisions in the body of this AGREEMENT and the attachments, the provisions in the body of this AGREEMENT take precedence, followed by APPENDIX A, "Standard Provisions for City Contracts (Rev. 03/09)".

**SECTION 28. MODIFICATION**

No alteration, change, or modification of the terms of this AGREEMENT shall be valid unless made in writing and signed by both parties hereto and approved by appropriate action of CITY.

—SIGNATURE PAGE TO FOLLOW—

IN WITNESS THEREOF, the parties hereto have caused this AGREEMENT to be executed by their respective duly authorized representatives.

CITY OF LOS ANGELES

By

  
MATTHEW RUDNICK  
INTERIM GENERAL MANAGER  
DEPARTMENT OF CULTURAL AFFAIRS

Date

6/25/14

LAURA HULL

344 ANNA MARIA DRIVE, ALTADENA, CA 91001  
BTRC NO. 625268

By

  
LAURA HULL  
ARTIST

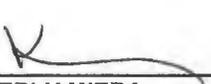
Date

06.16.14

APPROVED AS TO FORM AND LEGALITY:

MICHAEL N. FEUER, CITY ATTORNEY

By

  
KIMBERLY MIERA  
DEPUTY CITY ATTORNEY

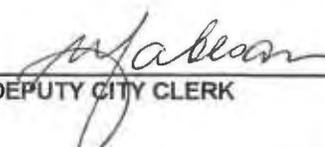
Date

7-7-14

ATTEST:

HOLLY L. WOLCOTT, INTERIM CITY CLERK

By

  
DEPUTY CITY CLERK

Date

07/09/2014

C-124195



CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: March 30, 2012

TO: **Mayor Antonio R. Villaraigosa**  
**Attention: Cary Gross, City Hall, 3rd Floor**

Mail Stop 370

FROM: **Olga Garay-English, General Manager**  
Department of Cultural Affairs

Mail Stop 380

SUBJECT: **PERSONAL SERVICES CONTRACT WITH LAURA HULL,**  
**HOLLYWOOD POOL AND BUILDING**

2012 APR -3 PM 3:25  
ADMINISTRATIVE OFFICER



Transmitted herewith for your approval is a copy of the proposed Personal Services Contract between the City of Los Angeles and Laura Hull.

The Department of Cultural Affairs respectfully requests that your office approve this Personal Services Contract to have public art designed, fabricated and installed at the Hollywood Pool and Building according to the City's Percent for Art policy for public works projects. The Hollywood Pool and Building is located in Council District 13.

The contract term is from **January 18, 2012 to January 17, 2015.**  
The funds originate from **Prop K funds, Fund 302, Department 89, Account 460K HF.**  
The funding contact person is **Cathie Santo Domingo, Department of Public Works, 213.473.5895, cathie.santodomingo@lacity.org.**  
Laura Hull is located at **2415 S. Santa Fe Ave., #9, Los Angeles, CA 90058.**  
The contract amount is not to exceed **\$16,400.**  
Laura Hull uses **Business Tax Registration Certificate Number 0000625268-0002-3.**  
Laura Hull is a **One-Person Contractor.**

The following describes the application and standard artist selection process and procedures for public art projects. Four artists were selected from the pre-qualified artist roster and asked to prepare site-specific proposals for the Hollywood Pool and Building. These artists presented their designs to a selection panel comprised of professional artists, a community representative, a representative of Recreation and Cultural Facilities, two representatives of the Hollywood Pool, and the project architect. Laura Hull was selected to receive the commission based on the quality, artistic merit and appropriateness of her proposal, as well as for the professionalism of her research and presentation.

Laura Hull does not employ any employees or officials of the City of Los Angeles. To the best of our knowledge, this Department has complied with all City procedures and applicable laws and policies relative to the awarding of this contract. Laura Hull is a one-person contractor and, therefore, is exempt from the Living Wage Ordinance.

In accordance with Executive Directive #3, the Department of Cultural Affairs respectfully requests that you approve and authorize the General Manager of the Department of Cultural Affairs to execute the contract on behalf of the City, subject to the review and approval of the City Attorney as to form and legality.

If you have any questions, please call Dee McMillin at 213.202.5552. Thank you.

OG:dm  
dmw  
Facil  
Rusep  
C.A. I  
Laur

0150-09749-0000

**TRANSMITTAL**

TO  
The Cultural Affairs Department  
The City Attorney

DATE  
JUL 26 2012

COUNCIL FILE NO.

FROM  
The Mayor

COUNCIL DISTRICT

**Personal Services Contract with  
Laura Hull for Public Art**

Approved and transmitted for further processing.  
See the City Administrative Officer report attached.

  
MAYOR

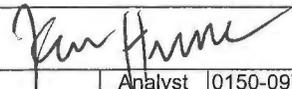
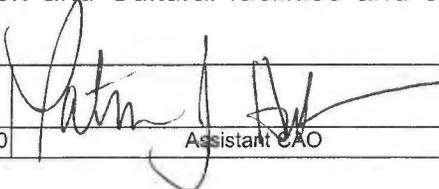
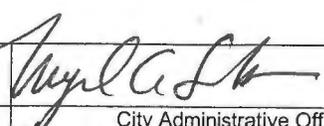
**Report From**  
**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**  
**Analysis of Proposed Contract**  
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor		Date: 07-20-12	C.D. No.	CAO File No.: 0150-09749-0000			
Contracting Department/Bureau: The Department of Cultural Affairs			Contact: Dee McMillin (213)202-5552				
Reference: Request from Mayor's Office dated April 3, 2012							
Purpose of Contract: Public Art at the Hollywood Pool and Building							
Type of Contract: (X) New contract ( ) Amendment			Contract Term Dates: January 18, 2012 through January 17, 2015				
Contract/Amendment Amount: \$16,400							
Proposed amount \$16,400 + Prior award(s) \$0 = Total \$16,400							
Source of funds: Department of Public Works, Proposition K – Fund 302, Dept 89, Account 460K HF							
Name of Contractor: Laura Hull							
Address: 2415 South Santa Fe Avenue #9, Los Angeles, CA 90058							
	Yes	No	N/A*	8. Contractor has complied with:	Yes	No	N/A*
1. Council has approved the purpose	X			a. Equal Employmt. Oppty./Affirm. Action	X		
2. Appropriated funds are available	X			b. Good Faith Effort Outreach**	X		
3. Charter Section 1022 findings completed	X			c. Equal Benefits Ordinance	X		
4. Proposals have been requested	X			d. Contractor Responsibility Ordinance	X		
5. Risk Management review completed	X			e. Slavery Disclosure Ordinance	X		
6. Standard Provisions for City Contracts included	X			f. Bidder Certification CEC Form 50	X		
7. Workforce that resides in the City: 100%				*N/A = not applicable ** Contracts over \$100,000			

**COMMENTS**

The Department of Cultural Affairs (Cultural Affairs) requests the authority to execute a contract with Laura Hull to design, fabricate and install public art to enhance the Hollywood Pool and Building located in Council District 13. The contract term is from January 18, 2012 through January 17, 2015. The term is retroactive to January 18, 2012 because, at the request of Cultural Affairs, the Contractor started the art work. Section 18 of the contract, titled Ratification, contains language acknowledging the services performed prior to the execution of this agreement. The total contract amount is not to exceed \$16,400. Funding for this contract will be provided by the Department of Public Works, Proposition K Bond Fund Program (Fund 302, Department 89, Account 460K HF).

A Request for Qualifications (RFQ) to establish a Pre-Qualified Artists Roster was issued to 600 artists of all media types. Applicants were required to submit images of past work, a personal statement and a resume. A selection panel comprised of art professionals and representatives from Cultural Affairs reviewed the submissions and selected 19 qualified artists from the RFQ. Of that group, four artists proceeded on to the Request for Proposals (RFP) phase. The RFP required each artist to present their qualifications and proposed designs for the project. A final selection panel comprised of the project architect, art professionals, representatives from the Hollywood Pool, representative from the Recreation and Cultural facilities and community representatives evaluated

		
kh	Analyst	City Administrative Officer

the proposals and selected Laura Hull based on the presentation, quality and artistic merit, and appropriateness of past work.

As stipulated in the contract, Laura Hull shall be paid in accordance with the terms as described in Section 9, Request for Payment and Remuneration. The payment terms are summarized below:

- 25% after approval of conceptual design plans, preliminary work plan and cost estimate;
- 40% after approval of final design development plan, construction drawings, and final work plan and budget by the Cultural Affairs Commission;
- 20% after final inspection and approval of fabricated artwork by Cultural Affairs; and,
- 15% after final inspection and approval of installed artwork and upon acceptance by Cultural Affairs and issuance of the Notice of Final Acceptance.

In accordance with the Los Angeles Administrative Code, Section 10.5(a), City Council approval is not required because the proposed term of the contract will not exceed three years. The proposed contract must be reviewed by the City Attorney as to form.

## **RECOMMENDATION**

That the Mayor authorize the General Manager of the Department of Cultural Affairs to execute a contract in an amount not to exceed \$16,400 with Laura Hull, to design, fabricate and install public art at the Hollywood Pool and Building, subject to the review by the City Attorney as to form. The term of this contract is retroactive to January 18, 2012 through January 17, 2015.

## **FISCAL IMPACT STATEMENT**

There will no additional impact on the City's General Fund as a result of executing this contract between the City and Laura Hull. The funding for this contract will be provided for by the Department of Public Works, Proposition K Bond Fund Program (Fund 302, Department 89, Account 460K HF). Funding for this contract is consistent with the City's Financial Policies, in that one-time revenues will be used to support this one-time program.

# REQUEST FOR CONTRACT APPROVAL

TO: THE OFFICE OF THE CITY ATTORNEY  
FROM: CULTURAL AFFAIRS, PUBLIC ART, Paul Pescador 213.202.5523  
DATE: 03/10/15

The attached contract is a proposed agreement between the City and Laura Hull and is hereby submitted for the City Attorney's approval as required by the City Charter.

The maximum amount of the contract is \$ 16,400.

The term of the contract is from 1/18/2012 thru 1/17/2016.

Authorization to enter into this contract has been given by:

- City Council (Council File No. \_\_\_\_\_ - \_\_\_\_\_)
- Commission (Board of \_\_\_\_\_)  
( Report No. \_\_\_\_\_ )
- General Manager or other City Officers: \_\_\_\_\_
- CAO and Mayor (CAO No. 0150-09749-0000)

Please attach a copy of any authorizing resolution, reports, etc.

Funding for this contract has been provided in the:

- Annual Budget
- Separate Council appropriation on \_\_\_\_\_
- Board or Commission Action on \_\_\_\_\_

Selection of this contractor was by:

- Competitive bids
- Request for Proposals (RFP)
- Other (Please explain fully) \_\_\_\_\_  
\_\_\_\_\_

Award is to:

- Lowest and best responsible bidder; best responsible proposer
- Other (Please explain fully on separate attachment)

*(continued on reverse side)*

Bid Bond

- Posted-amount \$ \_\_\_\_\_  Waived  
 Not required (Explain) \_\_\_\_\_  
\_\_\_\_\_

Performance Bond

- Posted-amount \$ \_\_\_\_\_  Waived  
 Not required (Explain) \_\_\_\_\_  
\_\_\_\_\_

Bid Modifications

The bid, proposal, or offer:

- has not been modified by contractor  
 has been modified by contractor as follows:  
\_\_\_\_\_  
\_\_\_\_\_

In the event any of the following documents or statements have not been received or approved please explain the basis for not requiring compliance from the contractor.

- Affirmative action plan approved by the Office of Contract Compliance on \_\_\_\_\_, 200\_\_. Expires on \_\_\_\_\_.
- n/a** South African Business Contacts Statement provided and approved.
- n/a** Declaration for Contractor compliance with the City's Employment and Training Policy (JTPA).
- n/a** Minority/Women and Other Business Outreach Program statement provided and approved.
- Declaration of Contractor's compliance with the City's Child Care Policy has been provided and approved.
- Risk Manager approved insurance requirements on \_\_\_\_\_, 200\_\_.
- The proposed contract was submitted to the Mayor's Office in accordance with Executive Directive No. 3 and was approved by the CAO and the Mayor on **July 26, 2012** (CAO Report No. **0150-09749-0000**)

  
\_\_\_\_\_  
Department Authorized Signature

**Appendix A**  
**Standard Provisions for City Contracts**

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**PSC-4. TIME OF EFFECTIVENESS**

Unless otherwise provided, this Contract shall take effect when all of the following events have occurred:

- A. This Contract has been signed on behalf of **CONTRACTOR** by the person or persons authorized to bind **CONTRACTOR** hereto;
- B. This Contract has been approved by the City Council or by the board, officer or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this Contract as to form; and
- D. This Contract has been signed on behalf of the **CITY** by the person designated by the City Council, or by the board, officer or employee authorized to enter into this Contract.

**PSC-5. INTEGRATED CONTRACT**

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only as provided for in paragraph PSC-6 hereof.

**PSC-6. AMENDMENT**

All amendments to this Contract shall be in writing and signed and approved pursuant to the provisions of PSC-4.

**PSC-7. EXCUSABLE DELAYS**

In the event that performance on the part of any party hereto is delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder include, but are not limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; earthquakes; epidemics; quarantine restrictions; strikes; freight embargoes or delays in transportation, to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.

**PSC-8. BREACH**

Except for excusable delays as described in PSC-7, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights

CITY'S lobbying policies, then the CITY may immediately terminate this Contract.

4. In the event the CITY terminates this Contract as provided in this section, the CITY may procure, upon such terms and in such manner as the CITY may deem appropriate, services similar in scope and level of effort to those so terminated, and **CONTRACTOR** shall be liable to the CITY for all of its costs and damages, including, but not limited, any excess costs for such services.
5. All finished or unfinished documents and materials produced or procured under this Contract, including all intellectual property rights thereto, shall become CITY property upon date of such termination. **CONTRACTOR** agrees to execute any documents necessary for the CITY to perfect, memorialize, or record the CITY'S ownership of rights provided herein.
6. If, after notice of termination of this Contract under the provisions of this section, it is determined for any reason that **CONTRACTOR** was not in default under the provisions of this section, or that the default was excusable under the terms of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to PSC-10(A) Termination for Convenience.
7. The rights and remedies of the CITY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

**PSC-11. INDEPENDENT CONTRACTOR**

**CONTRACTOR** is acting hereunder as an independent contractor and not as an agent or employee of the CITY. **CONTRACTOR** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the CITY.

**PSC-12. CONTRACTOR'S PERSONNEL**

Unless otherwise provided or approved by the CITY, **CONTRACTOR** shall use its own employees to perform the services described in this Contract. The CITY shall have the right to review and approve any personnel who are assigned to work under this Contract. **CONTRACTOR** agrees to remove personnel from performing work under this Contract if requested to do so by the CITY.

**CONTRACTOR** shall not use subcontractors to assist in performance of this Contract without the prior written approval of the CITY. If the CITY permits the use of subcontractors, **CONTRACTOR** shall remain responsible for performing all aspects of

requirements prescribed by the CITY. These records shall be retained for a period of no less than three years following final payment made by the CITY hereunder or the expiration date of this Contract, whichever occurs last. Said records shall be subject to examination and audit by authorized CITY personnel or by the CITY'S representative at any time during the term of this Contract or within the three years following final payment made by the CITY hereunder or the expiration date of this Contract, whichever occurs last. CONTRACTOR shall provide any reports requested by the CITY regarding performance of this Contract. Any subcontract entered into by CONTRACTOR, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract.

**PSC-18. FALSE CLAIMS ACT**

CONTRACTOR acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the CITY under the False Claims Act (Cal. Gov. Code §§ 12650 *et seq.*), including treble damages, costs of legal actions to recover payments, and civil penalties of up to \$10,000 per false claim.

**PSC-19. BONDS**

All bonds which may be required hereunder shall conform to CITY requirements established by Charter, ordinance or policy, and shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Sections 11.47 through 11.56 of the Los Angeles Administrative Code.

**PSC-20. INDEMNIFICATION**

Except for the active negligence or willful misconduct of the CITY, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, CONTRACTOR undertakes and agrees to defend, indemnify and hold harmless the CITY and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the CITY, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including CONTRACTOR'S employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Contract by CONTRACTOR or its subcontractors of any tier. Rights and remedies available to the CITY under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the CITY. The provisions of PSC-20 shall survive expiration or termination of this Contract.

**PSC-21. INTELLECTUAL PROPERTY INDEMNIFICATION**

CONTRACTOR, at its own expense, undertakes and agrees to defend, indemnify, and hold harmless the CITY, and any of its Boards, Officers, Agents, Employees, Assigns,

**CONTRACTOR** shall not provide or disclose any Work Product to any third party without prior written consent of the **CITY**.

Any subcontract entered into by **CONTRACTOR** relating to this Contract, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract to contractually bind or otherwise oblige its subcontractors performing work under this Contract such that the **CITY'S** ownership and license rights of all Work Products are preserved and protected as intended herein. Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of **CONTRACTOR'S** contract with the **CITY**.

**PSC-24. INSURANCE**

During the term of this Contract and without limiting **CONTRACTOR'S** indemnification of the **CITY**, **CONTRACTOR** shall provide and maintain at its own expense a program of insurance having the coverages and limits customarily carried and actually arranged by **CONTRACTOR**, but not less than the amounts and types listed on the Required Insurance and Minimum Limits sheet (Form General 146 in Exhibit 1 hereto), covering its operations hereunder. Such insurance shall conform to **CITY** requirements established by Charter, ordinance or policy, shall comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 1 hereto) and shall otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. **CONTRACTOR** shall comply with all Insurance Contractual Requirements shown on Exhibit 1 hereto. Exhibit 1 is hereby incorporated by reference and made a part of this Contract.

**PSC-25. DISCOUNT TERMS**

**CONTRACTOR** agrees to offer the **CITY** any discount terms that are offered to its best customers for the goods and services to be provided hereunder and apply such discount to payments made under this Contract which meet the discount terms.

**PSC-26. WARRANTY AND RESPONSIBILITY OF CONTRACTOR**

**CONTRACTOR** warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within **CONTRACTOR'S** profession, doing the same or similar work under the same or similar circumstances.

**PSC-27. NON-DISCRIMINATION**

Unless otherwise exempt, this Contract is subject to the non-discrimination provisions in Sections 10.8 through 10.8.2 of the Los Angeles Administrative Code, as amended from time to time. The **CONTRACTOR** shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the **CITY**. In performing this Contract, **CONTRACTOR** shall not

race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

- D. **CONTRACTOR** shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of **CITY** contracts. On their or either of their request **CONTRACTOR** shall provide evidence that he or she has or will comply therewith.
- E. The failure of any **CONTRACTOR** to comply with the Equal Employment Practices provisions of this Contract may be deemed to be a material breach of **CITY** contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to **CONTRACTOR**.
- F. Upon a finding duly made that **CONTRACTOR** has failed to comply with the Equal Employment Practices provisions of a **CITY** contract, the contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the **CITY**. In addition thereto, such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the **CONTRACTOR** is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, **CONTRACTOR** shall be disqualified from being awarded a contract with the **CITY** for a period of two years, or until **CONTRACTOR** shall establish and carry out a program in conformance with the provisions hereof.
- G. Notwithstanding any other provision of this Contract, the **CITY** shall have any and all other remedies at law or in equity for any breach hereof.
- H. Intentionally blank.
- I. Nothing contained in this Contract shall be construed in any manner so as to require or permit any act which is prohibited by law.
- J. At the time a supplier registers to do business with the **CITY**, or when an individual bid or proposal is submitted, **CONTRACTOR** shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of **CITY** Contracts.

their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

- C. As part of the CITY'S supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, **CONTRACTOR** shall certify on an electronic or hard copy form to be supplied, that **CONTRACTOR** has not discriminated in the performance of CITY contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
- D. **CONTRACTOR** shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of CITY contracts, and on their or either of their request to provide evidence that it has or will comply therewith.
- E. The failure of any **CONTRACTOR** to comply with the Affirmative Action Program provisions of CITY contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to **CONTRACTOR**.
- F. Upon a finding duly made that **CONTRACTOR** has breached the Affirmative Action Program provisions of a CITY contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the CITY. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said **CONTRACTOR** is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such **CONTRACTOR** shall be disqualified from being awarded a contract with the CITY for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.
- G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that **CONTRACTOR** has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a CITY contract, there may be deducted from the amount payable to **CONTRACTOR** by the CITY under the contract, a penalty of ten dollars

- M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
  2. Classroom preparation for the job when not apprenticeable;
  3. Pre-apprenticeship education and preparation;
  4. Upgrading training and opportunities;
  5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
  6. The entry of qualified women, minority and all other journeymen into the industry; and
  7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.
- N. Any adjustments which may be made in the contractor's or supplier's workforce to achieve the requirements of the CITY'S Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the workforce or replacement of those employees who leave the workforce by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.
- O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the CITY and may be used at the discretion of the CITY in its Contract Compliance Affirmative Action Program.
- P. Intentionally blank.

**PSC-31. LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR WORKER  
RETENTION ORDINANCE**

- A. Unless otherwise exempt, this Contract is subject to the applicable provisions of the Living Wage Ordinance (LWO), Section 10.37 *et seq.* of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time. These Ordinances require the following:
1. **CONTRACTOR** assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of compensated and uncompensated days off and health benefits, as defined in the LWO.
  2. **CONTRACTOR** further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. **CONTRACTOR** shall require each of its subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. **CONTRACTOR** shall deliver the executed pledges from each such subcontractor to the **CITY** within ninety (90) days of the execution of the subcontract. **CONTRACTOR'S** delivery of executed pledges from each such subcontractor shall fully discharge the obligation of **CONTRACTOR** with respect to such pledges and fully discharge the obligation of **CONTRACTOR** to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
  3. **CONTRACTOR**, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the **CITY** with regard to the employer's compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. **CONTRACTOR** shall post the Notice of Prohibition Against Retaliation provided by the **CITY**.
  4. Any subcontract entered into by **CONTRACTOR** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of PSC-31 and shall incorporate the provisions of the LWO and the SCWRO.

**PSC-33. CONTRACTOR RESPONSIBILITY ORDINANCE**

Unless otherwise exempt, this Contract is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time, which requires **CONTRACTOR** to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously provided if such change would affect **CONTRACTOR'S** fitness and ability to continue performing this Contract.

In accordance with the provisions of the Contractor Responsibility Ordinance, by signing this Contract, **CONTRACTOR** pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this Contract, including but not limited to, laws regarding health and safety, labor and employment, wages and hours, and licensing laws which affect employees. **CONTRACTOR** further agrees to: (1) notify the **CITY** within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that **CONTRACTOR** is not in compliance with all applicable federal, state and local laws in performance of this Contract; (2) notify the **CITY** within thirty calendar days of all findings by a government agency or court of competent jurisdiction that **CONTRACTOR** has violated the provisions of Section 10.40.3(a) of the Contractor Responsibility Ordinance; (3) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, submit a Pledge of Compliance to the **CITY**; and (4) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify the **CITY** within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3(a) of the Contractor Responsibility Ordinance in performance of the subcontract.

**PSC-34. MINORITY, WOMEN, AND OTHER BUSINESS ENTERPRISE OUTREACH PROGRAM**

**CONTRACTOR** agrees and obligates itself to utilize the services of Minority, Women and Other Business Enterprise firms on a level so designated in its proposal, if any. **CONTRACTOR** certifies that it has complied with Mayoral Directive 2001-26 regarding the Outreach Program for Personal Services Contracts Greater than \$100,000, if applicable. **CONTRACTOR** shall not change any of these designated subcontractors, nor shall **CONTRACTOR** reduce their level of effort, without prior written approval of the **CITY**, provided that such approval shall not be unreasonably withheld.

**PSC-35. EQUAL BENEFITS ORDINANCE**

Unless otherwise exempt, this Contract is subject to the provisions of the Equal Benefits Ordinance (EBO), Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time.

EXHIBIT 1

**INSURANCE CONTRACTUAL REQUIREMENTS**

**CONTACT** For additional information about compliance with City Insurance and Bond requirements, contact the Office of the City Administrative Officer, Risk Management at (213) 978-RISK (7475) or go online at [www.lacity.org/cao/risk](http://www.lacity.org/cao/risk). The City approved Bond Assistance Program is available for those contractors who are unable to obtain the City-required performance bonds. A City approved insurance program may be available as a low cost alternative for contractors who are unable to obtain City-required insurance.

**CONTRACTUAL REQUIREMENTS**

**CONTRACTOR AGREES THAT:**

**1. Additional Insured/Loss Payee.** The CITY must be included as an Additional Insured in applicable liability policies to cover the CITY'S liability arising out of the acts or omissions of the named insured. The CITY is to be named as an Additional Named Insured and a Loss Payee As Its Interests May Appear in property insurance in which the CITY has an interest, e.g., as a lien holder.

**2. Notice of Cancellation.** All required insurance will be maintained in full force for the duration of its business with the CITY. By ordinance, all required insurance must provide at least thirty (30) days' prior written notice (ten (10) days for non-payment of premium) directly to the CITY if your insurance company elects to cancel or materially reduce coverage or limits prior to the policy expiration date, for any reason except impairment of an aggregate limit due to prior claims.

**3. Primary Coverage.** CONTRACTOR will provide coverage that is primary with respect to any insurance or self-insurance of the CITY. The CITY'S program shall be excess of this insurance and non-contributing.

**4. Modification of Coverage.** The CITY reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving CONTRACTOR ninety (90) days' advance written notice of such change. If such change should result in substantial additional cost to CONTRACTOR, the CITY agrees to negotiate additional compensation proportional to the increased benefit to the CITY.

**5. Failure to Procure Insurance.** All required insurance must be submitted and approved by the Office of the City Administrative Officer, Risk Management prior to the inception of any operations by CONTRACTOR.

CONTRACTOR'S failure to procure or maintain required insurance or a self-insurance program during the entire term of this Contract shall constitute a material breach of this Contract under which the CITY may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance to protect the CITY'S interests and pay any and all premiums in connection therewith and recover all monies so paid from CONTRACTOR.

**6. Workers' Compensation.** By signing this Contract, CONTRACTOR hereby certifies that it is aware of the provisions of Section 3700 *et seq.*, of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake

### Exhibit 1 (Continued) Required Insurance and Minimum Limits

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Agreement/Reference: \_\_\_\_\_

Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

	<u>Limits</u>
___ Workers' Compensation – Workers' Compensation (WC) and Employer's Liability (EL)	WC <u>Statutory</u> EL _____
<input type="checkbox"/> Waiver of Subrogation in favor of City	<input type="checkbox"/> Longshore & Harbor Workers
	<input type="checkbox"/> Jones Act

\_\_\_ General Liability \_\_\_\_\_

Products/Completed Operations       Sexual Misconduct \_\_\_\_\_

Fire Legal Liability \_\_\_\_\_

\_\_\_\_\_

\_\_\_ Automobile Liability (for any and all vehicles used for this Contract, other than commuting to/from work) \_\_\_\_\_

\_\_\_ Professional Liability (Errors and Omissions) \_\_\_\_\_

\_\_\_ Property Insurance (to cover replacement cost of building – as determined by insurance company) \_\_\_\_\_

- |  |   |
|--|---|
| <input type="checkbox"/> All Risk Coverage | <input type="checkbox"/> Boiler and Machinery |
| <input type="checkbox"/> Flood _____       | <input type="checkbox"/> Builder's Risk       |
| <input type="checkbox"/> Earthquake _____  | <input type="checkbox"/> _____                |

\_\_\_ Pollution Liability \_\_\_\_\_

\_\_\_\_\_

\_\_\_ Surety Bonds – Performance and Payment (Labor and Materials) Bonds 100 % of Contract Price

\_\_\_ Crime Insurance \_\_\_\_\_

Other: \_\_\_\_\_

## LAURA HULL

---

344 Anna Maria Drive, Los Angeles, CA 91001 213 500 7208  
lhull@sbcglobal.net  
www.laurahullphotography.com

### EDUCATION

Claremont Graduate University, Claremont, CA - MFA  
Assistant Registrar for the Claremont Galleries

DePauw University, Greencastle, IN - BA  
GLCA New York Arts Program, New York, NY  
GLCA Year in Athens Program

Apprenticeships  
Joan Campbell, Fremantle, West Australia  
Gutte Eriksen, Hundested, Denmark  
Howardena Pindell, New York, NY

### SELECTED SOLO EXHIBITIONS

*In Retrospect*, Burton Gallery, Solana Beach, CA  
*Recent Work*, AIA Gallery, Los Angeles, CA  
*Listening*, Craig Krull Gallery, Los Angeles, CA  
*Poem*, Craig Krull Gallery, Los Angeles, CA  
*Inside/Out*, Claremont Graduate University, Claremont, CA

### SELECTED GROUP EXHIBITIONS

*Tree Service*, Domestic Setting, Los Angeles, CA  
*Femme Fatale*, LA Forum, Storefront for Art and Architecture, Los Angeles, CA  
*Out of the Box*, Armory Gallery, Armory Center for the Arts, Pasadena, CA  
*Breaking Boundaries*, Biggin Gallery, Auburn University, AL  
*Whispers, Shouts and Cheers*, Mount St. Mary's College, Los Angeles  
*Light: Emerging Los Angeles Photographers*, Pasadena Museum of California Art,  
California Tan Corporate Office, Los Angeles CA  
*Art Out of the Box*, DNFA Gallery, curator Jay Belloli, Pasadena, CA  
*New Los Angeles Photography*, LA French Consulate, curator Louis Stern, Los Angeles, CA  
*3 X 3*, Jan Baum Gallery, Los Angeles, CA  
*White Out*, Libra Gallery, Claremont Graduate University, Claremont, CA  
*Invitational*, Tucson Museum of Art, Tucson, AZ  
*Group Show*, Kay Bonfoey Gallery, Tucson, AZ

*Tucson Invitational*, Scottsdale Center for the Arts, Scottsdale, AZ

*Tucson Ceramic Art*, Mathews Center, Tempe, AZ

*Group Show*, Pima College, Tucson, AZ

## **TEACHING**

Otis College of Arts and Design, Photography Instructor

Tucson Museum of Art School, Ceramics Instructor

## **GRANTS**

Artists-In-The-School Grant – California

Artists-In-The-School Grant – Arizona

## **PUBLIC / PRIVATE COMMISSIONS**

Hollywood Recreation Center and Pool; photographic ceramic mural; Awarded by Los Angeles Dept. of Cultural Affairs (in progress), Hollywood, CA

Photographers for Public Artwork, Architecture, and Cultural Events, Awarded by Los Angeles Dept. of Cultural Affairs

Chateau des Fleur, book commission, Studio William Hefner , Los Angeles, CA

10lb. Bar, Montage Hotel, Beverly Hills, CA

RW Ranch, photography installation, Linda Cherry Design, Redondo Beach, CA

## **PUBLIC SERVICE**

Board Member, Animation Bank (Museum/Cultural Center), Glendale, CA

Moderator, Panel Discussion: *Investing in Architecture*, Harvard Business School, Los Angeles

LA City Walk, sponsored by *LA Architect*, co-coordinator, Los Angeles

Lecture Series for ASID (American Society of Interior Designers), Los Angeles

Lecture Series, LA Mart, Los Angeles

Juror: Annual International Furniture Competition, Los Angeles

Juror: Department of Cultural Affairs, Los Angeles Fire Department (pre-qualification), Los Angeles

## **PROFESSIONAL EXPERIENCE**

Laura Hull Photography (current)

Fine art commissions, architectural and interiors photography for design professionals and publications

Regional Editor, Meredith Corp. (*Better Homes & Gardens*) (current)  
Production, art direction, writing, styling for over 400 major articles.

City Editor, *Metropolitan Home Magazine*  
Production, photography, writing for 13 years

Editor-in-Chief, *LA Architect*  
Full editorial responsibility for bi-monthly AIA supported magazine

**PHOTOGRAPHY WORK APPEARS IN (Magazines):**

*Traditional Home Magazine*  
*LUXE Magazine*  
*Angeleno Magazine*  
*Living etc. (England)*  
*LA Times*  
*German Vogue*  
*Brazil Vogue*  
*Ideat (French)*  
*New York Times*  
*United Airlines Magazine*  
*California Home and Design*  
*California Home*  
*Casaviva (Colombia)*  
*Metropolitan Home Magazine*

**PHOTOGRAPHY WORK APPEARS IN (Books):**

*Hearth and Home: Rooms That Tell a Story*  
*California Home: Studio William Hefner*  
*Brilliant: White in Design*  
*An Ever-Widening Circle: The Ceramic Artistry of Helen Jean Taylor*  
*20 Private Wohnräume (Germany)*  
*Residence (China)*

**BOARD REPORT**

NO. 16-204

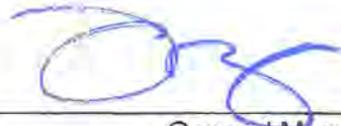
DATE September 21, 2016

C.D. 11

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: **VENICE OF AMERICA CENTENNIAL PARK – INSTALLATION OF PUBLIC ART**

<i>fu</i>	AP Diaz _____	V. Israel _____
	*R. Barajas <u>CJD</u>	K. Regan _____
	H. Fujita _____	N. Williams _____

  
\_\_\_\_\_  
General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATIONS

1. Grant approval for the installation of a public art project with associated plaques at Venice of America Centennial Park as described in the Summary of this Report; and
2. Direct Department of Recreation and Parks (RAP) staff to issue the appropriate Right-of-Entry permit.

SUMMARY

Venice of America Centennial Park is located at 501 South Venice Boulevard in the Venice community. This is a 0.89 acre non-programmed pocket park which is located adjacent to the Venice Branch Library.

RAP has received a request from artist, Ms. Robin Murez, to install a public art project at Venice of America Centennial Park. This public art component is the second phase of a proposed multi-phase project that includes landscaping (phase 1) and the installation of the Venice Heritage Museum (phase 3).

This public art installation under consideration comprises two parts. The first is the installation of five Mosaic Spheres. These concrete spheres are designed with iconic Venice designs fabricated as a mosaic to be used as sculptural seating. The second is a series of Dance Steps fabricated from waterjet cut stainless steel and mapping out the Cha Cha Cha, the Mambo and the Swing affixed to the walkways. These dance steps will replace previously painted steps which have faded over time. Both components of the public art installation, the spheres and the dance steps, will each have an associated expository plaque, approximately 8" x 6" silkscreen on stainless steel, which explains the graphic design and its association with the Venice community. The plaques will be affixed to a low wall at the western end of Venice Centennial Park which allows the reader a view of the library while reading about the art installation. The text for the proposed plaques, as well as a park schematic, project visuals and maintenance agreement, are attached to this Report as Exhibit A.

## BOARD REPORT

PG. 2 NO. 16-204

There has been extensive community outreach regarding this proposal. This Project has been presented to, and has the support of, the Venice Neighborhood Council (who provided funding for the landscaping portion of the Project), Friends of the Venice Library (who provided a letter of support for the Project) and the Venice Heritage Foundation. Over one hundred fifty (150) citizens have registered support for this Project. Ms. Murez has installed several other public art pieces throughout the Venice community, and her work is familiar to many local residents.

The fabrication, installation and maintenance of the artwork and plaques are the responsibility of the artist. The sculptures will receive an anti-graffiti coating and are to be constructed and installed in a manner that allows for removal with relative ease.

Prior to receiving a Right-of-Entry Permit for the installation of the public art project, the applicant shall provide proof of the required insurance as well as documentation showing approval of this Project by the Cultural Affairs Commission.

This Project was presented to the Facility Repair and Maintenance Commission Task Force at their regularly scheduled meeting on April 6, 2016 for conceptual approval, at which time the Task Force recommended that the Project be forwarded to the full Board for review. Since that time, RAP staff has met with the applicant on site to review and finalize the installation locations. Maintenance staff has assured that the installation of this art project will not hinder the ongoing maintenance of the park.

### ENVIRONMENTAL IMPACT STATEMENT

RAP staff has determined that the subject Project is exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Article III, Section 1, Class 11 (6), of the City CEQA Guidelines.

Councilmember Mike Bonin, Eleventh Council District, and RAP management and staff have no objection to this Project at Venice of America Centennial Park.

### FISCAL IMPACT STATEMENT

Installation of the sculptures and associated plaques will have negligible impact on the RAP's General Fund, as the cost of the sculptures, plaques and maintenance will be funded by the applicant.

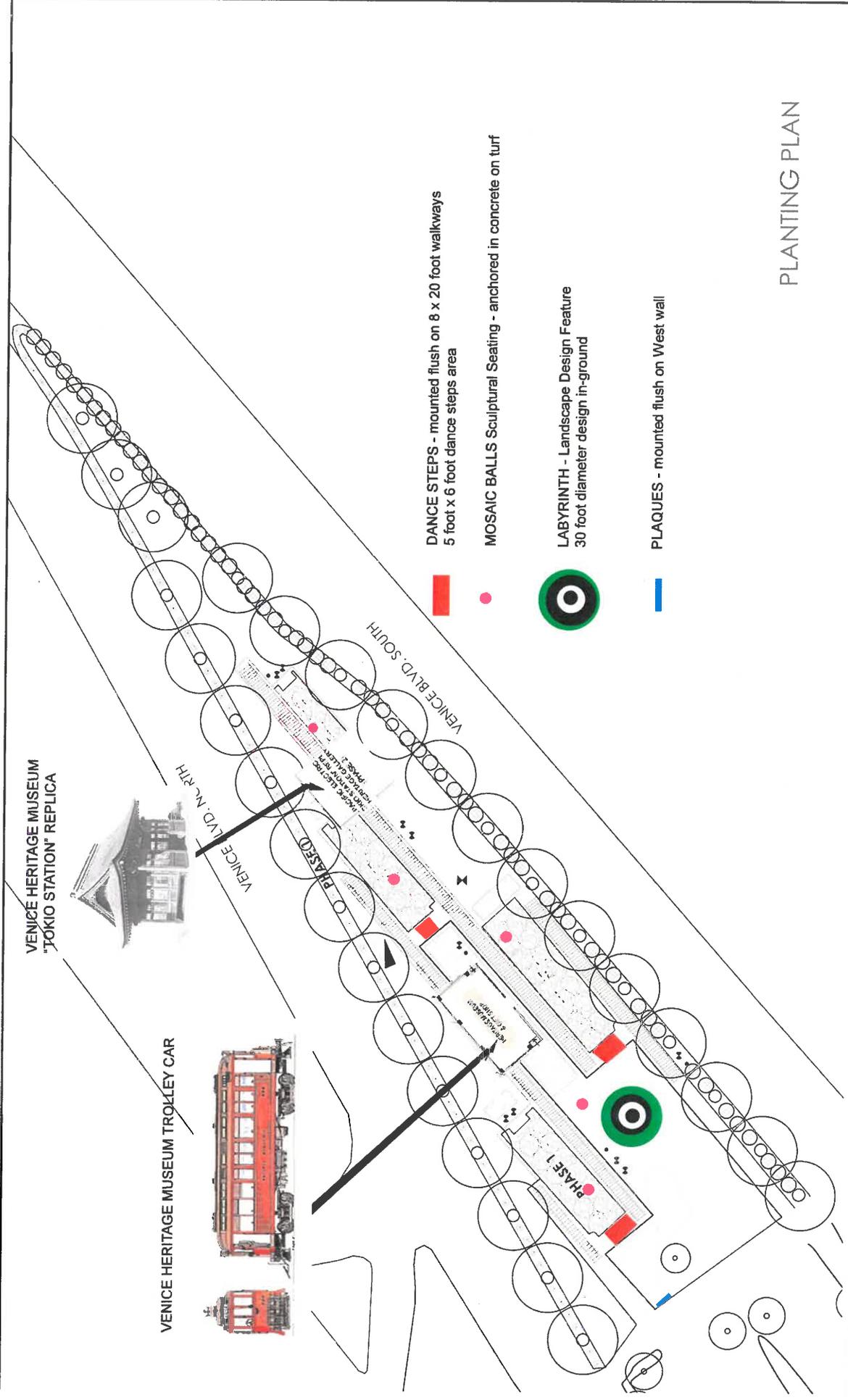
This Report was prepared by Melinda Gejer, City Planning Associate, Planning, Construction and Maintenance Branch.

BOARD REPORT

PG. 3 NO. 16-204

LIST OF ATTACHMENT(S)

- 1) Exhibit A – Proposed Plaque Text, Park Schematic, Project Visuals, and Maintenance Agreement



PLANTING PLAN

**EXISTING IRRIGATION**

- Backflow
- Irrigation Controller
- Remote Control Valve Box
- Quick Coupler Valve Box

**LEGEND**

- EXISTING TREES
- Existing Grasses
- Existing Shrubs
- PHASE 1
- PHASE 2

**PLANT LIST**

SHRUBS, GRASSES & GROUNDCOVERS \*PLANT PLACEMENT TBD ON SITE\*

PHASE 1	PHASE 2
100 MUHLENBERGIA capillaris 'Lenca'	10 LAVENDULA dentate
50 BACCHARIS pilularis 'Pigeon Point'	10 PEROVSKIA atriplicata
	10 ROSMARINUS officinalis
	10 SALVIA apama compacta
	10 CAREX pennis
	20 NASSELLA tenuisima (Mexican Feather Grass)

SCALE: 1"=20'  
 NORTH

**LEGEND**

- EXISTING TREES
- Existing Grasses
- Existing Shrubs
- PHASE 1
- PHASE 2

**EXISTING IRRIGATION**

- Backflow
- Irrigation Controller
- Remote Control Valve Box
- Quick Coupler Valve Box

**PLANT LIST**

SHRUBS, GRASSES & GROUNDCOVERS \*PLANT PLACEMENT TBD ON SITE\*

PHASE 1	PHASE 2
MUHLENBERGIA capillaris 'Lenca'	10 LAVENDULA dentate
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	10 ROSMARINUS officinalis
	10 SALVIA apama compacta
	10 CAREX pennis
	20 NASSELLA tenuisima (Mexican Feather Grass)

SCALE: 1"=20'  
 NORTH

Images of Sculptural Elements:

Mosaic Balls

Dance Steps



Mosaic Balls - Sculptural Seating



Dance Steps Sculpture on a Walkway



Venice Labyrinth

# MOSAIC SPHERES

Abbot Kinney created Venice of America in 1905 as a mash up of Venice, Italy and Coney Island. He created romantic canals, built Italian architecture, hosted music and literary events and brought wild amusement rides to make this fantastic seaside town of art and amusement.

THE WINGED LION, or St Mark Lion, is the Symbol of The Republic of Venice. Winged Lions were originally sculpted within our iconic colonnade at the entrance of Venice Beach. As in Venice, Italy, the Lion's tablet reads: "Pax Tibi," Peace Be With You.

ROCKET SHIPS & FLYING SAUCERS A tribute to world renown fantasy and science fiction writer and longtime Venetian, Ray Bradbury. You'll find Fahrenheit 451, Martian Chronicles and more of his fantastic writings in the Venice Library.

TONGVA TURTLE STORY The Tongva Native Americans tell a story of how California was created: Great Spirit asked a family of turtle children to come together and hold still. Great Spirit put soil on their backs to form California. But, as siblings tease and play, they move about. And that's why we have earthquakes in California.

CONEY ISLAND OF THE PACIFIC, as Venice was called, had wild rollercoasters, beautiful carousels, giant slides, fun houses, live camel rides, miniature trains, and much more.

LABYRINTH a spiritual walking path. As you follow it into the center, you can meditate on your outside life. In the center, release your thoughts. As you follow the path back out, embrace the new day.

ARTIST: ROBIN MUREZ 2016 VENICE PUBLIC ART

# **DANCE STEPS**

**Follow the arrows and DANCE! Just down the road, thousands danced the Mambo, the Cha Cha Cha and the Swing in dance marathons, festivals and everyday, in the enormous Venice Dance Hall on the Abbot Kinney Pier.**

**ARTIST: ROBIN MUREZ 2016 VENICE PUBLIC ART**

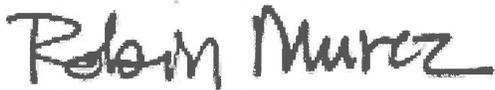
## SCULPTURE MAINTENANCE & ANTI-GRAFFITI COATING AGREEMENT

The parties to this agreement are Robin Murez, Artist and creator of the described sculptures, and The City of Los Angeles and Department of Recreation & Parks.

For the right to install these sculptures in Centennial Park, I, Robin Murez, agree to maintain the Mosaic Balls and Dance Steps in good condition for as long as they are installed in the Park.

I agree to apply an anti-graffiti coating the the Mosaic Balls prior to their installation.

Agreed To and Accepted By:



---

Robin Murez, Artist  
[robin@robinmurez.com](mailto:robin@robinmurez.com)  
310 709-7826  
2800 Neilson Way 1703  
Santa Monica, CA 90405

Date: March 16, 2016

Agreed To and Accepted By:

---

City of Los Angeles, Department of Recreation & Parks

Date:

**BOARD REPORT**

NO. 16-205

DATE September 21, 2016

C.D. 7

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: ORO VISTA PARK – FITNESS AREA (PRJ21047) PROJECT–FINAL PLANS; ALLOCATION OF QUIMBY FUNDS; EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO ARTICLE III, SECTION 1, CLASS 3 (6), CLASS 11 (3, 6) OF THE CITY CEQA GUIDELINES

AP Díaz	_____	V. Israel	_____
<i>fu</i> R. Barajas	<i>CSD</i> _____	K. Regan	_____
H. Fujita	_____	N. Williams	_____

  
 \_\_\_\_\_  
 General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATIONS

1. Approve the final plans for the Oro Vista Park – Fitness Area (PRJ21047) Project;
2. Authorize the Department of Recreation and Parks (RAP) Chief Accounting Employee to transfer Quimby Funds in the amount of Fourteen Thousand, Two Hundred Twenty-Eight Dollars (\$14,228.00) from Quimby Fees Account No. 89460K-00 to Oro Vista Park Account No. 89460K-OV;
3. Approve the allocation of Fourteen Thousand, Two Hundred Twenty-Eight Dollars (\$14,228.00) in Quimby Funds from Oro Vista Park Account No. 89460K-OV for the Oro Vista Park – Fitness Area (PRJ21047) Project;
4. Find that the proposed Project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 3 (6), Class 11 (3, 6) of the City CEQA Guidelines;
5. Direct Staff to file the Notice of Exemption (NOE) within five working days of approval;
6. Authorize the RAP Chief Accounting Employee to prepare a check to the Los Angeles County Clerk in the amount of Seventy-Five Dollars (\$75.00) for the purpose of filing the NOE; and,
7. Authorize the RAP Chief Accounting Employee to make technical corrections as necessary to carry out the intent of this Report.

## BOARD REPORT

PG. 2 NO. 16-205

### SUMMARY

Oro Vista Park is located at 11101 North Oro Vista Street in the Sunland-Tujunga area of the City. This 8.23 acre park features an equestrian and trail staging area with permeable surface parking for cars and horse trailers, trailheads, walking paths, a demonstration garden, and picnic tables. Approximately 800 residents live within a one-half mile walking distance of Oro Vista Park. Oro Vista Park is smaller than the "minimum desired acreage" for a Community Park; however, once the Project is complete, it will meet the Public Recreation Plan's definition of a Community Park as the park is "designed to serve residents of all ages in several surrounding neighborhoods" and it features "specialized" facilities (e.g. equestrian and trail staging area) that are typically found in a Community Park and that are designed to serve residents from a wide service radius.

RAP staff has determined that the installation of new outdoor fitness equipment is necessary and would be of benefit to park patrons and members of the surrounding community.

Upon approval of this Report, Fourteen Thousand, Two Hundred Twenty-Eight Dollars (\$14,228.00) in Quimby Fees will be transferred from Quimby Fees Account No. 89460K-00 to Oro Vista Park Account No. 89460K-OV and allocated to the Oro Vista Park – Fitness Area (PRJ21047) Project.

The total funding available for the Oro Vista Park – Fitness Area (PRJ21047) Project would be Fourteen Thousand, Two Hundred Twenty-Eight Dollars (\$14,228.00). These Quimby Fees were collected within two miles of Oro Vista Park, which is the standard distance for the allocation of the Quimby Fees for community recreational facilities.

Despite the low dollar amount of the requested allocation, it was decided to bring the Project before the Board, due to its previous controversy.

Oro Vista Park was developed into a park using Proposition K funds in a project completed in 2015. Due to the lack of any remaining project funds, a request by community members to add outdoor fitness equipment to the park was not fundable under Proposition K. RAP staff was asked to identify any other potential funding sources.

In January of 2016, RAP staff was made aware of a competitive grant opportunity offered through the National Recreation and Park Association/Disney that could potentially fund the outdoor fitness project at Oro Vista. The Oro Vista Park – Fitness Area Project was submitted for the grant, and made the final cut of projects in the City of Los Angeles. After an extensive voting process, the Project was declared the winning project. Prior to the official announcement by the grantor, e-mails from the community expressing both opposition to and support for the Project were received by the Department. Due to the controversy surrounding the Project, it was decided to relinquish the grant to the second place project.

## BOARD REPORT

PG. 3 NO. 16-205

At this point, it was decided to conduct a community meeting to gauge the level of support for or opposition to the Project, and if sufficient support was found, to seek replacement funding. E-mail notifications regarding the meeting were sent to the Sunland-Tujunga Neighborhood Council, the local Park Advisory Boards, Council District 7, the Sunland and Lakeview Terrace Recreation Centers, and those who e-mailed RAP expressing either support or opposition to the Project. In addition, four hundred thirty (430) meeting flyers were hand delivered to local schools, libraries, churches, the post office, and door-to-door along several streets near the park. During the initial meeting, following much pro and con discussion, an informal vote showed a majority in favor of the Project. At a subsequent meeting to discuss proposed locations for the Project, there was no opposition expressed. The meeting outreach was similar to that of the first meeting, although the door-to-door distribution was less in total number.

### TREES AND SHADE

Two Chinese Pistache (*Pistachia chinensis*) trees (24" box) will be planted adjacent to the new amenities.

### ENVIRONMENTAL IMPACT STATEMENT

The proposed Project will consist of the installation of small new structures within an existing park. Therefore, RAP staff recommends that the Board make the determination that the Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) in accordance with Article III, Section 1, Class 3(6) and Class 11(3, 6) of the City CEQA Guidelines. A Notice of Exemption will be filed with the Los Angeles County Clerk within five working days of the Board's approval of the Project.

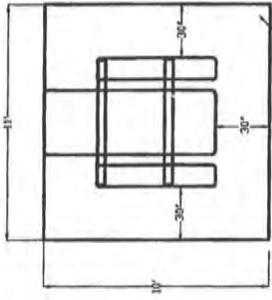
### FISCAL IMPACT STATEMENT

The pProject is anticipated to have no financial impact as existing staff will absorb any additional maintenance needs.

This Report was prepared by Robert Oyakawa, Landscape Architect, Planning, Construction and Maintenance Branch.

### LIST OF ATTACHMENT

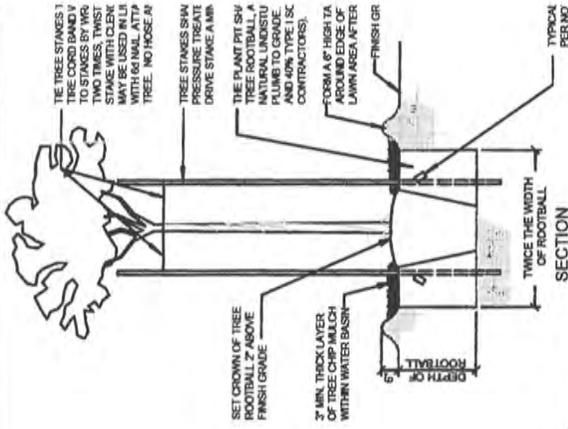
- 1) Final Plan – Oro Vista Fitness Area Project



5' THICK CONCRETE SLAB

**A** PICNIC TABLE DETAIL

0  
SC/



**B** TREE PLANTING AND STAKING SECTION



NEW PICNIC TABLE ON CONCRETE PAD, SEE DETAIL "A"

**BOARD REPORT**

NO. 16-206

DATE September 21, 2016

C.D. 10

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: RANCHO CIENEGA SPORTS COMPLEX (PHASE 1 – PRJ20308) (PHASE 2 – PRJ21049) (W.O. #E1907694) – ADOPT THE INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION



AP Diaz

R. Barajas

H. Fujita

CSD

V. Israel

K. Regan

N. Williams

  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS

1. Review, consider and adopt the Initial Study (IS) and Mitigated Negative Declaration (MND), herein included as Attachment 1, for the Rancho Cienega Sports Complex (Phase 1 – PRJ20308) (Phase 2 – PRJ21049) (W.O. #E1907694) project (Project), finding that on the basis of the whole record of proceedings of the Project, including the IS/MND and any public and/or agency comments received therefrom, that there is no substantial evidence that the Project will have a significant effect on the environment, and that all potentially significant environmental effects of the Project have been properly disclosed, evaluated, and mitigated in the IS/MND in compliance with the California Environmental Quality Act (CEQA) and the State and City CEQA Guidelines, and that the IS/MND reflects the Board's independent judgment and analysis;
2. Adopt the Mitigation Monitoring and Reporting Plan (MMRP), published under separate cover, herein included as Attachment 3, that specifies the mitigation measures to be implemented in accordance with CEQA Guidelines (Section 15074(d));
3. Approve the Rancho Cienega Sports Complex (Phase 1 – PRJ20308)(Phase 2 – PRJ21049) (W.O. #E1907694) Project, as described herein;
4. Direct Staff to file a Notice of Determination (NOD) for the adopted IS/MND with the Los Angeles City Clerk and the Los Angeles County Registrar/Recorder within five days of the Board's approval; and,
5. Authorize the Department of Recreation and Parks' (RAP) Chief Accounting Employee to prepare a check to the Los Angeles County Clerk in the amount of Seventy-Five Dollars (\$75.00) for the purpose of filing the NOD.

## BOARD REPORT

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### SUMMARY

The Rancho Cienega Sports Complex (Phase 1 – PRJ20308) (Phase 2 – PRJ21049) (W.O. #E1907694) Project is located at 5001 Rodeo Road in the West Adams-Baldwin Hills-Leimert Community of the City of Los Angeles, in Council District 10.

The proposed Project will be implemented in two phases. The components proposed to be implemented in each phase are described below. The proposed Project would be designed and constructed to meet LEED Silver designation. The construction of the proposed Project is anticipated to begin in December 2016 and would occur for approximately twenty-seven (27) months, ending in March 2019. Phase 1 activities would last approximately seventeen (17) months, and Phase 2 activities would last approximately ten (10) months.

#### Phase 1

Phase 1 will include demolition of existing facilities, hazardous materials abatement, grading, pile installation, foundation construction, utility installations, building construction, parking lot grading, and landscape and site improvements. Phase 1 activities would occur in the south central portion of the Project site and include the following elements:

#### Indoor Gymnasium

The existing gymnasium would be demolished and a new approximately 24,000-square-foot gymnasium would be built east of the Jackie Robinson Stadium and north of the primary parking lot. The proposed new gymnasium would include office space, a running path, and a lookout deck on the second floor, and a second floor walkway that would connect the proposed indoor gymnasium to the proposed indoor pool.

#### Indoor Pool and Multi-use Building

The scope includes demolition of the existing restroom facilities and construction of a new, approximately 25,000-square-foot indoor pool and bathhouse facility in the central portion of the property adjacent to the existing childcare center and north of the proposed primary parking area. The new indoor pool facility would include a bathhouse, restrooms, lockers, and changing rooms on the ground floor, and a community room, fitness annex, and kitchen on the mezzanine level.

#### Tennis Shop/Overlook

The existing tennis shop will receive interior and infrastructure upgrades, as well as the installation of two Americans with Disabilities Act (ADA) accessible restrooms. A new bleacher structure would be constructed adjacent to the existing tennis courts, and east of the existing childcare center, to provide a shaded viewing area of the tennis courts.

## BOARD REPORT

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### Stadium Overlook/Concession Stand

A new stadium overlook and concession stand would be constructed east of and adjacent to the existing stadium. The facility will include a concession stand, restrooms, and a ticket office on the ground level, and a stadium overlook on the mezzanine level, totaling approximately 4,000 square feet.

### Playground

The existing playground located between the existing childcare center and tennis courts would be demolished, in order to accommodate the new tennis shop and restroom facility. A new playground would be constructed directly west of the proposed tennis shop.

### Primary Parking Lot

The existing parking lot along Rodeo Road will be re-graded, rearranged, and repaved to meet the current parking standards.

### Phase 2

Phase 2 includes demolition of the concrete surrounding the existing RAP maintenance building, hazardous materials abatement, grading for the parking lot and other site improvements, utility adjustments and upgrades, renovation of the existing maintenance yard and various site improvements, and installation of landscape and hardscape. The majority of the Phase 2 activities would occur in the western and northwestern portion of the Project site, with some landscaping, storm drainage, and security lighting installed in the eastern portion of the Project site. The Phase 2 components include the following: grading and repaving of the parking lot located on the North side of the site, development of a new parking lot that infiltrates 100% of the storm-water, and installation of landscape and hardscape.

### RAP Maintenance Yard and Refuse Collection Center

The scope includes rehabilitation of the existing RAP maintenance building and relocation of the RAP maintenance yard adjacent to the northwest corner of the Jackie Robinson Stadium. A new maintenance yard and refuse collection center would be constructed adjacent to the rehabilitated RAP maintenance building.

### Northwestern Driveway

The scope includes construction of a new driveway at the northwestern boundary of the project site. The driveway would extend towards Exposition Boulevard that currently ends at the parking lot on the northwestern part of the property.

## BOARD REPORT

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### Controlled Driveway

The construction of a new controlled driveway at the southwest corner of the Project site near the Jackie Robinson Stadium has been included to alleviate parking and access limitations. The driveway would allow only right-in/right-out access from Rodeo Road when additional parking is required for special events or community programs. Bollards would be located at the driveways to prohibit access during normal operations.

### Off-street Parking

The scope includes installation of off-street parking along the western boundary of the Project site, adjacent to the Jackie Robinson Stadium. Additional off-street parking would be installed along the northwestern boundary of the Project site, adjacent to the new driveway and Metro Expo Rail Line. With installation of off-street parking, the overall number of parking spaces available in the park would remain the same as existing conditions (411 spaces) but would be reconfigured to allow for landscaping and parking lot improvements.

### Overflow Parking

Alteration of the existing parking lot in the northwestern portion of the Project site controlled overflow parking area. Based on scheduling, the overflow parking area can also be used for events, or passive park activities. When used for parking, an additional eighty-eight (88) spaces would be available to park patrons, for a total of 499 parking spaces in the overall park. Bollards would be located at the driveways to prohibit access during normal operations.

The proposed Project is being designed and constructed to meet the U.S. Green Building Council's Leadership in Energy & Environmental Design (LEED) Silver designation, and to achieve the Living Building Challenge Net Zero Energy Certification.

The proposed Project would be constructed using a combination of Federal and local funds. Funding may include U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG), Proposition K (the L.A. for Kids Program), Capital Improvement Expenditure Program (CIEP), Municipal Improvement Corporation of Los Angeles (MICLA), and Quimby Funds. The City Engineer's Estimate for the construction costs for the first phase of this Project is Twenty-Five Million Dollars (\$25,000,000.00). Bid alternates will be placed in the Bid documents to account for the funding gap. RAP and Council District 10 are also searching for additional funding sources. The second phase will be funded as needed in the following fiscal years. Funds are currently available from the following funding sources:

FUNDING SOURCE	FUND/DEPT/ACCT NO	AMOUNT
Community Development Block Grant (CDBG), United States Department of Housing and Urban Development (HUD)	424/43/43L505	\$3,640,432

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FUNDING SOURCE	FUND/DEPT/ACCT NO	AMOUNT
Proposition K (Sports Complex/ Fitness Annex)		
Proposition K K-17 (S93 - PY 17; FY 2013-14)	43K/10/10K213	\$100,000
Proposition K K-18 (S93 - PY 18; FY 2014-15)	43K/10/10L213	\$300,000
Proposition K K-18 (S94 - PY 18; FY 2014-15) inflation	43K/10/10LK04	\$125,509
Proposition K K-19 (FY 17-18) (S93 - PY 19; FY 2015-16)	TBD	\$750,000
Proposition K K-20 (FY 18-19) (S93 - PY 20; FY 2016-17)	TBD	\$850,000
Proposition K (Lighting & Shade Structure)		
Prop K K-17 (8 <sup>th</sup> Cycle) (C227-8 - PY 17; FY 2013-14)	43K/10/10KM20	\$50,000
Prop K K-18 (8 <sup>th</sup> Cycle) (C227-8 - PY 18; FY 2014-15)	43K/10/10LM20	\$200,000
Prop K K-19 (FY-17-18) (C227-8 - PY 20; FY 2016-17)	TBD	\$250,000
Prop K Assessment Gap (FY 15-16)	TBD	\$1,750,000
Capital Improvement Expenditure Program	100/54/00L094	\$537,048
Sites and Facilities (15-16)	209/88/88M211	\$2,750,000
Sites and Facilities (16-17)	TBD	\$1,050,000
Municipal Improvement Corporation of Los Angeles (MICLA)		
MICLA (FY 14-15) - Appropriated	298/50/50LTRC	\$2,100,000
MICLA (FY 14-15) - Balance	TBD	\$5,400,000
MICLA (FY 15-16)	TBD	\$3,500,000
<b>TOTAL</b>		<b>\$23,352,989</b>

ENVIRONMENTAL IMPACT STATEMENT

In accordance with the requirements of CEQA, an MND was prepared based on an IS which determined that all potentially significant environmental effects would be mitigated to a level less than significant. The IS/MND was circulated to all interested parties and responsible agencies, and filed with the State Clearinghouse for a 30-day review and comment period from March 3, 2016 to April 1, 2016.

## BOARD REPORT

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Several comment letters were received on potential environmental effects that have been incorporated into the final IS/MND, copies of which have been provided to the Board for its review and consideration. However, the comments did not require any additional environmental analyses or substantive changes to the IS/MND.

A Mitigation Monitoring and Reporting Plan has been prepared that specifies all the mitigation measures identified in the IS/MND, which will either reduce to a level of insignificance or eliminate the potentially significant environment impact of the Project.

### TREES AND SHADE

The Project Manager, Landscape Architect, and RAP Forestry Division have surveyed the trees on the site and determined that ninety-one (91) of the one hundred seventy-eight (178) existing trees may be removed due to placement of structures and walkways, poor health, and maintenance concerns. One hundred twenty-seven (127) new trees will be planted that will be easier to maintain and provide adequate shade when mature. Two additional shade structures, covered with photovoltaic panels, will be constructed as part of the Phase 1 scope to shield the new bleachers adjacent to the Tennis courts and the new bleacher structure adjacent to the Stadium.

### FISCAL IMPACT STATEMENT

The Project will be funded by a combination of the aforementioned funding sources. There is no immediate fiscal impact to RAP's General Fund. However, future operations and maintenance costs will be included in future RAP's General Fund.

This Report was prepared by Ohaji K Abdallah, Project Manager, Department of Public Works, Bureau of Engineering (BOE) Architectural Division and James R Tebbetts, Environmental Specialists, BOE, Environmental Management Group (EMG). Reviewed by Neil Drucker, Program Manager, Recreational and Cultural Facilities Program, BOE; Deborah Weintraub, Chief Deputy City Engineer, BOE; and Cathie Santo Domingo, Superintendent, Planning, Construction and Maintenance Branch.

### LIST OF ATTACHMENTS

1. CEQA Initial Study and Mitigated Negative Declaration (MND) and Environmental Effects/Initial Study Checklist and comments and responses.
2. Appendices to the MND to include the following:
  - Appendix A: *Air Quality and Greenhouse Gas Analysis Technical Memorandum*
  - Appendix B: *Biological Resource Search Results*
  - Appendix C: *Cultural Resources Assessment*
  - Appendix D: *Geotechnical Data Report*
  - Appendix E: *Noise and Vibration Impact Study*
  - Appendix F: *Traffic Study*
3. Mitigation Monitoring and Reporting Program, dated May, 2016.

**BOARD REPORT**

NO. 16-207

DATE September 21, 2016

C.D. 13

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: RESCISSION OF BOARD REPORT 16-189: TARGET RETAIL CENTER PROJECT – CHILD CARE FACILITY REQUIREMENTS PURSUANT TO SECTION 6.G OF THE VERMONT/WESTERN TRANSIT ORIENTED DISTRICT SPECIFIC PLAN/STATION NEIGHBORHOOD AREA PLAN – REQUEST FOR IN-LIEU CHILD CARE FEE PAYMENT PURSUANT TO SECTION 6.G.4 OF THE VERMONT/WESTERN TRANSIT ORIENTED DISTRICT SPECIFIC PLAN/STATION NEIGHBORHOOD AREA PLAN

**BOARD REPORT**

NO. 16-189

DATE September 09, 2016

C.D. 13

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: TARGET RETAIL CENTER PROJECT – CHILD CARE FACILITY REQUIREMENTS PURSUANT TO SECTION 6.G OF THE VERMONT/WESTERN TRANSIT ORIENTED DISTRICT SPECIFIC PLAN/STATION NEIGHBORHOOD AREA PLAN – REQUEST FOR IN-LIEU CHILD CARE FEE PAYMENT PURSUANT TO SECTION 6.G.4 OF THE VERMONT/WESTERN TRANSIT ORIENTED DISTRICT SPECIFIC PLAN/STATION NEIGHBORHOOD AREA PLAN

<i>for</i> AP Diaz	_____	V. Israel	_____
*R. Barajas	<u>CSD</u>	K. Regan	_____
H. Fujita	_____	N. Williams	_____

  
 \_\_\_\_\_  
 General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATIONS

1. Authorize a cash payment in-lieu of the child care facilities otherwise required to be provided by the Target Retail Center Project (Project) pursuant to Section G of the Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan Specific Plan;
2. Approve a proposed in-lieu fee payment of One Million Two Hundred Thirteen Thousand Five Hundred Dollars (\$1,213,500.00) by the Project;
3. Authorize the Department of Recreation and Parks' (RAP) Chief Accounting Employee to deposit the in-lieu fee payment into the Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund (Fund 52T);
4. Find that the creation and appropriation of the in-lieu cash payment is not subject to the requirements of the California Environmental Quality Act (CEQA) as a project; and,
5. Authorize the RAP Chief Accounting Employee to make technical corrections as necessary to carry out the intent of this Report.

## BOARD REPORT

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### SUMMARY

The Target Retail Center Project (Project) is a new multi-tenant commercial retail building proposed to be developed on a 168,869 square-foot lot located at 5500 West Sunset Boulevard, in the East Hollywood community of the City. The Project scope includes the demolition of 59,561 square feet of single-story buildings, electrical substation, and surface parking lot existing at this site and the construction of a three level retail shopping center of 194,749 gross square feet, which would consist of an approximately 163,862 square foot Target store along with 30,887 square feet of other smaller retail and food uses.

The Project is located within the Hollywood Community Plan and within Subarea F of the Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan Specific Plan (SNAP).

The Project was considered by the City Planning Commission on November 12, 2015 (CPC-2015-74-GPA-SP-CUB-SPP-SPR) and was approved by the Los Angeles City Council on June 24, 2016 (Council File No. 16-0033).

Condition No. 47 of the Project's Conditions of Approval, as approved by the Los Angeles City Council, is as follows:

**Childcare Facility Requirements.** Prior to the issuance of a Certificate of Occupancy for the project, for every 50 square feet of net, usable, non-residential floor area, the project shall provide one square foot of Childcare Facility, plus Ground Floor Play Area, pursuant to Section G of the Station Neighborhood Area Plan (SNAP). A 3,895 square-foot indoor Childcare Facility, plus the required amount of Ground Floor Play Area, shall be required. At the Applicant's request, the Board of Recreation and Parks Commission may authorize a cash payment in lieu of some or all of the minimum indoor square footage and play area required in Subsection 6.G. Should the applicant request to utilize the in lieu fee option, the applicant shall be required to pay the City the full cost of consultant services to evaluate the project childcare needs of the proposed project. In lieu cash payments for indoor child care space and outdoor play areas shall be deposited in the City's Child Care Trust Fund, as stipulated by the SNAP.

Note that the Childcare Facility is meant to accommodate the child care needs of the Project employees for pre-school children, including infants, and not for customers or the general public.

### Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan (SNAP)

The SNAP was established in 2001 and covers an approximately 2.2 square mile area within the Hollywood and Wilshire communities. The SNAP was created for the purpose of making the neighborhood more livable, economically viable, and pedestrian and transit friendly.

The SNAP is a part of the City's General Plan and contains both land use regulations and

## BOARD REPORT

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project development guidelines and standards. In general, projects located within the SNAP are required to comply with applicable provisions of the SNAP, unless otherwise granted an exception from a SNAP provision by the City Planning Commission and/or the Los Angeles City Council.

The Department of Recreation and Parks (RAP) currently has jurisdiction over three public parks within the boundaries of the SNAP:

**Barnsdall Park.** A 14.59 acre community park, located at 4800 Hollywood Boulevard, which features the Barnsdall Art Center, Junior Arts Center, Municipal Art Gallery, Galley Theater, and the Hollyhock House.

**Madison West Park.** A 0.52 acre neighborhood park, located at 464 North Madison Avenue, which features a children's play area, covered picnic tables, and a small open field.

**1171-1177 Madison Avenue.** A 0.56 acre neighborhood park, located at 1171-1177 Madison Avenue, which is currently undeveloped but is proposed to be developed with a community garden and a public park.

### Vermont/Western Transit Oriented District Specific Plan/SNAP Childcare Facility Requirements

SNAP Section 6.G requires all commercial and mixed-use projects located in Subareas B, C, D, and F of the SNAP with One Hundred Thousand (100,000) net square feet or more of non-residential floor area to include child care facilities to accommodate the child care needs of project employees for pre-school children, including infants.

SNAP Section 6.G.2 requires that the child care facility be used for that purpose for the life of the project, and that the child care facility be located on the ground floor of a project unless otherwise permitted by State Law.

SNAP Section 6.G.3 permits the child care facility to be located off-site of a project, provided that it is located within 5,280 feet (one mile) of a project.

Condition No. 47 of the Project's Conditions of Approval, as approved by the Los Angeles City Council, allows the Project's applicant to request that RAP authorize a cash payment in-lieu of some or all of the minimum indoor square footage and play area required to be provided pursuant to SNAP. It should be noted that RAP is not required to approve an applicant's request, and RAP's denial of a request would not relieve or eliminate a the Project's child care facility requirements under SNAP.

SNAP Section 6.G.7 requires any project that is to provide a child care facility pursuant to SNAP to submit an annual report to RAP documenting the annual number of children served by their child care facility. It also states that RAP is responsible for monitoring a project's compliance with SNAP Section 6.G and that the Department of Building and Safety is responsible for enforcing a project's compliance with those requirements.

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### Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund

Los Angeles Administrative Code Section 5.530 requires that any in-lieu fees collected pursuant to SNAP Section 6.G.4 be deposited into Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund (Child Care Trust Fund). Any funds deposited into the Child Care Trust Fund are to be administered and managed by RAP, with the concurrence of the President of the City Council.

Pursuant to Los Angeles Administrative Code Section 5.530 C, these in-lieu fees can only be expended for the purpose of (1) acquiring facilities, developing, improving, and operating child care programs physically located within the boundaries of the SNAP, and (2) providing financial assistance with child care payments to qualified parents in the area, as determined by RAP. RAP is authorized to make expenditures from the Child Care Trust Fund with the concurrence of the President of the City Council, and in accordance with the guidelines of SNAP. Additionally, RAP is required to publically report on the status of the Child Care Trust Fund, including details on all receipts and expenditures of the Child Care Trust Fund and of the status of projects funded by the Child Care Trust Fund, within 180 days after the end of each Fiscal Year.

The balance of the Child Care Trust Fund (Fund 52T) is, as of July 14, 2016, Five Hundred Eighty-Five Thousand, Three Hundred Seventy-Nine Dollars (\$585,379.00).

### Proposed In-Lieu Fee

On October 30, 2015, representatives of Target Corporation sent a letter to the Board of Recreation and Park Commissioners (Board) formally requesting that the Board authorize the payment of a fee in-lieu of the otherwise required childcare facilities.

As previously noted, SNAP allows for an in-lieu fee payment and requires RAP to make a final determination if an in-lieu fee payment is requested by a project applicant. However, SNAP does not provide a traditional fee formula for the calculation of in-lieu fee payments and SNAP provides no guidance on how RAP is to calculate or determine the efficacy of the in-lieu fee.

In order for the Board to authorize a cash payment in-lieu of some or all of the indoor childcare facility and outdoor play area space required to be provided pursuant to SNAP Section 6.G, the Board would need to determine and adopt an in-lieu fee. In order to do so, the Board would need to demonstrate that the proposed in-lieu fees are roughly proportional to the level of impact created by the project and find that there is an essential nexus between a project and the impact on the need for child care facilities.

**HR&A Report.** HR&A Advisors, Inc. (HR&A) was retained by Target Corporation to devise an in-lieu fee formula that could be applied to the Project based on HR&A's experience preparing and reviewing a variety of development impact fees, including child care requirements and fees, and HR&A's familiarity with nexus studies prepared by certain other jurisdictions in California that impose similar child care facility requirements on new developments. HR&A, using a series of calculation factors derived from available

## BOARD REPORT

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surveys of employees and their child care preferences, and “nexus” studies prepared to support related child care requirements in the City of West Hollywood, City and County of San Francisco, and the City of Santa Monica, determined that the Project’s Two Hundred and Fifty (250) employees would generate a demand for eight (8) spaces for pre-school age children. The HR&A Report estimated that the total cost to develop a new 60-space child care center within the SNAP boundaries, inclusive of land acquisitions costs, is Three Million, Six Hundred Twenty-Nine Thousand, One Hundred Dollars (\$3,629,100.00), or about Sixty Thousand, Five Hundred Dollars (\$60,500.00) per space.

In summary, the HR&A Report recommended total in-lieu fee of Four Hundred Eighty-Four Thousand Dollars (\$484,000.00). This recommended fee was derived by multiplying the per space cost of Sixty Thousand, Five Hundred Dollars (\$60,500.00) by the estimated Project generated demand for eight (8) new child care spaces near where Project employees work.

On March 22, 2016, the City Council approved a motion authorizing and instructing the City Administrative Officer to hire a consultant to evaluate the projected childcare needs of the Project with respect to the requirements of the SNAP, and requesting the Board of Recreation and Parks Commissioners to consider the Project at the Board’s next regularly scheduled meeting once the evaluation is completed (Council File No. 16-0033-S1).

**EPS Study.** Economic & Planning Systems, Inc., (EPS) was retained by the City to peer review the HR&A Report. EPS’s peer review involved reviewing the HR&A Report, and speaking with City staff and the assigned City Attorney to understand the Project background, and discussing key assumptions with the primary author of the HR&A Report. The EPS Study found that the Project’s Two Hundred and Fifty (250) employees would generate a demand for fifteen (15) new spaces for pre-school age children, compared to the eight (8) spaces estimated in the HR&A Report. Additionally, the EPS Study noted that the cost estimates found in the HR&A Report for the acquisition and development of a new state-licensed childcare center were based on dynamic data that is subject to change over time based on economic and market conditions. The EPS Study provided updated land acquisition cost data that found that the median price per square foot for land in the area of the Project had risen since the time the HR&A Report was completed. The EPS Study found that this identified increase in land acquisition costs would potentially increase the overall cost to develop a child care center from Sixty Thousand, Five Hundred Dollars (\$60,500.00), as stated by the HR&A Report, to about Eighty Thousand, Nine Hundred Dollars (\$80,900.00) per space.

In summary, the EPS Study recommended that a total in-lieu fee range between Nine Hundred Seven Thousand, Five Hundred Dollars (\$907,500.00) and One Million, Two Hundred Thirteen Thousand, Five Hundred Dollars (\$1,213,500.00). This recommended fee range was derived by multiplying the per space cost of between Sixty Thousand, Five Hundred Dollars (\$60,500.00) to Eighty Thousand, Nine Hundred Dollars (\$80,900.00) by the estimated Project generated demand for fifteen (15) new child care spaces near where Project employees work.

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RAP Staff recommends that, if the Board authorizes a cash payment in-lieu of the child care facilities otherwise required to be provided by the Project, the Board approve a proposed in-lieu fee of One Million, Two Hundred Thirteen Thousand, Five Hundred Dollars (\$1,213,500.00) since that fee amount, as determined by the EPS Study, is most reflective of the current costs to fully develop a child care center within the SNAP boundaries.

### ENVIRONMENTAL IMPACT STATEMENT

RAP Staff has determined that creation and appropriation of the in-lieu cash payment is strictly a funding mechanism for the provision of childcare services required as a condition of the Target Development, which does not involve any commitment to any specific childcare project that may result in a potentially significant physical impact on the environment. Therefore, the in-lieu cash payment is not project subject to the California Environmental Quality Act (CEQA) pursuant to Section 15378 (b)(4) of the State CEQA Guidelines. Once a project has been developed for providing the required childcare services, appropriate CEQA compliance will be conducted for approval of the project.

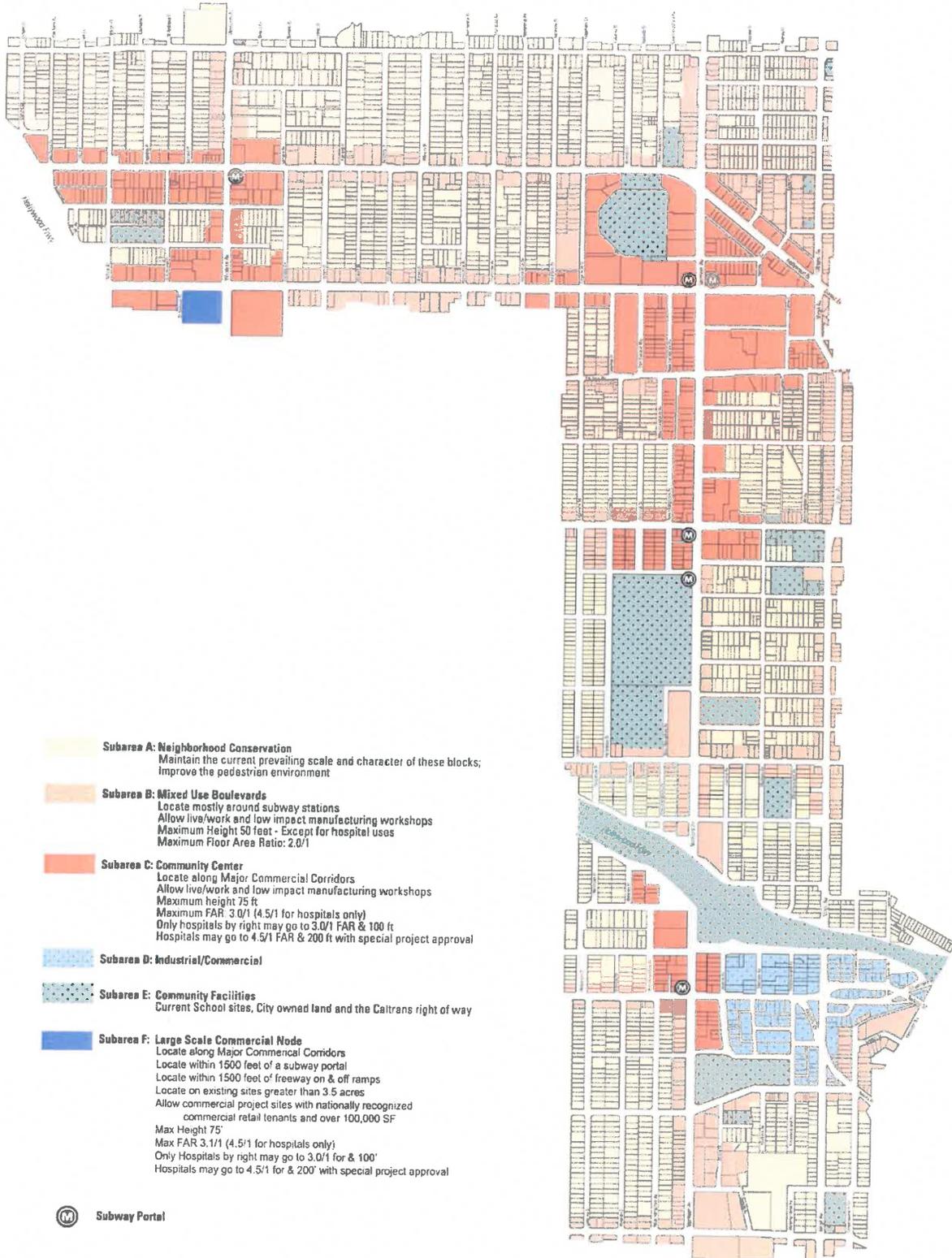
### FISCAL IMPACT STATEMENT

Adoption of this report will have a minor fiscal impact on RAP due to the annual reporting requirements required pursuant to the requirements of Los Angeles Administrative Code Section 5.530 and California Government Code Section 66000, *et seq.*

This Report was prepared by Darryl Ford, Senior Management Analyst I, Planning, Construction, and Maintenance Branch.

### LIST OF ATTACHMENTS

1. Map of the SNAP Boundaries
2. Letter from Representative of Target Corporation Requesting to Pay an In-Lieu Fee
3. HR&A's Report, "Estimation of a Child Care Facility In-Lieu Fee for the Target Development at Sunset Boulevard and Western Avenue", dated September 29, 2015
4. City Council Motion Requesting that the Board consider Target's In-Lieu Fee Proposal
5. EPS Peer Review Study, "Peer Review of HR&A Estimate of Childcare In-Lieu Payment for Target Development", dated June 20, 2016



Map I

# Vermont/Western Transit Oriented District Specific Plan

(Station Neighborhood Area Plan)





October 30, 2015

**By U.S. Mail and E-mail: rap.commissioners@lacity.org**

Board of Recreation and Park Commissioners  
 Los Angeles City Recreation and Parks Department  
 Office of Board of Commissioners  
 P.O. Box 86328  
 Los Angeles, CA 90086-0328

**Re: Target Project at Sunset and Western  
 Vermont/Western Transit Oriented District Specific Plan  
 /Station Neighborhood Area Plan (SNAP)  
Planning Case No. CPC-2015-74-GPA-SP-CUB-SPP-SPR**

Honorable President Patsouras and Members of the Board:

This firm represents Target Corporation, applicant for the above-entitled project. Pursuant to the specific plan ("SNAP"), Target requests that it be allowed to make a cash payment in lieu of all of the otherwise required childcare facilities.

I understand that your Board will consider a specific amount for the cash payment soon, probably at its January 6, 2016 meeting. Target supports the amount recommended by the consultant's report (i.e., \$484,000). Representatives of Target will attend the hearing to answer any questions you may have.

Thank you for your consideration.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Richard A. Schulman".

Richard A. Schulman  
**HECHT SOLBERG ROBINSON GOLDBERG & BAGLEY LLP**

RAS:cas

cc: Darryl Ford, City of Los Angeles Department of Recreation and Parks: Planning,  
 Construction, and Maintenance Branch (by e-mail: [darryl.ford@lacity.org](mailto:darryl.ford@lacity.org))  
 Client (by e-mail)  
 Doug Couper, Greenberg Farrow (by e-mail)  
 Paul Silvern, HR&A (by e-mail)



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T: 310-581-0900 | F: 310-581-0910 | [www.hraadvisors.com](http://www.hraadvisors.com)

**Estimation of a Child Care Facility In-Lieu Fee  
for the Target Development at Sunset Boulevard and Western Avenue**

**September 29, 2015**

**Prepared for:**  
Target Corporation  
1000 Nicollet Mall  
Minneapolis, MN 55403

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VI. Conclusions and In-Lieu Fee Recommendation ..... 15

Appendices

- A. Summary of HR&A Advisors, Inc. Experience Preparing and Reviewing California Development Impact Fees
- B. Excerpt from the Vermont/Western Transit Oriented District Specific Plan and City of Los Angeles Administrative Code
- C. Results of Statistical Analysis on the National Study of the Changing Workforce Survey Data
- D. Estimated Development Costs for a 60-Space Child Care Center

## I. Executive Summary

This report presents recommendations for establishing the amount of a child care facility in-lieu fee applicable to a new three-level, 186,698 square feet<sup>1</sup> shopping center shopping center proposed by Target Corporation (“Project”), at Sunset Boulevard and Western Avenue in the Hollywood area of the City of Los Angeles (“City”). The in-lieu fee is an elective option to provision of child care facilities under the Vermont/Western Transit Oriented District Specific Plan and its Station Neighborhood Area Plan (SNAP). However, these regulations do not specify a fee amount or formula. At the request of Target Corporation, HR&A Advisors, Inc. (HR&A) was retained to develop an appropriate in-lieu fee formula that could be applied to the development, based on HR&A’s extensive experience preparing and reviewing a variety of development impact fees, including child care requirements and fees, and HR&A’s familiarity with nexus studies prepared by certain other jurisdictions in California that impose similar child care facility requirements on new development, typically on a jurisdiction-wide basis. A previous version of the in-lieu fee approach recommended in this report was originally prepared in 2013 and reviewed by staff of the City’s Parks and Recreation Department, which has jurisdiction over implementation of the child care facility requirement, and by the office of the City Attorney. The fee calculation approach and resulting fee amount presented in this report reflect comments from City reviewers of the 2013 analysis. Further review and final approval of the in-lieu fee calculation approach and fee amount applicable to the Target project will be provided by the City’s Parks and Recreation Commission.

As presented in this report, the language of the SNAP child care facility requirement did not provide a reasonable basis for deriving an in-lieu fee to “accommodate the child care needs of Project employee pre-school age (including infants) children.” Its indoor child care facility floor area requirement is not supported by any known analysis, and it did not reflect the many child care facility options available to Project employees who elect to place their pre-school age children in child care near the Project site, rather than in or near their place of residence.

Using, instead, a series of calculation factors derived from available surveys of employees and their child care preferences, and “nexus” studies prepared to support related child care requirements in West Hollywood, City and County of San Francisco and Santa Monica, it was determined that Project employees would generate a demand for eight spaces for pre-school age children, or 44 percent of the number of child care spaces based on the limited SNAP calculation factors. This employee demand estimate reflects consideration of:

- ✓ The percentage of Project’s 250 employees who also work daytime shifts that coincide with the hours that child care facilities are typically open for business;
- ✓ The percentage of the Project’s employees working daytime shifts who have pre-school age children;
- ✓ The percentage of Project employee parents/guardians who are likely to prefer to use child care facilities or rely on other non-relative care for child care services, as opposed to other available forms of child care; and
- ✓ The percentage of those Project employee parents/guardians who prefer to utilize child care facilities located close to where they work, as opposed to where they reside.

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<sup>1</sup> Throughout this Report, all Project-related floor areas are based on the definition of “floor area” in the Los Angeles Municipal Code (LAMC), as measured by the Project’s architect, unless noted otherwise.

HR&A estimates that the cost to develop a child care space in a new Child Care Center is about \$60,500. This cost, combined with the estimate that Project will generate demand for eight new child care spaces near where Project employees work, constitutes the basis for a total in-lieu fee of \$484,000, or \$2.59 per square foot of Project floor area.

### **Recommendation**

Inasmuch as: (1) the SNAP did not provide an appropriate calculation basis for developing an in-lieu fee; and (2) an in-lieu child care could, instead, be based on a combination of employee parent demand for child care near the employee parents' place of work, and the cost of providing that demand in appropriate child care facilities; and (3) combining Project-specific child care demand factors and an average cost per child care space in a new Child Care Center, we recommend that the child care in-lieu fee applicable to the Project's floor area be set at **\$484,000, or \$2.59 per square foot** of Project floor area. Target's share of the fee in this case would be \$407,619, based on its share of total Project floor area, and the remaining \$76,381 would be allocated to the floor area occupied by the Project's other miscellaneous retail tenants, but not including the 109 square feet of Project floor area for a Police Department substation.

The recommended in-lieu fee is about two and one-half times the in-lieu fee charged by most California jurisdictions for this purpose (i.e., about \$1.00 per square foot or less).

## II. Purpose and Scope of the Analysis

### A. Introduction

This report presents recommendations for establishing the amount of a child care facility in-lieu fee applicable to a shopping center proposed by Target Corporation, with 186,698 square feet of floor area, for a site in the Hollywood area of the City of Los Angeles (“City”). The in-lieu fee is an elective option to provision of child care facilities under applicable City land use regulations governing the development. However, these regulations do not specify a fee amount or formula. At the request of Target Corporation, HR&A Advisors, Inc. (HR&A) was retained to develop an appropriate in-lieu fee formula that could be applied to the development, based on HR&A’s extensive experience preparing and reviewing a variety of development impact fees, including child care requirements and fees, and HR&A’s familiarity with nexus studies prepared by certain other jurisdictions in California that impose similar child care facility requirements on new development, typically on a jurisdiction-wide basis. A summary of HR&A’s qualifications is included in Appendix A. A previous version of the in-lieu fee approach recommended in this report was originally prepared in 2013 and reviewed by staff of the City’s Parks and Recreation Department, which has jurisdiction over implementation of the child care facility requirement, and by the office of the City Attorney. The fee calculation approach and resulting fee amount presented in this report reflect comments from City reviewers of the 2013 analysis. Further review and final approval of the in-lieu fee calculation approach and fee amount applicable to the Target project will be provided by the City’s Parks and Recreation Commission.

### B. Description of the Hollywood Target Development<sup>2</sup>

The Target development at Sunset Boulevard and Western Avenue is a new three-level shopping center with 186,698 square feet of floor area on a 3.9-acre rectangular site at 5520 Sunset Boulevard. It includes a full-service Target store with 157,143 square feet of floor area, plus other smaller retail and food uses with 29,446 square feet of floor area, and a Police Department substation<sup>3</sup> with 109 square feet of floor area (“Project”). The Project will replace 59,561 gross square feet of existing single-story buildings. Once completed, the Project is estimated to have a total of 250 full-time and part-time employees. The Target store’s typical operating hours will be 6 a.m. to 12 a.m., with business hours of 7 a.m. to 11 p.m. Longer store hours may apply before and after certain holidays, such as Christmas and Thanksgiving. The operating hours for the miscellaneous retail and dining tenants, which have not yet been identified, are assumed to be similar to the Target store.

### C. Summary of the Vermont/Western SNAP Child Care Requirements

The Project is located within the boundaries of the Vermont/Western Transit Oriented District Specific Plan and is therefore subject to its Station Neighborhood Area Plan (SNAP). The SNAP requires that developments like the Project must include facilities to “accommodate the child care needs of Project employee pre-school age (including infants) children.”<sup>4</sup> Such facilities are

<sup>2</sup> This summary is based on the Draft EIR project description. See, City of Los Angeles Department of City Planning, Draft Environmental Impact Report, Target at Sunset and Western, SCH No: 2010121011, January 2012, Section II (Project Description), commencing at p. II-1.

<sup>3</sup> The Police Department substation appears in the plans previously approved for a building permit for the Project.

<sup>4</sup> City of Los Angeles, Vermont/Western Transit Oriented District Specific Plan, Station Neighborhood Area Plan, Ordinance 173,749, Section 6.G. Copy included for reference in Attachment B.

required to include one square foot of indoor child care facility space for each 50 square feet of “net useable” (not defined) Project floor area, and ground floor outdoor play area consistent with State child care licensing requirements (i.e., 75 square feet per child).<sup>5</sup> This child care facility requirement may be accommodated on-site within the Project, or at an off-site location within one mile of the Project. Alternatively, at the Project developer’s request, the requirement may be satisfied by a cash payment in lieu of some or all of the indoor and outdoor child care facility requirement, for deposit into the Vermont/Western SNAP Child Care Trust Fund.<sup>6</sup> Target Corporation, the Project applicant, seeks to make use of the cash payment option to meet this requirement. However, neither the SNAP nor the City’s Administrative Code provides an in-lieu fee amount or method for calculating it.

#### **D. Analysis Process**

The City’s Department of Parks and Recreation, and the Parks and Recreation Commission, now have jurisdiction over implementation of the SNAP child care facility requirement, and for administering the Vermont/Western SNAP Child Care Trust Fund into which all in-lieu fees must be deposited. Following initial consultation with Target Corporation, HR&A participated in meetings with representatives of the Department of Parks and Recreation to discuss an outline of an approach to calculating a Project-specific in-lieu fee, which could also provide guidance to the Department for in-lieu fee calculation applicable to other developments for which the child care requirement would apply in the future. A calculation approach developed initially in 2013 was also discussed with the office of the City Attorney, as has been revised based on those discussions.

The recommended in-lieu fee calculation approach follows the general principles of “nexus” (i.e., reasonable relationship) between the public facility requirement (i.e., child care facilities) and the characteristics of the Project, and between the cost of providing the public facilities and the proposed in-lieu fee, that are now required under applicable State law and various judicial rulings for the imposition of development fees. That is, the in-lieu fee calculation approach focuses on an estimate of the demand for child care facilities generated by Project employees (i.e., number of pre-school age children needing child care facilities), and the cost to develop facilities to meet those needs. The resulting number of child care spaces required, multiplied by the per-child care space development cost, yields the recommended in-lieu fee. Subsequent Chapters of this report provide the specific calculation factors and data sources utilized to estimate both Project employee demand for child care facilities and the development cost of providing those facilities.

#### **E. Organization of the Report**

Accordingly, the remaining Chapters of this report address:

- Chapter III provides a more detailed review of the SNAP’s child care requirements as they apply to the Project, and discusses the limitations of the SNAP child care facility requirements for establishing an in-lieu fee.
- In light of these limitations, Chapter IV provides a method for estimating the demand for child care facilities among Project employees, taking into account information from national surveys and child care requirement nexus studies prepared for other California jurisdictions.

<sup>5</sup> See generally, 22 California Code of Regulations, Division 12, Chapter 1, Articles 1-7 and Subchapter 2.

<sup>6</sup> City of Los Angeles Administrative Code Section 5.530. Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund (also included for reference in Attachment B).

- Chapter V provides estimates of the range of development costs required to meet the scale of child care facility demand derived in Chapter IV, assuming the Project's child care demand would be accommodated in a new Child Care Center, as opposed to other possible types of child care facilities.
- Chapter VI presents the conclusions of the Report, including a specific recommendation for the in-lieu fee amount that should be applied to the Project, for consideration and approval by the City's Parks and Recreation Commission.

### III. Limitations of the Vermont/Western SNAP Child Care Facility Requirement for Establishing an In-Lieu Fee

#### A. The Vermont/Western SNAP Child Care Facility Requirement

The SNAP requires that developments like the Project must include facilities to “accommodate the child care needs of Project employee pre-school age (including infants) children.”<sup>7</sup> Such facilities are required to include one square foot of indoor child care facility space for each 50 square feet of “net useable” (not defined) Project floor area, and ground floor outdoor play area consistent with State child care licensing requirements (i.e., 75 square feet per child).<sup>8</sup> This child care facility requirement may be accommodated on-site within the Project, or at an off-site location located within one mile of the Project. Alternatively, at the Project developer’s request, the requirement may be satisfied by a cash payment in lieu of some or all of the indoor and outdoor child care facility requirement, for deposit into the Vermont/Western SNAP Child Care Trust Fund.<sup>9</sup> Target Corporation, the Project applicant, seeks to make use of the cash payment option to meet this requirement.

Based on Target’s estimate of the Project’s “net useable” floor area, State licensing standards, and other cities’ nexus studies regarding actual child care facility space needs per child (as discussed below), the SNAP formula appears to require that the Project provide:

- *1,739 square feet of indoor child care floor area.* This estimate is based on: (1) an estimate of 86,961 “net useable” Project square feet (after deducting various floor areas as shown below); and (2) 50 square feet of indoor child care space per square foot of Project net useable floor area. That is:

	186,698 s.f. of floor area
Less: ground level storage	( 10,852 s.f.)
Less: stock mezzanine	( 15,105 s.f.)
Less: 3 <sup>rd</sup> level storage	( 14,110 s.f.)
Less: LAPD substation	( 109 s.f.)
Less: existing uses	<u>( 59,561 s.f.)</u>
	86,961 “net useable s.f.”

86,961 net useable s.f./50 s.f. = 1,739 s.f. of indoor child care space.

- *A facility that could accommodate 18 children (infants through 5 year-olds).* This estimate is based on the average floor area per child actually needed for a full-service child care center. That is:

1,739 s.f. of required child care floor area (from above) / 100 s.f. per child (per HR&A review of child care nexus studies) = 18 child care spaces.<sup>10</sup>

<sup>7</sup> Vermont/Western Transit Oriented District Specific Plan, Station Neighborhood Area Plan, *op. cit.*

<sup>8</sup> See generally, 22 California Code of Regulations, Division 12, Chapter 1, Articles 1-7 and Subchapter 2.

<sup>9</sup> City of Los Angeles Administrative Code, *op. cit.*

<sup>10</sup> Assumes any fractional child care space resulting from the calculation is rounded up to the next whole child care space.

- 1,350 square feet of outdoor activity area, based on State licensing requirements. That is:  
18 child care spaces (from above) x 75 square feet per child = 1,350 square feet of outdoor activity area.

Another 3,000 square feet or so of land area would also probably be required as a practical matter for on-site surface parking for staff (i.e., at least 1 per 12 children per State licensing requirements) plus visitors and drop-off circulation (i.e., 10 spaces x 300 s.f./parking space).

One approach to estimation of an in-lieu fee would be to estimate the cost of land, construction and other development costs to supply a child care facility of the scale described above. But for the reasons discussed below, HR&A believes such an approach would be fatally flawed.

## **B. Limitations of the SNAP Child Care Facility Requirements for Establishing an In-Lieu Fee**

Beyond the obvious problem that the SNAP does not provide an in-lieu fee amount or fee calculation formula, the SNAP's requirements described above pose the following shortcomings for estimating an appropriate in-lieu fee that would "accommodate the child care needs of Project employee pre-school age (including infants) children."

### 1. No Empirical Basis for the Indoor Floor Area Requirement

First, the SNAP requirement for one square foot of indoor child care space for every 50 square feet of net useable development project floor area was not based on a nexus study, or any other empirical analysis, so far as HR&A has been able to determine.<sup>11</sup> This requirement is a key driver of the overall facilities requirement, its development cost, which would serve as a basis for an in-lieu fee. The requirement is significantly inconsistent with the child care facility requirements in the adjacent City of West Hollywood, which was based on a nexus study.<sup>12</sup> In that City, the indoor child care space performance requirement, in lieu of an impact fee payment \$0.65 per net new square foot of floor area, is one square foot for every 470 square feet of new commercial development,<sup>13</sup> or about *one-tenth* of the SNAP indoor space requirement.

### 2. No Consideration for the Variety of Child Care Supply Options Preferred by Working Parents and Guardians

Second, the SNAP requirement appears to focus on the need for a State-licensed Child Care Center near the development project location, which may not necessarily be the location or type of child care provider preferred by Project employee parents and guardians for their pre-school age children. The first consideration most parents and guardians make, is whether to choose a child care option close to where they reside or where they work. According to national studies (discussed in Chapter IV), these preferences vary by whether other adult household members are employed, parent level of education, race, ethnicity and household income, and age of children.

<sup>11</sup> Discussion with staff from the City's Department of Parks & Recreation, which is charged with implementing the SNAP child care requirement.

<sup>12</sup> Hamilton Rabinovitz & Alschuler, Inc. (predecessor firm to HR&A Advisors), Development Amenities for West Hollywood: Estimating the Housing, Public Open Space and Child Care Effects of Commercial Development, prepared for the City of West Hollywood, Second Edition, May 1989.

<sup>13</sup> City of West Hollywood, Commercial Development Fees and Requirements Fact Sheet, revised June 12, 2001, implementing West Hollywood Municipal Code Chapter 19.64 (Development Fees), Section 19.64.020 (available from the Community Development Dept., 323-848-6475).

Child care options near place of residence include:

- ✓ Child care provided in the family's home by other household members, other family; members or other persons who volunteer or are paid to provide child care;
- ✓ Small Family Child Care Homes (i.e., State-licensed program for no more than eight children, operated within a residence);
- ✓ Large Family Child Care Homes (i.e., State-licensed program for no more than 14 children, operated within a residence); or
- ✓ State-licensed Child Care Centers, which are typically located in commercial buildings (including pre-schools and school-based facilities).

Among the factors that parents and guardians typically consider in deciding whether to choose a child care facility closer to their place of work are the following:

- ✓ Availability of preferred type of child care near work and its quality;
- ✓ Work location of spouse or significant other who share child rearing responsibilities;
- ✓ Distance of commute to work and its impacts on the child;

For those parents and guardians who prefer to utilize a child care facility near their place of work, the facility options typically include:

- ✓ State-licensed Small Family Child Care Homes; or
- ✓ State-licensed Large Family Child Care Homes; or
- ✓ State-licensed Child Care Centers (including pre-schools, head start programs and other school-based facilities for pre-school age children, including infants).

According to data available from the State's Community Care Licensing Division<sup>14</sup>, within the four ZIP Codes including and surrounding the Project site, there are approximately 49 Child Care Centers (with capacities ranging from 18 to 198 children each) and 18 Large Family Child Care Homes (12-14 children each). This inventory of existing facilities is included in Appendix C.

Careful parsing of child care location and facility preferences, among others, is required to accurately estimate the appropriate scale of child care demand among retail workers at the Project, the range of costs for providing such child care, and the implications of demand and associated costs for a supportable in-lieu child care facility fee. These considerations are addressed in the next two Chapters, respectively.

<sup>14</sup> See: [https://secure.dss.cahwnet.gov/cclid/securenet/cclid\\_search/cclid\\_search.aspx](https://secure.dss.cahwnet.gov/cclid/securenet/cclid_search/cclid_search.aspx).

## IV. Estimating Demand for Child Care Among Retail Development Employees

### A. Introduction

As noted in Chapter II, the purpose of the SNAP's child care space requirement, or fee in lieu thereof, is to "accommodate the child care needs of Project employee pre-school age (including infants) children." However, as noted in Chapter III, there does not appear to be any analytic basis for the SNAP's specific child care space requirements as they relate to employee demand for child care facilities, nor is there any assessment of the degree to which such employees would prefer use of a Child Care Center, as opposed to other forms of available child care facilities.

Consistent with nexus studies supporting child care facility or fee requirements in some other California jurisdictions, HR&A recommends that the SNAP child care in-lieu fee applicable to the Project be calculated, instead, on the basis of *estimated demand* for Project-specific child care needs located near the Project. Accordingly, this Chapter draws on national employee surveys, including employee child care preferences, available child care nexus studies, and HR&A's development fees nexus study experience in general, to develop a demand-based analysis that reflects:

- ✓ The percentage of Project's 250 employees who also work daytime shifts that coincide with the hours that child care facilities are typically open for business;
- ✓ The percentage of the Project's employees working daytime shifts who have pre-school age children;
- ✓ The percentage of Project employee parents/guardians who are likely to prefer to use child care facilities (i.e., State-licensed Small Family Child Care Homes, Large Family Child Care Homes, or full-service Child Care Centers), or care by non-relatives for child care versus all other available forms of child care; and
- ✓ The percentage of those Project employee parents/guardians who prefer to utilize child care facilities located close to where they work, as opposed to where they reside.

Although employee characteristics data of the kind listed above are not available specifically for Project employees,<sup>15</sup> appropriate calculation factors can be derived from a variety of secondary data sources. These include:

- The latest edition of a periodic national study of employee child care preferences, arrangements and costs conducted by the U.S. Census Bureau;<sup>16</sup>
- The latest edition of a periodic national survey of wage and salary and self-employed workers, which includes data elements on child care arrangements and employment by industry, including a random sample of 433 employees working in the retail industry sector who have pre-school age children;<sup>17</sup> and

<sup>15</sup> For purposes of this analysis, it is assumed that employees in the Project's 30,887 gross square feet of miscellaneous retail and dining tenants would be substantially similar to Target employees.

<sup>16</sup> Lynda Laughlin, "Who's Minding the Kids? Child Care Arrangements, Spring 2011," Current Population Reports, P70-135, U.S. Census Bureau, April 2013. The analysis is based on data from the U.S. Census Bureau's Survey of Income and Program Participation, 2008, Panel Wave 8.

<sup>17</sup> Families & Work Institute, "National Study of the Changing Workforce," 2008. This survey is the successor to the Quality of Employment Survey previously conducted by the U.S. Dept. of Labor, dating to 1969 and discontinued in 1977.

- Nexus studies prepared to support child care development fees in other California cities. Among the more relevant of these studies for the Project in-lieu fee analysis, due to geography and date, are the nexus studies prepared for the City of West Hollywood, City and County of San Francisco and City of Santa Monica.<sup>18</sup>

## B. Child Care Facility Demand Among Project Employees

Each component of the Project's child care demand estimate is discussed below.

### 1. The Percentage of Project Employees Who Work Daytime Shifts

As noted above, the Project is anticipated to employ a total of 250 employees. This value was included in the Project's Final EIR, and the City Council's findings of fact in certifying the adequacy of the EIR. The certified EIR also states that a typical peak shift will consist of 100-150 employees.<sup>19</sup> But given the operating hours of the Target and other miscellaneous retail and pedestrian-oriented dining facilities, not all such workers will be working during daytime hours that coincide with the typical operating hours of child care facilities. Thus, the first child care facilities demand calculation factor is to account for the number of Project employees working daytime hours. Statistical analysis by HR&A of data from the National Study of the Changing Workforce (see Appendix C), indicates that for retail workers in the Western region of the U.S., 78.8 percent work some combination of a regular daytime shift, or a rotating shift that changes by time of day and day of the week, but includes some daytime hours. This indicates that 197 Project employees are likely to work daytime hours:

$$250 \text{ Project employees} \times 78.8\% = 197 \text{ employees working daytime hours.}$$

### 2. The Percentage of the Project's Daytime Employees Who Have Pre-School Age Children

Statistical analysis by HR&A of data from the National Study of the Changing Workforce (see Appendix C), indicates that for retail workers in the Western region of the U.S., 26.2 percent of workers have pre-school age children under age six. This indicates that Project employees who work daytime hours are likely to be parents or guardians of 52 pre-school age children:

$$197 \text{ Project employees working daytime hours (from above)} \times 26.2\% = 52 \text{ pre-school age children.}$$

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<sup>18</sup> These nexus studies are, respectively: Development Amenities for West Hollywood, *op. cit.*, FCS Group, Citywide Development Impact Fee Study Consolidated Report, prepared for the City and County of San Francisco, March 2008, Chapter V, Child Care Nexus Study (prepared by Brion & Associates); and Keyser Marston Associates, Inc., Child Care Linkage Program, prepared for the City of Santa Monica, November 2005. HR&A's research indicates that in addition to these cities, child care fees are also in effect in about seven other California cities, but we have not yet determined whether all of them are supported by nexus studies. Not all such programs assess child care fees against retail floor area, however. For example, the City and County of San Francisco's child care fee applies only to office and hotel floor area.

<sup>19</sup> City of Los Angeles, Target Project Certified EIR, p. II-10.

### 3. The Percentage of Employee Parents/Guardians Who Prefer To Use Child Care Facilities

As discussed above, not all parents and guardians of pre-school age children prefer to utilize child care facilities, as opposed to other child care arrangements (e.g., in-home care by other household members and other family members). It is also arguably appropriate to include those parents who rely on non-family members to provide child care, assuming they do so because of a lack of sufficient child care facilities. According to the Census Bureau's latest survey of child care arrangements among working parents and guardians, 32.9 percent prefer to use an "organized care facility" (i.e., day care center, nursery, preschool or Headstart/school program) or use non-family members to provide child care.<sup>20</sup> This indicates that Project employees who work daytime hours, have pre-school age children, and who are likely to utilize organized child care facilities, would total 17 pre-school age children"

52 pre-school age children (from above) x 32.9% = 17 pre-school age children.

### 4. The Percentage of Project Employee Parents/Guardians Who Prefer to Utilize Child Care Facilities Located Close To Where They Work

The final child care facility demand factor adjusts for the percentage of Project employee parents and guardians who would prefer to utilize an organized child care facility located near their place of employment versus place of residence. Neither of the surveys utilized in the preceding calculations included questions on this issue. Therefore, we utilize a factor drawn from the nexus studies referenced above. The commercial development employee survey utilized in the West Hollywood nexus study found that 23 percent of employees preferred to use a child care location near where they work.<sup>21</sup> The nexus study prepared for Santa Monica's child care requirement relied on a review of literature rather than survey data and concluded that 75 percent of demand was for child care centers located near the employee place of work. Given the wide range of these factors, we utilize the midpoint, or 49.0 percent, in estimating demand for Project:

17 pre-school age children (from above) x 49.0% = 8 pre-school age children.

## C. Project Employee Child Care Demand Results

Therefore, after applying all of the relevant child care demand factors discussed above, it is concluded that the Project would generate demand for eight child care facility spaces for pre-school age children, as compared with 18 spaces utilizing the SNAP factors, which lack any analytic basis and produces a result that is 2.25 times the estimated Project demand for child care facilities.

Stated another way, about 2.4 percent of total Project employees would generate demand for child care near the Project, based on the analysis presented above (i.e.,  $8/250 = 3.2\%$ ), as opposed to 7.2 percent (i.e.,  $18/250 = 7.2\%$ ) using the unsupported SNAP approach. By comparison, the nexus study prepared for West Hollywood concludes that about 2.0 percent of

<sup>20</sup> "Who's Minding the Kids? Child Care Arrangements, Spring 2011," *op cit.*, Table 1, p. 2. There is some variation in this percentage based on worker demographic characteristics, age of child and other factors, but because these characteristics of Project employees are unknown, we utilized the overall percentage. We rely on the Census Bureau data for this calculation factor, because the small sample size for this factor specifically for retail workers in the National Study of the Changing Workforce, did not produce a statistically significant result.

<sup>21</sup> Development Amenities for West Hollywood, *op. cit.*, p. 69.

all workers in commercial facilities (i.e., not just retail space) generate demand for child care facilities near the employees' place of work. The equivalent factor in the City of Santa Monica nexus study is about 4.0 percent, and in City and County of San Francisco nexus study, about 5.0 percent.

## V. Estimating Costs of Meeting Demand for Child Care and Resulting In-Lieu Fee for the Hollywood Target Development

### A. Introduction

This Chapter addresses the development cost of meeting the child care facility demand presented in Chapter IV. This cost is the proposed basis for the in-lieu fee required by the SNAP. Although the demand for child care facilities presented in Chapter IV could arguably be accommodated in a variety of physical facilities, each of which has a different development cost implication, the facilities cost used in this analysis assumed that the Project's child care demand would be satisfied by a proportional share of the cost of developing a newly constructed Child Care Center for about 60 pre-school age children, which is a minimum size for achieving appropriate economies of scale, according to the nexus studies referenced in previous Chapters. The cost of developing such a Child Care Center, and the Project's implied share of that cost based on the child care demand of its employees, was estimated by HR&A.

### B. Development Costs for a New Child Care Center

A new construction Child Center for 60 pre-school age children will require about 6,000 square feet of indoor floor area (i.e., 60 children x 100 s.f. per child); about 4,500 square feet of outdoor activity area (i.e., 60 children x 75 s.f. per child), plus parking for staff (five staff, based on one per 12 children, per State licensing requirements), volunteers and parent drop-off, or about 4,200 additional square feet (i.e., 12 spaces x 350 s.f. per space). Thus, the total land area requirement would be about 14,700 square feet.

The cost of developing a 60-space child care center includes land acquisition; hard construction; furniture, fixtures and equipment; professional fees, permits and other "soft" costs; and financing costs. Based on calculation details provided in Appendix E, HR&A estimates a total development cost of \$3.6 million, or about \$60,500 per child accommodated.

### C. Development Costs for a Combination of Other Potential Child Care Facilities

As noted previously, there are a number of other types of physical facilities that could accommodate the child care demand generated by Project employees other than a newly constructed Child Care Center. This point is acknowledged in both the San Francisco and Santa Monica nexus studies, and figures into blended child care facility costs utilized in deriving the child care impact fee in those cities. The West Hollywood nexus study relied on the costs of a new Child Care Center only.

The San Francisco nexus study utilizes a blended average cost per child care space of \$12,325 per space (in 2008),<sup>22</sup> or about \$14,211 in 2015 dollars using the cumulative annual change in the all-items Consumer Price Index for the San Francisco area (15.3%). The Santa Monica nexus study cites examples of two rehabilitation projects with an average cost of \$20,137 (in 2005). But this estimate does not include any costs for using Small Family or Large Family Child Care Homes, or other options reflected in the San Francisco analysis.

Nevertheless, considering the language of the SNAP appears to focus on a new Child Care Center, the recommended fee uses that cost only. Were the cost of other potential child care

<sup>22</sup> Citywide Development Impact Fee Study, *op. cit.*, p. V-25.

facilities, or a blended cost for all conceivable types of child care facilities to be assumed, the resulting in-lieu fee would be lower than a fee based on a new Child Care Center alone.

## VI. Conclusion and In-Lieu Fee Recommendation

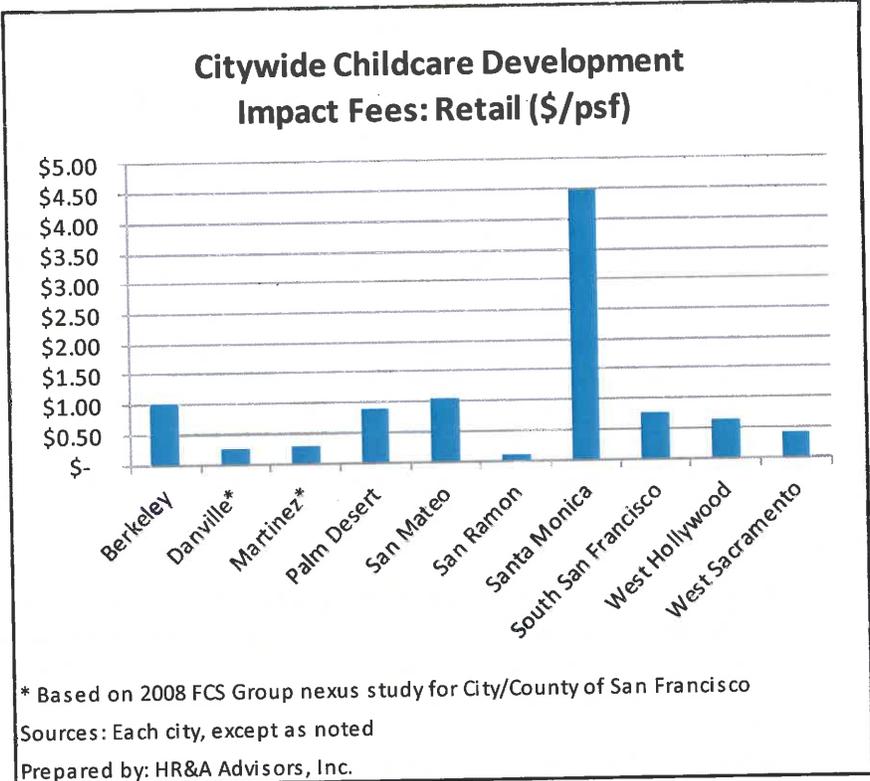
As presented in the preceding Chapters of this report, the language of the SNAP child care facility requirement does not provide a reasonable basis for deriving an in-lieu fee to “accommodate the child care needs of Project employee pre-school age (including infants) children.” Its indoor child care facility floor area requirement is not supported by any known analysis, and it does not reflect the many options child care facility options available to Project employees who elect to place their pre-school age children in child care near the Project site, rather than in or near their place of residence.

Based on a detailed estimate of actual child care facility demand among Project employees, it is concluded that the Project would generate a demand for eight child care spaces. The cost to develop each space is estimated at \$60,500 for a new Child Care Center. Therefore, the total development cost of accommodating the Project’s child care needs would be \$484,000 (or \$2.59 per square foot of Project floor area), if it is accommodated in a new Child Care Center.

### Recommendation

Inasmuch as: (1) the SNAP did not provide an appropriate calculation basis for developing an in-lieu fee; and (2) an in-lieu child care could, instead, be based on a combination of employee parent demand for child care near the employee parents’ place of work, and the cost of providing that demand in appropriate child care facilities; and (3) combining Project-specific child care demand factors and an average cost per child care space in a new Child Care Center, we recommend that the child care in-lieu fee applicable to the Project’s floor area be set at **\$484,000, or \$2.59 per square foot** of Project floor area. Target’s share of the fee in this case would be \$407,619, based on its share of total Project floor area, and the remaining \$76,381 would be allocated to the floor area occupied by the Project’s other miscellaneous retail tenants, but not including the 109 square feet of Project floor area for a Police Department substation.

As shown in the figure below, the recommended in-lieu fee of \$2.59 per square foot of floor area is about two and one-half times the average child care impact fees charged per square foot to retail floor area in other California jurisdictions that charge such fees on retail space (i.e., \$0.42-\$1.06 per square foot), and about 58 percent of Santa Monica’s fee, which is clearly an outlier.



**APPENDIX A**

**Summary of HR&A Advisors, Inc. Experience Preparing and Reviewing  
California Development Impact Fees**



700 South Flower Street, Suite 2730, Los Angeles, CA 90017  
 T: 310-581-0900 | F: 310-581-0910 | www.hraadvisors.com

### Summary of HR&A Advisors, Inc. Experience Preparing and Reviewing California Development Impact Fees

HR&A Advisors, Inc. (HR&A) is a full service economic development, real estate advisory and public policy consulting firm. Founded in 1976, the firm has a distinguished track record of providing realistic answers to complex real estate, economic development, housing, public finance and strategic planning problems. HR&A clients include Fortune 500 corporations, all levels of government, the nation's leading foundations and not-for-profit agencies. The firm has extensive experience working for the legal community in such roles as court-appointed special master, consent decree monitor, technical advisor and expert witness.

HR&A practice lines include real estate analysis and advisory services, local and regional economic analysis, economic development program formulation and analysis, fiscal impact analysis, land use policy analysis, development impact fees, housing policy research and analysis, population forecasting and demographic analysis, transportation system, other capital facilities analysis and financing, and environmental sustainability consulting.

HR&A's domestic and international consulting is provided by a staff of 75 people located in offices in the Los Angeles area, New York City, Washington, D.C. and Dallas

Beginning in the early 1980s, HR&A was retained by jurisdictions to design exaction systems in which the firm followed the basic principles of nexus and "fair share" later codified in the *Nollan* and *Dolan* decisions by the U.S. Supreme Court, the *Ehrlich* and *San Remo* decisions by the California Supreme Court, and California Government Code Section 66000, *et seq.* HR&A has also been retained by other parties to evaluate and critique adopted and proposed developer fee programs and requirements. The firm's technical rigor and thoughtfulness about these issues are respected by all sides in the continuing debate about this method of infrastructure financing.

Examples of this experience include the following:

#### Impact Fees/Exaction System Designs

- For the City of Los Angeles City Attorney and the Department of City Planning, HR&A prepared analysis to support new performance and in-lieu fees for affordable housing that will apply to specified market rate developments pursuant to 1982 State legislation requiring policies to address affordable housing in the coastal zone. HR&A was specifically named to conduct this analysis in a settlement agreement between the City and plaintiff affordable housing advocates alleging that the City had not properly implemented the State requirements.
- Assistance in the development of an impact fee for library facilities, including review and comment on analysis by city staff, and recommendations for calculation steps and considerations needed to meet development fee statutory requirements, for the City of Huntington Beach's City Attorney.

- Design of an affordable housing and open space mitigation program (on-site performance or fees in lieu thereof) for new office development, for the City of Santa Monica.
- Complete redesign of the City of Santa Monica's program requiring developers of new apartment and condominium projects to mitigate impacts on project-related demand for affordable housing, including preparation of a precedent-setting nexus study to support the in-lieu fee option in the new program, and periodic recalculation of a justifiable fee under changing market conditions since 1995.
- Design of an affordable housing, public open space and child care mitigation program (on-site performance or fees in lieu thereof) for new commercial development, for the City of West Hollywood and its outside counsel, Burke Williams & Sorensen.

#### Impact Fee/Exaction System Reviews

- Analysis of the financial feasibility of a proposed change to the "Quimby" parks fee and a new apartment development parks fee in the City of Los Angeles, for the City of Los Angeles Department of City Planning.
- Analysis of the financial feasibility of a proposed new parks fee and commercial development "linkage fee" for affordable housing in the City of Santa Monica, for the City of Santa Monica Planning & Community Development Department and Office of the City Attorney.
- Analysis of a proposed extension of an existing affordable housing fee requirement for non-residential development in Palo Alto to also include a wide range of medical facilities, for Stanford University Hospital.
- For William Lyon Homes and the law firm of Irell & Manella, HR&A prepared a detailed critique of the Ramona Unified School District's justification for a school impact fee, which supported negotiations for a lesser fee amount.
- Analysis of whether a traffic impact fee imposed by the City of Los Angeles on new development proposed along the Ventura Boulevard Corridor in the San Fernando Valley was supported by an adequate showing of nexus under applicable law and professional practice, prepared for a group of property owners and the law firm of Reznik & Reznik.
- Analysis of the rationale and economic consequences for prototypical development projects of development fees (traffic, child care, public art, affordable housing) as initially proposed by the City of Los Angeles for the Warner Center Specific Plan, prepared for a group of property owners, developers and the law firm of Paul, Hastings, Janofsky & Walker.
- Analysis and critique of the rationale, nexus basis and implementation plan for a transportation management program and ordinance proposed by the City of Santa Monica which would have imposed AQMD Regulation XV-style requirements on existing businesses with as few as 10 employees, and a traffic impact fee on developers, for the Santa Monica Bay Area Chamber of Commerce.
- Analysis and preparation of a Supplemental EIR addressing school impacts and fees related to a Long Range Development Plan, for U.C. Santa Barbara, the office of the University Counsel and the law firm of Pillsbury, Madison & Sutro. The SEIR figured prominently in a decision in favor of the *University in Goleta Union School District v. The Regents of the*

*University of California*, 36 Cal. App. 4th 1121 (1995), holding that the University was not obligated to pay school impact fees.

- Analysis of school enrollment and facilities impacts associated with theme park expansions at Disneyland, and the relationship of these impacts to statutory school fees, for The Walt Disney Company and the law firm of Latham & Watkins. The analysis helped facilitate a settlement agreement between The Walt Disney Company and local school districts.
- Analysis of the impacts on a variety of elementary and secondary school districts in Kern County from a number of large-scale residential projects planned by Castle & Cooke Development Corporation (represented by the Corey, Croudace, Dietrich & Dragan law firm). The project involved developing alternative student generation rates and calculations of "fair share" impact costs pursuant to applicable State law.
- For the Los Angeles Central City Association, the Building Industry Association of Southern California, the Los Angeles Chamber of Commerce and the Valley Industry and Commerce Association, HR&A evaluated the methodology and conclusions of the nexus analysis that formed the basis for a proposed affordable housing linkage fees that were being studied by the City of Los Angeles.
- Analysis of the degree to which the Wood Ranch residential project had already contributed a fair share of infrastructure and other community benefits such that the City of Simi Valley was not justified in asking for additional fees in order to extend an existing Development Agreement, for Olympia & York.
- A critique of whether the City of Irvine's proposed commercial development exaction to fund affordable housing complied with nexus requirements under State law, on behalf of the Building Industry Association/Orange County (California) Region.
- A critique of, and counter-proposal to, a fee proposed by the City of Santa Monica to mitigate the impact of land recycling on "affordable" lodging in the coastal zone, for Maguire Thomas Partners and the law firm of Lawrence & Harding.
- A critique of the City of Rancho Mirage's approach to impact fee calculations, and preparation of an alternative, nexus-based approach to fee calculations for a 527-unit subdivision, on behalf of the developer, Landmark Land Company, and the law firm of DeCastro, West, Chodorow & Burns.

**ATTACHMENT B**

**Excerpt from the Vermont/Western Transit Oriented District Specific Plan (Station  
Neighborhood Area Plan) Regarding Child Care Requirements**

**City of Los Angeles Administrative Code Section 5.530 Regarding Vermont/Western Station  
Neighborhood Area Plan Child Care Trust Fund**

## VERMONT/WESTERN TRANSIT ORIENTED DISTRICT

# Specific Plan

(STATION NEIGHBORHOOD AREA PLAN)

Ordinance No. 173,749  
Effective March 1, 2001

Specific Plan Procedures  
Amended pursuant to L.A.M.C. Section 11.5.7

### TABLE OF CONTENTS

MAP	Vermont/Western Transit Oriented District Specific Plan (SNAP)
Section 1.	Establishment of the Specific Plan
Section 2.	Purpose
Section 3.	Relationship to Other Provisions of the Los Angeles Municipal Code
Section 4.	Definitions
Section 5.	Prohibition
Section 6.	Zoning and Land Use Designation Subareas
Section 7.	Subarea A - Neighborhood Conversion
Section 8.	Subarea B - Mixed Use Boulevards
Section 9.	Subarea C - Community Center
Section 10.	Subarea D - Light Industrial/Commercial
Section 11.	Subarea E - Public Facilities
Section 12.	Development Review Procedures
Section 13.	Owner's Acknowledgment Limitations
Section 14.	Severability

A Part of the General Plan - City of Los Angeles  
<http://cityplanning.lacity.org> (General Plan - Specific Plan)

Applicant may choose to provide park or open space either on-site or off-site, so long as the following conditions are met.

- i. The park or open space provided is in addition to other Project open space, setbacks, step backs, pedestrian walk-throughs, child care or landscaping requirements of this Specific Plan.
  - ii. The Applicant shall commit to providing this park or open space prior to the granting of a Project Permit Compliance by the Director of Planning.
  - iii. The park or open space shall be an area of at least 5,000 contiguous square feet; open and accessible to the general public during daylight hours in a manner similar to other public parks; improved to prevailing public park standards, except that the open space may be provided above the ground floor on roof tops or above parking structures if public access is provided that conforms with the Americans With Disabilities Act standards.
  - iv. **On-Site.** For on-site park or open space, the Applicant shall provide land area equal to what would be purchasable with the Parks First Trust Fund fee amount required in Subdivision 2 above and construct or covenant to construct the improvements for the park or open space on-site to the satisfaction of the Director of Planning in consultation with the Department of Recreation and Parks and the Councilmember of the District(s) involved; or
  - v. **Off-Site.** For off-site park or open space, the Applicant shall provide land area equal to what would be purchasable with the Parks First Trust Fund fee required in Subdivision 2 above and construct or covenant to construct the improvements for the park or open space off-site, but within the Specific Plan area, to the satisfaction of the Director of Planning in consultation with the Department of Recreation and Parks and the Councilmember of the District(s) involved.
- d. **Set-Offs.** The calculation of a Parks First Trust Fund fee to be paid or actual park space to be provided pursuant to this ordinance shall be off-set by the amount of any Quimby Fee (LAMC § 17.12) or dwelling unit construction tax (LAMC § 21.10.1, *et seq.*) paid as a result of the Project.



- G. Childcare Facility Requirements.** In Subareas B, C and D, all commercial and Mixed Use Projects, which total 100,000 net square feet or more of non-residential floor area shall include child care

facilities to accommodate the child care needs of the Project employees for pre-school children, including infants, and shall meet the following requirements:

1. **Calculation of Childcare Facility Requirement.** The size of the child care facility necessary to accommodate commercial, Mixed Use, Unified Hospital Development Site or Replacement In-Patient Facilities Project employees' child care needs shall be: one square foot of floor area of an indoor child care facility or facilities, for every 50 square feet of net, usable non-residential floor area; or to the satisfaction of the Commission for Children, Youth and their Families consistent with the purpose in Section G.
  - a. **Ground Floor Play Area.** In addition to the requirements specified in Subsection G 1 above, the Applicant shall provide outdoor play area per child served by the child care facility as required by the California Department of Social Services, Community Care Licensing Division, Title 22.
  - b. **Setback and Throughways.** The child care play area at a child care facility provided as required by this subsection, on- or off-site, or as an in lieu cash payment, shall count on a one-for-one square foot basis toward either any building setback requirements of Section 6 L or pedestrian throughways as required in Section 9 G 2.
2. **Floor Area.** The floor area provided for a child care facility shall be used for that purpose for the life of the Project. The square footage devoted to a child care facility shall be located at the ground floor, unless otherwise permitted by State Law, and shall not be included as floor area for the purpose of calculating permitted floor area on a lot or within a Unified Hospital Development
3. **Off-site Provision.** The child care facility may be off-site, provided it is within 5,280 feet of the Project.
4. **Cash Payment In Lieu of Floor Area and Play Area.** At the Applicant's request, the Commission for Children, Youth and their Families may authorize a cash payment in lieu of some or all of the minimum indoor square footage and play area required in Subsection G 1. In lieu cash payments for indoor child care space and outdoor play areas shall be deposited in the City's Child Care Trust Fund.
5. **Certificate of Occupancy.** No certificate of occupancy for a commercial or Mixed Use Project subject to the requirement to include floor area and play area for a child care facility shall be issued prior to the issuance of the certificate of occupancy for the child care facility required pursuant to this Subsection, and in accordance with Section 13 of this Specific Plan, or a cash deposit has been made in the City Child Care Trust Fund in

accordance with Subdivision 4 above.

**6. Credit for Existing Child Care Facility and Play Area.**

a. **Indoor Facility.** The Commission for Children, Youth and their Families shall authorize credit for existing child care provided on or near the site of the Project against the minimum required child care facility square footage. The Commission for Children, Youth and their Families shall calculate the credit as one square foot of credit per one square foot of existing in-door child care facility that will be made available to the employees of the Project. The existing child care facility must be owned by the Project owner and located within 750 feet of the Project in order to receive credit. Child care credit shall be inventoried by the Commission for Children, Youth and their Families so that the same square footage of existing child care facility is only credited once.

b. **Outdoor Play Area.** The Director of Planning shall authorize credit for existing ground level outdoor play areas provided within 750 feet of the Project site toward the minimum required open space, building setback, or pedestrian thoroughway requirements. The existing play area must be owned by the Project owner and located within 750 feet of the Project in order to receive credit. The Director shall calculate the credit as one square foot per one square foot of existing outdoor play area available to the children of the Project employees. Open space credit shall be inventoried by the Director so that the same square footage of existing play area is only credited once.

7. **Enforcement.** The Commission for Children, Youth and their Families shall be responsible for monitoring and the Department of Building and Safety shall be responsible for enforcement of the requirements of this Subsection. All Project owners required to provide a child care facility shall submit an annual report to the Commission for Children, Youth and their Families. The report shall document the annual number of children served. The first report shall be due 12 months after issuance of any certificate of occupancy for the child care facility or facilities.

H. **Motels.** Floor area associated with a hotel, motel or apartment hotel use shall be counted as a commercial floor area for the purposes of this Specific Plan.

I. **Sidewalk Cafes.** Sidewalk cafes shall be permitted within a public street right-of-way with the approval of the Department of Public Works, provided a minimum of 10 feet of sidewalk width remains for pedestrian circulation.

J. **Public Street Improvements.** Public Street Improvements. The regulations and procedures contained in Section 12.37 of the Code

**Administrative Code Sec. 5.530. Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund.**

A. **Creation and Administration of Fund.** There is hereby created within the Treasury of the City of Los Angeles a special fund known as the Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund, referred to in this Chapter as the Child Care Fund or Fund. The Department of Recreation and Parks (Department) with the concurrence of the President of the City Council shall administer, have overall management of and expend funds from the Child Care Fund in accordance with the provisions of this Chapter. The Department with the concurrence of the President of the City Council shall also administer the Fund in accordance with established City practice and in conformity with Government Code Section 66000, *et seq.* All interest or other earnings from money received into the Child Care Fund shall be credited to the Fund and devoted to the purposes listed in this Chapter.

B. **Purpose.** The Child Care Fund shall be used for the deposit of money paid to the City of Los Angeles pursuant to the Vermont/Western Station Neighborhood Area Specific Plan and any other money appropriated or given to this Fund for the creation or development of Child Care programs or facilities in the Vermont/Western Station Neighborhood area.

C. **Expenditures.** Except as set forth below, Child Care Funds collected pursuant to the Vermont/Western Station Neighborhood Area Specific Plan and any other monies placed in this Fund shall be expended only for the purpose of acquiring facilities, developing, improving, and operating Child Care programs physically located within the boundaries of the Vermont/Western Station Neighborhood Area Specific Plan area, and providing financial assistance with child care payments to qualifying parents in the area, as determined by the Department.

The Department with the concurrence of the President of the City Council is authorized to make expenditures from this Child Care Fund in accordance with the Vermont/ Western Station Neighborhood Area Plan and the Vermont/ Western Station Neighborhood Area Plan Development Standards and Design Guidelines. Administration of the Fund and expenditures from the Fund shall also be in compliance with the requirements in Government Code Section 66000, *et seq.*, including the following:

1. The Department shall deposit all monies received pursuant to the Vermont/Western Station Neighborhood Area Specific Plan in the Fund and avoid any commingling of the monies with other City revenues and funds, except for temporary investments, and expend those monies solely for the purpose for which the Child Care payment was collected. Any interest income earned by monies in the Fund shall also be deposited in that Fund and shall be expended only for the purpose for which the Child Care payment was originally collected.

2. The Department shall, within 180 days after the last day of each fiscal year, make available to the public all the information required by Government Code Section 66006(a).

3. The City Council shall review the information made available to the public pursuant to Paragraph 2. within the time required by Section 66006, and give notice of that meeting as required by that Section.

4. When required to do so by Government Code Section 66001(e) and (f), the City Council shall authorize refunds of payments made to the Child Care Fund.

D. **Reporting.** The Department shall report annually to the City Council and Mayor identifying and describing in detail receipts and expenditures of the Fund. The Department shall submit each annual report within 60 days after the close of the fiscal year covered in the report.

#### SECTION HISTORY

Chapter and Section Added by Ord. No. 173,963, Eff. 6-18-01.

Amended by: Ord. No. 181,192, Eff. 7-27-10

**APPENDIX C**

**Inventory of Existing Child Care Facilities in the Project Vicinity**

**Child Care Centers****Zip Code: 90027****ALL CHILDREN GREAT AND SMALL**

4612 WELCH PLACE  
LOS ANGELES, CA 90027  
(323) 666-6154  
Contact: RUIZ, YOLANDA  
Capacity: 0024

**ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA (ALSC)**

5436 HOLLYWOOD BOULEVARD  
LOS ANGELES, CA 90027  
(323) 464-4063  
Contact: YOLANDA QUINTERO  
Capacity: 0060

**CHILDREN'S HOSPITAL CHILD DEVELOPMENT CENTER (PS)**

4601 SUNSET BOULEVARD  
LOS ANGELES, CA 90027  
(323) 361-4601  
Contact: ANITA BRITT  
Capacity: 0073

**CREATIVE ANGELS PRESCHOOL & KINDERGARTEN**

1725 N. MARIPOSA AVENUE  
LOS ANGELES, CA 90027  
(323) 660-9934  
Contact: SUZANA DEMIRCHYAN  
Capacity: 0032

**HARVARD PRE-SCHOOL AND KINDERGARTEN**

1311 NORTH HARVARD BLVD.  
LOS ANGELES, CA 90027  
(323) 462-1151  
Contact: LISA SOLOMON  
Capacity: 0060

**HOLLYWOOD HEADSTART PRESCHOOL**

5000 HOLLYWOOD BLVD.  
LOS ANGELES, CA 90027  
(323) 661-6405  
Contact: BENNIE MATA & LOSSIN  
Capacity: 0068

**HOLLYWOOD PRESCHOOL KINDERGARTEN**

1313 N. EDMONT STREET  
LOS ANGELES, CA 90027  
(323) 660-7896  
Contact: REZIKEEN, FAZEENA  
Capacity: 0056

**KOMITAS DAY CARE**

1616 HILLHURST  
LOS ANGELES, CA 90027  
(323) 666-1520  
Contact: DERKRIKORIAN, CARMEN  
Capacity: 0035

**LITTLE ARMENIA CHILD CARE**

1645 N. NORMANDIE AVENUE  
LOS ANGELES, CA 90027  
(323) 708-8577  
Contact: KARINE MUTAFYAN  
Capacity: 0072

**LOS FELIZ CORNERS**

1839 N. KENMORE AVE.  
LOS ANGELES, CA 90027  
(323) 661-3448  
Contact: KATCH, KRISTI  
Capacity: 0033

**LOS FELIZ NURSERY SCHOOL**

3401 RIVERSIDE DR  
LOS ANGELES, CA 90027  
(323) 662-8300  
Contact: ARABIAN, MARION  
Capacity: 0028

**LYCEE INTERNATIONAL DE LOS ANGELES**

4155 RUSSELL AVE.  
LOS ANGELES, CA 90027  
(323) 665-4526  
Contact: MANTCHEVA, GISELE  
Capacity: 0045

**LYRIC PRE-SCHOOL & KINDERGARTEN**

2328 HYPERION AVE.  
LOS ANGELES, CA 90027  
(323) 667-2275  
Contact: TOM, CURTIS  
Capacity: 0043

**PINWHEELS PRESCHOOL**

4607 PROSPECT AVENUE  
LOS ANGELES, CA 90027  
(213) 948-4757  
Contact: KARI SHANA DRUYEN  
Capacity: 0019

**PLAYFUL LEARNING AMONGST YOUTH SILVERLAKE**

2000 HYPERION AVENUE  
LOS ANGELES, CA 90027  
(323) 664-8494  
Contact: GABRIEL R. ROSS  
Capacity: 0130

**ROSE & ALEX PILIBOS PRESCHOOL**

1611 N. KENMORE STREET  
LOS ANGELES, CA 90027  
(323) 668-0343  
Contact: TAKOUHEY SAATJIAN  
Capacity: 0086

**ZIP Code 90028****BEVERLY HILLS RESOURCES CORPORATION SCHOOL**

6550 FOUNTAIN AVENUE  
LOS ANGELES, CA 90028  
(323) 469-6155  
Capacity: 0026

**BLESSED SACRAMENT PRESCHOOL**

6641 SUNSET BLVD.  
LOS ANGELES, CA 90028  
(323) 462-6311  
Contact: SUZANNE JONES  
Capacity: 0020

**CANYON SCHOOL, INC., THE**

1820 NO LAS PALMAS AVE  
LOS ANGELES, CA 90028  
(323) 464-7507  
Contact: WILLIAMS, CELIA  
Capacity: 0030

**CHEREMOYA AVENUE ELEMENTARY SCHOOL STATE PRESCHOOL**

6017 FRANKLIN AVENUE, ROOM 23  
LOS ANGELES, CA 90028  
(323) 464-1722  
Contact: RODRIGUEZ, DIANE  
Capacity: 0023

**CII/OTIS BOOTH CDC**

424 N. LAKE STREET  
LOS ANGELES, CA 90028  
(213) 385-5100  
Contact: NVARD KAZANCHYAN  
Capacity: 0048

**DELANEY WRIGHT FINE ARTS PRESCHOOL**

6125 CARLOS AVENUE  
LOS ANGELES, CA 90028  
(323) 871-2470  
Contact: REV. JAIME EDWARDS-ACTON  
Capacity: 0090

**FIRST PRESBYTERIAN CHURCH OF HOLLYWOOD PRE-SCHOOL**

1785 LA BAIG ST.  
HOLLYWOOD, CA 90028  
(323) 606-5245  
Contact: PAMELA TUSZYNSKI  
Capacity: 0098

**FOUNTAIN AVENUE HEAD START**

5636 FOUNTAIN AVE.  
LOS ANGELES, CA 90028  
(323) 467-1551  
Contact: ASIYA MAHMOUD  
Capacity: 0068

**GRANT STREET EARLY EDUCATION CENTER**  
1559 N. ST. ANDREWS PL.  
LOS ANGELES, CA 90028  
(323) 463-4112  
Contact: E.PAYNE/A.TER-  
POGOSYAN  
Capacity: 0164

**MONTESSORI SHIR-HASHIRIM**  
6047 CARLTON WAY  
LOS ANGELES, CA 90028  
(323) 465-1638  
Contact: CIELAK, ELENA  
Capacity: 0043

**SELMA HEAD START**  
6611 SELMA AVENUE  
LOS ANGELES, CA 90028  
(626) 572-5107  
Contact: MARIA CASTILLO  
Capacity: 0034

**SUNSET MONTESSORI PRESCHOOL**  
1432 N. SYCAMORE AVE.  
LOS ANGELES, CA 90028  
(323) 465-8133  
Contact: KORDONSKAYA, LILIYA  
Capacity: 0039

**WILTON PLACE HEADSTART/STATE PRESCHOOL**  
1528 N. WILTON PLACE  
LOS ANGELES, CA 90028  
(323) 469-0360  
Contact: PATTY LINARES  
Capacity: 0030

**Zip Code: 90029**

**BERENDO HEADSTART**  
1220 N. BERENDO ST.  
LOS ANGELES, CA 90029  
(323) 669-1388  
Contact: ALMA RODRIGUEZ  
Capacity: 0018

**BLIND CHILDREN'S CENTER**  
4120 MARATHON ST.  
LOS ANGELES, CA 90029  
(213) 664-2153  
Contact: MC CANN, MARY ELLEN  
Capacity: 0070

**CHILDREN'S CENTER PRESCHOOL**  
1260 N. VERMONT AVENUE  
LOS ANGELES, CA 90029  
(323) 422-9690  
Contact: DEBORAH S. WYLE  
Capacity: 0038

**FRENCH NURSERY SCHOOL**  
5262 FOUNTAIN AVENUE  
LOS ANGELES, CA 90029  
(323) 663-4038  
Contact: SAUER, MARIA  
Capacity: 0052

**GREAT VISION PRESCHOOL**  
709, 714 N. ALEXANDRIA AVENUE  
LOS ANGELES, CA 90029  
(323) 333-6686  
Contact: KYUNGMI YOO  
Capacity: 0044

**LEXINGTON AVENUE PRIMARY CENTER CSPP**  
4564 W. LEXINGTON AVE. ROOM  
1  
LOS ANGELES, CA 90029  
(323) 644-2884  
Contact: KURILICH, PAULA G.  
Capacity: 0024

**LOS ANGELES CITY COLLEGE CAMPUS CDC**  
855 N. VERMONT AVENUE  
LOS ANGELES, CA 90029  
(323) 953-4000  
Contact: DORIAN KAY HARRIS  
Capacity: 0120

**MELROSE HEAD START**  
4710 MELROSE AVENUE  
LOS ANGELES, CA 90029  
(626) 572-5107  
Contact: MARITZA ARCHER  
Capacity: 0040

**SILVERLAKE INDEPENDENT JEWISH COMMUNITY CENTER**  
1110 BATES AVE.  
LOS ANGELES, CA 90029  
(323) 663-2255  
Contact: RUTH SHAVIT  
Capacity: 0110

**Zip Code: 90038**

**ABC EDUCATIONAL CENTER**  
1129 COLE AVENUE  
LOS ANGELES, CA 90038  
(323) 466-9984  
Contact: YAZMIN NEWMAN  
Capacity: 0030

**GREGORY PARK HEAD START/STATE PRE SCHOOL**  
5807 GREGORY AVE.  
LOS ANGELES, CA 90038  
(323) 463-9725  
Contact: MARGOTH CRUZ  
Capacity: 0068

**HAPPY BIRCH PRESCHOOL**  
6415 ROMAINE STREET  
LOS ANGELES, CA 90038  
(310) 308-3141  
Contact: MALI RAND  
Capacity: 0017

**HOLLYWOOD LITTLE RED SCHOOLHOUSE**  
1248 N HIGHLAND AVE  
HOLLYWOOD, CA 90038  
(323) 465-1320  
Contact: ILISE FAYE  
Capacity: 0043

**LA MIRADA HEAD START**  
5637 LA MIRADA AVE.  
LOS ANGELES, CA 90038  
(323) 464-1605  
Contact: LETICIA VIDALES  
Capacity: 0075

**LOS ANGELES CHEDER**  
801 N. LA BREA AVENUE  
LOS ANGELES, CA 90038  
(323) 932-6347  
Contact: DINA HENIG  
Capacity: 0070

**PARAMOUNT CHILD CARE CENTER (P.S.)**  
5555 MELROSE AVE.  
LOS ANGELES, CA 90038  
(323) 956-4430  
Contact: GRETCHEN MCCOLLEY  
Capacity: 0034

**SANTA MONICA COM.CHARTER SCHOOL STATE PRESCHOOL**  
1022 N. VAN NESS AVE. #1,17&19  
HOLLYWOOD, CA 90038  
(323) 469-0971  
Contact: VAHE MARKARIAN  
Capacity: 0082

**SUNSHINE SHACK, THE**  
1027 N. COLE AVENUE  
LOS ANGELES, CA 90038  
(323) 877-4914  
Contact: CHRISTINA PON  
Capacity: 0040

**T.C.A. ARSHAG DICKRANIAN ARMENIAN SCHOOL**  
1200 N. CAHUENGA BLVD.  
LOS ANGELES, CA 90038  
(323) 461-4377  
Contact: KOUROUYAN, VARTKES  
Capacity: 0020

**VINE STREET EARLY EDUCATION CENTER**  
6312 ELEANOR AVENUE  
LOS ANGELES, CA 90038  
(323) 465-1167  
Contact: E.ANDERSON/J.REYES  
Capacity: 0198

## Large Family Child Care Homes

**Zip Code: 90027**

### DANIELYAN FAMILY CHILD CARE

1542 N. MARIPOSA AVENUE  
LOS ANGELES, CA 90027  
(323) 667-0000  
Contact: DANIELYAN LIANA  
Capacity: 0014

**Zip Code: 90028**

### DE LEON FAMILY CHILD CARE

5600 HAROLD WAY  
LOS ANGELES, CA 90028  
(323) 708-5243  
Contact: DE LEON, BRENDA  
Capacity: 0014

### ESTRADA FAMILY CHILD CARE

5627 FOUNTAIN AVE.  
LOS ANGELES, CA 90028  
(323) 856-7083  
Contact: ESTRADA, DELIA  
Capacity: 0014

### RODRIGUEZ FAMILY CHILD CARE

6122 DE LONGPRE AVE.  
LOS ANGELES, CA 90028  
(323) 464-4006  
Contact: RODRIGUEZ, ANGELICA  
Capacity: 0014

**ZIP Code: 90029**

### ESQUIVEL FAMILY CHILD CARE

4952 MARATHON ST.  
LOS ANGELES, CA 90029  
(213) 465-7611  
Contact: ESQUIVEL, LILIA  
Capacity: 0012

### FLORES FAMILY CHILD CARE

816 NORTH HOBART BLVD  
LOS ANGELES, CA 90029  
(323) 663-1049  
Contact: FLORES, RUTH  
Capacity: 0014

### FLORES FAMILY CHILD CARE

907 N. SERRANO AVE.  
LOS ANGELES, CA 90029  
(323) 819-3562  
Contact: FLORES, MAYRA  
Capacity: 0014

### KOSTANDYAN FAMILY CHILD CARE

742 N. EDGEMONT ST  
LOS ANGELES, CA 90029  
(323) 665-7713  
Contact: KOSTANDYAN, KARINE  
Capacity: 0014

### MENJIVAR FAMILY CHILD CARE

1176 N. COMMONWEALTH AVE  
LOS ANGELES, CA 90029  
(323) 217-8989  
Contact: MENJIVAR, MARIO & MILLY  
Capacity: 0014

### PETROSYAN FAMILY CHILD CARE

1130 N. WESTMORELAND  
LOS ANGELES, CA 90029  
(323) 243-9350  
Contact: KARINE PETROSYAN  
Capacity: 0014

### RAMOS FAMILY CHILD CARE

905 N. SERRANO AVENUE  
LOS ANGELES, CA 90029  
(323) 461-0266  
Contact: RAMOS, YESENIA  
Capacity: 0014

### RUIZ FAMILY CHILD CARE

1234 1/2 MANZANITA STREET  
LOS ANGELES, CA 90029  
(323) 644-1817  
Contact: RUIZ, ARGELIA  
Capacity: 0014

### VALDEZ FAMILY CHILD CARE

1033 HYPERION AVE  
LOS ANGELES, CA 90029  
(323) 664-0732  
Contact: VALDEZ, MARIANELA  
Capacity: 0014

**ZIP Code: 90038**

### DE LLANO FAMILY CHILD CARE

6603 WILLOUGHBY AVENUE  
LOS ANGELES, CA 90038  
(323) 960-2505  
Contact: DE LLANO, B. & A  
Capacity: 0014

### FLORES FAMILY CHILD CARE

5653 W. VIRGINIA AVE.  
LOS ANGELES, CA 90038  
(323) 466-5213  
Contact: FLORES, SONIA  
Capacity: 0014

### GUERREIRO FAMILY CHILD CARE

5552 BARTON AVENUE  
LOS ANGELES, CA 90038  
(323) 957-9308  
Contact: GUERREIRO, ALBA L.  
Capacity: 0014

### JUAREZ FAMILY CHILD CARE

1008 N. RIDGEWOOD PLACE  
LOS ANGELES, CA 90038  
(323) 491-0830  
Contact: JUAREZ, LORLIN &  
JOHANA  
Capacity: 0014

### VARDANYAN FAMILY CHILD CARE

824 N. RIDGEWOOD PLACE  
LOS ANGELES, CA 90038  
(323) 493-5555  
Contact: VARDANYAN, HASMIK  
Capacity: 0014

**APPENDIX D**

**Results of Statistical Analysis on the National Study of the Changing Workforce Survey Data**

Resp: Industry main job [14 major Census groups] \* WORK SCHEDULE AT MAIN JOB \* REGION OF RESIDENCE USING CPS CLASSIFICATION Crosstabulation

Count			WORK SCHEDULE AT MAIN JOB							Total
REGION OF RESIDENCE USING CPS CLASSIFICATION			A regular daytime schedule	A regular evening shift	A regular night shift	A rotating shift - one that changes by time of day or day of week	A split shft consisting of two distinct periods in each workday	A flexible or variable schedule with no set hours, on call	Some other schedule	
Northeast Region Resp: Industry main job [14 major Census groups]	AGFOR/FISHMINE		3	0	0	0	0	0	0	3
	CONSTRUCTION		42	1	1	3	0	1	0	48
	MANUFACTURING		43	3	3	1	2	0	0	52
	TRANSP/COMM/UTIL		18	3	4	1	0	1	0	25
	WHOLESALE TRADE		19	0	0	0	0	0	0	19
	RETAIL TRADE		31	9	2	11	0	5	3	51
	FIWINS/REALEST		26	0	0	1	0	1	0	28
	BUS/REP SERV		32	3	1	5	0	9	0	49
	PERSONAL SERVICES		8	0	0	5	0	0	0	13
	ENTER/REC SERVICES		4	0	1	0	0	2	0	7
	MEDICAL SERVICES		34	9	4	3	3	3	1	57
	EDUCATION SERVICES		61	4	0	1	1	1	1	69
	OTHER PROF SERV		35	1	0	1	2	7	1	47
	PUBLIC ADMIN		13	2	1	6	0	0	0	22
<b>Total</b>		<b>367</b>	<b>35</b>	<b>17</b>	<b>38</b>	<b>8</b>	<b>29</b>	<b>6</b>	<b>500</b>	
South Region Resp: Industry main job [14 major Census groups]	AGFOR/FISHMINE		11	0	0	1	0	1	0	13
	CONSTRUCTION		51	2	2	4	0	3	0	62
	MANUFACTURING		67	5	3	9	0	0	0	84
	TRANSP/COMM/UTIL		44	2	5	6	0	6	0	63
	WHOLESALE TRADE		30	1	6	3	1	1	0	42
	RETAIL TRADE		70	26	13	25	0	7	1	142
	FIWINS/REALEST		54	0	1	1	3	5	0	64
	BUS/REP SERV		43	1	6	3	0	5	0	58
	PERSONAL SERVICES		6	0	4	0	0	4	0	14
	ENTER/REC SERVICES		3	1	0	0	0	3	0	7
	MEDICAL SERVICES		120	5	14	3	2	4	0	148
	EDUCATION SERVICES		91	2	0	0	3	5	0	101
	OTHER PROF SERV		65	4	0	0	2	4	1	77
	PUBLIC ADMIN		33	1	0	4	0	2	2	42
<b>Total</b>		<b>688</b>	<b>60</b>	<b>54</b>	<b>69</b>	<b>11</b>	<b>50</b>	<b>4</b>	<b>917</b>	
Midwest Region Resp: Industry main job [14 major Census groups]	AGFOR/FISHMINE		10	0	0	0	0	1	0	11
	CONSTRUCTION		45	0	0	1	0	5	0	51
	MANUFACTURING		88	9	11	4	0	1	1	114
	TRANSP/COMM/UTIL		32	1	3	5	0	3	0	44
	WHOLESALE TRADE		32	0	0	0	0	4	0	36
	RETAIL TRADE		56	27	17	30	3	14	1	148
	FIWINS/REALEST		41	2	0	0	0	1	0	44
	BUS/REP SERV		38	1	0	1	0	2	0	42
	PERSONAL SERVICES		8	0	0	2	0	0	0	10
	ENTER/REC SERVICES		6	0	1	2	0	0	0	9
	MEDICAL SERVICES		69	7	8	7	0	2	1	94
	EDUCATION SERVICES		75	0	0	5	2	5	0	87
	OTHER PROF SERV		47	0	0	2	1	3	0	53
	PUBLIC ADMIN		26	4	1	1	0	3	0	35
<b>Total</b>		<b>573</b>	<b>51</b>	<b>41</b>	<b>60</b>	<b>6</b>	<b>44</b>	<b>3</b>	<b>778</b>	
West Region Resp: Industry main job [14 major Census groups]	AGFOR/FISHMINE		8	0	0	0	0	0	0	8
	CONSTRUCTION		28	2	0	0	0	11	0	41
	MANUFACTURING		53	1	1	7	1	5	0	68
	TRANSP/COMM/UTIL		30	10	1	2	1	2	0	46
	WHOLESALE TRADE		12	0	0	0	0	2	1	15
	RETAIL TRADE		48	2	6	18	2	6	2	85
	FIWINS/REALEST		17	0	0	0	0	2	2	21
	BUS/REP SERV		34	8	0	2	0	4	0	48
	PERSONAL SERVICES		7	0	0	5	0	6	0	18
	ENTER/REC SERVICES		11	0	2	0	0	0	0	13
	MEDICAL SERVICES		35	3	6	0	0	8	0	52
	EDUCATION SERVICES		51	3	0	2	7	2	0	65
	OTHER PROF SERV		27	0	0	2	0	4	0	33
	PUBLIC ADMIN		21	2	0	1	0	3	0	27
<b>Total</b>		<b>393</b>	<b>31</b>	<b>18</b>	<b>38</b>	<b>11</b>	<b>55</b>	<b>5</b>	<b>640</b>	
<b>Total</b> Resp: Industry main job [14 major Census groups]	AGFOR/FISHMINE		32	0	0	1	0	2	0	35
	CONSTRUCTION		166	5	3	8	0	20	0	202
	MANUFACTURING		251	18	18	21	3	6	1	318
	TRANSP/COMM/UTIL		122	16	13	14	1	12	0	178
	WHOLESALE TRADE		93	1	6	3	1	7	1	112
	RETAIL TRADE		206	64	38	84	5	32	7	436
	FIWINS/REALEST		138	2	1	2	3	9	2	157
	BUS/REP SERV		147	13	7	11	0	19	0	197
	PERSONAL SERVICES		29	0	4	12	0	10	0	55
	ENTER/REC SERVICES		24	1	4	2	0	5	0	36
	MEDICAL SERVICES		258	24	32	13	5	17	2	351
	EDUCATION SERVICES		278	9	0	8	13	13	1	322
	OTHER PROF SERV		175	5	0	5	5	18	2	210
	PUBLIC ADMIN		93	9	2	12	0	8	2	126
<b>Total</b>		<b>2012</b>	<b>167</b>	<b>128</b>	<b>186</b>	<b>36</b>	<b>178</b>	<b>18</b>	<b>2735</b>	

RETAIL TRADE W/ REGUALR DAYTIME SHIFT AND ROTATING SHIFT (WEST): (49+18)/85=.78823

Resp: Industry main job [14 major Census groups] \* Any child < 6 in household GE 1/2 yr \* REGION OF RESIDENCE  
USING CPS CLASSIFICATION Crosstabulation

Count			Any child < 6 in household GE 1/2 yr		Total
REGION OF RESIDENCE USING CPS CLASSIFICATION			Yes	No	
Northeast Region	Resp: Industry main job [14 major Census groups]	AG/FOR/FISH/MINE	0	3	3
		CONSTRUCTION	10	37	47
		MANUFACTURING	6	45	51
		TRANSP/COMM/UTIL	7	18	25
		WHOLESALE TRADE	4	14	18
		RETAIL TRADE	10	50	60
		FIN/INS/REAL/EST	3	26	29
		BUS/REP SERV	4	46	50
		PERSONAL SERVICES	1	11	12
		ENTER/REC SERVICES	2	5	7
		MEDICAL SERVICES	12	46	58
		EDUCATION SERVICES	12	57	69
		OTHER PROF SERV	11	37	48
		PUBLIC ADMIN	5	16	21
Total			87	411	498
South Region	Resp: Industry main job [14 major Census groups]	AG/FOR/FISH/MINE	4	8	12
		CONSTRUCTION	14	48	62
		MANUFACTURING	13	71	84
		TRANSP/COMM/UTIL	16	47	63
		WHOLESALE TRADE	7	34	41
		RETAIL TRADE	31	111	142
		FIN/INS/REAL/EST	14	51	65
		BUS/REP SERV	6	51	57
		PERSONAL SERVICES	9	5	14
		ENTER/REC SERVICES	1	6	7
		MEDICAL SERVICES	31	118	149
		EDUCATION SERVICES	23	78	101
		OTHER PROF SERV	15	62	77
		PUBLIC ADMIN	8	33	41
Total			192	723	915
Midwest Region	Resp: Industry main job [14 major Census groups]	AG/FOR/FISH/MINE	0	11	11
		CONSTRUCTION	15	38	53
		MANUFACTURING	24	90	114
		TRANSP/COMM/UTIL	9	37	46
		WHOLESALE TRADE	8	28	36
		RETAIL TRADE	27	120	147
		FIN/INS/REAL/EST	10	33	43
		BUS/REP SERV	8	34	42
		PERSONAL SERVICES	2	8	10
		ENTER/REC SERVICES	2	7	9
		MEDICAL SERVICES	18	75	93
		EDUCATION SERVICES	14	73	87
		OTHER PROF SERV	10	43	53
		PUBLIC ADMIN	8	27	35
Total			165	624	779
West Region	Resp: Industry main job [14 major Census groups]	AG/FOR/FISH/MINE	2	5	7
		CONSTRUCTION	13	29	42
		MANUFACTURING	10	59	69
		TRANSP/COMM/UTIL	8	39	47
		WHOLESALE TRADE	0	15	15
		RETAIL TRADE	22	62	84
		FIN/INS/REAL/EST	3	18	21
		BUS/REP SERV	10	37	47
		PERSONAL SERVICES	6	13	19
		ENTER/REC SERVICES	0	13	13
		MEDICAL SERVICES	8	45	53
		EDUCATION SERVICES	9	56	65
		OTHER PROF SERV	11	23	34
		PUBLIC ADMIN	5	23	28
Total			107	437	544
Total	Resp: Industry main job [14 major Census groups]	AG/FOR/FISH/MINE	6	27	33
		CONSTRUCTION	52	152	204
		MANUFACTURING	53	265	318
		TRANSP/COMM/UTIL	40	141	181
		WHOLESALE TRADE	19	91	110
		RETAIL TRADE	90	343	433
		FIN/INS/REAL/EST	30	128	158
		BUS/REP SERV	28	168	196
		PERSONAL SERVICES	18	37	55
		ENTER/REC SERVICES	5	31	36
		MEDICAL SERVICES	69	284	353
		EDUCATION SERVICES	58	264	322
		OTHER PROF SERV	47	165	212
		PUBLIC ADMIN	26	99	125
Total			541	2195	2736

RETAIL TRADE w CHILD < 6 (WEST): 22/84=.261904

**APPENDIX E**

**Estimated Development Cost for a 60-Space Child Care Center**

**Example Facility Costs for a New 60-Space Child Care Center  
Vermont/Western Station Neighborhood Area Plan**

			<u>Sources &amp; Notes</u>
<b>Number of Children</b>	60		Literature review
<b>Size of Facility</b>			
Indoor Space (per CCR)	100 s.f. per child	6,000	Literature review
Outdoor Space (per CCR)	75 s.f. per child	4,500	State licensing requirements
<b>Land Required</b>			
Building pad		6,000	Per above
Parking			
# Spaces	12		LADBS Requirements
SF per Space	350 s.f.	4,200	HR&A Estimate
Outdoor Play Area		4,500	Per above
Required Land Area		<u>14,700</u>	
<b>Land Cost</b>	\$110 per s.f.	\$ 1,617,000	HR&A estimate
<b>Hard Cost</b>			
Building Shell (per s.f.)	\$155 per s.f. Bldg.	\$ 930,000	Marshall & Swift
Landscaping and Play Equipt.	\$33 per s.f. Outdoor Space	\$ 148,500	Marshall & Swift
Surface Parking	\$2,500 per Space	\$ 30,000	Marshall & Swift
Furnishings & Equipt.	\$50 per s.f. Bldg.	\$ 300,000	HR&A estimate
Contingency	5%	<u>70,425</u>	
Total Hard Cost		\$ 1,478,900	
Soft Costs	20% x Hard Costs	\$ 295,800	HR&A estimate
Financing Costs	7.0% x Land + Hard + Soft Costs	<u>\$ 237,400</u>	HR&A estimate
<b>Total Cost</b>		<b>\$ 3,629,100</b>	
per building s.f.		<b>\$ 605</b>	
per child care space		<b>\$ 60,500</b>	

Prepared by: HR&A Advisors, Inc.

**Child Care Center Construction Cost Estimate**

	Gross Bldg. SF	Stories	Factor	Total Cost (2015 \$)	Total Cost Per SF (2015 \$)
Children SF per Child			60 100		
<b>Child Care</b>	6,000				
Class D - Excellent			\$156.27 PSF		
Height Increase		1	0.0% Above Three Stories		
Sprinklers - Excellent			\$5.68 PSF		
<b>Total With Adjustment Factors</b>				\$1,115,775	\$186
Reduction to for Certain Soft Costs <sup>1</sup>			-17%	-\$185,962	
<b>Total Hard Costs</b>				\$929,812	\$154.97
<b>Adjustment Factors Included</b>					
Cost Factor			1.00 2/1/2015		
Location Factor			1.19 Los Angeles		
Perimeter Factor			1.00		

<sup>1</sup> Per Marshall & Swift total cost includes: sales taxes, interest on construction financing, permit fees, and average architects' and engineers' fees, which have been deducted to avoid double-counting with the "soft costs" category of the development budget.

Source: Marshall & Swift Commercial Cost Estimator, June 2015; HR&A Advisors, Inc.



MOTION

In 2001, the City Council approved the Vermont/Western Station Area Neighborhood Plan (SNAP). One of SNAP's goals is to provide sufficient schools, childcare facilities, parks, public pools, soccer fields, open space, libraries and police stations within the Plan Area by the year 2020. In certain SNAP areas, all commercial and mixed use projects, which total 100,000 net square feet or more of non-residential floor area, are required to provide for or include adequate child care facilities to accommodate a project employees' pre-school aged or infant care needs.

SNAP stipulates that such child care facilities may be provided for on- or off-site of a proposed project. Additionally, SNAP provides that an in-lieu cash fee may be considered to meet some or all of the required minimum indoor square footage and play areas necessary for a project development. SNAP mandates that should an applicant request an in-lieu fee, the Board of Recreation and Parks (RAP) Commission determine whether or not accept the fee or require creation or development of a child care facility. While SNAP allows for an in-lieu fee procedure and requires RAP to make final determination, it provides little to no guidance on how RAP is to calculate or determine the efficacy of the in-lieu fee.

The City is currently in the process of working with the first SNAP development, East Hollywood Target, for which the childcare requirements apply. The applicant has requested to make an in-lieu payment. However, because SNAP does not provide a traditional fee formula for calculation of in-lieu fee payments, the applicant has hired its own financial consultant to estimate an appropriate fee. In order for RAP to properly evaluate this fee to make an objective and informed decision as to whether the proposed in-lieu fee adequately qualifies for consideration, it is recommended that an independent, peer review be commissioned to study East Hollywood Target's study.

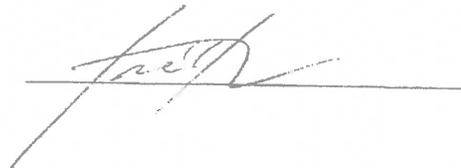
I THEREFORE MOVE that the City Council authorize and instruct the City Administrative Officer (CAO) to hire a consultant to evaluate the projected childcare needs of the proposed East Hollywood Target development with respect to the requirements of the SNAP; accept up to \$25,000 for the full cost of consultant services from the applicant to evaluate such childcare needs; instruct the City Controller to deposit all funds received as a result of this action in Fund 100, Department 10, Contractual Services Account 3040; and authorize the CAO to make any technical corrections, revisions, or clarifications to the above instructions to effectuate the intent of this action; and

I FURTHER MOVE that the Council REQUEST that the Board of Recreation and Parks (RAP) Commission consider the applicant's proposal at their next regularly scheduled meeting once the peer review is completed and the applicant's development application is complete.

PRESENTED BY:

  
MITCH O'FARRELL  
Councilmember, 13th District

SECONDED BY:



MAR 15 2016



ORIGINAL



**FINAL MEMORANDUM**

To: Valerie Flores and Kenneth Fong, City Attorney's Office

Cc: Josh Rohmer, Stephanie Magnien Rockwell, Chris Robertson  
City of Los Angeles

From: Economic & Planning Systems, Inc.

Subject: Peer Review of HR&A Estimate of Childcare In-Lieu Payment  
for Target Development; EPS #164005

Date: July 11, 2016

*The Economics of Land Use*



Target Corporation is developing a 186,698-square foot retail center at the corner of Sunset Boulevard and Western Avenue (Project). Rather than providing an onsite childcare facility to meet the childcare needs of project employees, Target Corporation is requesting to make a cash payment in lieu of the childcare facilities requirements. Under the terms of Section G of the Station Neighborhood Area Plan (SNAP), such in-lieu cash payments can be authorized and deposited into a Childcare Trust Fund.

Economic & Planning Systems, Inc., (EPS) was retained by the City of Los Angeles to peer review the September 29, 2015 Report prepared by HR&A for Target Corporation titled "Estimation of a Childcare Facility In-Lieu Fee for the Target Development at Sunset Boulevard and Western Avenue" (HR&A Report or HR&A Analysis). EPS's peer review involved reviewing the HR&A Report, speaking with City staff and the assigned City Attorney to understand the Project background, and discussing key assumptions with the primary author of the HR&A Report.

The HR&A Analysis estimates that: (1) the Project's 250 employees would generate demand for eight childcare spaces (about one space for every 30 employees) and (2) the cost of providing that childcare is approximately \$60,500 per childcare space. This results in an in-lieu payment estimate of \$484,000, or \$2.59 per square foot of Project Floor Area.

HR&A points out that this level of payment per building square foot would be above many citywide childcare in-lieu fees charged by other California jurisdictions, but below that charged by the City of Santa Monica.

*Economic & Planning Systems, Inc.  
One Kaiser Plaza, Suite 1410  
Oakland, CA 94612-3604  
510.841.9190 tel  
510.740.2080 fax*

*Oakland  
Sacramento  
Denver  
Los Angeles*

**[www.epsys.com](http://www.epsys.com)**

## Findings

Key findings from the peer review include the following:

- 1. The City's policy objectives are an important consideration in determining whether the HR&A Analysis is consistent with the intent of Section G of the SNAP.** Section G of the SNAP states that "all commercial and Mixed-Use Projects, which total 100,000 net square feet or more of nonresidential floor area, shall include childcare facilities to accommodate the childcare needs of the Project employees for pre-school children." It also notes that a cash payment in-lieu of some or all of the minimum indoor square footage and play area required can be authorized. EPS's peer review is grounded in a broad interpretation of the language of Section G and assumes the objective of Section G is to ensure that there will be childcare spaces available for all of the pre-school aged children of the Project's 250 employees who are likely to enroll their child(ren) in some form of non-relative childcare near their place of work. This is a broader interpretation than the one applied by HR&A as discussed in more detail below.
- 2. A "demand-based" analysis represents a reasonable approach to estimating an in-lieu cash payment, although the specific assumptions have significant implications for the end result.** A demand-based analysis varies from the straight-forward application of the stated standard in Section G of the SNAP (1 square foot of childcare space per 50 square feet of Project floor area) in that a demand-based approach seeks to link the characteristics of new development and associated employees to an estimate of childcare need based on a series of specific assumptions about an employee's likelihood of having one or more children under the age of 6 who might choose to enroll in childcare near the employee's place of work. The estimate of childcare need, in turn, is costed for the purpose of identifying an appropriate fee payment. EPS generally concurs that a "demand-based" approach, as proposed by HR&A, represents a reasonable approach to determining the potential in-lieu cash payment. However, assumptions concerning the number of employees, the need for childcare, and the cost of providing a childcare space are critical components of the analysis that require careful consideration.
- 3. Based on a broader interpretation of the policy language, EPS finds that the Project's 250 employees will generate demand for 15 childcare spaces, higher than the 8 spaces estimated in the HR&A Analysis.** The HR&A Analysis follows a logical sequence of steps and calculations to arrive at the projected demand for childcare from the Project's 250 employees. However, there are certain assumptions in the HR&A Analysis that EPS believes collectively result in an underestimate of demand. These include the adjustments made for employee shifts, not considering that a household with a child under the age of 6 might have more than one child under the age of 6, and the interpretation of the Census Bureau's survey of working parents, which is used to estimate the percent of households choosing some form of non-relative childcare. Applying EPS's recommended revisions results in the Project's 250 employees generating demand for 15 childcare spaces (see Figure 1 for comparison of assumptions and steps).

**4. Using HR&A's approach to estimating the costs of providing a childcare space, the revised childcare need estimate results in an in lieu cash payment ranging from \$907,500 to \$1,213,500.** The HR&A Report prepares a cost estimate that is based on the new development (including land acquisition) of a state-licensed childcare center, which would be more costly to provide than other options (e.g., expanding capacity within an existing facility). In this regard, EPS finds that the HR&A Analysis, and estimate of \$60,500 per childcare space, is conservative.<sup>1</sup> Applying this per childcare space cost estimate to the revised estimate of the need for 15 childcare spaces results in an estimated in-lieu cash payment of \$907,500 (see **Figure 1** for a comparison of key steps). This is about 87.5 percent above the HR&A estimate and represents about \$4.86 per Project Floor Area.

It is important to note that HR&A's cost estimates are based on dynamic data that is subject to change over time based on economic and market conditions. For example, the land acquisition cost estimate used in the HR&A Analysis is \$110 per square foot. This figure is based on sales transactions within 1 mile of the Project site and excludes any unusually high-value transactions located along high-demand corridors. This is an appropriate exclusion given that, unlike retail or other types of commercial space, a child care facility does not require a premium location, and, in fact, due to the economics of developing and operating a child care facility, a child care facility typically cannot afford a premium location.

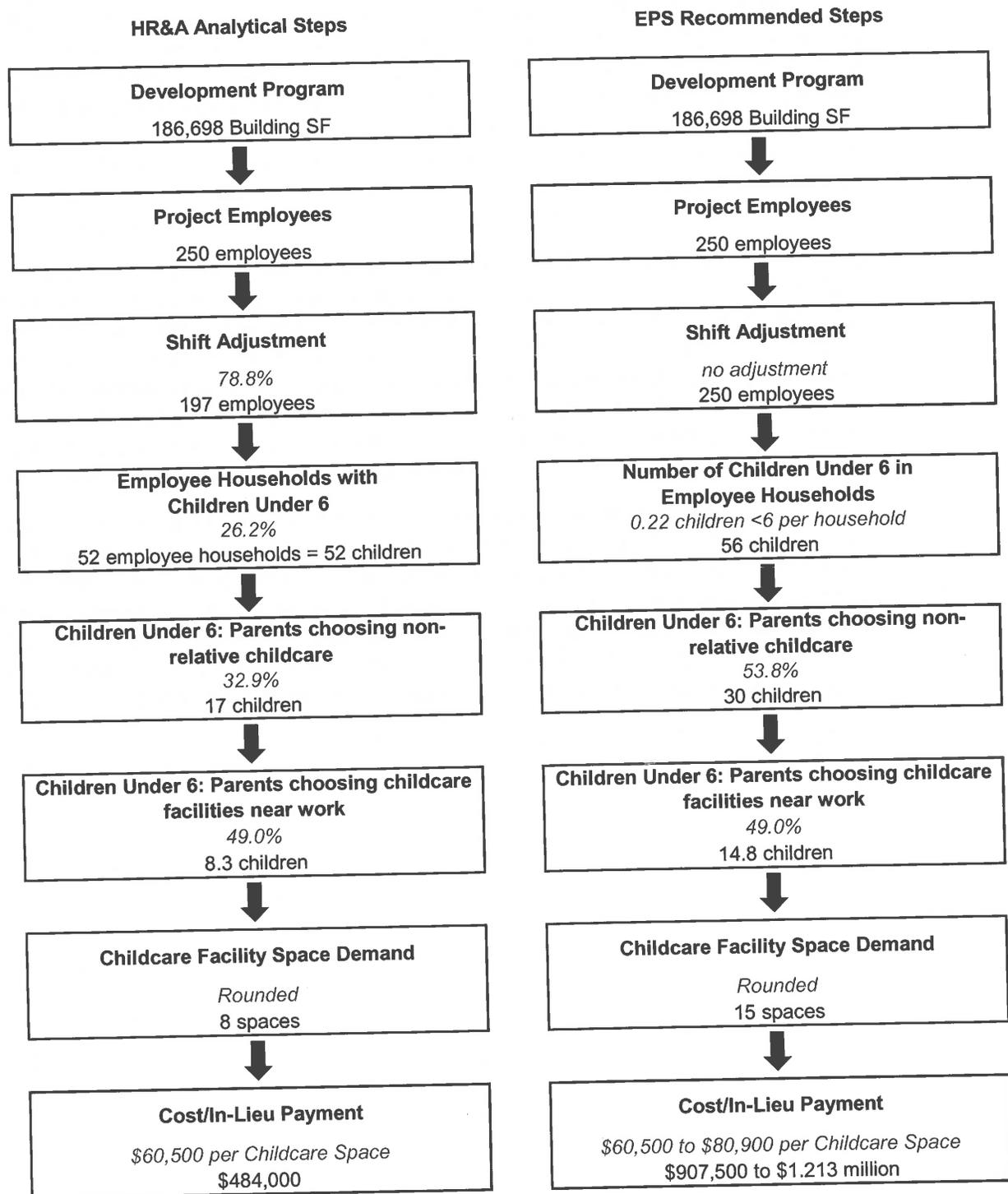
When EPS updated the land acquisition cost research to vet HR&A's estimate, EPS applied the same search criteria (e.g., within 1 mile of the Project site and excluding transactions reflecting premium locations) and found the median price per square foot of land had risen to \$188.<sup>2</sup> Incorporating a land acquisition cost of \$188 per square foot increases the overall cost per child care space to \$80,900 (up from \$60,500) and increases the in lieu cash payment to \$1,213,500 (up from \$907,500). Given the dynamic nature of land values in the area, an in lieu cash payment could reasonably range from \$907,500 to \$1,213,500.

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<sup>1</sup> EPS independently confirmed that the parking assumption reflects the current zoning requirements. In addition, the calculation to estimate the in-lieu cash payment appropriately excludes the 109 square feet for the police substation.

<sup>2</sup> Using CoStar vacant land transaction data, within 1 mile of the Project Site, in June 2016.

**Figure 1 Comparison of HR&A Analytical Steps and EPS Recommended Steps**



## Policy/Study Background

Section G of the SNAP describes the land use regulations associated with the provision of childcare facility requirements. As noted in Section G of the SNAP:

- All commercial and Mixed-Use Projects, which total 100,000 net square feet or more of nonresidential floor area, shall include childcare facilities to accommodate the childcare needs of the Project employees for pre-school children.
- Project employees' childcare needs shall be one square foot of floor area of an indoor childcare facility or facilities, for every 50 square feet of net, usable nonresidential floor area; or to the satisfaction of the Commission for Children, Youth, and their Families<sup>3</sup> consistent with the purpose in Section G.<sup>4</sup>
- The childcare facility may be off-site provided it is within 5,280 feet (one mile) of the Project.
- At the Applicant's request, the Commission for Children, Youth, and their Families<sup>5</sup> may authorize a cash payment in-lieu of some or all of the minimum indoor square footage and play area required. In-lieu cash payments for indoor childcare space and outdoor play areas shall be deposited in the City's Childcare Trust Fund.
- The SNAP does specify how the revenue from an in-lieu fee should be spent, but Administrative Code Sec. 5.530. pertains to the Vermont/Western Station Neighborhood Area Plan Childcare Trust Fund (Fund) and indicates that the purpose of the Fund is for the creation or development of Childcare programs or facilities and that funds "shall be expended only for the purpose of acquiring facilities, developing, improving and operating Childcare programs physically located within the boundaries of the Vermont/Western Station Neighborhood Area Specific Plan Area, and providing financial assistance with childcare payments to qualifying parents in the area, as determined by the Department."

## Step-by-Step Demand Analysis Comments and Recommendations

On behalf of Target Corporation, HR&A has proposed a "demand-based" methodology for estimating the appropriate in-lieu cash payment. HR&A suggests this methodology is more appropriate as it can be tailored to the specifics of the Project. This methodology seeks to estimate the number of pre-school aged children associated with Project employees who will require childcare based on a series of analytical assumptions. Important to understanding the HR&A Analysis, HR&A's methodology assumes that the goal of the City's policy is to provide

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<sup>3</sup> As noted by HR&A, the City's Department of Parks and Recreation and the Parks and Recreation Commission now have jurisdiction over implementation of the SNAP childcare facility requirement, and the Childcare Trust Fund into which in-lieu cash payments would be deposited.

<sup>4</sup> On page 6 of the HR&A Report, a childcare facility need calculation is provided based on the ratio stated in Section G of the SNAP (1 square foot of childcare facility per 50 square feet of net useable Project floor area). While EPS recognizes that this is not the approach used to calculate the in-lieu payment, it is our presumption that the "existing" square footage of 59,561 should not be deducted as the SNAP language refers to "net useable" rather than "net *new* usable."

<sup>5</sup> See Note #2 above.

childcare for those Project employees who would be interested in childcare in licensed childcare facilities near their place of work that operate during common childcare facility hours (i.e., approximately 8 a.m. to 5 or 6 p.m.). This methodology also uses childcare provision cost estimates associated with construction of a new licensed facility as opposed to other less costly alternatives. Finally, this "demand-based approach" leads to a different effective standard in terms of the ratio between square feet of childcare facility provision and the net square feet of the Project. Each step is described below and summarized in **Table 1**.

**Step 1** begins with the source of the demand, the 250 on-site Project employees. This figure includes the employees of the Target store as well as the ancillary retail and is well-established in the Project EIR.

**Step 2** refines the Project employment estimate, in an effort to identify just those employees who would be working during the daytime hours (i.e., those hours that a childcare facility typically would be open). As described below, EPS believes that the reduction that occurs later in Step 4 accounts for the fact that not all Project employees with pre-school aged children will avail themselves of childcare and, thus, renders Step 2 redundant. There are a number of reasons an employee with a young child may not choose to enroll that child in childcare, including the potential availability of another parent or a relative to care for the child, the lack of affordable options in a convenient location, or the incompatibility of the employee's work/shift logistics and available childcare options. We believe these considerations are valid and that they are accounted for in Step 4. Therefore, we do not recommend discounting the number of employees based on potential shift assignments in Step 2.

Related to Step 2, which refines the Project employment estimate, it may be that there is some potential that 250 employees equals something less than 250 households. For example, there may be potential for same-store colleagues to form a family/household, which would reduce the demand for childcare from Project employees. HR&A conservatively assumes that each employee is equal to a unique household. Without detailed information from Target about their workforce and household formation, EPS cannot recommend an appropriate discount factor.

**Step 3** identifies the percent of Project employees with children under the age of 6 using specific characteristics of employees in the "Retail Trade" living in the "West" region. While this data (see Appendix D of the HR&A Report) identifies 22 households (out of a sample of 84 households) with "any child" under the age of 6 in the household, the data does not appear to account for the possibility of there being more than one child under the age of 6 in the household.

Using Census data, it is possible to calculate the average number of children under the age of 6 per household (see Census tables S1101 and S0901, 2010-2014 ACS, 5-Year Estimates for the City of Los Angeles.) A review of the data on these tables suggests that there are an average of 0.22 children under the age of 6 in the City's households, as shown on **Table 2**. This analysis is not specific to the retail industry, rather it reflects the Citywide average, but it more accurately estimates the number of *children* under the age of 6 (as opposed to the number of *households* with at least one child under the age of 6).

**Table 1 Step-by-Step Comments on HR&A Demand Analysis**

Step Reference Number	Step Description	Assumption Used by HR&A	Result	Source	EPS Comment
1	Number of employees	250		Project EIR (Approved)	1) No comment.
2	Discount employees to reflect those working daytime shifts	78.8%	197.1	National Study of the Changing Workforce Survey Data	1) Allowance for employees who will not choose child care is already reflected in Step 4. 2) Advise not to discount 250 employee count.
3	Percent of Project employees with children under the age of 6	26.2%	52.0	National Study of the Changing Workforce Survey Data	1) Source estimates the percent of <i>households</i> with one or more children under the age of 6 but does not necessarily provide an estimate of the number of children. 2) Advise using Census data to more accurately estimate the total number of pre-school aged children in the City's households.
4	Percent of Project employees with pre-school aged children choosing child care facilities	32.9%	17.1	Census Bureau's survey of child care arrangements among working parents	1) Important to note that current choices may not reflect preferred choices, if options were expanded and improved. 2) Sample should reflect just those children in a "regular arrangement" which reduces the sample and increases the percent of employees choosing childcare.
5	Percent of Project employees with pre-school aged children choosing child care facilities near place of work	49.0%	8.4	Average of 23% (West Hollywood nexus study survey) and 75% (literature review conducted for Santa Monica)	1) In EPS experience, this assumption tends to vary the most. Given that neither source is perfectly applicable to this Project, taking the average is reasonable.
<b>Total Number of Child Care Spaces Required</b>			<b>8</b>		1) Advise rounding up when estimating the number of children.

**Table 2 Average Number of Children under the Age of 6 per Household**

Category	Percent	Number
Children under 18 in Households		854,900
under 6 years	34.9%	298,360
6 to 11 years	32.3%	276,133
12 to 17 years	32.8%	280,407
Total Households		1,329,372
Number of Children under 6 Years per Household		0.22

Source: 2010-2014 American Community Survey 5-Year Estimates, Tables S1101 and S0901.

It is worth noting that the demand analysis in the HR&A Report is not structured in a way that is specific to the ages of the children. This is appropriate given the data sources used by HR&A; however, estimating the number of children within typical age cohorts of pre-school aged children (i.e., under 1, 1 to 2, and 3 to 5) would allow for a more nuanced analysis of the childcare preferences of the Project's employees. For example, parents make different childcare choices and have different locational preferences for their infant children than they do for their 4- and 5-year old children. In addition, many 5-year olds are enrolled in kindergarten and, therefore, do not need the type of childcare arrangements accounted for in this Study. An age-specific analysis allows just a subset (typically 50 percent) of 5-year olds to be included. The HR&A analysis is conservative in the sense that it includes all 5-year old children. Without additional research, EPS cannot say definitively whether an age-specific approach would increase or decrease the number of required childcare spaces. Revised, age-specific assumptions could end up off-setting one another.

**Step 4** establishes the percent of Project employees with pre-school aged children who are likely to choose childcare facilities, rather than care by a parent or a relative. This is an appropriate cut, and HR&A uses a well-researched and reliable data source. However, while the HR&A Report assumes that 32.9 percent of households with pre-school aged children will choose "non-relative" care based on Table 1 on page 2 of "Who's Minding the Kids? Childcare Arrangements," issued April 2013 by the U.S. Census Bureau, EPS believes the ratio should be based on the sample of children who are in a "regular arrangement," which is defined as an arrangement that is used at least once a week. It seems that a Project employee with a regular work schedule with one or more children under the age of 6 would fall into the category of needing a "regular arrangement." This assumption reduces the sample from 20,404 to 12,499, resulting in a revised assumption that 53.8 percent of households with pre-school aged children will choose "non-relative" care.

As noted above in Step 2, EPS also believes that the selected percentage should be applied to an employee count that has not been reduced on account of potential work shift. This is because the percentage of Project employees with pre-school aged children who are likely to choose childcare facilities rather than care by a parent or a relative reflects that not all Project employees will be able to (or choose to) take advantage of available childcare options, perhaps because of their work shift.

In **Step 5**, the number of children requiring childcare is further reduced to account for the percent of Project employees who would choose childcare facilities near their place of work as opposed to near their home. EPS is familiar with the range of assumptions quoted in the HR&A Report, noting that the assumption regarding the choice to use childcare near place of work varies across other studies from between 23 percent to 75 percent. The HR&A Report uses the average of the two assumptions, 49 percent. While not based on technical analysis, EPS finds this to be a reasonable assumption given that the West Hollywood survey (the basis of the 23 percent assumption) is potentially outdated (1989) and more heavily weighted to office workers than retail workers and the national study (the basis of the 75 percent assumption), while often referenced in childcare nexus studies is not available for a closer review. EPS concurs with HR&A that since neither source is perfect, taking the average of the two is reasonable.

### Results of EPS Recommendations

The recommendations summarized above result in demand for 15 childcare spaces based on a Project employee count of 250. The steps are shown below in **Table 3**.

At a cost of \$60,500 per childcare space, 15 childcare spaces represents a total cost of \$907,500 or a per Project floor area square foot cost of \$4.86. This is higher than the adopted in lieu fees of many other cities, yet approximately consistent with the City of Santa Monica's in lieu fee. At a cost of \$80,900 per childcare space, 15 childcare spaces represents a total cost of \$1,213,500 or a per Project floor area square foot cost of \$6.50, well above the highest adopted in lieu fees studied.

**Table 3 EPS Refined Demand Analysis**

Step Reference Number	Step Description	Assumption Used by HR&A	Result	Source
1	Number of employees	250		Project EIR (Approved)
2	Discount employees to reflect those working daytime shifts	100.0%	250.0 employees	
3	Number of children under the age of 6 per household	0.22	56.1 children < age 6	Census, ACS 2010-2014, See Table 2
4	Percent of Project employees with pre-school aged children choosing child care facilities	53.8%	30.2 children < age 6 needing non-relative child care	Census Bureau's survey of child care arrangements among working parents; Uses sample of children in a "regular childcare arrangement"
5	Percent of Project employees with pre-school aged children choosing child care facilities near place of work	49.0%	14.8 children < age 6 needing non-relative child care, near employee's place of work	Average of 23% (West Hollywood nexus study survey) and 75% (literature review conducted for Santa Monica)
<b>Total Number of Child Care Spaces Required</b>			<b>15</b>	



**BOARD REPORT**

**NO.** \_\_\_\_\_

**DATE** \_\_\_\_\_

**C.D.** 13

**BOARD OF RECREATION AND PARK COMMISSIONERS**

**SUBJECT:** RESCISSION OF BOARD REPORT 16-189: TARGET RETAIL CENTER PROJECT – CHILD CARE FACILITY REQUIREMENTS PURSUANT TO SECTION 6.G OF THE VERMONT/WESTERN TRANSIT ORIENTED DISTRICT SPECIFIC PLAN/STATION NEIGHBORHOOD AREA PLAN – REQUEST FOR IN-LIEU CHILD CARE FEE PAYMENT PURSUANT TO SECTION 6.G.4 OF THE VERMONT/WESTERN TRANSIT ORIENTED DISTRICT SPECIFIC PLAN/STATION NEIGHBORHOOD AREA PLAN

**BOARD REPORT**

NO. 16-189

DATE September 09, 2016

C.D. 13

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: TARGET RETAIL CENTER PROJECT - CHILD CARE FACILITY REQUIREMENTS PURSUANT TO SECTION 6.G OF THE VERMONT/WESTERN TRANSIT ORIENTED DISTRICT SPECIFIC PLAN/STATION NEIGHBORHOOD AREA PLAN - REQUEST FOR IN-LIEU CHILD CARE FEE PAYMENT PURSUANT TO SECTION 6.G.4 OF THE VERMONT/WESTERN TRANSIT ORIENTED DISTRICT SPECIFIC PLAN/STATION NEIGHBORHOOD AREA PLAN

AP Diaz	_____	V. Israel	_____
<i>fr</i> *R. Barajas	<u>C&amp;D</u>	K. Regan	_____
H. Fujita	_____	N. Williams	_____

  
 \_\_\_\_\_  
 General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATIONS

1. Authorize a cash payment in-lieu of the child care facilities otherwise required to be provided by the Target Retail Center Project (Project) pursuant to Section G of the Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan Specific Plan;
2. Approve a proposed in-lieu fee payment of One Million Two Hundred Thirteen Thousand Five Hundred Dollars (\$1,213,500.00) by the Project;
3. Authorize the Department of Recreation and Parks' (RAP) Chief Accounting Employee to deposit the in-lieu fee payment into the Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund (Fund 52T);
4. Find that the creation and appropriation of the in-lieu cash payment is not subject to the requirements of the California Environmental Quality Act (CEQA) as a project; and,
5. Authorize the RAP Chief Accounting Employee to make technical corrections as necessary to carry out the intent of this Report.

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### SUMMARY

The Target Retail Center Project (Project) is a new multi-tenant commercial retail building proposed to be developed on a 168,869 square-foot lot located at 5500 West Sunset Boulevard, in the East Hollywood community of the City. The Project scope includes the demolition of 59,561 square feet of single-story buildings, electrical substation, and surface parking lot existing at this site and the construction of a three level retail shopping center of 194,749 gross square feet, which would consist of an approximately 163,862 square foot Target store along with 30,887 square feet of other smaller retail and food uses.

The Project is located within the Hollywood Community Plan and within Subarea F of the Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan Specific Plan (SNAP).

The Project was considered by the City Planning Commission on November 12, 2015 (CPC-2015-74-GPA-SP-CUB-SPP-SPR) and was approved by the Los Angeles City Council on June 24, 2016 (Council File No. 16-0033).

Condition No. 47 of the Project's Conditions of Approval, as approved by the Los Angeles City Council, is as follows:

**Childcare Facility Requirements.** Prior to the issuance of a Certificate of Occupancy for the project, for every 50 square feet of net, usable, non-residential floor area, the project shall provide one square foot of Childcare Facility, plus Ground Floor Play Area, pursuant to Section G of the Station Neighborhood Area Plan (SNAP). A 3,895 square-foot indoor Childcare Facility, plus the required amount of Ground Floor Play Area, shall be required. At the Applicant's request, the Board of Recreation and Parks Commission may authorize a cash payment in lieu of some or all of the minimum indoor square footage and play area required in Subsection 6.G. Should the applicant request to utilize the in lieu fee option, the applicant shall be required to pay the City the full cost of consultant services to evaluate the project childcare needs of the proposed project. In lieu cash payments for indoor child care space and outdoor play areas shall be deposited in the City's Child Care Trust Fund, as stipulated by the SNAP.

Note that the Childcare Facility is meant to accommodate the child care needs of the Project employees for pre-school children, including infants, and not for customers or the general public.

### Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan (SNAP)

The SNAP was established in 2001 and covers an approximately 2.2 square mile area within the Hollywood and Wilshire communities. The SNAP was created for the purpose of making the neighborhood more livable, economically viable, and pedestrian and transit friendly.

The SNAP is a part of the City's General Plan and contains both land use regulations and

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project development guidelines and standards. In general, projects located within the SNAP are required to comply with applicable provisions of the SNAP, unless otherwise granted an exception from a SNAP provision by the City Planning Commission and/or the Los Angeles City Council.

The Department of Recreation and Parks (RAP) currently has jurisdiction over three public parks within the boundaries of the SNAP:

**Barnsdall Park.** A 14.59 acre community park, located at 4800 Hollywood Boulevard, which features the Barnsdall Art Center, Junior Arts Center, Municipal Art Gallery, Galley Theater, and the Hollyhock House.

**Madison West Park.** A 0.52 acre neighborhood park, located at 464 North Madison Avenue, which features a children's play area, covered picnic tables, and a small open field.

**1171-1177 Madison Avenue.** A 0.56 acre neighborhood park, located at 1171-1177 Madison Avenue, which is currently undeveloped but is proposed to be developed with a community garden and a public park.

### Vermont/Western Transit Oriented District Specific Plan/SNAP Childcare Facility Requirements

SNAP Section 6.G requires all commercial and mixed-use projects located in Subareas B, C, D, and F of the SNAP with One Hundred Thousand (100,000) net square feet or more of non-residential floor area to include child care facilities to accommodate the child care needs of project employees for pre-school children, including infants.

SNAP Section 6.G.2 requires that the child care facility be used for that purpose for the life of the project, and that the child care facility be located on the ground floor of a project unless otherwise permitted by State Law.

SNAP Section 6.G.3 permits the child care facility to be located off-site of a project, provided that it is located within 5,280 feet (one mile) of a project.

Condition No. 47 of the Project's Conditions of Approval, as approved by the Los Angeles City Council, allows the Project's applicant to request that RAP authorize a cash payment in-lieu of some or all of the minimum indoor square footage and play area required to be provided pursuant to SNAP. It should be noted that RAP is not required to approve an applicant's request, and RAP's denial of a request would not relieve or eliminate a the Project's child care facility requirements under SNAP.

SNAP Section 6.G.7 requires any project that is to provide a child care facility pursuant to SNAP to submit an annual report to RAP documenting the annual number of children served by their child care facility. It also states that RAP is responsible for monitoring a project's compliance with SNAP Section 6.G and that the Department of Building and Safety is responsible for enforcing a project's compliance with those requirements.

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### Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund

Los Angeles Administrative Code Section 5.530 requires that any in-lieu fees collected pursuant to SNAP Section 6.G.4 be deposited into Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund (Child Care Trust Fund). Any funds deposited into the Child Care Trust Fund are to be administered and managed by RAP, with the concurrence of the President of the City Council.

Pursuant to Los Angeles Administrative Code Section 5.530 C, these in-lieu fees can only be expended for the purpose of (1) acquiring facilities, developing, improving, and operating child care programs physically located within the boundaries of the SNAP, and (2) providing financial assistance with child care payments to qualified parents in the area, as determined by RAP. RAP is authorized to make expenditures from the Child Care Trust Fund with the concurrence of the President of the City Council, and in accordance with the guidelines of SNAP. Additionally, RAP is required to publically report on the status of the Child Care Trust Fund, including details on all receipts and expenditures of the Child Care Trust Fund and of the status of projects funded by the Child Care Trust Fund, within 180 days after the end of each Fiscal Year.

The balance of the Child Care Trust Fund (Fund 52T) is, as of July 14, 2016, Five Hundred Eighty-Five Thousand, Three Hundred Seventy-Nine Dollars (\$585,379.00).

### Proposed In-Lieu Fee

On October 30, 2015, representatives of Target Corporation sent a letter to the Board of Recreation and Park Commissioners (Board) formally requesting that the Board authorize the payment of a fee in-lieu of the otherwise required childcare facilities.

As previously noted, SNAP allows for an in-lieu fee payment and requires RAP to make a final determination if an in-lieu fee payment is requested by a project applicant. However, SNAP does not provide a traditional fee formula for the calculation of in-lieu fee payments and SNAP provides no guidance on how RAP is to calculate or determine the efficacy of the in-lieu fee.

In order for the Board to authorize a cash payment in-lieu of some or all of the indoor childcare facility and outdoor play area space required to be provided pursuant to SNAP Section 6.G, the Board would need to determine and adopt an in-lieu fee. In order to do so, the Board would need to demonstrate that the proposed in-lieu fees are roughly proportional to the level of impact created by the project and find that there is an essential nexus between a project and the impact on the need for child care facilities.

**HR&A Report.** HR&A Advisors, Inc. (HR&A) was retained by Target Corporation to devise an in-lieu fee formula that could be applied to the Project based on HR&A's experience preparing and reviewing a variety of development impact fees, including child care requirements and fees, and HR&A's familiarity with nexus studies prepared by certain other jurisdictions in California that impose similar child care facility requirements on new developments. HR&A, using a series of calculation factors derived from available

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surveys of employees and their child care preferences, and "nexus" studies prepared to support related child care requirements in the City of West Hollywood, City and County of San Francisco, and the City of Santa Monica, determined that the Project's Two Hundred and Fifty (250) employees would generate a demand for eight (8) spaces for pre-school age children. The HR&A Report estimated that the total cost to develop a new 60-space child care center within the SNAP boundaries, inclusive of land acquisitions costs, is Three Million, Six Hundred Twenty-Nine Thousand, One Hundred Dollars (\$3,629,100.00), or about Sixty Thousand, Five Hundred Dollars (\$60,500.00) per space.

In summary, the HR&A Report recommended total in-lieu fee of Four Hundred Eighty-Four Thousand Dollars (\$484,000.00). This recommended fee was derived by multiplying the per space cost of Sixty Thousand, Five Hundred Dollars (\$60,500.00) by the estimated Project generated demand for eight (8) new child care spaces near where Project employees work.

On March 22, 2016, the City Council approved a motion authorizing and instructing the City Administrative Officer to hire a consultant to evaluate the projected childcare needs of the Project with respect to the requirements of the SNAP, and requesting the Board of Recreation and Parks Commissioners to consider the Project at the Board's next regularly scheduled meeting once the evaluation is completed (Council File No. 16-0033-S1).

**EPS Study.** Economic & Planning Systems, Inc., (EPS) was retained by the City to peer review the HR&A Report. EPS's peer review involved reviewing the HR&A Report, and speaking with City staff and the assigned City Attorney to understand the Project background, and discussing key assumptions with the primary author of the HR&A Report. The EPS Study found that the Project's Two Hundred and Fifty (250) employees would generate a demand for fifteen (15) new spaces for pre-school age children, compared to the eight (8) spaces estimated in the HR&A Report. Additionally, the EPS Study noted that the cost estimates found in the HR&A Report for the acquisition and development of a new state-licensed childcare center were based on dynamic data that is subject to change over time based on economic and market conditions. The EPS Study provided updated land acquisition cost data that found that the median price per square foot for land in the area of the Project had risen since the time the HR&A Report was completed. The EPS Study found that this identified increase in land acquisition costs would potentially increase the overall cost to develop a child care center from Sixty Thousand, Five Hundred Dollars (\$60,500.00), as stated by the HR&A Report, to about Eighty Thousand, Nine Hundred Dollars (\$80,900.00) per space.

In summary, the EPS Study recommended that a total in-lieu fee range between Nine Hundred Seven Thousand, Five Hundred Dollars (\$907,500.00) and One Million, Two Hundred Thirteen Thousand, Five Hundred Dollars (\$1,213,500.00). This recommended fee range was derived by multiplying the per space cost of between Sixty Thousand, Five Hundred Dollars (\$60,500.00) to Eighty Thousand, Nine Hundred Dollars (\$80,900.00) by the estimated Project generated demand for fifteen (15) new child care spaces near where Project employees work.

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RAP Staff recommends that, if the Board authorizes a cash payment in-lieu of the child care facilities otherwise required to be provided by the Project, the Board approve a proposed in-lieu fee of One Million, Two Hundred Thirteen Thousand, Five Hundred Dollars (\$1,213,500.00) since that fee amount, as determined by the EPS Study, is most reflective of the current costs to fully develop a child care center within the SNAP boundaries.

### ENVIRONMENTAL IMPACT STATEMENT

RAP Staff has determined that creation and appropriation of the in-lieu cash payment is strictly a funding mechanism for the provision of childcare services required as a condition of the Target Development, which does not involve any commitment to any specific childcare project that may result in a potentially significant physical impact on the environment. Therefore, the in-lieu cash payment is not project subject to the California Environmental Quality Act (CEQA) pursuant to Section 15378 (b)(4) of the State CEQA Guidelines. Once a project has been developed for providing the required childcare services, appropriate CEQA compliance will be conducted for approval of the project.

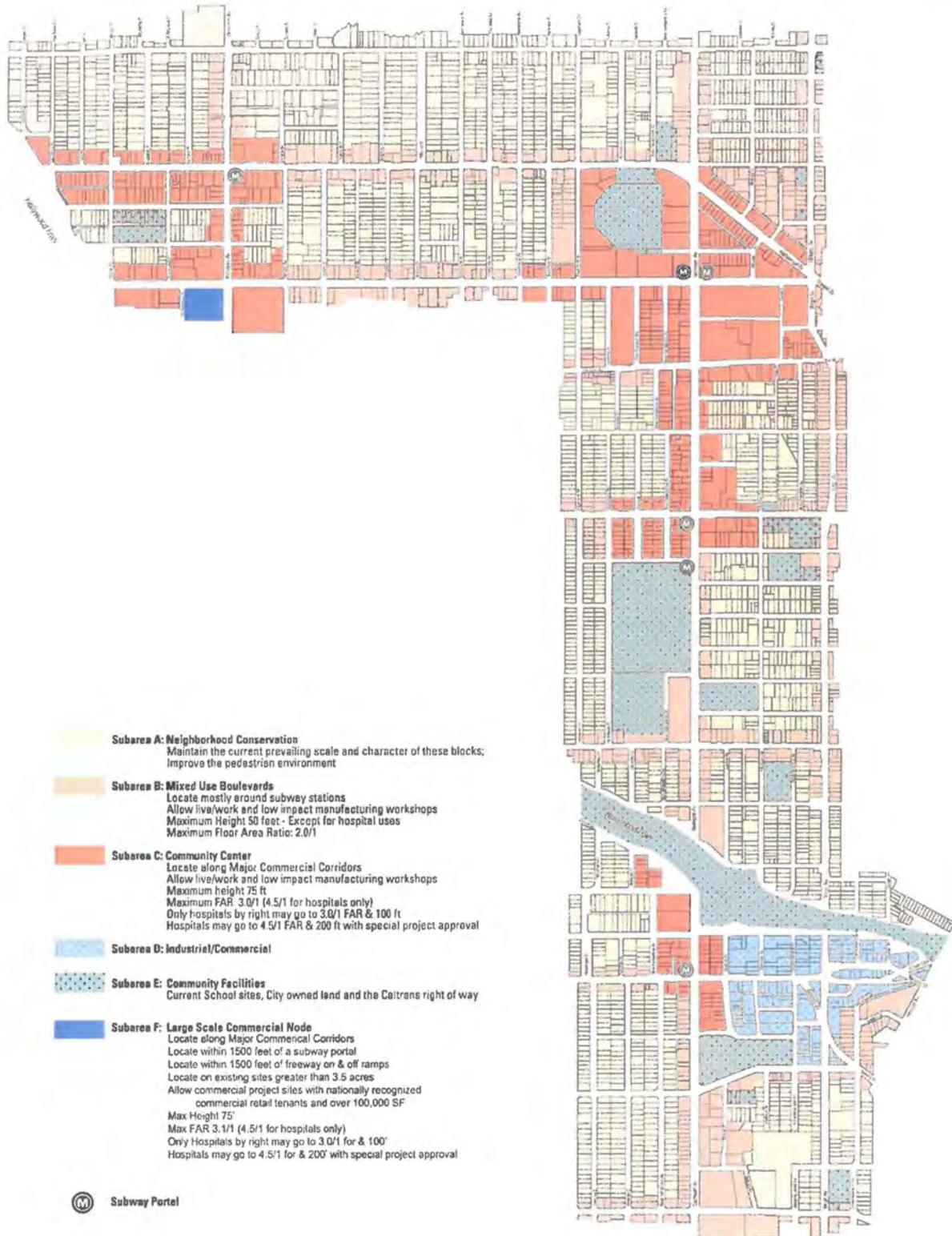
### FISCAL IMPACT STATEMENT

Adoption of this report will have a minor fiscal impact on RAP due to the annual reporting requirements required pursuant to the requirements of Los Angeles Administrative Code Section 5.530 and California Government Code Section 66000, *et seq.*

This Report was prepared by Darryl Ford, Senior Management Analyst I, Planning, Construction, and Maintenance Branch.

### LIST OF ATTACHMENTS

1. Map of the SNAP Boundaries
2. Letter from Representative of Target Corporation Requesting to Pay an In-Lieu Fee
3. HR&A's Report, "Estimation of a Child Care Facility In-Lieu Fee for the Target Development at Sunset Boulevard and Western Avenue", dated September 29, 2015
4. City Council Motion Requesting that the Board consider Target's In-Lieu Fee Proposal
5. EPS Peer Review Study, "Peer Review of HR&A Estimate of Childcare In-Lieu Payment for Target Development", dated June 20, 2016



Map I

# Vermont/Western Transit Oriented District Specific Plan

(Station Neighborhood Area Plan)





October 30, 2015

**By U.S. Mail and E-mail: rap.commissioners@lacity.org**

Board of Recreation and Park Commissioners  
 Los Angeles City Recreation and Parks Department  
 Office of Board of Commissioners  
 P.O. Box 86328  
 Los Angeles, CA 90086-0328

**Re: Target Project at Sunset and Western  
 Vermont/Western Transit Oriented District Specific Plan  
 /Station Neighborhood Area Plan (SNAP)  
Planning Case No. CPC-2015-74-GPA-SP-CUB-SPP-SPR**

Honorable President Patsouras and Members of the Board:

This firm represents Target Corporation, applicant for the above-entitled project. Pursuant to the specific plan ("SNAP"), Target requests that it be allowed to make a cash payment in lieu of all of the otherwise required childcare facilities.

I understand that your Board will consider a specific amount for the cash payment soon, probably at its January 6, 2016 meeting. Target supports the amount recommended by the consultant's report (i.e., \$484,000). Representatives of Target will attend the hearing to answer any questions you may have.

Thank you for your consideration.

Very truly yours,

Richard A. Schulman  
**HECHT SOLBERG ROBINSON GOLDBERG & BAGLEY LLP**

RAS:cas

cc: Darryl Ford, City of Los Angeles Department of Recreation and Parks: Planning,  
 Construction, and Maintenance Branch (by e-mail: [darryl.ford@lacity.org](mailto:darryl.ford@lacity.org))  
 Client (by e-mail)  
 Doug Couper, Greenberg Farrow (by e-mail)  
 Paul Silvern, HR&A (by e-mail)



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**Estimation of a Child Care Facility In-Lieu Fee  
for the Target Development at Sunset Boulevard and Western Avenue**

**September 29, 2015**

**Prepared for:**  
Target Corporation  
1000 Nicollet Mall  
Minneapolis, MN 55403

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D. Estimated Development Costs for a 60-Space Child Care Center

## I. Executive Summary

This report presents recommendations for establishing the amount of a child care facility in-lieu fee applicable to a new three-level, 186,698 square feet<sup>1</sup> shopping center shopping center proposed by Target Corporation (“Project”), at Sunset Boulevard and Western Avenue in the Hollywood area of the City of Los Angeles (“City”). The in-lieu fee is an elective option to provision of child care facilities under the Vermont/Western Transit Oriented District Specific Plan and its Station Neighborhood Area Plan (SNAP). However, these regulations do not specify a fee amount or formula. At the request of Target Corporation, HR&A Advisors, Inc. (HR&A) was retained to develop an appropriate in-lieu fee formula that could be applied to the development, based on HR&A’s extensive experience preparing and reviewing a variety of development impact fees, including child care requirements and fees, and HR&A’s familiarity with nexus studies prepared by certain other jurisdictions in California that impose similar child care facility requirements on new development, typically on a jurisdiction-wide basis. A previous version of the in-lieu fee approach recommended in this report was originally prepared in 2013 and reviewed by staff of the City’s Parks and Recreation Department, which has jurisdiction over implementation of the child care facility requirement, and by the office of the City Attorney. The fee calculation approach and resulting fee amount presented in this report reflect comments from City reviewers of the 2013 analysis. Further review and final approval of the in-lieu fee calculation approach and fee amount applicable to the Target project will be provided by the City’s Parks and Recreation Commission.

As presented in this report, the language of the SNAP child care facility requirement did not provide a reasonable basis for deriving an in-lieu fee to “accommodate the child care needs of Project employee pre-school age (including infants) children.” Its indoor child care facility floor area requirement is not supported by any known analysis, and it did not reflect the many child care facility options available to Project employees who elect to place their pre-school age children in child care near the Project site, rather than in or near their place of residence.

Using, instead, a series of calculation factors derived from available surveys of employees and their child care preferences, and “nexus” studies prepared to support related child care requirements in West Hollywood, City and County of San Francisco and Santa Monica, it was determined that Project employees would generate a demand for eight spaces for pre-school age children, or 44 percent of the number of child care spaces based on the limited SNAP calculation factors. This employee demand estimate reflects consideration of:

- ✓ The percentage of Project’s 250 employees who also work daytime shifts that coincide with the hours that child care facilities are typically open for business;
- ✓ The percentage of the Project’s employees working daytime shifts who have pre-school age children;
- ✓ The percentage of Project employee parents/guardians who are likely to prefer to use child care facilities or rely on other non-relative care for child care services, as opposed to other available forms of child care; and
- ✓ The percentage of those Project employee parents/guardians who prefer to utilize child care facilities located close to where they work, as opposed to where they reside.

---

<sup>1</sup> Throughout this Report, all Project-related floor areas are based on the definition of “floor area” in the Los Angeles Municipal Code (LAMC), as measured by the Project’s architect, unless noted otherwise.

HR&A estimates that the cost to develop a child care space in a new Child Care Center is about \$60,500. This cost, combined with the estimate that Project will generate demand for eight new child care spaces near where Project employees work, constitutes the basis for a total in-lieu fee of \$484,000, or \$2.59 per square foot of Project floor area.

### **Recommendation**

Inasmuch as: (1) the SNAP did not provide an appropriate calculation basis for developing an in-lieu fee; and (2) an in-lieu child care could, instead, be based on a combination of employee parent demand for child care near the employee parents' place of work, and the cost of providing that demand in appropriate child care facilities; and (3) combining Project-specific child care demand factors and an average cost per child care space in a new Child Care Center, we recommend that the child care in-lieu fee applicable to the Project's floor area be set at **\$484,000, or \$2.59 per square foot** of Project floor area. Target's share of the fee in this case would be \$407,619, based on its share of total Project floor area, and the remaining \$76,381 would be allocated to the floor area occupied by the Project's other miscellaneous retail tenants, but not including the 109 square feet of Project floor area for a Police Department substation.

The recommended in-lieu fee is about two and one-half times the in-lieu fee charged by most California jurisdictions for this purpose (i.e., about \$1.00 per square foot or less).

## II. Purpose and Scope of the Analysis

### A. Introduction

This report presents recommendations for establishing the amount of a child care facility in-lieu fee applicable to a shopping center proposed by Target Corporation, with 186,698 square feet of floor area, for a site in the Hollywood area of the City of Los Angeles ("City"). The in-lieu fee is an elective option to provision of child care facilities under applicable City land use regulations governing the development. However, these regulations do not specify a fee amount or formula. At the request of Target Corporation, HR&A Advisors, Inc. (HR&A) was retained to develop an appropriate in-lieu fee formula that could be applied to the development, based on HR&A's extensive experience preparing and reviewing a variety of development impact fees, including child care requirements and fees, and HR&A's familiarity with nexus studies prepared by certain other jurisdictions in California that impose similar child care facility requirements on new development, typically on a jurisdiction-wide basis. A summary of HR&A's qualifications is included in Appendix A. A previous version of the in-lieu fee approach recommended in this report was originally prepared in 2013 and reviewed by staff of the City's Parks and Recreation Department, which has jurisdiction over implementation of the child care facility requirement, and by the office of the City Attorney. The fee calculation approach and resulting fee amount presented in this report reflect comments from City reviewers of the 2013 analysis. Further review and final approval of the in-lieu fee calculation approach and fee amount applicable to the Target project will be provided by the City's Parks and Recreation Commission.

### B. Description of the Hollywood Target Development<sup>2</sup>

The Target development at Sunset Boulevard and Western Avenue is a new three-level shopping center with 186,698 square feet of floor area on a 3.9-acre rectangular site at 5520 Sunset Boulevard. It includes a full-service Target store with 157,143 square feet of floor area, plus other smaller retail and food uses with 29,446 square feet of floor area, and a Police Department substation<sup>3</sup> with 109 square feet of floor area ("Project"). The Project will replace 59,561 gross square feet of existing single-story buildings. Once completed, the Project is estimated to have a total of 250 full-time and part-time employees. The Target store's typical operating hours will be 6 a.m. to 12 a.m., with business hours of 7 a.m. to 11 p.m. Longer store hours may apply before and after certain holidays, such as Christmas and Thanksgiving. The operating hours for the miscellaneous retail and dining tenants, which have not yet been identified, are assumed to be similar to the Target store.

### C. Summary of the Vermont/Western SNAP Child Care Requirements

The Project is located within the boundaries of the Vermont/Western Transit Oriented District Specific Plan and is therefore subject to its Station Neighborhood Area Plan (SNAP). The SNAP requires that developments like the Project must include facilities to "accommodate the child care needs of Project employee pre-school age (including infants) children."<sup>4</sup> Such facilities are

<sup>2</sup> This summary is based on the Draft EIR project description. See, City of Los Angeles Department of City Planning, Draft Environmental Impact Report, Target at Sunset and Western, SCH No: 2010121011, January 2012, Section II (Project Description), commencing at p. II-1.

<sup>3</sup> The Police Department substation appears in the plans previously approved for a building permit for the Project.

<sup>4</sup> City of Los Angeles, Vermont/Western Transit Oriented District Specific Plan, Station Neighborhood Area Plan, Ordinance 173,749, Section 6.G. Copy included for reference in Attachment B.

required to include one square foot of indoor child care facility space for each 50 square feet of “net useable” (not defined) Project floor area, and ground floor outdoor play area consistent with State child care licensing requirements (i.e., 75 square feet per child).<sup>5</sup> This child care facility requirement may be accommodated on-site within the Project, or at an off-site location within one mile of the Project. Alternatively, at the Project developer’s request, the requirement may be satisfied by a cash payment in lieu of some or all of the indoor and outdoor child care facility requirement, for deposit into the Vermont/Western SNAP Child Care Trust Fund.<sup>6</sup> Target Corporation, the Project applicant, seeks to make use of the cash payment option to meet this requirement. However, neither the SNAP nor the City’s Administrative Code provides an in-lieu fee amount or method for calculating it.

#### **D. Analysis Process**

The City’s Department of Parks and Recreation, and the Parks and Recreation Commission, now have jurisdiction over implementation of the SNAP child care facility requirement, and for administering the Vermont/Western SNAP Child Care Trust Fund into which all in-lieu fees must be deposited. Following initial consultation with Target Corporation, HR&A participated in meetings with representatives of the Department of Parks and Recreation to discuss an outline of an approach to calculating a Project-specific in-lieu fee, which could also provide guidance to the Department for in-lieu fee calculation applicable to other developments for which the child care requirement would apply in the future. A calculation approach developed initially in 2013 was also discussed with the office of the City Attorney, as has been revised based on those discussions.

The recommended in-lieu fee calculation approach follows the general principles of “nexus” (i.e., reasonable relationship) between the public facility requirement (i.e., child care facilities) and the characteristics of the Project, and between the cost of providing the public facilities and the proposed in-lieu fee, that are now required under applicable State law and various judicial rulings for the imposition of development fees. That is, the in-lieu fee calculation approach focuses on an estimate of the demand for child care facilities generated by Project employees (i.e., number of pre-school age children needing child care facilities), and the cost to develop facilities to meet those needs. The resulting number of child care spaces required, multiplied by the per-child care space development cost, yields the recommended in-lieu fee. Subsequent Chapters of this report provide the specific calculation factors and data sources utilized to estimate both Project employee demand for child care facilities and the development cost of providing those facilities.

#### **E. Organization of the Report**

Accordingly, the remaining Chapters of this report address:

- Chapter III provides a more detailed review of the SNAP’s child care requirements as they apply to the Project, and discusses the limitations of the SNAP child care facility requirements for establishing an in-lieu fee.
- In light of these limitations, Chapter IV provides a method for estimating the demand for child care facilities among Project employees, taking into account information from national surveys and child care requirement nexus studies prepared for other California jurisdictions.

<sup>5</sup> See generally, 22 California Code of Regulations, Division 12, Chapter 1, Articles 1-7 and Subchapter 2.

<sup>6</sup> City of Los Angeles Administrative Code Section 5.530. Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund (also included for reference in Attachment B).

- Chapter V provides estimates of the range of development costs required to meet the scale of child care facility demand derived in Chapter IV, assuming the Project's child care demand would be accommodated in a new Child Care Center, as opposed to other possible types of child care facilities.
- Chapter VI presents the conclusions of the Report, including a specific recommendation for the in-lieu fee amount that should be applied to the Project, for consideration and approval by the City's Parks and Recreation Commission.

### III. Limitations of the Vermont/Western SNAP Child Care Facility Requirement for Establishing an In-Lieu Fee

#### A. The Vermont/Western SNAP Child Care Facility Requirement

The SNAP requires that developments like the Project must include facilities to “accommodate the child care needs of Project employee pre-school age (including infants) children.”<sup>7</sup> Such facilities are required to include one square foot of indoor child care facility space for each 50 square feet of “net useable” (not defined) Project floor area, and ground floor outdoor play area consistent with State child care licensing requirements (i.e., 75 square feet per child).<sup>8</sup> This child care facility requirement may be accommodated on-site within the Project, or at an off-site location located within one mile of the Project. Alternatively, at the Project developer’s request, the requirement may be satisfied by a cash payment in lieu of some or all of the indoor and outdoor child care facility requirement, for deposit into the Vermont/Western SNAP Child Care Trust Fund.<sup>9</sup> Target Corporation, the Project applicant, seeks to make use of the cash payment option to meet this requirement.

Based on Target’s estimate of the Project’s “net useable” floor area, State licensing standards, and other cities’ nexus studies regarding actual child care facility space needs per child (as discussed below), the SNAP formula appears to require that the Project provide:

- *1,739 square feet of indoor child care floor area.* This estimate is based on: (1) an estimate of 86,961 “net useable” Project square feet (after deducting various floor areas as shown below); and (2) 50 square feet of indoor child care space per square foot of Project net useable floor area. That is:

	186,698 s.f. of floor area
Less: ground level storage	( 10,852 s.f.)
Less: stock mezzanine	( 15,105 s.f.)
Less: 3 <sup>rd</sup> level storage	( 14,110 s.f.)
Less: LAPD substation	( 109 s.f.)
Less: existing uses	( 59,561 s.f.)
	86,961 “net useable s.f.”

86,961 net useable s.f./50 s.f. = 1,739 s.f. of indoor child care space.

- *A facility that could accommodate 18 children (infants through 5 year-olds).* This estimate is based on the average floor area per child actually needed for a full-service child care center. That is:

1,739 s.f. of required child care floor area (from above) / 100 s.f. per child (per HR&A review of child care nexus studies) = 18 child care spaces.<sup>10</sup>

<sup>7</sup> Vermont/Western Transit Oriented District Specific Plan, Station Neighborhood Area Plan, *op. cit.*

<sup>8</sup> See generally, 22 California Code of Regulations, Division 12, Chapter 1, Articles 1-7 and Subchapter 2.

<sup>9</sup> City of Los Angeles Administrative Code, *op. cit.*

<sup>10</sup> Assumes any fractional child care space resulting from the calculation is rounded up to the next whole child care space.

- 1,350 square feet of outdoor activity area, based on State licensing requirements. That is:  
18 child care spaces (from above) x 75 square feet per child = 1,350 square feet of outdoor activity area.

Another 3,000 square feet or so of land area would also probably be required as a practical matter for on-site surface parking for staff (i.e., at least 1 per 12 children per State licensing requirements) plus visitors and drop-off circulation (i.e., 10 spaces x 300 s.f./parking space).

One approach to estimation of an in-lieu fee would be to estimate the cost of land, construction and other development costs to supply a child care facility of the scale described above. But for the reasons discussed below, HR&A believes such an approach would be fatally flawed.

#### **B. Limitations of the SNAP Child Care Facility Requirements for Establishing an In-Lieu Fee**

Beyond the obvious problem that the SNAP does not provide an in-lieu fee amount or fee calculation formula, the SNAP's requirements described above pose the following shortcomings for estimating an appropriate in-lieu fee that would "accommodate the child care needs of Project employee pre-school age (including infants) children."

##### 1. No Empirical Basis for the Indoor Floor Area Requirement

First, the SNAP requirement for one square foot of indoor child care space for every 50 square feet of net useable development project floor area was not based on a nexus study, or any other empirical analysis, so far as HR&A has been able to determine.<sup>11</sup> This requirement is a key driver of the overall facilities requirement, its development cost, which would serve as a basis for an in-lieu fee. The requirement is significantly inconsistent with the child care facility requirements in the adjacent City of West Hollywood, which was based on a nexus study.<sup>12</sup> In that City, the indoor child care space performance requirement, in lieu of an impact fee payment \$0.65 per net new square foot of floor area, is one square foot for every 470 square feet of new commercial development,<sup>13</sup> or about one-tenth of the SNAP indoor space requirement.

##### 2. No Consideration for the Variety of Child Care Supply Options Preferred by Working Parents and Guardians

Second, the SNAP requirement appears to focus on the need for a State-licensed Child Care Center near the development project location, which may not necessarily be the location or type of child care provider preferred by Project employee parents and guardians for their pre-school age children. The first consideration most parents and guardians make, is whether to choose a child care option close to where they reside or where they work. According to national studies (discussed in Chapter IV), these preferences vary by whether other adult household members are employed, parent level of education, race, ethnicity and household income, and age of children.

<sup>11</sup> Discussion with staff from the City's Department of Parks & Recreation, which is charged with implementing the SNAP child care requirement.

<sup>12</sup> Hamilton Rabinovitz & Alschuler, Inc. (predecessor firm to HR&A Advisors), Development Amenities for West Hollywood: Estimating the Housing, Public Open Space and Child Care Effects of Commercial Development, prepared for the City of West Hollywood, Second Edition, May 1989.

<sup>13</sup> City of West Hollywood, Commercial Development Fees and Requirements Fact Sheet, revised June 12, 2001, implementing West Hollywood Municipal Code Chapter 19.64 (Development Fees), Section 19.64.020 (available from the Community Development Dept., 323-848-6475).

Child care options near place of residence include:

- ✓ Child care provided in the family's home by other household members, other family; members or other persons who volunteer or are paid to provide child care;
- ✓ Small Family Child Care Homes (i.e., State-licensed program for no more than eight children, operated within a residence);
- ✓ Large Family Child Care Homes (i.e., State-licensed program for no more than 14 children, operated within a residence); or
- ✓ State-licensed Child Care Centers, which are typically located in commercial buildings (including pre-schools and school-based facilities).

Among the factors that parents and guardians typically consider in deciding whether to choose a child care facility closer to their place of work are the following:

- ✓ Availability of preferred type of child care near work and its quality;
- ✓ Work location of spouse or significant other who share child rearing responsibilities;
- ✓ Distance of commute to work and its impacts on the child;

For those parents and guardians who prefer to utilize a child care facility near their place of work, the facility options typically include:

- ✓ State-licensed Small Family Child Care Homes; or
- ✓ State-licensed Large Family Child Care Homes; or
- ✓ State-licensed Child Care Centers (including pre-schools, head start programs and other school-based facilities for pre-school age children, including infants).

According to data available from the State's Community Care Licensing Division<sup>14</sup>, within the four ZIP Codes including and surrounding the Project site, there are approximately 49 Child Care Centers (with capacities ranging from 18 to 198 children each) and 18 Large Family Child Care Homes (12-14 children each). This inventory of existing facilities is included in Appendix C.

Careful parsing of child care location and facility preferences, among others, is required to accurately estimate the appropriate scale of child care demand among retail workers at the Project, the range of costs for providing such child care, and the implications of demand and associated costs for a supportable in-lieu child care facility fee. These considerations are addressed in the next two Chapters, respectively.

<sup>14</sup> See: [https://secure.dss.ca.gov/cclid/securenet/cclid\\_search/cclid\\_search.aspx](https://secure.dss.ca.gov/cclid/securenet/cclid_search/cclid_search.aspx).

## IV. Estimating Demand for Child Care Among Retail Development Employees

### A. Introduction

As noted in Chapter II, the purpose of the SNAP's child care space requirement, or fee in lieu thereof, is to "accommodate the child care needs of Project employee pre-school age (including infants) children." However, as noted in Chapter III, there does not appear to be any analytic basis for the SNAP's specific child care space requirements as they relate to employee demand for child care facilities, nor is there any assessment of the degree to which such employees would prefer use of a Child Care Center, as opposed to other forms of available child care facilities.

Consistent with nexus studies supporting child care facility or fee requirements in some other California jurisdictions, HR&A recommends that the SNAP child care in-lieu fee applicable to the Project be calculated, instead, on the basis of *estimated demand* for Project-specific child care needs located near the Project. Accordingly, this Chapter draws on national employee surveys, including employee child care preferences, available child care nexus studies, and HR&A's development fees nexus study experience in general, to develop a demand-based analysis that reflects:

- ✓ The percentage of Project's 250 employees who also work daytime shifts that coincide with the hours that child care facilities are typically open for business;
- ✓ The percentage of the Project's employees working daytime shifts who have pre-school age children;
- ✓ The percentage of Project employee parents/guardians who are likely to prefer to use child care facilities (i.e., State-licensed Small Family Child Care Homes, Large Family Child Care Homes, or full-service Child Care Centers), or care by non-relatives for child care versus all other available forms of child care; and
- ✓ The percentage of those Project employee parents/guardians who prefer to utilize child care facilities located close to where they work, as opposed to where they reside.

Although employee characteristics data of the kind listed above are not available specifically for Project employees,<sup>15</sup> appropriate calculation factors can be derived from a variety of secondary data sources. These include:

- The latest edition of a periodic national study of employee child care preferences, arrangements and costs conducted by the U.S. Census Bureau;<sup>16</sup>
- The latest edition of a periodic national survey of wage and salary and self-employed workers, which includes data elements on child care arrangements and employment by industry, including a random sample of 433 employees working in the retail industry sector who have pre-school age children;<sup>17</sup> and

<sup>15</sup> For purposes of this analysis, it is assumed that employees in the Project's 30,887 gross square feet of miscellaneous retail and dining tenants would be substantially similar to Target employees.

<sup>16</sup> Lynda Laughlin, "Who's Minding the Kids? Child Care Arrangements, Spring 2011," Current Population Reports, P70-135, U.S. Census Bureau, April 2013. The analysis is based on data from the U.S. Census Bureau's Survey of Income and Program Participation, 2008, Panel Wave 8.

<sup>17</sup> Families & Work Institute, "National Study of the Changing Workforce," 2008. This survey is the successor to the Quality of Employment Survey previously conducted by the U.S. Dept. of Labor, dating to 1969 and discontinued in 1977.

- Nexus studies prepared to support child care development fees in other California cities. Among the more relevant of these studies for the Project in-lieu fee analysis, due to geography and date, are the nexus studies prepared for the City of West Hollywood, City and County of San Francisco and City of Santa Monica.<sup>18</sup>

## B. Child Care Facility Demand Among Project Employees

Each component of the Project's child care demand estimate is discussed below.

### 1. The Percentage of Project Employees Who Work Daytime Shifts

As noted above, the Project is anticipated to employ a total of 250 employees. This value was included in the Project's Final EIR, and the City Council's findings of fact in certifying the adequacy of the EIR. The certified EIR also states that a typical peak shift will consist of 100-150 employees.<sup>19</sup> But given the operating hours of the Target and other miscellaneous retail and pedestrian-oriented dining facilities, not all such workers will be working during daytime hours that coincide with the typical operating hours of child care facilities. Thus, the first child care facilities demand calculation factor is to account for the number of Project employees working daytime hours. Statistical analysis by HR&A of data from the National Study of the Changing Workforce (see Appendix C), indicates that for retail workers in the Western region of the U.S., 78.8 percent work some combination of a regular daytime shift, or a rotating shift that changes by time of day and day of the week, but includes some daytime hours. This indicates that 197 Project employees are likely to work daytime hours:

$$250 \text{ Project employees} \times 78.8\% = 197 \text{ employees working daytime hours.}$$

### 2. The Percentage of the Project's Daytime Employees Who Have Pre-School Age Children

Statistical analysis by HR&A of data from the National Study of the Changing Workforce (see Appendix C), indicates that for retail workers in the Western region of the U.S., 26.2 percent of workers have pre-school age children under age six. This indicates that Project employees who work daytime hours are likely to be parents or guardians of 52 pre-school age children:

$$197 \text{ Project employees working daytime hours (from above)} \times 26.2\% = 52 \text{ pre-school age children.}$$

<sup>18</sup> These nexus studies are, respectively: Development Amenities for West Hollywood, *op. cit.*, FCS Group, Citywide Development Impact Fee Study Consolidated Report, prepared for the City and County of San Francisco, March 2008, Chapter V, Child Care Nexus Study (prepared by Brion & Associates); and Keyser Marston Associates, Inc., Child Care Linkage Program, prepared for the City of Santa Monica, November 2005. HR&A's research indicates that in addition to these cities, child care fees are also in effect in about seven other California cities, but we have not yet determined whether all of them are supported by nexus studies. Not all such programs assess child care fees against retail floor area, however. For example, the City and County of San Francisco's child care fee applies only to office and hotel floor area.

<sup>19</sup> City of Los Angeles, Target Project Certified EIR, p. II-10.

### 3. The Percentage of Employee Parents/Guardians Who Prefer To Use Child Care Facilities

As discussed above, not all parents and guardians of pre-school age children prefer to utilize child care facilities, as opposed to other child care arrangements (e.g., in-home care by other household members and other family members). It is also arguably appropriate to include those parents who rely on non-family members to provide child care, assuming they do so because of a lack of sufficient child care facilities. According to the Census Bureau's latest survey of child care arrangements among working parents and guardians, 32.9 percent prefer to use an "organized care facility" (i.e., day care center, nursery, preschool or Headstart/school program) or use non-family members to provide child care.<sup>20</sup> This indicates that Project employees who work daytime hours, have pre-school age children, and who are likely to utilize organized child care facilities, would total 17 pre-school age children"

52 pre-school age children (from above) x 32.9% = 17 pre-school age children.

### 4. The Percentage of Project Employee Parents/Guardians Who Prefer to Utilize Child Care Facilities Located Close To Where They Work

The final child care facility demand factor adjusts for the percentage of Project employee parents and guardians who would prefer to utilize an organized child care facility located near their place of employment versus place of residence. Neither of the surveys utilized in the preceding calculations included questions on this issue. Therefore, we utilize a factor drawn from the nexus studies referenced above. The commercial development employee survey utilized in the West Hollywood nexus study found that 23 percent of employees preferred to use a child care location near where they work.<sup>21</sup> The nexus study prepared for Santa Monica's child care requirement relied on a review of literature rather than survey data and concluded that 75 percent of demand was for child care centers located near the employee place of work. Given the wide range of these factors, we utilize the midpoint, or 49.0 percent, in estimating demand for Project:

17 pre-school age children (from above) x 49.0% = 8 pre-school age children.

### C. Project Employee Child Care Demand Results

Therefore, after applying all of the relevant child care demand factors discussed above, it is concluded that the Project would generate demand for eight child care facility spaces for pre-school age children, as compared with 18 spaces utilizing the SNAP factors, which lack any analytic basis and produces a result that is 2.25 times the estimated Project demand for child care facilities.

Stated another way, about 2.4 percent of total Project employees would generate demand for child care near the Project, based on the analysis presented above (i.e.,  $8/250 = 3.2\%$ ), as opposed to 7.2 percent (i.e.,  $18/250 = 7.2\%$ ) using the unsupported SNAP approach. By comparison, the nexus study prepared for West Hollywood concludes that about 2.0 percent of

<sup>20</sup> "Who's Minding the Kids? Child Care Arrangements, Spring 2011," *op cit.*, Table 1, p. 2. There is some variation in this percentage based on worker demographic characteristics, age of child and other factors, but because these characteristics of Project employees are unknown, we utilized the overall percentage. We rely on the Census Bureau data for this calculation factor, because the small sample size for this factor specifically for retail workers in the National Study of the Changing Workforce, did not produce a statistically significant result.

<sup>21</sup> Development Amenities for West Hollywood, *op. cit.*, p. 69.

all workers in commercial facilities (i.e., not just retail space) generate demand for child care facilities near the employees' place of work. The equivalent factor in the City of Santa Monica nexus study is about 4.0 percent, and in City and County of San Francisco nexus study, about 5.0 percent.

## **V. Estimating Costs of Meeting Demand for Child Care and Resulting In-Lieu Fee for the Hollywood Target Development**

### **A. Introduction**

This Chapter addresses the development cost of meeting the child care facility demand presented in Chapter IV. This cost is the proposed basis for the in-lieu fee required by the SNAP. Although the demand for child care facilities presented in Chapter IV could arguably be accommodated in a variety of physical facilities, each of which has a different development cost implication, the facilities cost used in this analysis assumed that the Project's child care demand would be satisfied by a proportional share of the cost of developing a newly constructed Child Care Center for about 60 pre-school age children, which is a minimum size for achieving appropriate economies of scale, according to the nexus studies referenced in previous Chapters. The cost of developing such a Child Care Center, and the Project's implied share of that cost based on the child care demand of its employees, was estimated by HR&A.

### **B. Development Costs for a New Child Care Center**

A new construction Child Center for 60 pre-school age children will require about 6,000 square feet of indoor floor area (i.e., 60 children x 100 s.f. per child); about 4,500 square feet of outdoor activity area (i.e., 60 children x 75 s.f. per child), plus parking for staff (five staff, based on one per 12 children, per State licensing requirements), volunteers and parent drop-off, or about 4,200 additional square feet (i.e., 12 spaces x 350 s.f. per space). Thus, the total land area requirement would be about 14,700 square feet.

The cost of developing a 60-space child care center includes land acquisition; hard construction; furniture, fixtures and equipment; professional fees, permits and other "soft" costs; and financing costs. Based on calculation details provided in Appendix E, HR&A estimates a total development cost of \$3.6 million, or about \$60,500 per child accommodated.

### **C. Development Costs for a Combination of Other Potential Child Care Facilities**

As noted previously, there are a number of other types of physical facilities that could accommodate the child care demand generated by Project employees other than a newly constructed Child Care Center. This point is acknowledged in both the San Francisco and Santa Monica nexus studies, and figures into blended child care facility costs utilized in deriving the child care impact fee in those cities. The West Hollywood nexus study relied on the costs of a new Child Care Center only.

The San Francisco nexus study utilizes a blended average cost per child care space of \$12,325 per space (in 2008),<sup>22</sup> or about \$14,211 in 2015 dollars using the cumulative annual change in the all-items Consumer Price Index for the San Francisco area (15.3%). The Santa Monica nexus study cites examples of two rehabilitation projects with an average cost of \$20,137 (in 2005). But this estimate does not include any costs for using Small Family or Large Family Child Care Homes, or other options reflected in the San Francisco analysis.

Nevertheless, considering the language of the SNAP appears to focus on a new Child Care Center, the recommended fee uses that cost only. Were the cost of other potential child care

<sup>22</sup> *Citywide Development Impact Fee Study, op. cit.*, p. V-25.

facilities, or a blended cost for all conceivable types of child care facilities to be assumed, the resulting in-lieu fee would be lower than a fee based on a new Child Care Center alone.

## VI. Conclusion and In-Lieu Fee Recommendation

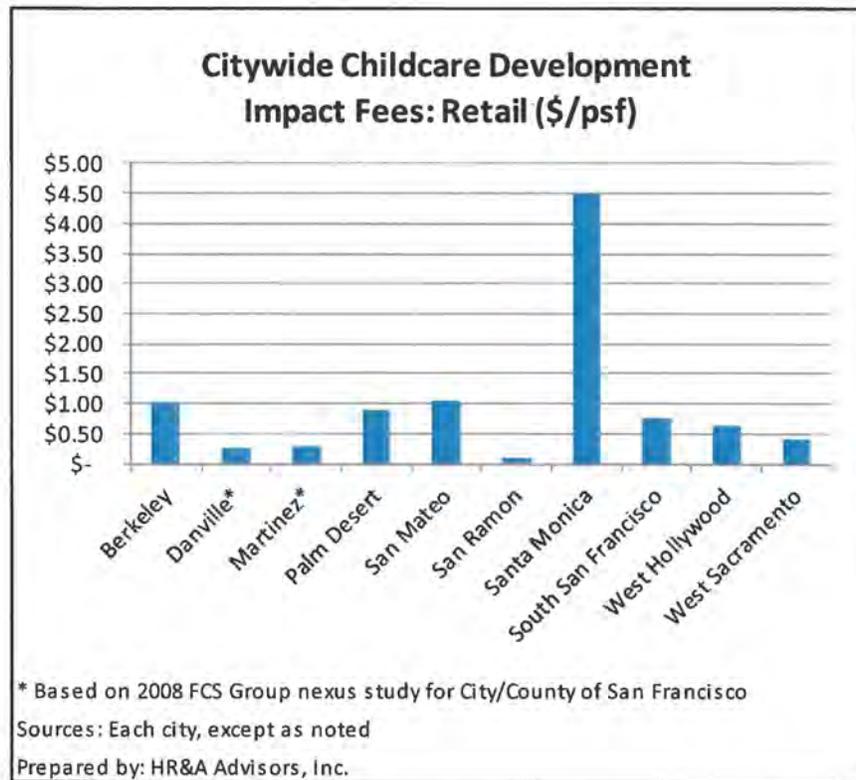
As presented in the preceding Chapters of this report, the language of the SNAP child care facility requirement does not provide a reasonable basis for deriving an in-lieu fee to “accommodate the child care needs of Project employee pre-school age (including infants) children.” Its indoor child care facility floor area requirement is not supported by any known analysis, and it does not reflect the many options child care facility options available to Project employees who elect to place their pre-school age children in child care near the Project site, rather than in or near their place of residence.

Based on a detailed estimate of actual child care facility demand among Project employees, it is concluded that the Project would generate a demand for eight child care spaces. The cost to develop each space is estimated at \$60,500 for a new Child Care Center. Therefore, the total development cost of accommodating the Project’s child care needs would be \$484,000 (or \$2.59 per square foot of Project floor area), if it is accommodated in a new Child Care Center.

### Recommendation

Inasmuch as: (1) the SNAP did not provide an appropriate calculation basis for developing an in-lieu fee; and (2) an in-lieu child care could, instead, be based on a combination of employee parent demand for child care near the employee parents’ place of work, and the cost of providing that demand in appropriate child care facilities; and (3) combining Project-specific child care demand factors and an average cost per child care space in a new Child Care Center, we recommend that the child care in-lieu fee applicable to the Project’s floor area be set at **\$484,000, or \$2.59 per square foot** of Project floor area. Target’s share of the fee in this case would be \$407,619, based on its share of total Project floor area, and the remaining \$76,381 would be allocated to the floor area occupied by the Project’s other miscellaneous retail tenants, but not including the 109 square feet of Project floor area for a Police Department substation.

As shown in the figure below, the recommended in-lieu fee of \$2.59 per square foot of floor area is about two and one-half times the average child care impact fees charged per square foot to retail floor area in other California jurisdictions that charge such fees on retail space (i.e., \$0.42-\$1.06 per square foot), and about 58 percent of Santa Monica’s fee, which is clearly an outlier.



**APPENDIX A**

**Summary of HR&A Advisors, Inc. Experience Preparing and Reviewing  
California Development Impact Fees**



700 South Flower Street, Suite 2730, Los Angeles, CA 90017  
 T: 310-581-0900 | F: 310-581-0910 | www.hraadvisors.com

### **Summary of HR&A Advisors, Inc. Experience Preparing and Reviewing California Development Impact Fees**

HR&A Advisors, Inc. (HR&A) is a full service economic development, real estate advisory and public policy consulting firm. Founded in 1976, the firm has a distinguished track record of providing realistic answers to complex real estate, economic development, housing, public finance and strategic planning problems. HR&A clients include Fortune 500 corporations, all levels of government, the nation's leading foundations and not-for-profit agencies. The firm has extensive experience working for the legal community in such roles as court-appointed special master, consent decree monitor, technical advisor and expert witness.

HR&A practice lines include real estate analysis and advisory services, local and regional economic analysis, economic development program formulation and analysis, fiscal impact analysis, land use policy analysis, development impact fees, housing policy research and analysis, population forecasting and demographic analysis, transportation system, other capital facilities analysis and financing, and environmental sustainability consulting.

HR&A's domestic and international consulting is provided by a staff of 75 people located in offices in the Los Angeles area, New York City, Washington, D.C. and Dallas

Beginning in the early 1980s, HR&A was retained by jurisdictions to design exaction systems in which the firm followed the basic principles of nexus and "fair share" later codified in the *Nollan* and *Dolan* decisions by the U.S. Supreme Court, the *Ehrlich* and *San Remo* decisions by the California Supreme Court, and California Government Code Section 66000, *et seq.* HR&A has also been retained by other parties to evaluate and critique adopted and proposed developer fee programs and requirements. The firm's technical rigor and thoughtfulness about these issues are respected by all sides in the continuing debate about this method of infrastructure financing.

Examples of this experience include the following:

#### Impact Fees/Exaction System Designs

- For the City of Los Angeles City Attorney and the Department of City Planning, HR&A prepared analysis to support new performance and in-lieu fees for affordable housing that will apply to specified market rate developments pursuant to 1982 State legislation requiring policies to address affordable housing in the coastal zone. HR&A was specifically named to conduct this analysis in a settlement agreement between the City and plaintiff affordable housing advocates alleging that the City had not properly implemented the State requirements.
- Assistance in the development of an impact fee for library facilities, including review and comment on analysis by city staff, and recommendations for calculation steps and considerations needed to meet development fee statutory requirements, for the City of Huntington Beach's City Attorney.

- Design of an affordable housing and open space mitigation program (on-site performance or fees in lieu thereof) for new office development, for the City of Santa Monica.
- Complete redesign of the City of Santa Monica's program requiring developers of new apartment and condominium projects to mitigate impacts on project-related demand for affordable housing, including preparation of a precedent-setting nexus study to support the in-lieu fee option in the new program, and periodic recalculation of a justifiable fee under changing market conditions since 1995.
- Design of an affordable housing, public open space and child care mitigation program (on-site performance or fees in lieu thereof) for new commercial development, for the City of West Hollywood and its outside counsel, Burke Williams & Sorensen.

#### Impact Fee/Exaction System Reviews

- Analysis of the financial feasibility of a proposed change to the "Quimby" parks fee and a new apartment development parks fee in the City of Los Angeles, for the City of Los Angeles Department of City Planning.
- Analysis of the financial feasibility of a proposed new parks fee and commercial development "linkage fee" for affordable housing in the City of Santa Monica, for the City of Santa Monica Planning & Community Development Department and Office of the City Attorney.
- Analysis of a proposed extension of an existing affordable housing fee requirement for non-residential development in Palo Alto to also include a wide range of medical facilities, for Stanford University Hospital.
- For William Lyon Homes and the law firm of Irell & Manella, HR&A prepared a detailed critique of the Ramona Unified School District's justification for a school impact fee, which supported negotiations for a lesser fee amount.
- Analysis of whether a traffic impact fee imposed by the City of Los Angeles on new development proposed along the Ventura Boulevard Corridor in the San Fernando Valley was supported by an adequate showing of nexus under applicable law and professional practice, prepared for a group of property owners and the law firm of Reznik & Reznik.
- Analysis of the rationale and economic consequences for prototypical development projects of development fees (traffic, child care, public art, affordable housing) as initially proposed by the City of Los Angeles for the Warner Center Specific Plan, prepared for a group of property owners, developers and the law firm of Paul, Hastings, Janofsky & Walker.
- Analysis and critique of the rationale, nexus basis and implementation plan for a transportation management program and ordinance proposed by the City of Santa Monica which would have imposed AQMD Regulation XV-style requirements on existing businesses with as few as 10 employees, and a traffic impact fee on developers, for the Santa Monica Bay Area Chamber of Commerce.
- Analysis and preparation of a Supplemental EIR addressing school impacts and fees related to a Long Range Development Plan, for U.C. Santa Barbara, the office of the University Counsel and the law firm of Pillsbury, Madison & Sutro. The SEIR figured prominently in a decision in favor of the *University in Goleta Union School District v. The Regents of the*

*University of California*, 36 Cal. App. 4th 1121 (1995), holding that the University was not obligated to pay school impact fees.

- Analysis of school enrollment and facilities impacts associated with theme park expansions at Disneyland, and the relationship of these impacts to statutory school fees, for The Walt Disney Company and the law firm of Latham & Watkins. The analysis helped facilitate a settlement agreement between The Walt Disney Company and local school districts.
- Analysis of the impacts on a variety of elementary and secondary school districts in Kern County from a number of large-scale residential projects planned by Castle & Cooke Development Corporation (represented by the Corey, Croudace, Dietrich & Dragan law firm). The project involved developing alternative student generation rates and calculations of "fair share" impact costs pursuant to applicable State law.
- For the Los Angeles Central City Association, the Building Industry Association of Southern California, the Los Angeles Chamber of Commerce and the Valley Industry and Commerce Association, HR&A evaluated the methodology and conclusions of the nexus analysis that formed the basis for a proposed affordable housing linkage fees that were being studied by the City of Los Angeles.
- Analysis of the degree to which the Wood Ranch residential project had already contributed a fair share of infrastructure and other community benefits such that the City of Simi Valley was not justified in asking for additional fees in order to extend an existing Development Agreement, for Olympia & York.
- A critique of whether the City of Irvine's proposed commercial development exaction to fund affordable housing complied with nexus requirements under State law, on behalf of the Building Industry Association/Orange County (California) Region.
- A critique of, and counter-proposal to, a fee proposed by the City of Santa Monica to mitigate the impact of land recycling on "affordable" lodging in the coastal zone, for Maguire Thomas Partners and the law firm of Lawrence & Harding.
- A critique of the City of Rancho Mirage's approach to impact fee calculations, and preparation of an alternative, nexus-based approach to fee calculations for a 527-unit subdivision, on behalf of the developer, Landmark Land Company, and the law firm of DeCastro, West, Chodorow & Burns.

**ATTACHMENT B**

**Excerpt from the Vermont/Western Transit Oriented District Specific Plan (Station Neighborhood Area Plan) Regarding Child Care Requirements**

**City of Los Angeles Administrative Code Section 5.530 Regarding Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund**

**VERMONT/WESTERN TRANSIT ORIENTED DISTRICT**

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**Specific Plan**

**(STATION NEIGHBORHOOD AREA PLAN)**

**Ordinance No. 173,749  
Effective March 1, 2001**

**Specific Plan Procedures  
Amended pursuant to L.A.M.C. Section 11.5.7**

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Section 7.	Subarea A - Neighborhood Conversion
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Section 14.	Severability

A Part of the General Plan - City of Los Angeles  
<http://cityplanning.lacity.org> (General Plan - Specific Plan)

Applicant may choose to provide park or open space either on-site or off-site, so long as the following conditions are met.

- i. The park or open space provided is in addition to other Project open space, setbacks, step backs, pedestrian walk-throughs, child care or landscaping requirements of this Specific Plan.
  - ii. The Applicant shall commit to providing this park or open space prior to the granting of a Project Permit Compliance by the Director of Planning.
  - iii. The park or open space shall be an area of at least 5,000 contiguous square feet; open and accessible to the general public during daylight hours in a manner similar to other public parks; improved to prevailing public park standards, except that the open space may be provided above the ground floor on roof tops or above parking structures if public access is provided that conforms with the Americans With Disabilities Act standards.
  - iv. **On-Site.** For on-site park or open space, the Applicant shall provide land area equal to what would be purchasable with the Parks First Trust Fund fee amount required in Subdivision 2 above and construct or covenant to construct the improvements for the park or open space on-site to the satisfaction of the Director of Planning in consultation with the Department of Recreation and Parks and the Councilmember of the District(s) involved; or
  - v. **Off-Site.** For off-site park or open space, the Applicant shall provide land area equal to what would be purchasable with the Parks First Trust Fund fee required in Subdivision 2 above and construct or covenant to construct the improvements for the park or open space off-site, but within the Specific Plan area, to the satisfaction of the Director of Planning in consultation with the Department of Recreation and Parks and the Councilmember of the District(s) involved.
- d. **Set-Offs.** The calculation of a Parks First Trust Fund fee to be paid or actual park space to be provided pursuant to this ordinance shall be off-set by the amount of any Quimby Fee (LAMC § 17.12) or dwelling unit construction tax (LAMC § 21.10.1, *et seq.*) paid as a result of the Project.



- G. **Childcare Facility Requirements.** In Subareas B, C and D, all commercial and Mixed Use Projects, which total 100,000 net square feet or more of non-residential floor area shall include child care

facilities to accommodate the child care needs of the Project employees for pre-school children, including infants, and shall meet the following requirements:

1. **Calculation of Childcare Facility Requirement.** The size of the child care facility necessary to accommodate commercial, Mixed Use, Unified Hospital Development Site or Replacement In-Patient Facilities Project employees' child care needs shall be: one square foot of floor area of an indoor child care facility or facilities, for every 50 square feet of net, usable non-residential floor area; or to the satisfaction of the Commission for Children, Youth and their Families consistent with the purpose in Section G.
  - a. **Ground Floor Play Area.** In addition to the requirements specified in Subsection G 1 above, the Applicant shall provide outdoor play area per child served by the child care facility as required by the California Department of Social Services, Community Care Licensing Division, Title 22.
  - b. **Setback and Throughways.** The child care play area at a child care facility provided as required by this subsection, on- or off-site, or as an in lieu cash payment, shall count on a one-for-one square foot basis toward either any building setback requirements of Section 6 L or pedestrian throughways as required in Section 9 G 2.
2. **Floor Area.** The floor area provided for a child care facility shall be used for that purpose for the life of the Project. The square footage devoted to a child care facility shall be located at the ground floor, unless otherwise permitted by State Law, and shall not be included as floor area for the purpose of calculating permitted floor area on a lot or within a Unified Hospital Development
3. **Off-site Provision.** The child care facility may be off-site, provided it is within 5,280 feet of the Project.
4. **Cash Payment in Lieu of Floor Area and Play Area.** At the Applicant's request, the Commission for Children, Youth and their Families may authorize a cash payment in lieu of some or all of the minimum indoor square footage and play area required in Subsection G 1. In lieu cash payments for indoor child care space and outdoor play areas shall be deposited in the City's Child Care Trust Fund.
5. **Certificate of Occupancy.** No certificate of occupancy for a commercial or Mixed Use Project subject to the requirement to include floor area and play area for a child care facility shall be issued prior to the issuance of the certificate of occupancy for the child care facility required pursuant to this Subsection, and in accordance with Section 13 of this Specific Plan, or a cash deposit has been made in the City Child Care Trust Fund in

accordance with Subdivision 4 above.

**6. Credit for Existing Child Care Facility and Play Area.**

- a. **Indoor Facility.** The Commission for Children, Youth and their Families shall authorize credit for existing child care provided on or near the site of the Project against the minimum required child care facility square footage. The Commission for Children, Youth and their Families shall calculate the credit as one square foot of credit per one square foot of existing in-door child care facility that will be made available to the employees of the Project. The existing child care facility must be owned by the Project owner and located within 750 feet of the Project in order to receive credit. Child care credit shall be inventoried by the Commission for Children, Youth and their Families so that the same square footage of existing child care facility is only credited once.
- b. **Outdoor Play Area.** The Director of Planning shall authorize credit for existing ground level outdoor play areas provided within 750 feet of the Project site toward the minimum required open space, building setback, or pedestrian throughway requirements. The existing play area must be owned by the Project owner and located within 750 feet of the Project in order to receive credit. The Director shall calculate the credit as one square foot per one square foot of existing outdoor play area available to the children of the Project employees. Open space credit shall be inventoried by the Director so that the same square footage of existing play area is only credited once.

**7. Enforcement.** The Commission for Children, Youth and their Families shall be responsible for monitoring and the Department of Building and Safety shall be responsible for enforcement of the requirements of this Subsection. All Project owners required to provide a child care facility shall submit an annual report to the Commission for Children, Youth and their Families. The report shall document the annual number of children served. The first report shall be due 12 months after issuance of any certificate of occupancy for the child care facility or facilities.

- H. **Motels.** Floor area associated with a hotel, motel or apartment hotel use shall be counted as a commercial floor area for the purposes of this Specific Plan.
- I. **Sidewalk Cafes.** Sidewalk cafes shall be permitted within a public street right-of-way with the approval of the Department of Public Works, provided a minimum of 10 feet of sidewalk width remains for pedestrian circulation.
- J. **Public Street Improvements.** Public Street Improvements. The regulations and procedures contained in Section 12.37 of the Code

**Administrative Code Sec. 5.530. Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund.**

A. **Creation and Administration of Fund.** There is hereby created within the Treasury of the City of Los Angeles a special fund known as the Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund, referred to in this Chapter as the Child Care Fund or Fund. The Department of Recreation and Parks (Department) with the concurrence of the President of the City Council shall administer, have overall management of and expend funds from the Child Care Fund in accordance with the provisions of this Chapter. The Department with the concurrence of the President of the City Council shall also administer the Fund in accordance with established City practice and in conformity with Government Code Section 66000, *et seq.* All interest or other earnings from money received into the Child Care Fund shall be credited to the Fund and devoted to the purposes listed in this Chapter.

B. **Purpose.** The Child Care Fund shall be used for the deposit of money paid to the City of Los Angeles pursuant to the Vermont/Western Station Neighborhood Area Specific Plan and any other money appropriated or given to this Fund for the creation or development of Child Care programs or facilities in the Vermont/Western Station Neighborhood area.

C. **Expenditures.** Except as set forth below, Child Care Funds collected pursuant to the Vermont/Western Station Neighborhood Area Specific Plan and any other monies placed in this Fund shall be expended only for the purpose of acquiring facilities, developing, improving, and operating Child Care programs physically located within the boundaries of the Vermont/Western Station Neighborhood Area Specific Plan area, and providing financial assistance with child care payments to qualifying parents in the area, as determined by the Department.

The Department with the concurrence of the President of the City Council is authorized to make expenditures from this Child Care Fund in accordance with the Vermont/ Western Station Neighborhood Area Plan and the Vermont/ Western Station Neighborhood Area Plan Development Standards and Design Guidelines. Administration of the Fund and expenditures from the Fund shall also be in compliance with the requirements in Government Code Section 66000, *et seq.*, including the following:

1. The Department shall deposit all monies received pursuant to the Vermont/Western Station Neighborhood Area Specific Plan in the Fund and avoid any commingling of the monies with other City revenues and funds, except for temporary investments, and expend those monies solely for the purpose for which the Child Care payment was collected. Any interest income earned by monies in the Fund shall also be deposited in that Fund and shall be expended only for the purpose for which the Child Care payment was originally collected.

2. The Department shall, within 180 days after the last day of each fiscal year, make available to the public all the information required by Government Code Section 66006(a).

3. The City Council shall review the information made available to the public pursuant to Paragraph 2. within the time required by Section 66006, and give notice of that meeting as required by that Section.

4. When required to do so by Government Code Section 66001(e) and (f), the City Council shall authorize refunds of payments made to the Child Care Fund.

D. **Reporting.** The Department shall report annually to the City Council and Mayor identifying and describing in detail receipts and expenditures of the Fund. The Department shall submit each annual report within 60 days after the close of the fiscal year covered in the report.

SECTION HISTORY

Chapter and Section Added by Ord. No. 173,963, Eff. 6-18-01.

Amended by: Ord. No. 181,192, Eff. 7-27-10

**APPENDIX C**

**Inventory of Existing Child Care Facilities in the Project Vicinity**

**Child Care Centers****Zip Code: 90027**

**ALL CHILDREN GREAT AND SMALL**  
4612 WELCH PLACE  
LOS ANGELES, CA 90027  
(323) 666-6154  
Contact: RUIZ, YOLANDA  
Capacity: 0024

**ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA (ALSC)**  
5436 HOLLYWOOD BOULEVARD  
LOS ANGELES, CA 90027  
(323) 464-4063  
Contact: YOLANDA QUINTERO  
Capacity: 0060

**CHILDREN'S HOSPITAL CHILD DEVELOPMENT CENTER (PS)**  
4601 SUNSET BOULEVARD  
LOS ANGELES, CA 90027  
(323) 361-4601  
Contact: ANITA BRITT  
Capacity: 0073

**CREATIVE ANGELS PRESCHOOL & KINDERGARTEN**  
1725 N. MARIPOSA AVENUE  
LOS ANGELES, CA 90027  
(323) 660-9934  
Contact: SUZANA DEMIRCHYAN  
Capacity: 0032

**HARVARD PRE-SCHOOL AND KINDERGARTEN**  
1311 NORTH HARVARD BLVD.  
LOS ANGELES, CA 90027  
(323) 462-1151  
Contact: LISA SOLOMON  
Capacity: 0060

**HOLLYWOOD HEADSTART PRESCHOOL**  
5000 HOLLYWOOD BLVD.  
LOS ANGELES, CA 90027  
(323) 661-6405  
Contact: BENNIE MATA & LOSSIN  
Capacity: 0068

**HOLLYWOOD PRESCHOOL KINDERGARTEN**  
1313 N. EDMONT STREET  
LOS ANGELES, CA 90027  
(323) 660-7896  
Contact: REZIKEEN, FAZEENA  
Capacity: 0056

**KOMITAS DAY CARE**  
1616 HILLHURST  
LOS ANGELES, CA 90027  
(323) 666-1520  
Contact: DERKRIKORIAN, CARMEN  
Capacity: 0035

**LITTLE ARMENIA CHILD CARE**  
1645 N. NORMANDIE AVENUE  
LOS ANGELES, CA 90027  
(323) 708-8577  
Contact: KARINE MUTAFYAN  
Capacity: 0072

**LOS FELIZ CORNERS**  
1839 N. KENMORE AVE.  
LOS ANGELES, CA 90027  
(323) 661-3448  
Contact: KATCH, KRISTI  
Capacity: 0033

**LOS FELIZ NURSERY SCHOOL**  
3401 RIVERSIDE DR  
LOS ANGELES, CA 90027  
(323) 662-8300  
Contact: ARABIAN, MARION  
Capacity: 0028

**LYCEE INTERNATIONALE DE LOS ANGELES**  
4155 RUSSELL AVE.  
LOS ANGELES, CA 90027  
(323) 665-4526  
Contact: MANTCHEVA, GISELE  
Capacity: 0045

**LYRIC PRE-SCHOOL & KINDERGARTEN**  
2328 HYPERION AVE.  
LOS ANGELES, CA 90027  
(323) 667-2275  
Contact: TOM, CURTIS  
Capacity: 0043

**PINWHEELS PRESCHOOL**  
4607 PROSPECT AVENUE  
LOS ANGELES, CA 90027  
(213) 948-4757  
Contact: KARI SHANA DRUYEN  
Capacity: 0019

**PLAYFUL LEARNING AMONGST YOUTH SILVERLAKE**  
2000 HYPERION AVENUE  
LOS ANGELES, CA 90027  
(323) 664-8494  
Contact: GABRIEL R. ROSS  
Capacity: 0130

**ROSE & ALEX PILIBOS PRESCHOOL**  
1611 N. KENMORE STREET  
LOS ANGELES, CA 90027  
(323) 668-0343  
Contact: TAKOUHEY SAATJIAN  
Capacity: 0086

**Zip Code 90028**

**BEVERLY HILLS RESOURCES CORPORATION SCHOOL**  
6550 FOUNTAIN AVENUE  
LOS ANGELES, CA 90028  
(323) 469-6155  
Capacity: 0026

**BLESSED SACRAMENT PRESCHOOL**  
6641 SUNSET BLVD.  
LOS ANGELES, CA 90028  
(323) 462-6311  
Contact: SUZANNE JONES  
Capacity: 0020

**CANYON SCHOOL, INC., THE**  
1820 NO LAS PALMAS AVE  
LOS ANGELES, CA 90028  
(323) 464-7507  
Contact: WILLIAMS, CELIA  
Capacity: 0030

**CHEREMOYA AVENUE ELEMENTARY SCHOOL STATE PRESCHOOL**  
6017 FRANKLIN AVENUE, ROOM 23  
LOS ANGELES, CA 90028  
(323) 464-1722  
Contact: RODRIGUEZ, DIANE  
Capacity: 0023

**CII/OTIS BOOTH CDC**  
424 N. LAKE STREET  
LOS ANGELES, CA 90028  
(213) 385-5100  
Contact: NVARD KAZANCHYAN  
Capacity: 0048

**DELANEY WRIGHT FINE ARTS PRESCHOOL**  
6125 CARLOS AVENUE  
LOS ANGELES, CA 90028  
(323) 871-2470  
Contact: REV. JAIME EDWARDS-ACTON  
Capacity: 0090

**FIRST PRESBYTERIAN CHURCH OF HOLLYWOOD PRE-SCHOOL**  
1785 LA BAIG ST.  
HOLLYWOOD, CA 90028  
(323) 606-5245  
Contact: PAMELA TUSZYNSKI  
Capacity: 0098

**FOUNTAIN AVENUE HEAD START**  
5636 FOUNTAIN AVE.  
LOS ANGELES, CA 90028  
(323) 467-1551  
Contact: ASIYA MAHMOUD  
Capacity: 0068

**GRANT STREET EARLY EDUCATION CENTER**  
1559 N. ST. ANDREWS PL.  
LOS ANGELES, CA 90028  
(323) 463-4112  
Contact: E.PAYNE/A.TER-  
POGOSYAN  
Capacity: 0164

**MONTESSORI SHIR-HASHIRIM**  
6047 CARLTON WAY  
LOS ANGELES, CA 90028  
(323) 465-1638  
Contact: CIELAK, ELENA  
Capacity: 0043

**SELMA HEAD START**  
6611 SELMA AVENUE  
LOS ANGELES, CA 90028  
(626) 572-5107  
Contact: MARIA CASTILLO  
Capacity: 0034

**SUNSET MONTESSORI PRESCHOOL**  
1432 N. SYCAMORE AVE.  
LOS ANGELES, CA 90028  
(323) 465-8133  
Contact: KORDONSKAYA, LILIYA  
Capacity: 0039

**WILTON PLACE HEADSTART/STATE PRESCHOOL**  
1528 N. WILTON PLACE  
LOS ANGELES, CA 90028  
(323) 469-0360  
Contact: PATTY LINARES  
Capacity: 0030

**Zip Code: 90029**

**BERENDO HEADSTART**  
1220 N. BERENDO ST.  
LOS ANGELES, CA 90029  
(323) 669-1388  
Contact: ALMA RODRIGUEZ  
Capacity: 0018

**BLIND CHILDREN'S CENTER**  
4120 MARATHON ST.  
LOS ANGELES, CA 90029  
(213) 664-2153  
Contact: MC CANN, MARY ELLEN  
Capacity: 0070

**CHILDREN'S CENTER PRESCHOOL**  
1260 N. VERMONT AVENUE  
LOS ANGELES, CA 90029  
(323) 422-9690  
Contact: DEBORAH S. WYLE  
Capacity: 0038

**FRENCH NURSERY SCHOOL**  
5262 FOUNTAIN AVENUE  
LOS ANGELES, CA 90029  
(323) 663-4038  
Contact: SAUER, MARIA  
Capacity: 0052

**GREAT VISION PRESCHOOL**  
709, 714 N. ALEXANDRIA AVENUE  
LOS ANGELES, CA 90029  
(323) 333-6686  
Contact: KYUNGMI YOO  
Capacity: 0044

**LEXINGTON AVENUE PRIMARY CENTER CSPP**  
4564 W. LEXINGTON AVE. ROOM 1  
LOS ANGELES, CA 90029  
(323) 644-2884  
Contact: KURILICH, PAULA G.  
Capacity: 0024

**LOS ANGELES CITY COLLEGE CAMPUS CDC**  
855 N. VERMONT AVENUE  
LOS ANGELES, CA 90029  
(323) 953-4000  
Contact: DORIAN KAY HARRIS  
Capacity: 0120

**MELROSE HEAD START**  
4710 MELROSE AVENUE  
LOS ANGELES, CA 90029  
(626) 572-5107  
Contact: MARITZA ARCHER  
Capacity: 0040

**SILVERLAKE INDEPENDENT JEWISH COMMUNITY CENTER**  
1110 BATES AVE.  
LOS ANGELES, CA 90029  
(323) 663-2255  
Contact: RUTH SHAVIT  
Capacity: 0110

**Zip Code: 90038**

**ABC EDUCATIONAL CENTER**  
1129 COLE AVENUE  
LOS ANGELES, CA 90038  
(323) 466-9984  
Contact: YAZMIN NEWMAN  
Capacity: 0030

**GREGORY PARK HEAD START/STATE PRE SCHOOL**  
5807 GREGORY AVE.  
LOS ANGELES, CA 90038  
(323) 463-9725  
Contact: MARGOTH CRUZ  
Capacity: 0068

**HAPPY BIRCH PRESCHOOL**  
6415 ROMAINE STREET  
LOS ANGELES, CA 90038  
(310) 308-3141  
Contact: MALI RAND  
Capacity: 0017

**HOLLYWOOD LITTLE RED SCHOOLHOUSE**  
1248 N HIGHLAND AVE  
HOLLYWOOD, CA 90038  
(323) 465-1320  
Contact: ILISE FAYE  
Capacity: 0043

**LA MIRADA HEAD START**  
5637 LA MIRADA AVE.  
LOS ANGELES, CA 90038  
(323) 464-1605  
Contact: LETICIA VIDALES  
Capacity: 0075

**LOS ANGELES CHEDER**  
801 N. LA BREA AVENUE  
LOS ANGELES, CA 90038  
(323) 932-6347  
Contact: DINA HENIG  
Capacity: 0070

**PARAMOUNT CHILD CARE CENTER (P.S.)**  
5555 MELROSE AVE.  
LOS ANGELES, CA 90038  
(323) 956-4430  
Contact: GRETCHEN MCCOLLEY  
Capacity: 0034

**SANTA MONICA COM.CHARTER SCHOOL STATE PRESCHOOL**  
1022 N. VAN NESS AVE. #1,17&19  
HOLLYWOOD, CA 90038  
(323) 469-0971  
Contact: VAHE MARKARIAN  
Capacity: 0082

**SUNSHINE SHACK, THE**  
1027 N. COLE AVENUE  
LOS ANGELES, CA 90038  
(323) 877-4914  
Contact: CHRISTINA PON  
Capacity: 0040

**T.C.A. ARSHAG DICKRANIAN ARMENIAN SCHOOL**  
1200 N. CAHUENGA BLVD.  
LOS ANGELES, CA 90038  
(323) 461-4377  
Contact: KOUROUYAN, VARTKES  
Capacity: 0020

**VINE STREET EARLY EDUCATION CENTER**  
6312 ELEANOR AVENUE  
LOS ANGELES, CA 90038  
(323) 465-1167  
Contact: E.ANDERSON/J.REYES  
Capacity: 0198

### Large Family Child Care Homes

**Zip Code: 90027**

#### DANIELYAN FAMILY CHILD CARE

1542 N. MARIPOSA AVENUE  
LOS ANGELES, CA 90027  
(323) 667-0000  
Contact: DANIELYAN LIANA  
Capacity: 0014

**Zip Code: 90028**

#### DE LEON FAMILY CHILD CARE

5600 HAROLD WAY  
LOS ANGELES, CA 90028  
(323) 708-5243  
Contact: DE LEON, BRENDA  
Capacity: 0014

#### ESTRADA FAMILY CHILD CARE

5627 FOUNTAIN AVE.  
LOS ANGELES, CA 90028  
(323) 856-7083  
Contact: ESTRADA, DELIA  
Capacity: 0014

#### RODRIGUEZ FAMILY CHILD CARE

6122 DE LONGPRE AVE.  
LOS ANGELES, CA 90028  
(323) 464-4006  
Contact: RODRIGUEZ, ANGELICA  
Capacity: 0014

**ZIP Code: 90029**

#### ESQUIVEL FAMILY CHILD CARE

4952 MARATHON ST.  
LOS ANGELES, CA 90029  
(213) 465-7611  
Contact: ESQUIVEL, LILIA  
Capacity: 0012

#### FLORES FAMILY CHILD CARE

816 NORTH HOBART BLVD  
LOS ANGELES, CA 90029  
(323) 663-1049  
Contact: FLORES, RUTH  
Capacity: 0014

#### FLORES FAMILY CHILD CARE

907 N. SERRANO AVE.  
LOS ANGELES, CA 90029  
(323) 819-3562  
Contact: FLORES, MAYRA  
Capacity: 0014

#### KOSTANDYAN FAMILY CHILD CARE

742 N. EDGEMONT ST  
LOS ANGELES, CA 90029  
(323) 665-7713  
Contact: KOSTANDYAN, KARINE  
Capacity: 0014

#### MENJIVAR FAMILY CHILD CARE

1176 N. COMMONWEALTH AVE  
LOS ANGELES, CA 90029  
(323) 217-8989  
Contact: MENJIVAR, MARIO & MILLY  
Capacity: 0014

#### PETROSYAN FAMILY CHILD CARE

1130 N. WESTMORELAND  
LOS ANGELES, CA 90029  
(323) 243-9350  
Contact: KARINE PETROSYAN  
Capacity: 0014

#### RAMOS FAMILY CHILD CARE

905 N. SERRANO AVENUE  
LOS ANGELES, CA 90029  
(323) 461-0266  
Contact: RAMOS, YESENIA  
Capacity: 0014

#### RUIZ FAMILY CHILD CARE

1234 1/2 MANZANITA STREET  
LOS ANGELES, CA 90029  
(323) 644-1817  
Contact: RUIZ, ARGELIA  
Capacity: 0014

#### VALDEZ FAMILY CHILD CARE

1033 HYPERION AVE  
LOS ANGELES, CA 90029  
(323) 664-0732  
Contact: VALDEZ, MARIANELA  
Capacity: 0014

**ZIP Code: 90038**

#### DE LLANO FAMILY CHILD CARE

6603 WILLOUGHBY AVENUE  
LOS ANGELES, CA 90038  
(323) 960-2505  
Contact: DE LLANO, B. & A  
Capacity: 0014

#### FLORES FAMILY CHILD CARE

5653 W. VIRGINIA AVE.  
LOS ANGELES, CA 90038  
(323) 466-5213  
Contact: FLORES, SONIA  
Capacity: 0014

#### GUERREIRO FAMILY CHILD CARE

5552 BARTON AVENUE  
LOS ANGELES, CA 90038  
(323) 957-9308  
Contact: GUERREIRO, ALBA L.  
Capacity: 0014

#### JUAREZ FAMILY CHILD CARE

1008 N. RIDGEWOOD PLACE  
LOS ANGELES, CA 90038  
(323) 491-0830  
Contact: JUAREZ, LORLIN &  
JOHANA  
Capacity: 0014

#### VARDANYAN FAMILY CHILD CARE

824 N. RIDGEWOOD PLACE  
LOS ANGELES, CA 90038  
(323) 493-5555  
Contact: VARDANYAN, HASMIK  
Capacity: 0014

**APPENDIX D**

**Results of Statistical Analysis on the National Study of the Changing Workforce Survey Data**

Resp: Industry main job [14 major Census groups] \* WORK SCHEDULE AT MAIN JOB \* REGION OF RESIDENCE USING CPS CLASSIFICATION Crosstabulation

Count		WORK SCHEDULE AT MAIN JOB								Total
REGION OF RESIDENCE USING CPS CLASSIFICATION		A regular daytime schedule	A regular evening shift	A regular night shift	A rotating shift - one that changes by time of day or day of week	A split shift consisting of two distinct periods in each workday	A flexible or variable schedule with no set hours, on call	Some other schedule		
Northeast Region Resp: Industry main job [14 major Census groups]	AG/FOR/FISH/MINE	3	0	0	0	0	0	0	0	3
	CONSTRUCTION	42	1	1	3	0	1	0	0	48
	MANUFACTURING	43	3	3	1	2	0	0	0	52
	TRANS/PCOMM/UTIL	16	3	4	1	0	1	0	0	25
	WHOLESALE TRADE	19	0	0	0	0	0	0	0	19
	RETAIL TRADE	31	0	2	11	0	5	3	0	51
	FIN/INS/REAL/EST	26	0	0	1	0	1	0	0	28
	BUS/REP SERV	32	3	1	5	0	0	0	0	41
	PERSONAL SERVICES	8	0	0	5	0	0	0	0	13
	ENTER/REC SERVICES	4	0	1	0	0	2	0	0	7
	MEDICAL SERVICES	34	8	4	3	3	3	1	0	57
	EDUCATION SERVICES	61	4	0	1	1	1	1	0	69
	OTHER PROF SERV	35	1	0	1	2	7	1	0	47
	PUBLIC ADMIN	13	2	1	6	0	0	0	0	22
<b>Total</b>		<b>387</b>	<b>35</b>	<b>17</b>	<b>38</b>	<b>9</b>	<b>39</b>	<b>6</b>	<b>500</b>	
South Region Resp: Industry main job [14 major Census groups]	AG/FOR/FISH/MINE	11	0	0	1	0	1	0	0	13
	CONSTRUCTION	61	2	2	4	0	3	0	0	69
	MANUFACTURING	87	5	3	9	0	0	0	0	99
	TRANS/PCOMM/UTIL	44	2	5	6	0	6	0	0	59
	WHOLESALE TRADE	30	1	6	3	1	1	0	0	42
	RETAIL TRADE	70	26	13	25	0	7	1	0	142
	FIN/INS/REAL/EST	54	0	1	1	3	5	0	0	64
	BUS/REP SERV	43	1	8	3	0	5	0	0	59
	PERSONAL SERVICES	6	0	4	0	0	4	0	0	14
	ENTER/REC SERVICES	3	1	0	0	0	3	0	0	7
	MEDICAL SERVICES	120	5	14	3	2	4	0	0	148
	EDUCATION SERVICES	91	2	0	0	3	5	0	0	101
	OTHER PROF SERV	66	4	0	0	2	4	1	0	77
	PUBLIC ADMIN	33	1	0	4	0	2	2	0	42
<b>Total</b>		<b>689</b>	<b>50</b>	<b>54</b>	<b>59</b>	<b>11</b>	<b>50</b>	<b>4</b>	<b>917</b>	
Midwest Region Resp: Industry main job [14 major Census groups]	AG/FOR/FISH/MINE	10	0	0	0	0	1	0	0	11
	CONSTRUCTION	45	0	0	1	0	5	0	0	51
	MANUFACTURING	88	9	11	4	0	1	1	0	114
	TRANS/PCOMM/UTIL	32	1	3	5	0	3	0	0	44
	WHOLESALE TRADE	32	0	0	0	0	4	0	0	38
	RETAIL TRADE	56	27	17	30	3	14	1	0	148
	FIN/INS/REAL/EST	41	2	0	0	0	1	0	0	44
	BUS/REP SERV	38	1	0	1	0	2	0	0	42
	PERSONAL SERVICES	8	0	0	2	0	0	0	0	10
	ENTER/REC SERVICES	8	0	1	2	0	0	0	0	9
	MEDICAL SERVICES	89	7	8	7	0	2	1	0	99
	EDUCATION SERVICES	75	0	0	5	2	5	0	0	87
	OTHER PROF SERV	47	0	0	2	1	3	0	0	53
	PUBLIC ADMIN	26	4	1	1	0	3	0	0	35
<b>Total</b>		<b>573</b>	<b>51</b>	<b>41</b>	<b>80</b>	<b>6</b>	<b>44</b>	<b>3</b>	<b>778</b>	
West Region Resp: Industry main job [14 major Census groups]	AG/FOR/FISH/MINE	8	0	0	0	0	0	0	0	8
	CONSTRUCTION	28	2	0	0	0	11	0	0	41
	MANUFACTURING	53	1	1	7	1	5	0	0	68
	TRANS/PCOMM/UTIL	30	10	1	2	1	2	0	0	46
	WHOLESALE TRADE	12	0	0	0	0	2	1	0	15
	RETAIL TRADE	49	2	6	18	2	6	2	0	85
	FIN/INS/REAL/EST	17	0	0	0	0	2	2	0	21
	BUS/REP SERV	34	8	0	2	0	4	0	0	48
	PERSONAL SERVICES	7	0	0	5	0	6	0	0	18
	ENTER/REC SERVICES	11	0	2	0	0	0	0	0	13
	MEDICAL SERVICES	35	3	6	0	0	6	0	0	50
	EDUCATION SERVICES	51	3	0	2	7	2	0	0	65
	OTHER PROF SERV	27	0	0	2	0	4	0	0	33
	PUBLIC ADMIN	21	2	0	1	0	3	0	0	27
<b>Total</b>		<b>383</b>	<b>31</b>	<b>16</b>	<b>30</b>	<b>11</b>	<b>55</b>	<b>6</b>	<b>540</b>	
<b>Total</b> Resp: Industry main job [14 major Census groups]	AG/FOR/FISH/MINE	32	0	0	1	0	2	0	0	35
	CONSTRUCTION	188	5	3	8	0	20	0	0	204
	MANUFACTURING	251	18	18	21	3	6	1	0	316
	TRANS/PCOMM/UTIL	122	16	13	14	1	12	0	0	179
	WHOLESALE TRADE	83	1	6	3	1	7	1	0	112
	RETAIL TRADE	206	84	38	84	5	32	7	0	436
	FIN/INS/REAL/EST	138	3	1	2	3	9	2	0	157
	BUS/REP SERV	147	13	7	11	0	19	0	0	197
	PERSONAL SERVICES	29	0	4	12	0	10	0	0	55
	ENTER/REC SERVICES	24	1	4	2	0	5	0	0	36
	MEDICAL SERVICES	258	24	32	13	6	17	2	0	351
	EDUCATION SERVICES	278	8	0	8	13	13	1	0	322
	OTHER PROF SERV	175	5	0	5	5	18	2	0	210
	PUBLIC ADMIN	89	9	2	12	0	8	2	0	128
<b>Total</b>		<b>2012</b>	<b>167</b>	<b>128</b>	<b>196</b>	<b>35</b>	<b>179</b>	<b>18</b>	<b>2735</b>	

RETAIL TRADE W/ REGULAR DAYTIME SHIFT AND ROTATING SHIFT (WEST): (49+18)/85=.78823

Resp: Industry main job [14 major Census groups] \* Any child < 6 in household GE 12 yr \* REGION OF RESIDENCE  
 USING CPS CLASSIFICATION Cross-tabulation

Count			Any child < 6 in household GE 12 yr		Total	
REGION OF RESIDENCE USING CPS CLASSIFICATION			Yes	No		
Northeast Region	Resp: Industry main job [14 major Census groups]	AGFOR/FISHMINE	0	3	3	
		CONSTRUCTION	10	37	47	
		MANUFACTURING	6	45	51	
		TRANSP/COMM/UTIL	7	18	25	
		WHOLESALE TRADE	4	14	18	
		RETAIL TRADE	10	50	60	
		FININS/REALEST	3	26	29	
		BUS/REP SERV	4	46	50	
		PERSONAL SERVICES	1	11	12	
		ENTER/REC SERVICES	2	5	7	
		MEDICAL SERVICES	12	46	58	
		EDUCATION SERVICES	12	57	69	
		OTHER PROF SERV	11	37	48	
		PUBLIC ADMIN	5	16	21	
Total			87	411	498	
South Region	Resp: Industry main job [14 major Census groups]	AGFOR/FISHMINE	4	8	12	
		CONSTRUCTION	14	46	62	
		MANUFACTURING	13	71	84	
		TRANSP/COMM/UTIL	16	47	63	
		WHOLESALE TRADE	7	34	41	
		RETAIL TRADE	31	113	142	
		FININS/REALEST	14	51	65	
		BUS/REP SERV	6	51	57	
		PERSONAL SERVICES	9	5	14	
		ENTER/REC SERVICES	1	6	7	
		MEDICAL SERVICES	31	118	149	
		EDUCATION SERVICES	23	76	101	
		OTHER PROF SERV	15	62	77	
		PUBLIC ADMIN	6	23	41	
Total			192	723	915	
Midwest Region	Resp: Industry main job [14 major Census groups]	AGFOR/FISHMINE	0	11	11	
		CONSTRUCTION	15	38	53	
		MANUFACTURING	24	90	114	
		TRANSP/COMM/UTIL	9	37	46	
		WHOLESALE TRADE	6	28	34	
		RETAIL TRADE	27	120	147	
		FININS/REALEST	10	33	43	
		BUS/REP SERV	6	34	42	
		PERSONAL SERVICES	2	8	10	
		ENTER/REC SERVICES	2	7	9	
		MEDICAL SERVICES	18	75	93	
		EDUCATION SERVICES	14	73	87	
		OTHER PROF SERV	10	43	53	
		PUBLIC ADMIN	6	27	33	
Total			156	624	779	
West Region	Resp: Industry main job [14 major Census groups]	AGFOR/FISHMINE	2	5	7	
		CONSTRUCTION	13	29	42	
		MANUFACTURING	10	59	69	
		TRANSP/COMM/UTIL	8	39	47	
		WHOLESALE TRADE	0	15	15	
		RETAIL TRADE	22	62	84	
		FININS/REALEST	3	18	21	
		BUS/REP SERV	10	37	47	
		PERSONAL SERVICES	6	13	19	
		ENTER/REC SERVICES	0	13	13	
		MEDICAL SERVICES	6	45	53	
		EDUCATION SERVICES	9	56	65	
		OTHER PROF SERV	11	23	34	
		PUBLIC ADMIN	5	23	28	
Total			107	437	544	
Total		Resp: Industry main job [14 major Census groups]	AGFOR/FISHMINE	6	27	33
			CONSTRUCTION	52	152	204
			MANUFACTURING	53	265	318
			TRANSP/COMM/UTIL	40	141	181
			WHOLESALE TRADE	19	91	110
			RETAIL TRADE	90	343	433
			FININS/REALEST	30	129	159
			BUS/REP SERV	26	166	196
			PERSONAL SERVICES	16	37	55
			ENTER/REC SERVICES	5	31	36
			MEDICAL SERVICES	89	284	353
			EDUCATION SERVICES	58	264	322
			OTHER PROF SERV	47	185	212
			PUBLIC ADMIN	26	98	125
Total:			541	2195	2736	

RETAIL TRADE w CHILD < 6 (WEST): 22/84=.261904

**APPENDIX E**

**Estimated Development Cost for a 60-Space Child Care Center**

**Example Facility Costs for a New 60-Space Child Care Center  
Vermont/Western Station Neighborhood Area Plan**

			<u>Sources &amp; Notes</u>
<b>Number of Children</b>	60		Literature review
<b>Size of Facility</b>			
Indoor Space (per CCR)	100 s.f. per child	6,000	Literature review
Outdoor Space (per CCR)	75 s.f. per child	4,500	State licensing requirements
<b>Land Required</b>			
Building pad		6,000	Per above
Parking			
# Spaces	12		LADBS Requirements
SF per Space	350 s.f.	4,200	HR&A Estimate
Outdoor Play Area		4,500	Per above
Required Land Area		14,700	
<b>Land Cost</b>	\$110 per s.f.	\$ 1,617,000	HR&A estimate
<b>Hard Cost</b>			
Building Shell (per s.f.)	\$155 per s.f. Bldg.	\$ 930,000	Marshall & Swift
Landscaping and Play Equipt.	\$33 per s.f. Outdoor Space	\$ 148,500	Marshall & Swift
Surface Parking	\$2,500 per Space	\$ 30,000	Marshall & Swift
Furnishings & Equipt.	\$50 per s.f. Bldg.	\$ 300,000	HR&A estimate
Contingency	5%	\$ 70,425	
Total Hard Cost		\$ 1,478,900	
Soft Costs	20% x Hard Costs	\$ 295,800	HR&A estimate
Financing Costs	7.0% x Land + Hard + Soft Costs	\$ 237,400	HR&A estimate
<b>Total Cost</b>		\$ 3,629,100	
per building s.f.		\$ 605	
per child care space		\$ 60,500	

Prepared by: HR&A Advisors, Inc.

**Child Care Center Construction Cost Estimate**

	Gross Bldg. SF	Stories	Factor	Total Cost (2015 \$)	Total Cost Per SF (2015 \$)
Children SF per Child			60		
			100		
<b>Child Care</b>	6,000				
Class D - Excellent			\$156.27 PSF		
Height Increase		1	0.0% Above Three Stories		
Sprinklers - Excellent			\$5.68 PSF		
<b>Total With Adjustment Factors</b>				<b>\$1,115,775</b>	<b>\$186</b>
Reduction to for Certain Soft Costs <sup>1</sup>			-17%	<u>-\$185,962</u>	
<b>Total Hard Costs</b>				<b>\$929,812</b>	<b>\$154.97</b>
<b>Adjustment Factors Included</b>					
Cost Factor			1.00 2/1/2015		
Location Factor			1.19 Los Angeles		
Perimeter Factor			1.00		

<sup>1</sup> Per Marshall & Swift total cost includes: sales taxes, interest on construction financing, permit fees, and average architects' and engineers' fees, which have been deducted to avoid double-counting with the "soft costs" category of the development budget.

Source: Marshall & Swift Commercial Cost Estimator, June 2015; HR&A Advisors, Inc.

## MOTION

In 2001, the City Council approved the Vermont/Western Station Area Neighborhood Plan (SNAP). One of SNAP's goals is to provide sufficient schools, childcare facilities, parks, public pools, soccer fields, open space, libraries and police stations within the Plan Area by the year 2020. In certain SNAP areas, all commercial and mixed use projects, which total 100,000 net square feet or more of non-residential floor area, are required to provide for or include adequate child care facilities to accommodate a project employees' pre-school aged or infant care needs.

SNAP stipulates that such child care facilities may be provided for on- or off-site of a proposed project. Additionally, SNAP provides that an in-lieu cash fee may be considered to meet some or all of the required minimum indoor square footage and play areas necessary for a project development. SNAP mandates that should an applicant request an in-lieu fee, the Board of Recreation and Parks (RAP) Commission determine whether or not accept the fee or require creation or development of a child care facility. While SNAP allows for an in-lieu fee procedure and requires RAP to make final determination, it provides little to no guidance on how RAP is to calculate or determine the efficacy of the in-lieu fee.

The City is currently in the process of working with the first SNAP development, East Hollywood Target, for which the childcare requirements apply. The applicant has requested to make an in-lieu payment. However, because SNAP does not provide a traditional fee formula for calculation of in-lieu fee payments, the applicant has hired its own financial consultant to estimate an appropriate fee. In order for RAP to properly evaluate this fee to make an objective and informed decision as to whether the proposed in-lieu fee adequately qualifies for consideration, it is recommended that an independent, peer review be commissioned to study East Hollywood Target's study.

I THEREFORE MOVE that the City Council authorize and instruct the City Administrative Officer (CAO) to hire a consultant to evaluate the projected childcare needs of the proposed East Hollywood Target development with respect to the requirements of the SNAP; accept up to \$25,000 for the full cost of consultant services from the applicant to evaluate such childcare needs; instruct the City Controller to deposit all funds received as a result of this action in Fund 100, Department 10, Contractual Services Account 3040; and authorize the CAO to make any technical corrections, revisions, or clarifications to the above instructions to effectuate the intent of this action; and

I FURTHER MOVE that the Council REQUEST that the Board of Recreation and Parks (RAP) Commission consider the applicant's proposal at their next regularly scheduled meeting once the peer review is completed and the applicant's development application is complete.

PRESENTED BY:

  
MITCH O'FARRELL  
Councilmember, 13th District

SECONDED BY:



ORIGINAL

MAR 13 2011  


**FINAL MEMORANDUM**

To: Valerie Flores and Kenneth Fong, City Attorney's Office

Cc: Josh Rohmer, Stephanie Magnien Rockwell, Chris Robertson  
City of Los Angeles

From: Economic & Planning Systems, Inc.

Subject: Peer Review of HR&A Estimate of Childcare In-Lieu Payment  
for Target Development; EPS #164005

Date: July 11, 2016

*The Economics of Land Use*



Target Corporation is developing a 186,698-square foot retail center at the corner of Sunset Boulevard and Western Avenue (Project). Rather than providing an onsite childcare facility to meet the childcare needs of project employees, Target Corporation is requesting to make a cash payment in lieu of the childcare facilities requirements. Under the terms of Section G of the Station Neighborhood Area Plan (SNAP), such in-lieu cash payments can be authorized and deposited into a Childcare Trust Fund.

Economic & Planning Systems, Inc., (EPS) was retained by the City of Los Angeles to peer review the September 29, 2015 Report prepared by HR&A for Target Corporation titled "Estimation of a Childcare Facility In-Lieu Fee for the Target Development at Sunset Boulevard and Western Avenue" (HR&A Report or HR&A Analysis). EPS's peer review involved reviewing the HR&A Report, speaking with City staff and the assigned City Attorney to understand the Project background, and discussing key assumptions with the primary author of the HR&A Report.

The HR&A Analysis estimates that: (1) the Project's 250 employees would generate demand for eight childcare spaces (about one space for every 30 employees) and (2) the cost of providing that childcare is approximately \$60,500 per childcare space. This results in an in-lieu payment estimate of \$484,000, or \$2.59 per square foot of Project Floor Area.

HR&A points out that this level of payment per building square foot would be above many citywide childcare in-lieu fees charged by other California jurisdictions, but below that charged by the City of Santa Monica.

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## Findings

Key findings from the peer review include the following:

- 1. The City's policy objectives are an important consideration in determining whether the HR&A Analysis is consistent with the intent of Section G of the SNAP.** Section G of the SNAP states that "all commercial and Mixed-Use Projects, which total 100,000 net square feet or more of nonresidential floor area, shall include childcare facilities to accommodate the childcare needs of the Project employees for pre-school children." It also notes that a cash payment in-lieu of some or all of the minimum indoor square footage and play area required can be authorized. EPS's peer review is grounded in a broad interpretation of the language of Section G and assumes the objective of Section G is to ensure that there will be childcare spaces available for all of the pre-school aged children of the Project's 250 employees who are likely to enroll their child(ren) in some form of non-relative childcare near their place of work. This is a broader interpretation than the one applied by HR&A as discussed in more detail below.
- 2. A "demand-based" analysis represents a reasonable approach to estimating an in-lieu cash payment, although the specific assumptions have significant implications for the end result.** A demand-based analysis varies from the straight-forward application of the stated standard in Section G of the SNAP (1 square foot of childcare space per 50 square feet of Project floor area) in that a demand-based approach seeks to link the characteristics of new development and associated employees to an estimate of childcare need based on a series of specific assumptions about an employee's likelihood of having one or more children under the age of 6 who might choose to enroll in childcare near the employee's place of work. The estimate of childcare need, in turn, is costed for the purpose of identifying an appropriate fee payment. EPS generally concurs that a "demand-based" approach, as proposed by HR&A, represents a reasonable approach to determining the potential in-lieu cash payment. However, assumptions concerning the number of employees, the need for childcare, and the cost of providing a childcare space are critical components of the analysis that require careful consideration.
- 3. Based on a broader interpretation of the policy language, EPS finds that the Project's 250 employees will generate demand for 15 childcare spaces, higher than the 8 spaces estimated in the HR&A Analysis.** The HR&A Analysis follows a logical sequence of steps and calculations to arrive at the projected demand for childcare from the Project's 250 employees. However, there are certain assumptions in the HR&A Analysis that EPS believes collectively result in an underestimate of demand. These include the adjustments made for employee shifts, not considering that a household with a child under the age of 6 might have more than one child under the age of 6, and the interpretation of the Census Bureau's survey of working parents, which is used to estimate the percent of households choosing some form of non-relative childcare. Applying EPS's recommended revisions results in the Project's 250 employees generating demand for 15 childcare spaces (see Figure 1 for comparison of assumptions and steps).

- 4. Using HR&A's approach to estimating the costs of providing a childcare space, the revised childcare need estimate results in an in lieu cash payment ranging from \$907,500 to \$1,213,500.** The HR&A Report prepares a cost estimate that is based on the new development (including land acquisition) of a state-licensed childcare center, which would be more costly to provide than other options (e.g., expanding capacity within an existing facility). In this regard, EPS finds that the HR&A Analysis, and estimate of \$60,500 per childcare space, is conservative.<sup>1</sup> Applying this per childcare space cost estimate to the revised estimate of the need for 15 childcare spaces results in an estimated in-lieu cash payment of \$907,500 (see **Figure 1** for a comparison of key steps). This is about 87.5 percent above the HR&A estimate and represents about \$4.86 per Project Floor Area.

It is important to note that HR&A's cost estimates are based on dynamic data that is subject to change over time based on economic and market conditions. For example, the land acquisition cost estimate used in the HR&A Analysis is \$110 per square foot. This figure is based on sales transactions within 1 mile of the Project site and excludes any unusually high-value transactions located along high-demand corridors. This is an appropriate exclusion given that, unlike retail or other types of commercial space, a child care facility does not require a premium location, and, in fact, due to the economics of developing and operating a child care facility, a child care facility typically cannot afford a premium location.

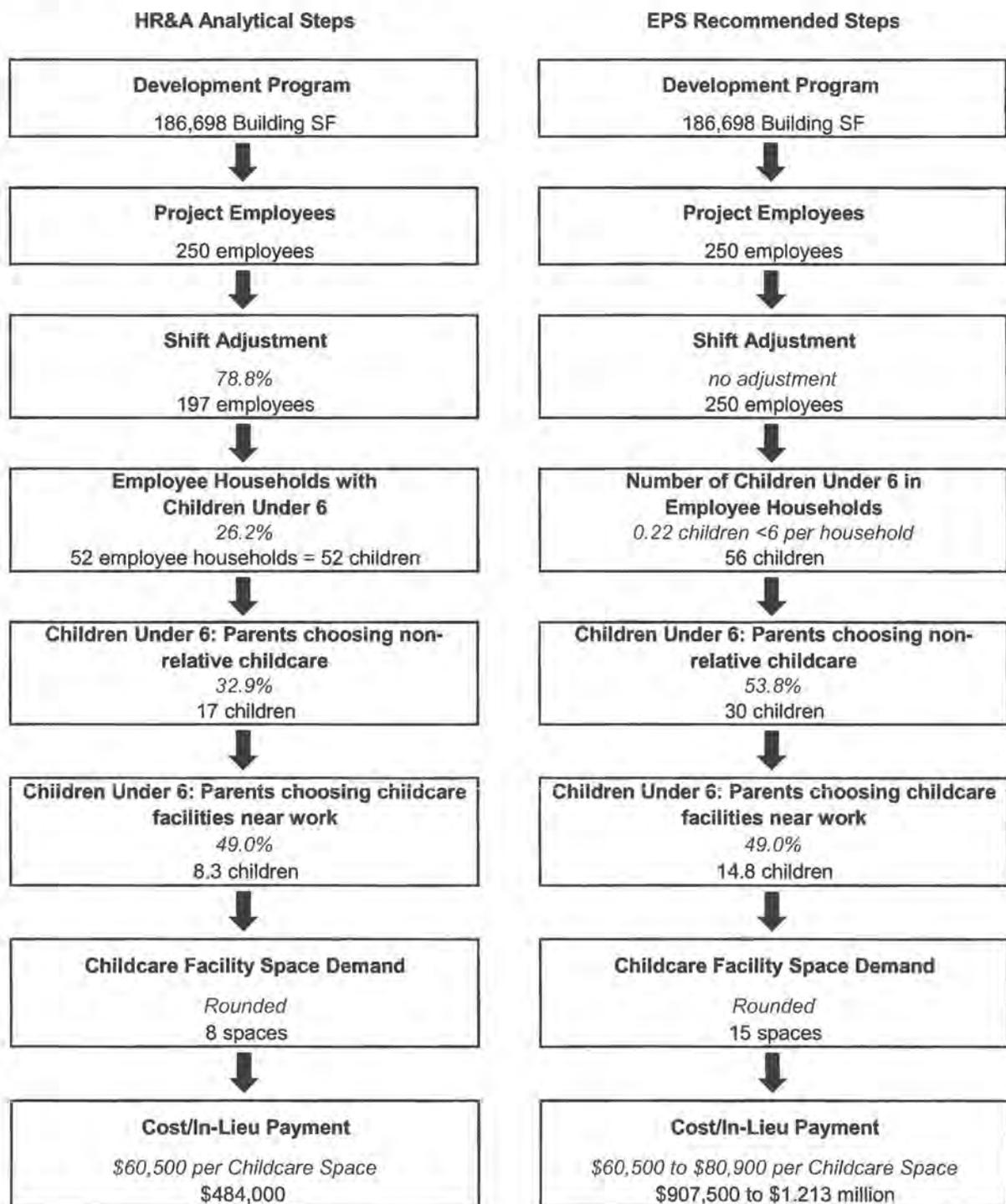
When EPS updated the land acquisition cost research to vet HR&A's estimate, EPS applied the same search criteria (e.g., within 1 mile of the Project site and excluding transactions reflecting premium locations) and found the median price per square foot of land had risen to \$188.<sup>2</sup> Incorporating a land acquisition cost of \$188 per square foot increases the overall cost per child care space to \$80,900 (up from \$60,500) and increases the in lieu cash payment to \$1,213,500 (up from \$907,500). Given the dynamic nature of land values in the area, an in lieu cash payment could reasonably range from \$907,500 to \$1,213,500.

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<sup>1</sup> EPS independently confirmed that the parking assumption reflects the current zoning requirements. In addition, the calculation to estimate the in-lieu cash payment appropriately excludes the 109 square feet for the police substation.

<sup>2</sup> Using CoStar vacant land transaction data, within 1 mile of the Project Site, in June 2016.

**Figure 1 Comparison of HR&A Analytical Steps and EPS Recommended Steps**



## Policy/Study Background

Section G of the SNAP describes the land use regulations associated with the provision of childcare facility requirements. As noted in Section G of the SNAP:

- All commercial and Mixed-Use Projects, which total 100,000 net square feet or more of nonresidential floor area, shall include childcare facilities to accommodate the childcare needs of the Project employees for pre-school children.
- Project employees' childcare needs shall be one square foot of floor area of an indoor childcare facility or facilities, for every 50 square feet of net, usable nonresidential floor area; or to the satisfaction of the Commission for Children, Youth, and their Families<sup>3</sup> consistent with the purpose in Section G.<sup>4</sup>
- The childcare facility may be off-site provided it is within 5,280 feet (one mile) of the Project.
- At the Applicant's request, the Commission for Children, Youth, and their Families<sup>5</sup> may authorize a cash payment in-lieu of some or all of the minimum indoor square footage and play area required. In-lieu cash payments for indoor childcare space and outdoor play areas shall be deposited in the City's Childcare Trust Fund.
- The SNAP does specify how the revenue from an in-lieu fee should be spent, but Administrative Code Sec. 5.530. pertains to the Vermont/Western Station Neighborhood Area Plan Childcare Trust Fund (Fund) and indicates that the purpose of the Fund is for the creation or development of Childcare programs or facilities and that funds "shall be expended only for the purpose of acquiring facilities, developing, improving and operating Childcare programs physically located within the boundaries of the Vermont/Western Station Neighborhood Area Specific Plan Area, and providing financial assistance with childcare payments to qualifying parents in the area, as determined by the Department."

## Step-by-Step Demand Analysis Comments and Recommendations

On behalf of Target Corporation, HR&A has proposed a "demand-based" methodology for estimating the appropriate in-lieu cash payment. HR&A suggests this methodology is more appropriate as it can be tailored to the specifics of the Project. This methodology seeks to estimate the number of pre-school aged children associated with Project employees who will require childcare based on a series of analytical assumptions. Important to understanding the HR&A Analysis, HR&A's methodology assumes that the goal of the City's policy is to provide

<sup>3</sup> As noted by HR&A, the City's Department of Parks and Recreation and the Parks and Recreation Commission now have jurisdiction over implementation of the SNAP childcare facility requirement, and the Childcare Trust Fund into which in-lieu cash payments would be deposited.

<sup>4</sup> On page 6 of the HR&A Report, a childcare facility need calculation is provided based on the ratio stated in Section G of the SNAP (1 square foot of childcare facility per 50 square feet of net useable Project floor area). While EPS recognizes that this is not the approach used to calculate the in-lieu payment, it is our presumption that the "existing" square footage of 59,561 should not be deducted as the SNAP language refers to "net useable" rather than "net new usable."

<sup>5</sup> See Note #2 above.

childcare for those Project employees who would be interested in childcare in licensed childcare facilities near their place of work that operate during common childcare facility hours (i.e., approximately 8 a.m. to 5 or 6 p.m.). This methodology also uses childcare provision cost estimates associated with construction of a new licensed facility as opposed to other less costly alternatives. Finally, this “demand-based approach” leads to a different effective standard in terms of the ratio between square feet of childcare facility provision and the net square feet of the Project. Each step is described below and summarized in **Table 1**.

**Step 1** begins with the source of the demand, the 250 on-site Project employees. This figure includes the employees of the Target store as well as the ancillary retail and is well-established in the Project EIR.

**Step 2** refines the Project employment estimate, in an effort to identify just those employees who would be working during the daytime hours (i.e., those hours that a childcare facility typically would be open). As described below, EPS believes that the reduction that occurs later in Step 4 accounts for the fact that not all Project employees with pre-school aged children will avail themselves of childcare and, thus, renders Step 2 redundant. There are a number of reasons an employee with a young child may not choose to enroll that child in childcare, including the potential availability of another parent or a relative to care for the child, the lack of affordable options in a convenient location, or the incompatibility of the employee’s work/shift logistics and available childcare options. We believe these considerations are valid and that they are accounted for in Step 4. Therefore, we do not recommend discounting the number of employees based on potential shift assignments in Step 2.

Related to Step 2, which refines the Project employment estimate, it may be that there is some potential that 250 employees equals something less than 250 households. For example, there may be potential for same-store colleagues to form a family/household, which would reduce the demand for childcare from Project employees. HR&A conservatively assumes that each employee is equal to a unique household. Without detailed information from Target about their workforce and household formation, EPS cannot recommend an appropriate discount factor.

**Step 3** identifies the percent of Project employees with children under the age of 6 using specific characteristics of employees in the “Retail Trade” living in the “West” region. While this data (see Appendix D of the HR&A Report) identifies 22 households (out of a sample of 84 households) with “any child” under the age of 6 in the household, the data does not appear to account for the possibility of there being more than one child under the age of 6 in the household.

Using Census data, it is possible to calculate the average number of children under the age of 6 per household (see Census tables S1101 and S0901, 2010-2014 ACS, 5-Year Estimates for the City of Los Angeles.) A review of the data on these tables suggests that there are an average of 0.22 children under the age of 6 in the City’s households, as shown on **Table 2**. This analysis is not specific to the retail industry, rather it reflects the Citywide average, but it more accurately estimates the number of *children* under the age of 6 (as opposed to the number of *households* with at least one child under the age of 6).

**Table 1 Step-by-Step Comments on HR&A Demand Analysis**

Step Reference Number	Step Description	Assumption Used by HR&A	Result	Source	EPS Comment
1	Number of employees	250		Project EIR (Approved)	1) No comment.
2	Discount employees to reflect those working daytime shifts	78.8%	197.1	National Study of the Changing Workforce Survey Data	1) Allowance for employees who will not choose child care is already reflected in Step 4. 2) Advise not to discount 250 employee count.
3	Percent of Project employees with children under the age of 6	26.2%	52.0	National Study of the Changing Workforce Survey Data	1) Source estimates the percent of households with one or more children under the age of 6 but does not necessarily provide an estimate of the number of children. 2) Advise using Census data to more accurately estimate the total number of pre-school aged children in the City's households.
4	Percent of Project employees with pre-school aged children choosing child care facilities	32.9%	17.1	Census Bureau's survey of child care arrangements among working parents	1) Important to note that current choices may not reflect preferred choices, if options were expanded and improved. 2) Sample should reflect just those children in a "regular arrangement" which reduces the sample and increases the percent of employees choosing childcare.
5	Percent of Project employees with pre-school aged children choosing child care facilities near place of work	49.0%	8.4	Average of 23% (West Hollywood nexus study survey) and 75% (literature review conducted for Santa Monica)	1) In EPS experience, this assumption tends to vary the most. Given that neither source is perfectly applicable to this Project, taking the average is reasonable.
<b>Total Number of Child Care Spaces Required</b>			<b>8</b>		1) Advise rounding up when estimating the number of children.

**Table 2 Average Number of Children under the Age of 6 per Household**

Category	Percent	Number
Children under 18 in Households		854,900
under 6 years	34.9%	298,360
6 to 11 years	32.3%	276,133
12 to 17 years	32.8%	280,407
Total Households		1,329,372
Number of Children under 6 Years per Household		0.22

Source: 2010-2014 American Community Survey 5-Year Estimates, Tables S1101 and S0901.

It is worth noting that the demand analysis in the HR&A Report is not structured in a way that is specific to the ages of the children. This is appropriate given the data sources used by HR&A; however, estimating the number of children within typical age cohorts of pre-school aged children (i.e., under 1, 1 to 2, and 3 to 5) would allow for a more nuanced analysis of the childcare preferences of the Project's employees. For example, parents make different childcare choices and have different locational preferences for their infant children than they do for their 4- and 5-year old children. In addition, many 5-year olds are enrolled in kindergarten and, therefore, do not need the type of childcare arrangements accounted for in this Study. An age-specific analysis allows just a subset (typically 50 percent) of 5-year olds to be included. The HR&A analysis is conservative in the sense that it includes all 5-year old children. Without additional research, EPS cannot say definitively whether an age-specific approach would increase or decrease the number of required childcare spaces. Revised, age-specific assumptions could end up off-setting one another.

**Step 4** establishes the percent of Project employees with pre-school aged children who are likely to choose childcare facilities, rather than care by a parent or a relative. This is an appropriate cut, and HR&A uses a well-researched and reliable data source. However, while the HR&A Report assumes that 32.9 percent of households with pre-school aged children will choose "non-relative" care based on Table 1 on page 2 of "Who's Minding the Kids? Childcare Arrangements," issued April 2013 by the U.S. Census Bureau, EPS believes the ratio should be based on the sample of children who are in a "regular arrangement," which is defined as an arrangement that is used at least once a week. It seems that a Project employee with a regular work schedule with one or more children under the age of 6 would fall into the category of needing a "regular arrangement." This assumption reduces the sample from 20,404 to 12,499, resulting in a revised assumption that 53.8 percent of households with pre-school aged children will choose "non-relative" care.

As noted above in Step 2, EPS also believes that the selected percentage should be applied to an employee count that has not been reduced on account of potential work shift. This is because the percentage of Project employees with pre-school aged children who are likely to choose childcare facilities rather than care by a parent or a relative reflects that not all Project employees will be able to (or choose to) take advantage of available childcare options, perhaps because of their work shift.

In **Step 5**, the number of children requiring childcare is further reduced to account for the percent of Project employees who would choose childcare facilities near their place of work as opposed to near their home. EPS is familiar with the range of assumptions quoted in the HR&A Report, noting that the assumption regarding the choice to use childcare near place of work varies across other studies from between 23 percent to 75 percent. The HR&A Report uses the average of the two assumptions, 49 percent. While not based on technical analysis, EPS finds this to be a reasonable assumption given that the West Hollywood survey (the basis of the 23 percent assumption) is potentially outdated (1989) and more heavily weighted to office workers than retail workers and the national study (the basis of the 75 percent assumption), while often referenced in childcare nexus studies is not available for a closer review. EPS concurs with HR&A that since neither source is perfect, taking the average of the two is reasonable.

## Results of EPS Recommendations

The recommendations summarized above result in demand for 15 childcare spaces based on a Project employee count of 250. The steps are shown below in **Table 3**.

At a cost of \$60,500 per childcare space, 15 childcare spaces represents a total cost of \$907,500 or a per Project floor area square foot cost of \$4.86. This is higher than the adopted in lieu fees of many other cities, yet approximately consistent with the City of Santa Monica's in lieu fee. At a cost of \$80,900 per childcare space, 15 childcare spaces represents a total cost of \$1,213,500 or a per Project floor area square foot cost of \$6.50, well above the highest adopted in lieu fees studied.

**Table 3 EPS Refined Demand Analysis**

Step Reference Number	Step Description	Assumption Used by HR&A	Result	Source
1	Number of employees	250		Project EIR (Approved)
2	Discount employees to reflect those working daytime shifts	100.0%	250.0 employees	
3	Number of children under the age of 6 per household	0.22	56.1 children < age 6	Census, ACS 2010-2014, See Table 2
4	Percent of Project employees with pre-school aged children choosing child care facilities	53.8%	30.2 children < age 6 needing non-relative child care	Census Bureau's survey of child care arrangements among working parents; Uses sample of children in a "regular childcare arrangement"
5	Percent of Project employees with pre-school aged children choosing child care facilities near place of work	49.0%	14.8 children < age 6 needing non-relative child care, near employee's place of work	Average of 23% (West Hollywood nexus study survey) and 75% (literature review conducted for Santa Monica)
<b>Total Number of Child Care Spaces Required</b>			<b>15</b>	

**BOARD REPORT**

NO. 16-208

DATE September 21, 2016

C.D. 13

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: TARGET RETAIL CENTER PROJECT - CHILD CARE FACILITY REQUIREMENTS PURSUANT TO SECTION 6.G OF THE VERMONT/WESTERN TRANSIT ORIENTED DISTRICT SPECIFIC PLAN/STATION NEIGHBORHOOD AREA PLAN - REQUEST FOR IN-LIEU CHILD CARE FEE PAYMENT PURSUANT TO SECTION 6.G.4 OF THE VERMONT/WESTERN TRANSIT ORIENTED DISTRICT SPECIFIC PLAN/STATION NEIGHBORHOOD AREA PLAN

<i>for</i>	AP Diaz _____	V. Israel _____
	*R. Barajas <u>CSD</u>	K. Regan _____
	H. Fujita _____	N. Williams _____

  
\_\_\_\_\_  
General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATIONS

1. Authorize a cash payment in-lieu of the child care facilities otherwise required to be provided by the Target Retail Center Project (Project) pursuant to Section G of the Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan Specific Plan;
2. Approve a proposed in-lieu fee payment of One Million Two Hundred Thirteen Thousand Five Hundred Dollars (\$1,213,500.00) by the Project;
3. Authorize the Department of Recreation and Parks' (RAP) Chief Accounting Employee to deposit the in-lieu fee payment into the Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund (Fund 52T);
4. Find that the creation and appropriation of the in-lieu cash payment is not subject to the requirements of the California Environmental Quality Act (CEQA) as a project; and,
5. Authorize the RAP Chief Accounting Employee to make technical corrections as necessary to carry out the intent of this Report.
6. Direct Staff to return to the Board of Recreation and Park Commissioners (Board) with an expenditure plan for the use of the funds in the Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund (Fund 52T).

## BOARD REPORT

PG. 2 NO. 16-208

### SUMMARY

The Target Retail Center Project (Project) is a new multi-tenant commercial retail building proposed to be developed on a 168,869 square-foot lot located at 5500 West Sunset Boulevard, in the East Hollywood community of the City. The Project scope includes the demolition of 59,561 square feet of single-story buildings, electrical substation, and surface parking lot existing at this site and the construction of a three level retail shopping center of 194,749 gross square feet, which would consist of an approximately 163,862 square foot Target store along with 30,887 square feet of other smaller retail and food uses.

The Project is located within the Hollywood Community Plan and within Subarea F of the Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan Specific Plan (SNAP).

The Project was considered by the City Planning Commission on November 12, 2015 (CPC-2015-74-GPA-SP-CUB-SPP-SPR) and was approved by the Los Angeles City Council on June 24, 2016 (Council File No. 16-0033).

Condition No. 47 of the Project's Conditions of Approval, as approved by the Los Angeles City Council, is as follows:

**Childcare Facility Requirements.** Prior to the issuance of a Certificate of Occupancy for the project, for every 50 square feet of net, usable, non-residential floor area, the project shall provide one square foot of Childcare Facility, plus Ground Floor Play Area, pursuant to Section G of the Station Neighborhood Area Plan (SNAP). A 3,895 square-foot indoor Childcare Facility, plus the required amount of Ground Floor Play Area, shall be required. At the Applicant's request, the Board of Recreation and Parks Commission may authorize a cash payment in lieu of some or all of the minimum indoor square footage and play area required in Subsection 6.G. Should the applicant request to utilize the in lieu fee option, the applicant shall be required to pay the City the full cost of consultant services to evaluate the project childcare needs of the proposed project. In lieu cash payments for indoor child care space and outdoor play areas shall be deposited in the City's Child Care Trust Fund, as stipulated by the SNAP.

Note that the Childcare Facility is meant to accommodate the child care needs of the Project employees for pre-school children, including infants, and not for customers or the general public.

### Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan (SNAP)

The SNAP was established in 2001 and covers an approximately 2.2 square mile area within the Hollywood and Wilshire communities. The SNAP was created for the purpose of making the neighborhood more livable, economically viable, and pedestrian and transit friendly.

## BOARD REPORT

PG. 3 NO. 16-208

The SNAP is a part of the City's General Plan and contains both land use regulations and project development guidelines and standards. In general, projects located within the SNAP are required to comply with applicable provisions of the SNAP, unless otherwise granted an exception from a SNAP provision by the City Planning Commission and/or the Los Angeles City Council.

The Department of Recreation and Parks (RAP) currently has jurisdiction over three public parks within the boundaries of the SNAP:

**Barnsdall Park.** A 14.59 acre community park, located at 4800 Hollywood Boulevard, which features the Barnsdall Art Center, Junior Arts Center, Municipal Art Gallery, Galley Theater, and the Hollyhock House.

**Madison West Park.** A 0.52 acre neighborhood park, located at 464 North Madison Avenue, which features a children's play area, covered picnic tables, and a small open field.

**1171-1177 Madison Avenue.** A 0.56 acre neighborhood park, located at 1171-1177 Madison Avenue, which is currently undeveloped but is proposed to be developed with a community garden and a public park.

### Vermont/Western Transit Oriented District Specific Plan/SNAP Childcare Facility Requirements

SNAP Section 6.G requires all commercial and mixed-use projects located in Subareas B, C, D, and F of the SNAP with One Hundred Thousand (100,000) net square feet or more of non-residential floor area to include child care facilities to accommodate the child care needs of project employees for pre-school children, including infants.

SNAP Section 6.G.2 requires that the child care facility be used for that purpose for the life of the project, and that the child care facility be located on the ground floor of a project unless otherwise permitted by State Law.

SNAP Section 6.G.3 permits the child care facility to be located off-site of a project, provided that it is located within 5,280 feet (one mile) of a project.

Condition No. 47 of the Project's Conditions of Approval, as approved by the Los Angeles City Council, allows the Project's applicant to request that RAP authorize a cash payment in-lieu of some or all of the minimum indoor square footage and play area required to be provided pursuant to SNAP. It should be noted that RAP is not required to approve an applicant's request, and RAP's denial of a request would not relieve or eliminate a the Project's child care facility requirements under SNAP.

SNAP Section 6.G.7 requires any project that is to provide a child care facility pursuant to SNAP to submit an annual report to RAP documenting the annual number of children served by their child care facility. It also states that RAP is responsible for monitoring a project's compliance with SNAP Section 6.G and that the Department of Building and Safety is responsible for enforcing a project's compliance with those requirements.

## BOARD REPORT

PG. 4 NO. 16-208

### Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund

Los Angeles Administrative Code Section 5.530 requires that any in-lieu fees collected pursuant to SNAP Section 6.G.4 be deposited into Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund (Child Care Trust Fund). Any funds deposited into the Child Care Trust Fund are to be administered and managed by RAP, with the concurrence of the President of the City Council.

Pursuant to Los Angeles Administrative Code Section 5.530 C, these in-lieu fees can only be expended for the purpose of (1) acquiring facilities, developing, improving, and operating child care programs physically located within the boundaries of the SNAP, and (2) providing financial assistance with child care payments to qualified parents in the area, as determined by RAP. RAP is authorized to make expenditures from the Child Care Trust Fund with the concurrence of the President of the City Council, and in accordance with the guidelines of SNAP. Additionally, RAP is required to publically report on the status of the Child Care Trust Fund, including details on all receipts and expenditures of the Child Care Trust Fund and of the status of projects funded by the Child Care Trust Fund, within 180 days after the end of each Fiscal Year.

The balance of the Child Care Trust Fund (Fund 52T) is, as of July 14, 2016, Five Hundred Eighty-Five Thousand, Three Hundred Seventy-Nine Dollars (\$585,379.00).

### Proposed In-Lieu Fee

On October 30, 2015, representatives of Target Corporation sent a letter to the Board of Recreation and Park Commissioners (Board) formally requesting that the Board authorize the payment of a fee in-lieu of the otherwise required childcare facilities.

As previously noted, SNAP allows for an in-lieu fee payment and requires RAP to make a final determination if an in-lieu fee payment is requested by a project applicant. However, SNAP does not provide a traditional fee formula for the calculation of in-lieu fee payments and SNAP provides no guidance on how RAP is to calculate or determine the efficacy of the in-lieu fee.

In order for the Board to authorize a cash payment in-lieu of some or all of the indoor childcare facility and outdoor play area space required to be provided pursuant to SNAP Section 6.G, the Board would need to determine and adopt an in-lieu fee. In order to do so, the Board would need to demonstrate that the proposed in-lieu fees are roughly proportional to the level of impact created by the project and find that there is an essential nexus between a project and the impact on the need for child care facilities.

**HR&A Report.** HR&A Advisors, Inc. (HR&A) was retained by Target Corporation to devise an in-lieu fee formula that could be applied to the Project based on HR&A's experience preparing and reviewing a variety of development impact fees, including child care requirements and fees, and HR&A's familiarity with nexus studies prepared by certain other jurisdictions in California that impose similar child care facility requirements on new developments. HR&A, using a series of calculation factors derived from available surveys of employees and their child care preferences, and "nexus" studies prepared to support related child care requirements in the City of West Hollywood, City and County

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of San Francisco, and the City of Santa Monica, determined that the Project's Two Hundred and Fifty (250) employees would generate a demand for eight (8) spaces for pre-school age children. The HR&A Report estimated that the total cost to develop a new 60-space child care center within the SNAP boundaries, inclusive of land acquisitions costs, is Three Million, Six Hundred Twenty-Nine Thousand, One Hundred Dollars (\$3,629,100.00), or about Sixty Thousand, Five Hundred Dollars (\$60,500.00) per space.

In summary, the HR&A Report recommended total in-lieu fee of Four Hundred Eighty-Four Thousand Dollars (\$484,000.00). This recommended fee was derived by multiplying the per space cost of Sixty Thousand, Five Hundred Dollars (\$60,500.00) by the estimated Project generated demand for eight (8) new child care spaces near where Project employees work.

On March 22, 2016, the City Council approved a motion authorizing and instructing the City Administrative Officer to hire a consultant to evaluate the projected childcare needs of the Project with respect to the requirements of the SNAP, and requesting the Board of Recreation and Parks Commissioners to consider the Project at the Board's next regularly scheduled meeting once the evaluation is completed (Council File No. 16-0033-S1).

**EPS Study.** Economic & Planning Systems, Inc., (EPS) was retained by the City to peer review the HR&A Report. EPS's peer review involved reviewing the HR&A Report, and speaking with City staff and the assigned City Attorney to understand the Project background, and discussing key assumptions with the primary author of the HR&A Report. The EPS Study found that the Project's Two Hundred and Fifty (250) employees would generate a demand for fifteen (15) new spaces for pre-school age children, compared to the eight (8) spaces estimated in the HR&A Report. Additionally, the EPS Study noted that the cost estimates found in the HR&A Report for the acquisition and development of a new state-licensed childcare center were based on dynamic data that is subject to change over time based on economic and market conditions. The EPS Study provided updated land acquisition cost data that found that the median price per square foot for land in the area of the Project had risen since the time the HR&A Report was completed. The EPS Study found that this identified increase in land acquisition costs would potentially increase the overall cost to develop a child care center from Sixty Thousand, Five Hundred Dollars (\$60,500.00), as stated by the HR&A Report, to about Eighty Thousand, Nine Hundred Dollars (\$80,900.00) per space.

In summary, the EPS Study recommended that a total in-lieu fee range between Nine Hundred Seven Thousand, Five Hundred Dollars (\$907,500.00) and One Million, Two Hundred Thirteen Thousand, Five Hundred Dollars (\$1,213,500.00). This recommended fee range was derived by multiplying the per space cost of between Sixty Thousand, Five Hundred Dollars (\$60,500.00) to Eighty Thousand, Nine Hundred Dollars (\$80,900.00) by the estimated Project generated demand for fifteen (15) new child care spaces near where Project employees work.

RAP Staff recommends that, if the Board authorizes a cash payment in-lieu of the child care facilities otherwise required to be provided by the Project, the Board approve a proposed in-lieu

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fee of One Million, Two Hundred Thirteen Thousand, Five Hundred Dollars (\$1,213,500.00) since that fee amount, as determined by the EPS Study, is most reflective of the current costs to fully develop a child care center within the SNAP boundaries.

### Expenditure Plan

As previously noted, any in-lieu fees collected pursuant to SNAP Section 6.G.4 are deposited into the Child Care Trust Fund and can only be expended for the purpose of (1) acquiring facilities, developing, improving, and operating child care programs physically located within the boundaries of the SNAP, or (2) providing financial assistance with child care payments to qualified parents in the area.

Upon approval of this report, RAP Staff will, in coordination with Council District 13, work to develop an appropriate expenditure plan to utilize the funds in accordance with the guidelines of SNAP and the requirements of Los Angeles Administrative Code Section 5.530. Once the expenditure plan is developed, RAP Staff will return to the Board with a subsequent report with recommendation(s) for the use of the in-lieu fees.

### ENVIRONMENTAL IMPACT STATEMENT

RAP Staff has determined that creation and appropriation of the in-lieu cash payment is strictly a funding mechanism for the provision of childcare services required as a condition of the Target Development, which does not involve any commitment to any specific childcare project that may result in a potentially significant physical impact on the environment. Therefore, the in-lieu cash payment is not project subject to the California Environmental Quality Act (CEQA) pursuant to Section 15378 (b)(4) of the State CEQA Guidelines. Once a project has been developed for providing the required childcare services, appropriate CEQA compliance will be conducted for approval of the project.

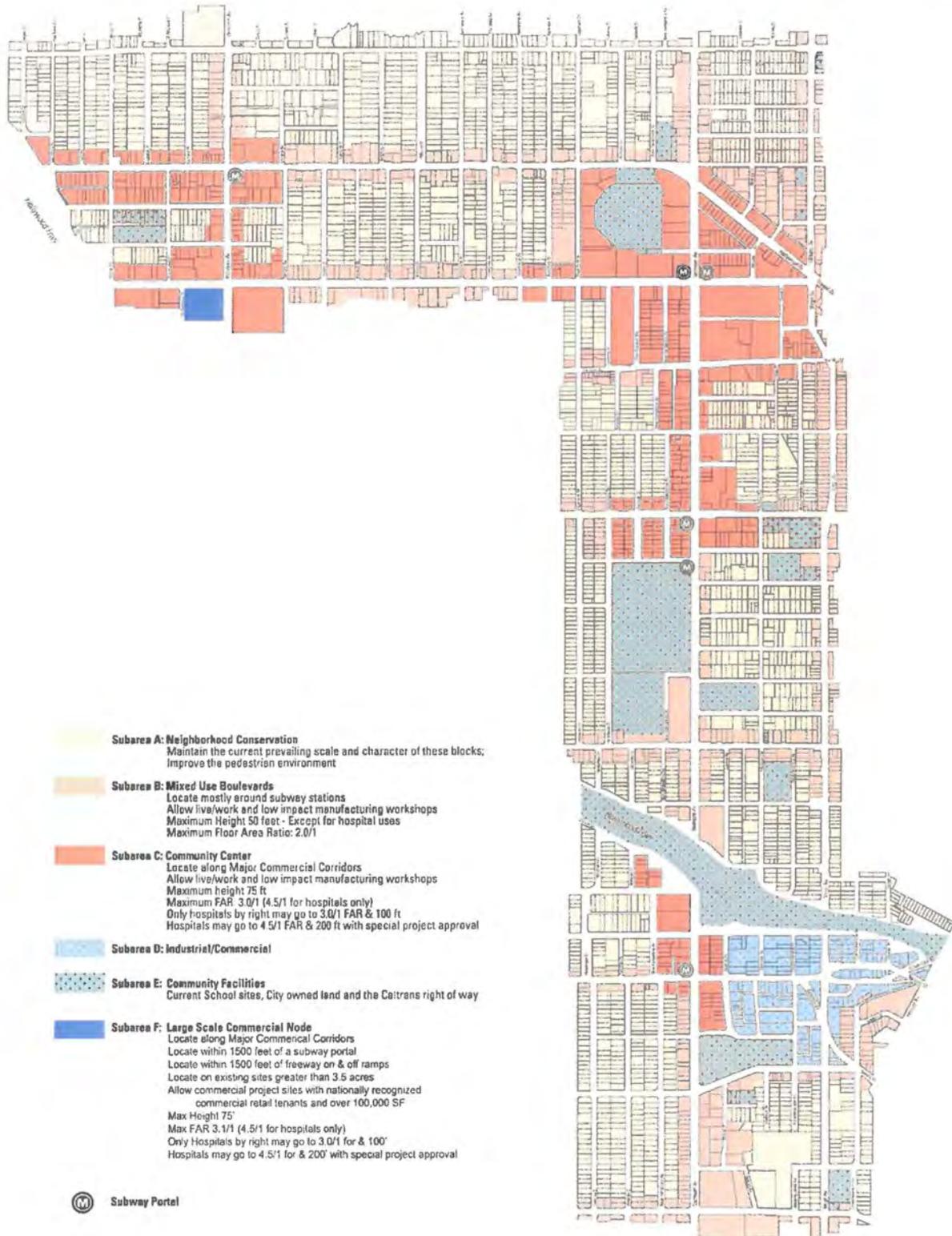
### FISCAL IMPACT STATEMENT

Adoption of this report will have a minor fiscal impact on RAP due to the annual reporting requirements required pursuant to the requirements of Los Angeles Administrative Code Section 5.530 and California Government Code Section 66000, *et seq.*

This Report was prepared by Darryl Ford, Senior Management Analyst I, Planning, Construction, and Maintenance Branch.

### LIST OF ATTACHMENTS

1. Map of the SNAP Boundaries
2. Letter from Representative of Target Corporation Requesting to Pay an In-Lieu Fee
3. HR&A's Report, "Estimation of a Child Care Facility In-Lieu Fee for the Target Development at Sunset Boulevard and Western Avenue", dated September 29, 2015
4. City Council Motion Requesting that the Board consider Target's In-Lieu Fee Proposal
5. EPS Peer Review Study, "Peer Review of HR&A Estimate of Childcare In-Lieu Payment for Target Development", dated June 20, 2016



- Subarea A: Neighborhood Conservation**  
 Maintain the current prevailing scale and character of these blocks;  
 Improve the pedestrian environment
  - Subarea B: Mixed Use Boulevards**  
 Locate mostly around subway stations  
 Allow live/work and low impact manufacturing workshops  
 Maximum Height 50 feet - Except for hospital uses  
 Maximum Floor Area Ratio: 2.0/1
  - Subarea C: Community Center**  
 Locate along Major Commercial Corridors  
 Allow live/work and low impact manufacturing workshops  
 Maximum height 75 ft  
 Maximum FAR: 3.0/1 (4.5/1 for hospitals only)  
 Only hospitals by right may go to 3.0/1 FAR & 100 ft  
 Hospitals may go to 4.5/1 FAR & 200 ft with special project approval
  - Subarea D: Industrial/Commercial**
  - Subarea E: Community Facilities**  
 Current School sites, City owned land and the Caltrans right of way
  - Subarea F: Large Scale Commercial Node**  
 Locate along Major Commercial Corridors  
 Locate within 1500 feet of a subway portal  
 Locate within 1500 feet of freeway on & off ramps  
 Locate on existing sites greater than 3.5 acres  
 Allow commercial project sites with nationally recognized  
 commercial retail tenants and over 100,000 SF  
 Max Height 75'  
 Max FAR 3.1/1 (4.5/1 for hospitals only)  
 Only Hospitals by right may go to 3.0/1 for & 100'  
 Hospitals may go to 4.5/1 for & 200' with special project approval
- (M)** Subway Portal

Map I  
**Vermont/Western Transit Oriented District Specific Plan**  
 (Station Neighborhood Area Plan)





October 30, 2015

**By U.S. Mail and E-mail: rap.commissioners@lacity.org**

Board of Recreation and Park Commissioners  
 Los Angeles City Recreation and Parks Department  
 Office of Board of Commissioners  
 P.O. Box 86328  
 Los Angeles, CA 90086-0328

**Re: Target Project at Sunset and Western  
 Vermont/Western Transit Oriented District Specific Plan  
 /Station Neighborhood Area Plan (SNAP)  
Planning Case No. CPC-2015-74-GPA-SP-CUB-SPP-SPR**

Honorable President Patsouras and Members of the Board:

This firm represents Target Corporation, applicant for the above-entitled project. Pursuant to the specific plan ("SNAP"), Target requests that it be allowed to make a cash payment in lieu of all of the otherwise required childcare facilities.

I understand that your Board will consider a specific amount for the cash payment soon, probably at its January 6, 2016 meeting. Target supports the amount recommended by the consultant's report (i.e., \$484,000). Representatives of Target will attend the hearing to answer any questions you may have.

Thank you for your consideration.

Very truly yours,

Richard A. Schulman  
**HECHT SOLBERG ROBINSON GOLDBERG & BAGLEY LLP**

RAS:cas

cc: Darryl Ford, City of Los Angeles Department of Recreation and Parks: Planning,  
 Construction, and Maintenance Branch (by e-mail: [darryl.ford@lacity.org](mailto:darryl.ford@lacity.org))  
 Client (by e-mail)  
 Doug Couper, Greenberg Farrow (by e-mail)  
 Paul Silvern, HR&A (by e-mail)



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**Estimation of a Child Care Facility In-Lieu Fee  
for the Target Development at Sunset Boulevard and Western Avenue**

**September 29, 2015**

**Prepared for:**  
Target Corporation  
1000 Nicollet Mall  
Minneapolis, MN 55403

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D. Estimated Development Costs for a 60-Space Child Care Center

## I. Executive Summary

This report presents recommendations for establishing the amount of a child care facility in-lieu fee applicable to a new three-level, 186,698 square feet<sup>1</sup> shopping center shopping center proposed by Target Corporation (“Project”), at Sunset Boulevard and Western Avenue in the Hollywood area of the City of Los Angeles (“City”). The in-lieu fee is an elective option to provision of child care facilities under the Vermont/Western Transit Oriented District Specific Plan and its Station Neighborhood Area Plan (SNAP). However, these regulations do not specify a fee amount or formula. At the request of Target Corporation, HR&A Advisors, Inc. (HR&A) was retained to develop an appropriate in-lieu fee formula that could be applied to the development, based on HR&A’s extensive experience preparing and reviewing a variety of development impact fees, including child care requirements and fees, and HR&A’s familiarity with nexus studies prepared by certain other jurisdictions in California that impose similar child care facility requirements on new development, typically on a jurisdiction-wide basis. A previous version of the in-lieu fee approach recommended in this report was originally prepared in 2013 and reviewed by staff of the City’s Parks and Recreation Department, which has jurisdiction over implementation of the child care facility requirement, and by the office of the City Attorney. The fee calculation approach and resulting fee amount presented in this report reflect comments from City reviewers of the 2013 analysis. Further review and final approval of the in-lieu fee calculation approach and fee amount applicable to the Target project will be provided by the City’s Parks and Recreation Commission.

As presented in this report, the language of the SNAP child care facility requirement did not provide a reasonable basis for deriving an in-lieu fee to “accommodate the child care needs of Project employee pre-school age (including infants) children.” Its indoor child care facility floor area requirement is not supported by any known analysis, and it did not reflect the many child care facility options available to Project employees who elect to place their pre-school age children in child care near the Project site, rather than in or near their place of residence.

Using, instead, a series of calculation factors derived from available surveys of employees and their child care preferences, and “nexus” studies prepared to support related child care requirements in West Hollywood, City and County of San Francisco and Santa Monica, it was determined that Project employees would generate a demand for eight spaces for pre-school age children, or 44 percent of the number of child care spaces based on the limited SNAP calculation factors. This employee demand estimate reflects consideration of:

- ✓ The percentage of Project’s 250 employees who also work daytime shifts that coincide with the hours that child care facilities are typically open for business;
- ✓ The percentage of the Project’s employees working daytime shifts who have pre-school age children;
- ✓ The percentage of Project employee parents/guardians who are likely to prefer to use child care facilities or rely on other non-relative care for child care services, as opposed to other available forms of child care; and
- ✓ The percentage of those Project employee parents/guardians who prefer to utilize child care facilities located close to where they work, as opposed to where they reside.

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<sup>1</sup> Throughout this Report, all Project-related floor areas are based on the definition of “floor area” in the Los Angeles Municipal Code (LAMC), as measured by the Project’s architect, unless noted otherwise.

HR&A estimates that the cost to develop a child care space in a new Child Care Center is about \$60,500. This cost, combined with the estimate that Project will generate demand for eight new child care spaces near where Project employees work, constitutes the basis for a total in-lieu fee of \$484,000, or \$2.59 per square foot of Project floor area.

### **Recommendation**

Inasmuch as: (1) the SNAP did not provide an appropriate calculation basis for developing an in-lieu fee; and (2) an in-lieu child care could, instead, be based on a combination of employee parent demand for child care near the employee parents' place of work, and the cost of providing that demand in appropriate child care facilities; and (3) combining Project-specific child care demand factors and an average cost per child care space in a new Child Care Center, we recommend that the child care in-lieu fee applicable to the Project's floor area be set at **\$484,000, or \$2.59 per square foot** of Project floor area. Target's share of the fee in this case would be \$407,619, based on its share of total Project floor area, and the remaining \$76,381 would be allocated to the floor area occupied by the Project's other miscellaneous retail tenants, but not including the 109 square feet of Project floor area for a Police Department substation.

The recommended in-lieu fee is about two and one-half times the in-lieu fee charged by most California jurisdictions for this purpose (i.e., about \$1.00 per square foot or less).

## II. Purpose and Scope of the Analysis

### A. Introduction

This report presents recommendations for establishing the amount of a child care facility in-lieu fee applicable to a shopping center proposed by Target Corporation, with 186,698 square feet of floor area, for a site in the Hollywood area of the City of Los Angeles ("City"). The in-lieu fee is an elective option to provision of child care facilities under applicable City land use regulations governing the development. However, these regulations do not specify a fee amount or formula. At the request of Target Corporation, HR&A Advisors, Inc. (HR&A) was retained to develop an appropriate in-lieu fee formula that could be applied to the development, based on HR&A's extensive experience preparing and reviewing a variety of development impact fees, including child care requirements and fees, and HR&A's familiarity with nexus studies prepared by certain other jurisdictions in California that impose similar child care facility requirements on new development, typically on a jurisdiction-wide basis. A summary of HR&A's qualifications is included in Appendix A. A previous version of the in-lieu fee approach recommended in this report was originally prepared in 2013 and reviewed by staff of the City's Parks and Recreation Department, which has jurisdiction over implementation of the child care facility requirement, and by the office of the City Attorney. The fee calculation approach and resulting fee amount presented in this report reflect comments from City reviewers of the 2013 analysis. Further review and final approval of the in-lieu fee calculation approach and fee amount applicable to the Target project will be provided by the City's Parks and Recreation Commission.

### B. Description of the Hollywood Target Development<sup>2</sup>

The Target development at Sunset Boulevard and Western Avenue is a new three-level shopping center with 186,698 square feet of floor area on a 3.9-acre rectangular site at 5520 Sunset Boulevard. It includes a full-service Target store with 157,143 square feet of floor area, plus other smaller retail and food uses with 29,446 square feet of floor area, and a Police Department substation<sup>3</sup> with 109 square feet of floor area ("Project"). The Project will replace 59,561 gross square feet of existing single-story buildings. Once completed, the Project is estimated to have a total of 250 full-time and part-time employees. The Target store's typical operating hours will be 6 a.m. to 12 a.m., with business hours of 7 a.m. to 11 p.m. Longer store hours may apply before and after certain holidays, such as Christmas and Thanksgiving. The operating hours for the miscellaneous retail and dining tenants, which have not yet been identified, are assumed to be similar to the Target store.

### C. Summary of the Vermont/Western SNAP Child Care Requirements

The Project is located within the boundaries of the Vermont/Western Transit Oriented District Specific Plan and is therefore subject to its Station Neighborhood Area Plan (SNAP). The SNAP requires that developments like the Project must include facilities to "accommodate the child care needs of Project employee pre-school age (including infants) children."<sup>4</sup> Such facilities are

<sup>2</sup> This summary is based on the Draft EIR project description. See, City of Los Angeles Department of City Planning, Draft Environmental Impact Report, Target at Sunset and Western, SCH No: 2010121011, January 2012, Section II (Project Description), commencing at p. II-1.

<sup>3</sup> The Police Department substation appears in the plans previously approved for a building permit for the Project.

<sup>4</sup> City of Los Angeles, Vermont/Western Transit Oriented District Specific Plan, Station Neighborhood Area Plan, Ordinance 173,749, Section 6.G. Copy included for reference in Attachment B.

required to include one square foot of indoor child care facility space for each 50 square feet of “net useable” (not defined) Project floor area, and ground floor outdoor play area consistent with State child care licensing requirements (i.e., 75 square feet per child).<sup>5</sup> This child care facility requirement may be accommodated on-site within the Project, or at an off-site location within one mile of the Project. Alternatively, at the Project developer’s request, the requirement may be satisfied by a cash payment in lieu of some or all of the indoor and outdoor child care facility requirement, for deposit into the Vermont/Western SNAP Child Care Trust Fund.<sup>6</sup> Target Corporation, the Project applicant, seeks to make use of the cash payment option to meet this requirement. However, neither the SNAP nor the City’s Administrative Code provides an in-lieu fee amount or method for calculating it.

#### **D. Analysis Process**

The City’s Department of Parks and Recreation, and the Parks and Recreation Commission, now have jurisdiction over implementation of the SNAP child care facility requirement, and for administering the Vermont/Western SNAP Child Care Trust Fund into which all in-lieu fees must be deposited. Following initial consultation with Target Corporation, HR&A participated in meetings with representatives of the Department of Parks and Recreation to discuss an outline of an approach to calculating a Project-specific in-lieu fee, which could also provide guidance to the Department for in-lieu fee calculation applicable to other developments for which the child care requirement would apply in the future. A calculation approach developed initially in 2013 was also discussed with the office of the City Attorney, as has been revised based on those discussions.

The recommended in-lieu fee calculation approach follows the general principles of “nexus” (i.e., reasonable relationship) between the public facility requirement (i.e., child care facilities) and the characteristics of the Project, and between the cost of providing the public facilities and the proposed in-lieu fee, that are now required under applicable State law and various judicial rulings for the imposition of development fees. That is, the in-lieu fee calculation approach focuses on an estimate of the demand for child care facilities generated by Project employees (i.e., number of pre-school age children needing child care facilities), and the cost to develop facilities to meet those needs. The resulting number of child care spaces required, multiplied by the per-child care space development cost, yields the recommended in-lieu fee. Subsequent Chapters of this report provide the specific calculation factors and data sources utilized to estimate both Project employee demand for child care facilities and the development cost of providing those facilities.

#### **E. Organization of the Report**

Accordingly, the remaining Chapters of this report address:

- Chapter III provides a more detailed review of the SNAP’s child care requirements as they apply to the Project, and discusses the limitations of the SNAP child care facility requirements for establishing an in-lieu fee.
- In light of these limitations, Chapter IV provides a method for estimating the demand for child care facilities among Project employees, taking into account information from national surveys and child care requirement nexus studies prepared for other California jurisdictions.

<sup>5</sup> See generally, 22 California Code of Regulations, Division 12, Chapter 1, Articles 1-7 and Subchapter 2.

<sup>6</sup> City of Los Angeles Administrative Code Section 5.530. Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund (also included for reference in Attachment B).

- Chapter V provides estimates of the range of development costs required to meet the scale of child care facility demand derived in Chapter IV, assuming the Project's child care demand would be accommodated in a new Child Care Center, as opposed to other possible types of child care facilities.
- Chapter VI presents the conclusions of the Report, including a specific recommendation for the in-lieu fee amount that should be applied to the Project, for consideration and approval by the City's Parks and Recreation Commission.

### III. Limitations of the Vermont/Western SNAP Child Care Facility Requirement for Establishing an In-Lieu Fee

#### A. The Vermont/Western SNAP Child Care Facility Requirement

The SNAP requires that developments like the Project must include facilities to “accommodate the child care needs of Project employee pre-school age (including infants) children.”<sup>7</sup> Such facilities are required to include one square foot of indoor child care facility space for each 50 square feet of “net useable” (not defined) Project floor area, and ground floor outdoor play area consistent with State child care licensing requirements (i.e., 75 square feet per child).<sup>8</sup> This child care facility requirement may be accommodated on-site within the Project, or at an off-site location located within one mile of the Project. Alternatively, at the Project developer’s request, the requirement may be satisfied by a cash payment in lieu of some or all of the indoor and outdoor child care facility requirement, for deposit into the Vermont/Western SNAP Child Care Trust Fund.<sup>9</sup> Target Corporation, the Project applicant, seeks to make use of the cash payment option to meet this requirement.

Based on Target’s estimate of the Project’s “net useable” floor area, State licensing standards, and other cities’ nexus studies regarding actual child care facility space needs per child (as discussed below), the SNAP formula appears to require that the Project provide:

- *1,739 square feet of indoor child care floor area.* This estimate is based on: (1) an estimate of 86,961 “net useable” Project square feet (after deducting various floor areas as shown below); and (2) 50 square feet of indoor child care space per square foot of Project net useable floor area. That is:

	186,698 s.f. of floor area
Less: ground level storage	( 10,852 s.f.)
Less: stock mezzanine	( 15,105 s.f.)
Less: 3 <sup>rd</sup> level storage	( 14,110 s.f.)
Less: LAPD substation	( 109 s.f.)
Less: existing uses	( 59,561 s.f.)
	86,961 “net useable s.f.”

86,961 net useable s.f./50 s.f. = 1,739 s.f. of indoor child care space.

- *A facility that could accommodate 18 children (infants through 5 year-olds).* This estimate is based on the average floor area per child actually needed for a full-service child care center. That is:

1,739 s.f. of required child care floor area (from above) / 100 s.f. per child (per HR&A review of child care nexus studies) = 18 child care spaces.<sup>10</sup>

<sup>7</sup> Vermont/Western Transit Oriented District Specific Plan, Station Neighborhood Area Plan, *op. cit.*

<sup>8</sup> See generally, 22 California Code of Regulations, Division 12, Chapter 1, Articles 1-7 and Subchapter 2.

<sup>9</sup> City of Los Angeles Administrative Code, *op. cit.*

<sup>10</sup> Assumes any fractional child care space resulting from the calculation is rounded up to the next whole child care space.

- 1,350 square feet of outdoor activity area, based on State licensing requirements. That is:  
18 child care spaces (from above) x 75 square feet per child = 1,350 square feet of outdoor activity area.

Another 3,000 square feet or so of land area would also probably be required as a practical matter for on-site surface parking for staff (i.e., at least 1 per 12 children per State licensing requirements) plus visitors and drop-off circulation (i.e., 10 spaces x 300 s.f./parking space).

One approach to estimation of an in-lieu fee would be to estimate the cost of land, construction and other development costs to supply a child care facility of the scale described above. But for the reasons discussed below, HR&A believes such an approach would be fatally flawed.

## **B. Limitations of the SNAP Child Care Facility Requirements for Establishing an In-Lieu Fee**

Beyond the obvious problem that the SNAP does not provide an in-lieu fee amount or fee calculation formula, the SNAP's requirements described above pose the following shortcomings for estimating an appropriate in-lieu fee that would "accommodate the child care needs of Project employee pre-school age (including infants) children."

### 1. No Empirical Basis for the Indoor Floor Area Requirement

First, the SNAP requirement for one square foot of indoor child care space for every 50 square feet of net useable development project floor area was not based on a nexus study, or any other empirical analysis, so far as HR&A has been able to determine.<sup>11</sup> This requirement is a key driver of the overall facilities requirement, its development cost, which would serve as a basis for an in-lieu fee. The requirement is significantly inconsistent with the child care facility requirements in the adjacent City of West Hollywood, which was based on a nexus study.<sup>12</sup> In that City, the indoor child care space performance requirement, in lieu of an impact fee payment \$0.65 per net new square foot of floor area, is one square foot for every 470 square feet of new commercial development,<sup>13</sup> or about one-tenth of the SNAP indoor space requirement.

### 2. No Consideration for the Variety of Child Care Supply Options Preferred by Working Parents and Guardians

Second, the SNAP requirement appears to focus on the need for a State-licensed Child Care Center near the development project location, which may not necessarily be the location or type of child care provider preferred by Project employee parents and guardians for their pre-school age children. The first consideration most parents and guardians make, is whether to choose a child care option close to where they reside or where they work. According to national studies (discussed in Chapter IV), these preferences vary by whether other adult household members are employed, parent level of education, race, ethnicity and household income, and age of children.

<sup>11</sup> Discussion with staff from the City's Department of Parks & Recreation, which is charged with implementing the SNAP child care requirement.

<sup>12</sup> Hamilton Rabinovitz & Alschuler, Inc. (predecessor firm to HR&A Advisors), Development Amenities for West Hollywood: Estimating the Housing, Public Open Space and Child Care Effects of Commercial Development, prepared for the City of West Hollywood, Second Edition, May 1989.

<sup>13</sup> City of West Hollywood, Commercial Development Fees and Requirements Fact Sheet, revised June 12, 2001, implementing West Hollywood Municipal Code Chapter 19.64 (Development Fees), Section 19.64.020 (available from the Community Development Dept., 323-848-6475).

Child care options near place of residence include:

- ✓ Child care provided in the family's home by other household members, other family; members or other persons who volunteer or are paid to provide child care;
- ✓ Small Family Child Care Homes (i.e., State-licensed program for no more than eight children, operated within a residence);
- ✓ Large Family Child Care Homes (i.e., State-licensed program for no more than 14 children, operated within a residence); or
- ✓ State-licensed Child Care Centers, which are typically located in commercial buildings (including pre-schools and school-based facilities).

Among the factors that parents and guardians typically consider in deciding whether to choose a child care facility closer to their place of work are the following:

- ✓ Availability of preferred type of child care near work and its quality;
- ✓ Work location of spouse or significant other who share child rearing responsibilities;
- ✓ Distance of commute to work and its impacts on the child;

For those parents and guardians who prefer to utilize a child care facility near their place of work, the facility options typically include:

- ✓ State-licensed Small Family Child Care Homes; or
- ✓ State-licensed Large Family Child Care Homes; or
- ✓ State-licensed Child Care Centers (including pre-schools, head start programs and other school-based facilities for pre-school age children, including infants).

According to data available from the State's Community Care Licensing Division<sup>14</sup>, within the four ZIP Codes including and surrounding the Project site, there are approximately 49 Child Care Centers (with capacities ranging from 18 to 198 children each) and 18 Large Family Child Care Homes (12-14 children each). This inventory of existing facilities is included in Appendix C.

Careful parsing of child care location and facility preferences, among others, is required to accurately estimate the appropriate scale of child care demand among retail workers at the Project, the range of costs for providing such child care, and the implications of demand and associated costs for a supportable in-lieu child care facility fee. These considerations are addressed in the next two Chapters, respectively.

<sup>14</sup> See: [https://secure.dss.ca.gov/cclid/securenet/cclid\\_search/cclid\\_search.aspx](https://secure.dss.ca.gov/cclid/securenet/cclid_search/cclid_search.aspx).

## IV. Estimating Demand for Child Care Among Retail Development Employees

### A. Introduction

As noted in Chapter II, the purpose of the SNAP's child care space requirement, or fee in lieu thereof, is to "accommodate the child care needs of Project employee pre-school age (including infants) children." However, as noted in Chapter III, there does not appear to be any analytic basis for the SNAP's specific child care space requirements as they relate to employee demand for child care facilities, nor is there any assessment of the degree to which such employees would prefer use of a Child Care Center, as opposed to other forms of available child care facilities.

Consistent with nexus studies supporting child care facility or fee requirements in some other California jurisdictions, HR&A recommends that the SNAP child care in-lieu fee applicable to the Project be calculated, instead, on the basis of *estimated demand* for Project-specific child care needs located near the Project. Accordingly, this Chapter draws on national employee surveys, including employee child care preferences, available child care nexus studies, and HR&A's development fees nexus study experience in general, to develop a demand-based analysis that reflects:

- ✓ The percentage of Project's 250 employees who also work daytime shifts that coincide with the hours that child care facilities are typically open for business;
- ✓ The percentage of the Project's employees working daytime shifts who have pre-school age children;
- ✓ The percentage of Project employee parents/guardians who are likely to prefer to use child care facilities (i.e., State-licensed Small Family Child Care Homes, Large Family Child Care Homes, or full-service Child Care Centers), or care by non-relatives for child care versus all other available forms of child care; and
- ✓ The percentage of those Project employee parents/guardians who prefer to utilize child care facilities located close to where they work, as opposed to where they reside.

Although employee characteristics data of the kind listed above are not available specifically for Project employees,<sup>15</sup> appropriate calculation factors can be derived from a variety of secondary data sources. These include:

- The latest edition of a periodic national study of employee child care preferences, arrangements and costs conducted by the U.S. Census Bureau;<sup>16</sup>
- The latest edition of a periodic national survey of wage and salary and self-employed workers, which includes data elements on child care arrangements and employment by industry, including a random sample of 433 employees working in the retail industry sector who have pre-school age children;<sup>17</sup> and

<sup>15</sup> For purposes of this analysis, it is assumed that employees in the Project's 30,887 gross square feet of miscellaneous retail and dining tenants would be substantially similar to Target employees.

<sup>16</sup> Lynda Laughlin, "Who's Minding the Kids? Child Care Arrangements, Spring 2011," Current Population Reports, P70-135, U.S. Census Bureau, April 2013. The analysis is based on data from the U.S. Census Bureau's Survey of Income and Program Participation, 2008, Panel Wave 8.

<sup>17</sup> Families & Work Institute, "National Study of the Changing Workforce," 2008. This survey is the successor to the Quality of Employment Survey previously conducted by the U.S. Dept. of Labor, dating to 1969 and discontinued in 1977.

- Nexus studies prepared to support child care development fees in other California cities. Among the more relevant of these studies for the Project in-lieu fee analysis, due to geography and date, are the nexus studies prepared for the City of West Hollywood, City and County of San Francisco and City of Santa Monica.<sup>18</sup>

## B. Child Care Facility Demand Among Project Employees

Each component of the Project's child care demand estimate is discussed below.

### 1. The Percentage of Project Employees Who Work Daytime Shifts

As noted above, the Project is anticipated to employ a total of 250 employees. This value was included in the Project's Final EIR, and the City Council's findings of fact in certifying the adequacy of the EIR. The certified EIR also states that a typical peak shift will consist of 100-150 employees.<sup>19</sup> But given the operating hours of the Target and other miscellaneous retail and pedestrian-oriented dining facilities, not all such workers will be working during daytime hours that coincide with the typical operating hours of child care facilities. Thus, the first child care facilities demand calculation factor is to account for the number of Project employees working daytime hours. Statistical analysis by HR&A of data from the National Study of the Changing Workforce (see Appendix C), indicates that for retail workers in the Western region of the U.S., 78.8 percent work some combination of a regular daytime shift, or a rotating shift that changes by time of day and day of the week, but includes some daytime hours. This indicates that 197 Project employees are likely to work daytime hours:

$$250 \text{ Project employees} \times 78.8\% = 197 \text{ employees working daytime hours.}$$

### 2. The Percentage of the Project's Daytime Employees Who Have Pre-School Age Children

Statistical analysis by HR&A of data from the National Study of the Changing Workforce (see Appendix C), indicates that for retail workers in the Western region of the U.S., 26.2 percent of workers have pre-school age children under age six. This indicates that Project employees who work daytime hours are likely to be parents or guardians of 52 pre-school age children:

$$197 \text{ Project employees working daytime hours (from above)} \times 26.2\% = 52 \text{ pre-school age children.}$$

<sup>18</sup> These nexus studies are, respectively: Development Amenities for West Hollywood, *op. cit.*, FCS Group, Citywide Development Impact Fee Study Consolidated Report, prepared for the City and County of San Francisco, March 2008, Chapter V, Child Care Nexus Study (prepared by Brion & Associates); and Keyser Marston Associates, Inc., Child Care Linkage Program, prepared for the City of Santa Monica, November 2005. HR&A's research indicates that in addition to these cities, child care fees are also in effect in about seven other California cities, but we have not yet determined whether all of them are supported by nexus studies. Not all such programs assess child care fees against retail floor area, however. For example, the City and County of San Francisco's child care fee applies only to office and hotel floor area.

<sup>19</sup> City of Los Angeles, Target Project Certified EIR, p. II-10.

### 3. The Percentage of Employee Parents/Guardians Who Prefer To Use Child Care Facilities

As discussed above, not all parents and guardians of pre-school age children prefer to utilize child care facilities, as opposed to other child care arrangements (e.g., in-home care by other household members and other family members). It is also arguably appropriate to include those parents who rely on non-family members to provide child care, assuming they do so because of a lack of sufficient child care facilities. According to the Census Bureau's latest survey of child care arrangements among working parents and guardians, 32.9 percent prefer to use an "organized care facility" (i.e., day care center, nursery, preschool or Headstart/school program) or use non-family members to provide child care.<sup>20</sup> This indicates that Project employees who work daytime hours, have pre-school age children, and who are likely to utilize organized child care facilities, would total 17 pre-school age children"

52 pre-school age children (from above) x 32.9% = 17 pre-school age children.

### 4. The Percentage of Project Employee Parents/Guardians Who Prefer to Utilize Child Care Facilities Located Close To Where They Work

The final child care facility demand factor adjusts for the percentage of Project employee parents and guardians who would prefer to utilize an organized child care facility located near their place of employment versus place of residence. Neither of the surveys utilized in the preceding calculations included questions on this issue. Therefore, we utilize a factor drawn from the nexus studies referenced above. The commercial development employee survey utilized in the West Hollywood nexus study found that 23 percent of employees preferred to use a child care location near where they work.<sup>21</sup> The nexus study prepared for Santa Monica's child care requirement relied on a review of literature rather than survey data and concluded that 75 percent of demand was for child care centers located near the employee place of work. Given the wide range of these factors, we utilize the midpoint, or 49.0 percent, in estimating demand for Project:

17 pre-school age children (from above) x 49.0% = 8 pre-school age children.

### C. **Project Employee Child Care Demand Results**

Therefore, after applying all of the relevant child care demand factors discussed above, it is concluded that the Project would generate demand for eight child care facility spaces for pre-school age children, as compared with 18 spaces utilizing the SNAP factors, which lack any analytic basis and produces a result that is 2.25 times the estimated Project demand for child care facilities.

Stated another way, about 2.4 percent of total Project employees would generate demand for child care near the Project, based on the analysis presented above (i.e.,  $8/250 = 3.2\%$ ), as opposed to 7.2 percent (i.e.,  $18/250 = 7.2\%$ ) using the unsupported SNAP approach. By comparison, the nexus study prepared for West Hollywood concludes that about 2.0 percent of

<sup>20</sup> "Who's Minding the Kids? Child Care Arrangements, Spring 2011," *op cit.*, Table 1, p. 2. There is some variation in this percentage based on worker demographic characteristics, age of child and other factors, but because these characteristics of Project employees are unknown, we utilized the overall percentage. We rely on the Census Bureau data for this calculation factor, because the small sample size for this factor specifically for retail workers in the National Study of the Changing Workforce, did not produce a statistically significant result.

<sup>21</sup> Development Amenities for West Hollywood, *op. cit.*, p. 69.

all workers in commercial facilities (i.e., not just retail space) generate demand for child care facilities near the employees' place of work. The equivalent factor in the City of Santa Monica nexus study is about 4.0 percent, and in City and County of San Francisco nexus study, about 5.0 percent.

## **V. Estimating Costs of Meeting Demand for Child Care and Resulting In-Lieu Fee for the Hollywood Target Development**

### **A. Introduction**

This Chapter addresses the development cost of meeting the child care facility demand presented in Chapter IV. This cost is the proposed basis for the in-lieu fee required by the SNAP. Although the demand for child care facilities presented in Chapter IV could arguably be accommodated in a variety of physical facilities, each of which has a different development cost implication, the facilities cost used in this analysis assumed that the Project's child care demand would be satisfied by a proportional share of the cost of developing a newly constructed Child Care Center for about 60 pre-school age children, which is a minimum size for achieving appropriate economies of scale, according to the nexus studies referenced in previous Chapters. The cost of developing such a Child Care Center, and the Project's implied share of that cost based on the child care demand of its employees, was estimated by HR&A.

### **B. Development Costs for a New Child Care Center**

A new construction Child Center for 60 pre-school age children will require about 6,000 square feet of indoor floor area (i.e., 60 children x 100 s.f. per child); about 4,500 square feet of outdoor activity area (i.e., 60 children x 75 s.f. per child), plus parking for staff (five staff, based on one per 12 children, per State licensing requirements), volunteers and parent drop-off, or about 4,200 additional square feet (i.e., 12 spaces x 350 s.f. per space). Thus, the total land area requirement would be about 14,700 square feet.

The cost of developing a 60-space child care center includes land acquisition; hard construction; furniture, fixtures and equipment; professional fees, permits and other "soft" costs; and financing costs. Based on calculation details provided in Appendix E, HR&A estimates a total development cost of \$3.6 million, or about \$60,500 per child accommodated.

### **C. Development Costs for a Combination of Other Potential Child Care Facilities**

As noted previously, there are a number of other types of physical facilities that could accommodate the child care demand generated by Project employees other than a newly constructed Child Care Center. This point is acknowledged in both the San Francisco and Santa Monica nexus studies, and figures into blended child care facility costs utilized in deriving the child care impact fee in those cities. The West Hollywood nexus study relied on the costs of a new Child Care Center only.

The San Francisco nexus study utilizes a blended average cost per child care space of \$12,325 per space (in 2008),<sup>22</sup> or about \$14,211 in 2015 dollars using the cumulative annual change in the all-items Consumer Price Index for the San Francisco area (15.3%). The Santa Monica nexus study cites examples of two rehabilitation projects with an average cost of \$20,137 (in 2005). But this estimate does not include any costs for using Small Family or Large Family Child Care Homes, or other options reflected in the San Francisco analysis.

Nevertheless, considering the language of the SNAP appears to focus on a new Child Care Center, the recommended fee uses that cost only. Were the cost of other potential child care

<sup>22</sup> *Citywide Development Impact Fee Study, op. cit.*, p. V-25.

facilities, or a blended cost for all conceivable types of child care facilities to be assumed, the resulting in-lieu fee would be lower than a fee based on a new Child Care Center alone.

## VI. Conclusion and In-Lieu Fee Recommendation

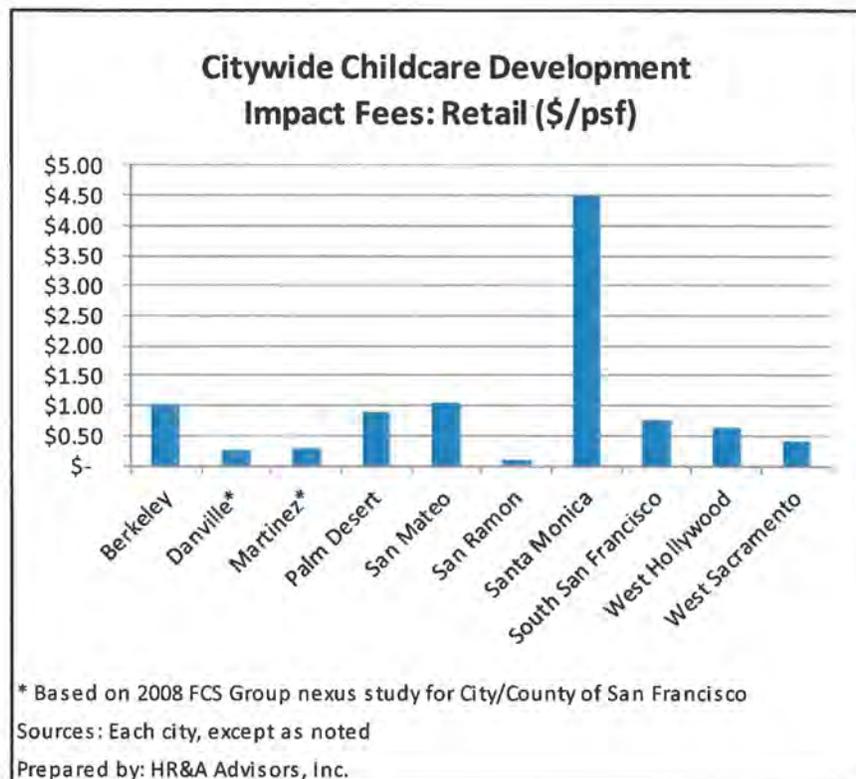
As presented in the preceding Chapters of this report, the language of the SNAP child care facility requirement does not provide a reasonable basis for deriving an in-lieu fee to “accommodate the child care needs of Project employee pre-school age (including infants) children.” Its indoor child care facility floor area requirement is not supported by any known analysis, and it does not reflect the many options child care facility options available to Project employees who elect to place their pre-school age children in child care near the Project site, rather than in or near their place of residence.

Based on a detailed estimate of actual child care facility demand among Project employees, it is concluded that the Project would generate a demand for eight child care spaces. The cost to develop each space is estimated at \$60,500 for a new Child Care Center. Therefore, the total development cost of accommodating the Project’s child care needs would be \$484,000 (or \$2.59 per square foot of Project floor area), if it is accommodated in a new Child Care Center.

### Recommendation

Inasmuch as: (1) the SNAP did not provide an appropriate calculation basis for developing an in-lieu fee; and (2) an in-lieu child care could, instead, be based on a combination of employee parent demand for child care near the employee parents’ place of work, and the cost of providing that demand in appropriate child care facilities; and (3) combining Project-specific child care demand factors and an average cost per child care space in a new Child Care Center, we recommend that the child care in-lieu fee applicable to the Project’s floor area be set at **\$484,000, or \$2.59 per square foot** of Project floor area. Target’s share of the fee in this case would be \$407,619, based on its share of total Project floor area, and the remaining \$76,381 would be allocated to the floor area occupied by the Project’s other miscellaneous retail tenants, but not including the 109 square feet of Project floor area for a Police Department substation.

As shown in the figure below, the recommended in-lieu fee of \$2.59 per square foot of floor area is about two and one-half times the average child care impact fees charged per square foot to retail floor area in other California jurisdictions that charge such fees on retail space (i.e., \$0.42-\$1.06 per square foot), and about 58 percent of Santa Monica’s fee, which is clearly an outlier.



**APPENDIX A**

**Summary of HR&A Advisors, Inc. Experience Preparing and Reviewing  
California Development Impact Fees**



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### **Summary of HR&A Advisors, Inc. Experience Preparing and Reviewing California Development Impact Fees**

HR&A Advisors, Inc. (HR&A) is a full service economic development, real estate advisory and public policy consulting firm. Founded in 1976, the firm has a distinguished track record of providing realistic answers to complex real estate, economic development, housing, public finance and strategic planning problems. HR&A clients include Fortune 500 corporations, all levels of government, the nation's leading foundations and not-for-profit agencies. The firm has extensive experience working for the legal community in such roles as court-appointed special master, consent decree monitor, technical advisor and expert witness.

HR&A practice lines include real estate analysis and advisory services, local and regional economic analysis, economic development program formulation and analysis, fiscal impact analysis, land use policy analysis, development impact fees, housing policy research and analysis, population forecasting and demographic analysis, transportation system, other capital facilities analysis and financing, and environmental sustainability consulting.

HR&A's domestic and international consulting is provided by a staff of 75 people located in offices in the Los Angeles area, New York City, Washington, D.C. and Dallas

Beginning in the early 1980s, HR&A was retained by jurisdictions to design exaction systems in which the firm followed the basic principles of nexus and "fair share" later codified in the *Nollan* and *Dolan* decisions by the U.S. Supreme Court, the *Ehrlich* and *San Remo* decisions by the California Supreme Court, and California Government Code Section 66000, *et seq.* HR&A has also been retained by other parties to evaluate and critique adopted and proposed developer fee programs and requirements. The firm's technical rigor and thoughtfulness about these issues are respected by all sides in the continuing debate about this method of infrastructure financing.

Examples of this experience include the following:

#### Impact Fees/Exaction System Designs

- For the City of Los Angeles City Attorney and the Department of City Planning, HR&A prepared analysis to support new performance and in-lieu fees for affordable housing that will apply to specified market rate developments pursuant to 1982 State legislation requiring policies to address affordable housing in the coastal zone. HR&A was specifically named to conduct this analysis in a settlement agreement between the City and plaintiff affordable housing advocates alleging that the City had not properly implemented the State requirements.
- Assistance in the development of an impact fee for library facilities, including review and comment on analysis by city staff, and recommendations for calculation steps and considerations needed to meet development fee statutory requirements, for the City of Huntington Beach's City Attorney.

- Design of an affordable housing and open space mitigation program (on-site performance or fees in lieu thereof) for new office development, for the City of Santa Monica.
- Complete redesign of the City of Santa Monica's program requiring developers of new apartment and condominium projects to mitigate impacts on project-related demand for affordable housing, including preparation of a precedent-setting nexus study to support the in-lieu fee option in the new program, and periodic recalculation of a justifiable fee under changing market conditions since 1995.
- Design of an affordable housing, public open space and child care mitigation program (on-site performance or fees in lieu thereof) for new commercial development, for the City of West Hollywood and its outside counsel, Burke Williams & Sorensen.

#### Impact Fee/Exaction System Reviews

- Analysis of the financial feasibility of a proposed change to the "Quimby" parks fee and a new apartment development parks fee in the City of Los Angeles, for the City of Los Angeles Department of City Planning.
- Analysis of the financial feasibility of a proposed new parks fee and commercial development "linkage fee" for affordable housing in the City of Santa Monica, for the City of Santa Monica Planning & Community Development Department and Office of the City Attorney.
- Analysis of a proposed extension of an existing affordable housing fee requirement for non-residential development in Palo Alto to also include a wide range of medical facilities, for Stanford University Hospital.
- For William Lyon Homes and the law firm of Irell & Manella, HR&A prepared a detailed critique of the Ramona Unified School District's justification for a school impact fee, which supported negotiations for a lesser fee amount.
- Analysis of whether a traffic impact fee imposed by the City of Los Angeles on new development proposed along the Ventura Boulevard Corridor in the San Fernando Valley was supported by an adequate showing of nexus under applicable law and professional practice, prepared for a group of property owners and the law firm of Reznik & Reznik.
- Analysis of the rationale and economic consequences for prototypical development projects of development fees (traffic, child care, public art, affordable housing) as initially proposed by the City of Los Angeles for the Warner Center Specific Plan, prepared for a group of property owners, developers and the law firm of Paul, Hastings, Janofsky & Walker.
- Analysis and critique of the rationale, nexus basis and implementation plan for a transportation management program and ordinance proposed by the City of Santa Monica which would have imposed AQMD Regulation XV-style requirements on existing businesses with as few as 10 employees, and a traffic impact fee on developers, for the Santa Monica Bay Area Chamber of Commerce.
- Analysis and preparation of a Supplemental EIR addressing school impacts and fees related to a Long Range Development Plan, for U.C. Santa Barbara, the office of the University Counsel and the law firm of Pillsbury, Madison & Sutro. The SEIR figured prominently in a decision in favor of the *University in Goleta Union School District v. The Regents of the*

*University of California*, 36 Cal. App. 4th 1121 (1995), holding that the University was not obligated to pay school impact fees.

- Analysis of school enrollment and facilities impacts associated with theme park expansions at Disneyland, and the relationship of these impacts to statutory school fees, for The Walt Disney Company and the law firm of Latham & Watkins. The analysis helped facilitate a settlement agreement between The Walt Disney Company and local school districts.
- Analysis of the impacts on a variety of elementary and secondary school districts in Kern County from a number of large-scale residential projects planned by Castle & Cooke Development Corporation (represented by the Corey, Croudace, Dietrich & Dragan law firm). The project involved developing alternative student generation rates and calculations of "fair share" impact costs pursuant to applicable State law.
- For the Los Angeles Central City Association, the Building Industry Association of Southern California, the Los Angeles Chamber of Commerce and the Valley Industry and Commerce Association, HR&A evaluated the methodology and conclusions of the nexus analysis that formed the basis for a proposed affordable housing linkage fees that were being studied by the City of Los Angeles.
- Analysis of the degree to which the Wood Ranch residential project had already contributed a fair share of infrastructure and other community benefits such that the City of Simi Valley was not justified in asking for additional fees in order to extend an existing Development Agreement, for Olympia & York.
- A critique of whether the City of Irvine's proposed commercial development exaction to fund affordable housing complied with nexus requirements under State law, on behalf of the Building Industry Association/Orange County (California) Region.
- A critique of, and counter-proposal to, a fee proposed by the City of Santa Monica to mitigate the impact of land recycling on "affordable" lodging in the coastal zone, for Maguire Thomas Partners and the law firm of Lawrence & Harding.
- A critique of the City of Rancho Mirage's approach to impact fee calculations, and preparation of an alternative, nexus-based approach to fee calculations for a 527-unit subdivision, on behalf of the developer, Landmark Land Company, and the law firm of DeCastro, West, Chodorow & Burns.

**ATTACHMENT B**

**Excerpt from the Vermont/Western Transit Oriented District Specific Plan (Station Neighborhood Area Plan) Regarding Child Care Requirements**

**City of Los Angeles Administrative Code Section 5.530 Regarding Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund**

**VERMONT/WESTERN TRANSIT ORIENTED DISTRICT**

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**Specific Plan**

**(STATION NEIGHBORHOOD AREA PLAN)**

Ordinance No. 173,749  
Effective March 1, 2001

Specific Plan Procedures  
Amended pursuant to L.A.M.C. Section 11.5.7

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A Part of the General Plan - City of Los Angeles  
<http://cityplanning.lacity.org> (General Plan - Specific Plan)

Applicant may choose to provide park or open space either on-site or off-site, so long as the following conditions are met.

- i. The park or open space provided is in addition to other Project open space, setbacks, step backs, pedestrian walk-throughs, child care or landscaping requirements of this Specific Plan.
  - ii. The Applicant shall commit to providing this park or open space prior to the granting of a Project Permit Compliance by the Director of Planning.
  - iii. The park or open space shall be an area of at least 5,000 contiguous square feet; open and accessible to the general public during daylight hours in a manner similar to other public parks; improved to prevailing public park standards, except that the open space may be provided above the ground floor on roof tops or above parking structures if public access is provided that conforms with the Americans With Disabilities Act standards.
  - iv. **On-Site.** For on-site park or open space, the Applicant shall provide land area equal to what would be purchasable with the Parks First Trust Fund fee amount required in Subdivision 2 above and construct or covenant to construct the improvements for the park or open space on-site to the satisfaction of the Director of Planning in consultation with the Department of Recreation and Parks and the Councilmember of the District(s) involved; or
  - v. **Off-Site.** For off-site park or open space, the Applicant shall provide land area equal to what would be purchasable with the Parks First Trust Fund fee required in Subdivision 2 above and construct or covenant to construct the improvements for the park or open space off-site, but within the Specific Plan area, to the satisfaction of the Director of Planning in consultation with the Department of Recreation and Parks and the Councilmember of the District(s) involved.
- d. **Set-Offs.** The calculation of a Parks First Trust Fund fee to be paid or actual park space to be provided pursuant to this ordinance shall be off-set by the amount of any Quimby Fee (LAMC § 17.12) or dwelling unit construction tax (LAMC § 21.10.1, *et seq.*) paid as a result of the Project.



- G. **Childcare Facility Requirements.** In Subareas B, C and D, all commercial and Mixed Use Projects, which total 100,000 net square feet or more of non-residential floor area shall include child care

facilities to accommodate the child care needs of the Project employees for pre-school children, including infants, and shall meet the following requirements:

1. **Calculation of Childcare Facility Requirement.** The size of the child care facility necessary to accommodate commercial, Mixed Use, Unified Hospital Development Site or Replacement In-Patient Facilities Project employees' child care needs shall be: one square foot of floor area of an indoor child care facility or facilities, for every 50 square feet of net, usable non-residential floor area; or to the satisfaction of the Commission for Children, Youth and their Families consistent with the purpose in Section G.
  - a. **Ground Floor Play Area.** In addition to the requirements specified in Subsection G 1 above, the Applicant shall provide outdoor play area per child served by the child care facility as required by the California Department of Social Services, Community Care Licensing Division, Title 22.
  - b. **Setback and Throughways.** The child care play area at a child care facility provided as required by this subsection, on- or off-site, or as an in lieu cash payment, shall count on a one-for-one square foot basis toward either any building setback requirements of Section 6 L or pedestrian throughways as required in Section 9 G 2.
2. **Floor Area.** The floor area provided for a child care facility shall be used for that purpose for the life of the Project. The square footage devoted to a child care facility shall be located at the ground floor, unless otherwise permitted by State Law, and shall not be included as floor area for the purpose of calculating permitted floor area on a lot or within a Unified Hospital Development
3. **Off-site Provision.** The child care facility may be off-site, provided it is within 5,280 feet of the Project.
4. **Cash Payment in Lieu of Floor Area and Play Area.** At the Applicant's request, the Commission for Children, Youth and their Families may authorize a cash payment in lieu of some or all of the minimum indoor square footage and play area required in Subsection G 1. In lieu cash payments for indoor child care space and outdoor play areas shall be deposited in the City's Child Care Trust Fund.
5. **Certificate of Occupancy.** No certificate of occupancy for a commercial or Mixed Use Project subject to the requirement to include floor area and play area for a child care facility shall be issued prior to the issuance of the certificate of occupancy for the child care facility required pursuant to this Subsection, and in accordance with Section 13 of this Specific Plan, or a cash deposit has been made in the City Child Care Trust Fund in

accordance with Subdivision 4 above.

**6. Credit for Existing Child Care Facility and Play Area.**

- a. **Indoor Facility.** The Commission for Children, Youth and their Families shall authorize credit for existing child care provided on or near the site of the Project against the minimum required child care facility square footage. The Commission for Children, Youth and their Families shall calculate the credit as one square foot of credit per one square foot of existing in-door child care facility that will be made available to the employees of the Project. The existing child care facility must be owned by the Project owner and located within 750 feet of the Project in order to receive credit. Child care credit shall be inventoried by the Commission for Children, Youth and their Families so that the same square footage of existing child care facility is only credited once.
- b. **Outdoor Play Area.** The Director of Planning shall authorize credit for existing ground level outdoor play areas provided within 750 feet of the Project site toward the minimum required open space, building setback, or pedestrian throughway requirements. The existing play area must be owned by the Project owner and located within 750 feet of the Project in order to receive credit. The Director shall calculate the credit as one square foot per one square foot of existing outdoor play area available to the children of the Project employees. Open space credit shall be inventoried by the Director so that the same square footage of existing play area is only credited once.

7. **Enforcement.** The Commission for Children, Youth and their Families shall be responsible for monitoring and the Department of Building and Safety shall be responsible for enforcement of the requirements of this Subsection. All Project owners required to provide a child care facility shall submit an annual report to the Commission for Children, Youth and their Families. The report shall document the annual number of children served. The first report shall be due 12 months after issuance of any certificate of occupancy for the child care facility or facilities.

- H. **Motels.** Floor area associated with a hotel, motel or apartment hotel use shall be counted as a commercial floor area for the purposes of this Specific Plan.
- I. **Sidewalk Cafes.** Sidewalk cafes shall be permitted within a public street right-of-way with the approval of the Department of Public Works, provided a minimum of 10 feet of sidewalk width remains for pedestrian circulation.
- J. **Public Street Improvements.** Public Street Improvements. The regulations and procedures contained in Section 12.37 of the Code

**Administrative Code Sec. 5.530. Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund.**

A. **Creation and Administration of Fund.** There is hereby created within the Treasury of the City of Los Angeles a special fund known as the Vermont/Western Station Neighborhood Area Plan Child Care Trust Fund, referred to in this Chapter as the Child Care Fund or Fund. The Department of Recreation and Parks (Department) with the concurrence of the President of the City Council shall administer, have overall management of and expend funds from the Child Care Fund in accordance with the provisions of this Chapter. The Department with the concurrence of the President of the City Council shall also administer the Fund in accordance with established City practice and in conformity with Government Code Section 66000, *et seq.* All interest or other earnings from money received into the Child Care Fund shall be credited to the Fund and devoted to the purposes listed in this Chapter.

B. **Purpose.** The Child Care Fund shall be used for the deposit of money paid to the City of Los Angeles pursuant to the Vermont/Western Station Neighborhood Area Specific Plan and any other money appropriated or given to this Fund for the creation or development of Child Care programs or facilities in the Vermont/Western Station Neighborhood area.

C. **Expenditures.** Except as set forth below, Child Care Funds collected pursuant to the Vermont/Western Station Neighborhood Area Specific Plan and any other monies placed in this Fund shall be expended only for the purpose of acquiring facilities, developing, improving, and operating Child Care programs physically located within the boundaries of the Vermont/Western Station Neighborhood Area Specific Plan area, and providing financial assistance with child care payments to qualifying parents in the area, as determined by the Department.

The Department with the concurrence of the President of the City Council is authorized to make expenditures from this Child Care Fund in accordance with the Vermont/ Western Station Neighborhood Area Plan and the Vermont/ Western Station Neighborhood Area Plan Development Standards and Design Guidelines. Administration of the Fund and expenditures from the Fund shall also be in compliance with the requirements in Government Code Section 66000, *et seq.*, including the following:

1. The Department shall deposit all monies received pursuant to the Vermont/Western Station Neighborhood Area Specific Plan in the Fund and avoid any commingling of the monies with other City revenues and funds, except for temporary investments, and expend those monies solely for the purpose for which the Child Care payment was collected. Any interest income earned by monies in the Fund shall also be deposited in that Fund and shall be expended only for the purpose for which the Child Care payment was originally collected.

2. The Department shall, within 180 days after the last day of each fiscal year, make available to the public all the information required by Government Code Section 66006(a).

3. The City Council shall review the information made available to the public pursuant to Paragraph 2. within the time required by Section 66006, and give notice of that meeting as required by that Section.

4. When required to do so by Government Code Section 66001(e) and (f), the City Council shall authorize refunds of payments made to the Child Care Fund.

D. **Reporting.** The Department shall report annually to the City Council and Mayor identifying and describing in detail receipts and expenditures of the Fund. The Department shall submit each annual report within 60 days after the close of the fiscal year covered in the report.

#### SECTION HISTORY

Chapter and Section Added by Ord. No. 173,963, Eff. 6-18-01.

Amended by: Ord. No. 181,192, Eff. 7-27-10

**APPENDIX C**

**Inventory of Existing Child Care Facilities in the Project Vicinity**

**Child Care Centers****Zip Code: 90027**

**ALL CHILDREN GREAT AND SMALL**  
4612 WELCH PLACE  
LOS ANGELES, CA 90027  
(323) 666-6154  
Contact: RUIZ, YOLANDA  
Capacity: 0024

**ASSISTANCE LEAGUE OF SOUTHERN CALIFORNIA (ALSC)**  
5436 HOLLYWOOD BOULEVARD  
LOS ANGELES, CA 90027  
(323) 464-4063  
Contact: YOLANDA QUINTERO  
Capacity: 0060

**CHILDREN'S HOSPITAL CHILD DEVELOPMENT CENTER (PS)**  
4601 SUNSET BOULEVARD  
LOS ANGELES, CA 90027  
(323) 361-4601  
Contact: ANITA BRITT  
Capacity: 0073

**CREATIVE ANGELS PRESCHOOL & KINDERGARTEN**  
1725 N. MARIPOSA AVENUE  
LOS ANGELES, CA 90027  
(323) 660-9934  
Contact: SUZANA DEMIRCHYAN  
Capacity: 0032

**HARVARD PRE-SCHOOL AND KINDERGARTEN**  
1311 NORTH HARVARD BLVD.  
LOS ANGELES, CA 90027  
(323) 462-1151  
Contact: LISA SOLOMON  
Capacity: 0060

**HOLLYWOOD HEADSTART PRESCHOOL**  
5000 HOLLYWOOD BLVD.  
LOS ANGELES, CA 90027  
(323) 661-6405  
Contact: BENNIE MATA & LOSSIN  
Capacity: 0068

**HOLLYWOOD PRESCHOOL KINDERGARTEN**  
1313 N. EDMONT STREET  
LOS ANGELES, CA 90027  
(323) 660-7896  
Contact: REZIKEEN, FAZEENA  
Capacity: 0056

**KOMITAS DAY CARE**  
1616 HILLHURST  
LOS ANGELES, CA 90027  
(323) 666-1520  
Contact: DERKRIKORIAN, CARMEN  
Capacity: 0035

**LITTLE ARMENIA CHILD CARE**  
1645 N. NORMANDIE AVENUE  
LOS ANGELES, CA 90027  
(323) 708-8577  
Contact: KARINE MUTAFYAN  
Capacity: 0072

**LOS FELIZ CORNERS**  
1839 N. KENMORE AVE.  
LOS ANGELES, CA 90027  
(323) 661-3448  
Contact: KATCH, KRISTI  
Capacity: 0033

**LOS FELIZ NURSERY SCHOOL**  
3401 RIVERSIDE DR  
LOS ANGELES, CA 90027  
(323) 662-8300  
Contact: ARABIAN, MARION  
Capacity: 0028

**LYCEE INTERNATIONALE DE LOS ANGELES**  
4155 RUSSELL AVE.  
LOS ANGELES, CA 90027  
(323) 665-4526  
Contact: MANTCHEVA, GISELE  
Capacity: 0045

**LYRIC PRE-SCHOOL & KINDERGARTEN**  
2328 HYPERION AVE.  
LOS ANGELES, CA 90027  
(323) 667-2275  
Contact: TOM, CURTIS  
Capacity: 0043

**PINWHEELS PRESCHOOL**  
4607 PROSPECT AVENUE  
LOS ANGELES, CA 90027  
(213) 948-4757  
Contact: KARI SHANA DRUYEN  
Capacity: 0019

**PLAYFUL LEARNING AMONGST YOUTH SILVERLAKE**  
2000 HYPERION AVENUE  
LOS ANGELES, CA 90027  
(323) 664-8494  
Contact: GABRIEL R. ROSS  
Capacity: 0130

**ROSE & ALEX PILIBOS PRESCHOOL**  
1611 N. KENMORE STREET  
LOS ANGELES, CA 90027  
(323) 668-0343  
Contact: TAKOUHEY SAATJIAN  
Capacity: 0086

**Zip Code 90028**

**BEVERLY HILLS RESOURCES CORPORATION SCHOOL**  
6550 FOUNTAIN AVENUE  
LOS ANGELES, CA 90028  
(323) 469-6155  
Capacity: 0026

**BLESSED SACRAMENT PRESCHOOL**  
6641 SUNSET BLVD.  
LOS ANGELES, CA 90028  
(323) 462-6311  
Contact: SUZANNE JONES  
Capacity: 0020

**CANYON SCHOOL, INC., THE**  
1820 NO LAS PALMAS AVE  
LOS ANGELES, CA 90028  
(323) 464-7507  
Contact: WILLIAMS, CELIA  
Capacity: 0030

**CHEREMOYA AVENUE ELEMENTARY SCHOOL STATE PRESCHOOL**  
6017 FRANKLIN AVENUE, ROOM 23  
LOS ANGELES, CA 90028  
(323) 464-1722  
Contact: RODRIGUEZ, DIANE  
Capacity: 0023

**CII/OTIS BOOTH CDC**  
424 N. LAKE STREET  
LOS ANGELES, CA 90028  
(213) 385-5100  
Contact: NVARD KAZANCHYAN  
Capacity: 0048

**DELANEY WRIGHT FINE ARTS PRESCHOOL**  
6125 CARLOS AVENUE  
LOS ANGELES, CA 90028  
(323) 871-2470  
Contact: REV. JAIME EDWARDS-ACTON  
Capacity: 0090

**FIRST PRESBYTERIAN CHURCH OF HOLLYWOOD PRE-SCHOOL**  
1785 LA BAIG ST.  
HOLLYWOOD, CA 90028  
(323) 606-5245  
Contact: PAMELA TUSZYNSKI  
Capacity: 0098

**FOUNTAIN AVENUE HEAD START**  
5636 FOUNTAIN AVE.  
LOS ANGELES, CA 90028  
(323) 467-1551  
Contact: ASIYA MAHMOUD  
Capacity: 0068

**GRANT STREET EARLY EDUCATION CENTER**  
1559 N. ST. ANDREWS PL.  
LOS ANGELES, CA 90028  
(323) 463-4112  
Contact: E.PAYNE/A.TER-  
POGOSYAN  
Capacity: 0164

**MONTESSORI SHIR-HASHIRIM**  
6047 CARLTON WAY  
LOS ANGELES, CA 90028  
(323) 465-1638  
Contact: CIELAK, ELENA  
Capacity: 0043

**SELMA HEAD START**  
6611 SELMA AVENUE  
LOS ANGELES, CA 90028  
(626) 572-5107  
Contact: MARIA CASTILLO  
Capacity: 0034

**SUNSET MONTESSORI PRESCHOOL**  
1432 N. SYCAMORE AVE.  
LOS ANGELES, CA 90028  
(323) 465-8133  
Contact: KORDONSKAYA, LILIYA  
Capacity: 0039

**WILTON PLACE HEADSTART/STATE PRESCHOOL**  
1528 N. WILTON PLACE  
LOS ANGELES, CA 90028  
(323) 469-0360  
Contact: PATTY LINARES  
Capacity: 0030

**Zip Code: 90029**

**BERENDO HEADSTART**  
1220 N. BERENDO ST.  
LOS ANGELES, CA 90029  
(323) 669-1388  
Contact: ALMA RODRIGUEZ  
Capacity: 0018

**BLIND CHILDREN'S CENTER**  
4120 MARATHON ST.  
LOS ANGELES, CA 90029  
(213) 664-2153  
Contact: MC CANN, MARY ELLEN  
Capacity: 0070

**CHILDREN'S CENTER PRESCHOOL**  
1260 N. VERMONT AVENUE  
LOS ANGELES, CA 90029  
(323) 422-9690  
Contact: DEBORAH S. WYLE  
Capacity: 0038

**FRENCH NURSERY SCHOOL**  
5262 FOUNTAIN AVENUE  
LOS ANGELES, CA 90029  
(323) 663-4038  
Contact: SAUER, MARIA  
Capacity: 0052

**GREAT VISION PRESCHOOL**  
709, 714 N. ALEXANDRIA AVENUE  
LOS ANGELES, CA 90029  
(323) 333-6686  
Contact: KYUNGMI YOO  
Capacity: 0044

**LEXINGTON AVENUE PRIMARY CENTER CSPP**  
4564 W. LEXINGTON AVE. ROOM 1  
LOS ANGELES, CA 90029  
(323) 644-2884  
Contact: KURILICH, PAULA G.  
Capacity: 0024

**LOS ANGELES CITY COLLEGE CAMPUS CDC**  
855 N. VERMONT AVENUE  
LOS ANGELES, CA 90029  
(323) 953-4000  
Contact: DORIAN KAY HARRIS  
Capacity: 0120

**MELROSE HEAD START**  
4710 MELROSE AVENUE  
LOS ANGELES, CA 90029  
(626) 572-5107  
Contact: MARITZA ARCHER  
Capacity: 0040

**SILVERLAKE INDEPENDENT JEWISH COMMUNITY CENTER**  
1110 BATES AVE.  
LOS ANGELES, CA 90029  
(323) 663-2255  
Contact: RUTH SHAVIT  
Capacity: 0110

**Zip Code: 90038**

**ABC EDUCATIONAL CENTER**  
1129 COLE AVENUE  
LOS ANGELES, CA 90038  
(323) 466-9984  
Contact: YAZMIN NEWMAN  
Capacity: 0030

**GREGORY PARK HEAD START/STATE PRE SCHOOL**  
5807 GREGORY AVE.  
LOS ANGELES, CA 90038  
(323) 463-9725  
Contact: MARGOTH CRUZ  
Capacity: 0068

**HAPPY BIRCH PRESCHOOL**  
6415 ROMAINE STREET  
LOS ANGELES, CA 90038  
(310) 308-3141  
Contact: MALI RAND  
Capacity: 0017

**HOLLYWOOD LITTLE RED SCHOOLHOUSE**  
1248 N HIGHLAND AVE  
HOLLYWOOD, CA 90038  
(323) 465-1320  
Contact: ILISE FAYE  
Capacity: 0043

**LA MIRADA HEAD START**  
5637 LA MIRADA AVE.  
LOS ANGELES, CA 90038  
(323) 464-1605  
Contact: LETICIA VIDALES  
Capacity: 0075

**LOS ANGELES CHEDER**  
801 N. LA BREA AVENUE  
LOS ANGELES, CA 90038  
(323) 932-6347  
Contact: DINA HENIG  
Capacity: 0070

**PARAMOUNT CHILD CARE CENTER (P.S.)**  
5555 MELROSE AVE.  
LOS ANGELES, CA 90038  
(323) 956-4430  
Contact: GRETCHEN MCCOLLEY  
Capacity: 0034

**SANTA MONICA COM.CHARTER SCHOOL STATE PRESCHOOL**  
1022 N. VAN NESS AVE. #1,17&19  
HOLLYWOOD, CA 90038  
(323) 469-0971  
Contact: VAHE MARKARIAN  
Capacity: 0082

**SUNSHINE SHACK, THE**  
1027 N. COLE AVENUE  
LOS ANGELES, CA 90038  
(323) 877-4914  
Contact: CHRISTINA PON  
Capacity: 0040

**T.C.A. ARSHAG DICKRANIAN ARMENIAN SCHOOL**  
1200 N. CAHUENGA BLVD.  
LOS ANGELES, CA 90038  
(323) 461-4377  
Contact: KOUROUYAN, VARTKES  
Capacity: 0020

**VINE STREET EARLY EDUCATION CENTER**  
6312 ELEANOR AVENUE  
LOS ANGELES, CA 90038  
(323) 465-1167  
Contact: E.ANDERSON/J.REYES  
Capacity: 0198

### Large Family Child Care Homes

**Zip Code: 90027**

#### DANIELYAN FAMILY CHILD CARE

1542 N. MARIPOSA AVENUE  
LOS ANGELES, CA 90027  
(323) 667-0000  
Contact: DANIELYAN LIANA  
Capacity: 0014

**Zip Code: 90028**

#### DE LEON FAMILY CHILD CARE

5600 HAROLD WAY  
LOS ANGELES, CA 90028  
(323) 708-5243  
Contact: DE LEON, BRENDA  
Capacity: 0014

#### ESTRADA FAMILY CHILD CARE

5627 FOUNTAIN AVE.  
LOS ANGELES, CA 90028  
(323) 856-7083  
Contact: ESTRADA, DELIA  
Capacity: 0014

#### RODRIGUEZ FAMILY CHILD CARE

6122 DE LONGPRE AVE.  
LOS ANGELES, CA 90028  
(323) 464-4006  
Contact: RODRIGUEZ, ANGELICA  
Capacity: 0014

**ZIP Code: 90029**

#### ESQUIVEL FAMILY CHILD CARE

4952 MARATHON ST.  
LOS ANGELES, CA 90029  
(213) 465-7611  
Contact: ESQUIVEL, LILIA  
Capacity: 0012

#### FLORES FAMILY CHILD CARE

816 NORTH HOBART BLVD  
LOS ANGELES, CA 90029  
(323) 663-1049  
Contact: FLORES, RUTH  
Capacity: 0014

#### FLORES FAMILY CHILD CARE

907 N. SERRANO AVE.  
LOS ANGELES, CA 90029  
(323) 819-3562  
Contact: FLORES, MAYRA  
Capacity: 0014

#### KOSTANDYAN FAMILY CHILD CARE

742 N. EDGEMONT ST  
LOS ANGELES, CA 90029  
(323) 665-7713  
Contact: KOSTANDYAN, KARINE  
Capacity: 0014

#### MENJIVAR FAMILY CHILD CARE

1176 N. COMMONWEALTH AVE  
LOS ANGELES, CA 90029  
(323) 217-8989  
Contact: MENJIVAR, MARIO & MILLY  
Capacity: 0014

#### PETROSYAN FAMILY CHILD CARE

1130 N. WESTMORELAND  
LOS ANGELES, CA 90029  
(323) 243-9350  
Contact: KARINE PETROSYAN  
Capacity: 0014

#### RAMOS FAMILY CHILD CARE

905 N. SERRANO AVENUE  
LOS ANGELES, CA 90029  
(323) 461-0266  
Contact: RAMOS, YESENIA  
Capacity: 0014

#### RUIZ FAMILY CHILD CARE

1234 1/2 MANZANITA STREET  
LOS ANGELES, CA 90029  
(323) 644-1817  
Contact: RUIZ, ARGELIA  
Capacity: 0014

#### VALDEZ FAMILY CHILD CARE

1033 HYPERION AVE  
LOS ANGELES, CA 90029  
(323) 664-0732  
Contact: VALDEZ, MARIANELA  
Capacity: 0014

**ZIP Code: 90038**

#### DE LLANO FAMILY CHILD CARE

6603 WILLOUGHBY AVENUE  
LOS ANGELES, CA 90038  
(323) 960-2505  
Contact: DE LLANO, B. & A  
Capacity: 0014

#### FLORES FAMILY CHILD CARE

5653 W. VIRGINIA AVE.  
LOS ANGELES, CA 90038  
(323) 466-5213  
Contact: FLORES, SONIA  
Capacity: 0014

#### GUERREIRO FAMILY CHILD CARE

5552 BARTON AVENUE  
LOS ANGELES, CA 90038  
(323) 957-9308  
Contact: GUERREIRO, ALBA L.  
Capacity: 0014

#### JUAREZ FAMILY CHILD CARE

1008 N. RIDGEWOOD PLACE  
LOS ANGELES, CA 90038  
(323) 491-0830  
Contact: JUAREZ, LORLIN &  
JOHANA  
Capacity: 0014

#### VARDANYAN FAMILY CHILD CARE

824 N. RIDGEWOOD PLACE  
LOS ANGELES, CA 90038  
(323) 493-5555  
Contact: VARDANYAN, HASMIK  
Capacity: 0014

**APPENDIX D**

**Results of Statistical Analysis on the National Study of the Changing Workforce Survey Data**

Resp: Industry main job [14 major Census groups] \* WORK SCHEDULE AT MAIN JOB \* REGION OF RESIDENCE USING CPS CLASSIFICATION Crosstabulation

Count		WORK SCHEDULE AT MAIN JOB								Total
REGION OF RESIDENCE USING CPS CLASSIFICATION		A regular daytime schedule	A regular evening shift	A regular night shift	A rotating shift - one that changes by time of day or day of week	A split shift consisting of two distinct periods in each workday	A flexible or variable schedule with no set hours, on call	Some other schedule		
Northeast Region Resp: Industry main job [14 major Census groups]	AG/FOR/FISH/MINE	3	0	0	0	0	0	0	0	3
	CONSTRUCTION	42	1	1	3	0	1	0	0	48
	MANUFACTURING	43	3	3	1	2	0	0	0	52
	TRANS/PCOMM/UTIL	16	3	4	1	0	1	0	0	25
	WHOLESALE TRADE	19	0	0	0	0	0	0	0	19
	RETAIL TRADE	31	0	2	11	0	5	3	0	51
	FIN/INS/REAL/EST	26	0	0	1	0	1	0	0	28
	BUS/REP SERV	32	3	1	5	0	0	0	0	41
	PERSONAL SERVICES	8	0	0	5	0	0	0	0	13
	ENTER/REC SERVICES	4	0	1	0	0	2	0	0	7
	MEDICAL SERVICES	34	8	4	3	3	3	1	0	57
	EDUCATION SERVICES	61	4	0	1	1	1	1	0	69
	OTHER PROF SERV	35	1	0	1	2	7	1	0	47
	PUBLIC ADMIN	13	2	1	6	0	0	0	0	22
<b>Total</b>		<b>387</b>	<b>35</b>	<b>17</b>	<b>38</b>	<b>9</b>	<b>39</b>	<b>6</b>	<b>500</b>	
South Region Resp: Industry main job [14 major Census groups]	AG/FOR/FISH/MINE	11	0	0	1	0	1	0	0	13
	CONSTRUCTION	61	2	2	4	0	3	0	0	69
	MANUFACTURING	87	5	3	9	0	0	0	0	99
	TRANS/PCOMM/UTIL	44	2	5	6	0	6	0	0	59
	WHOLESALE TRADE	30	1	6	3	1	1	0	0	42
	RETAIL TRADE	70	26	13	25	0	7	1	0	142
	FIN/INS/REAL/EST	54	0	1	1	3	5	0	0	64
	BUS/REP SERV	43	1	8	3	0	5	0	0	58
	PERSONAL SERVICES	6	0	4	0	0	4	0	0	14
	ENTER/REC SERVICES	3	1	0	0	0	3	0	0	7
	MEDICAL SERVICES	120	5	14	3	2	4	0	0	148
	EDUCATION SERVICES	91	2	0	0	3	5	0	0	101
	OTHER PROF SERV	66	4	0	0	2	4	1	0	77
	PUBLIC ADMIN	33	1	0	4	0	2	2	0	42
<b>Total</b>		<b>689</b>	<b>50</b>	<b>54</b>	<b>59</b>	<b>11</b>	<b>50</b>	<b>4</b>	<b>917</b>	
Midwest Region Resp: Industry main job [14 major Census groups]	AG/FOR/FISH/MINE	10	0	0	0	0	1	0	0	11
	CONSTRUCTION	45	0	0	1	0	5	0	0	51
	MANUFACTURING	88	9	11	4	0	1	1	0	114
	TRANS/PCOMM/UTIL	32	1	3	5	0	3	0	0	44
	WHOLESALE TRADE	32	0	0	0	0	4	0	0	38
	RETAIL TRADE	56	27	17	30	3	14	1	0	148
	FIN/INS/REAL/EST	41	2	0	0	0	1	0	0	44
	BUS/REP SERV	38	1	0	1	0	2	0	0	42
	PERSONAL SERVICES	8	0	0	2	0	0	0	0	10
	ENTER/REC SERVICES	8	0	1	2	0	0	0	0	9
	MEDICAL SERVICES	89	7	8	7	0	2	1	0	99
	EDUCATION SERVICES	75	0	0	5	2	5	0	0	87
	OTHER PROF SERV	47	0	0	2	1	3	0	0	53
	PUBLIC ADMIN	26	4	1	1	0	3	0	0	35
<b>Total</b>		<b>573</b>	<b>51</b>	<b>41</b>	<b>80</b>	<b>6</b>	<b>44</b>	<b>3</b>	<b>778</b>	
West Region Resp: Industry main job [14 major Census groups]	AG/FOR/FISH/MINE	8	0	0	0	0	0	0	0	8
	CONSTRUCTION	28	2	0	0	0	11	0	0	41
	MANUFACTURING	53	1	1	7	1	5	0	0	68
	TRANS/PCOMM/UTIL	30	10	1	2	1	2	0	0	46
	WHOLESALE TRADE	12	0	0	0	0	2	1	0	15
	RETAIL TRADE	49	2	6	18	2	6	2	0	85
	FIN/INS/REAL/EST	17	0	0	0	0	2	2	0	21
	BUS/REP SERV	34	8	0	2	0	4	0	0	48
	PERSONAL SERVICES	7	0	0	5	0	6	0	0	18
	ENTER/REC SERVICES	11	0	2	0	0	0	0	0	13
	MEDICAL SERVICES	35	3	6	0	0	6	0	0	50
	EDUCATION SERVICES	51	3	0	2	7	2	0	0	65
	OTHER PROF SERV	27	0	0	2	0	4	0	0	33
	PUBLIC ADMIN	21	2	0	1	0	3	0	0	27
<b>Total</b>		<b>383</b>	<b>31</b>	<b>16</b>	<b>30</b>	<b>11</b>	<b>55</b>	<b>6</b>	<b>540</b>	
<b>Total</b> Resp: Industry main job [14 major Census groups]	AG/FOR/FISH/MINE	32	0	0	1	0	2	0	0	35
	CONSTRUCTION	188	5	3	8	0	20	0	0	204
	MANUFACTURING	251	18	18	21	3	6	1	0	316
	TRANS/PCOMM/UTIL	122	16	13	14	1	12	0	0	179
	WHOLESALE TRADE	83	1	6	3	1	7	1	0	112
	RETAIL TRADE	206	84	38	84	5	32	7	0	436
	FIN/INS/REAL/EST	138	3	1	2	3	9	2	0	157
	BUS/REP SERV	147	13	7	11	0	19	0	0	197
	PERSONAL SERVICES	29	0	4	12	0	10	0	0	55
	ENTER/REC SERVICES	24	1	4	2	0	5	0	0	36
	MEDICAL SERVICES	258	24	32	13	6	17	2	0	351
	EDUCATION SERVICES	278	8	0	8	13	13	1	0	322
	OTHER PROF SERV	175	5	0	5	5	18	2	0	210
	PUBLIC ADMIN	89	9	2	12	0	8	2	0	126
<b>Total</b>		<b>2012</b>	<b>167</b>	<b>128</b>	<b>196</b>	<b>35</b>	<b>179</b>	<b>18</b>	<b>2735</b>	

RETAIL TRADE W/ REGULAR DAYTIME SHIFT AND ROTATING SHIFT (WEST): (49+18)/85=.78823

Resp: Industry main job [14 major Census groups] \* Any child < 6 in household GE 12 yr \* REGION OF RESIDENCE  
USING CPS CLASSIFICATION Cross-tabulation

Count			Any child < 6 in household GE 12 yr		Total	
REGION OF RESIDENCE USING CPS CLASSIFICATION			Yes	No		
Northeast Region	Resp: Industry main job [14 major Census groups]	AGFOR/FISHMINE	0	3	3	
		CONSTRUCTION	10	37	47	
		MANUFACTURING	6	45	51	
		TRANSP/COMM/UTIL	7	18	25	
		WHOLESALE TRADE	4	14	18	
		RETAIL TRADE	10	50	60	
		FININS/REALEST	3	26	29	
		BUS/REP SERV	4	46	50	
		PERSONAL SERVICES	1	11	12	
		ENTER/REC SERVICES	2	5	7	
		MEDICAL SERVICES	12	46	58	
		EDUCATION SERVICES	12	57	69	
		OTHER PROF SERV	11	37	48	
		PUBLIC ADMIN	5	16	21	
Total			87	411	498	
South Region	Resp: Industry main job [14 major Census groups]	AGFOR/FISHMINE	4	8	12	
		CONSTRUCTION	14	46	62	
		MANUFACTURING	13	71	84	
		TRANSP/COMM/UTIL	16	47	63	
		WHOLESALE TRADE	7	34	41	
		RETAIL TRADE	31	113	142	
		FININS/REALEST	14	51	65	
		BUS/REP SERV	6	51	57	
		PERSONAL SERVICES	9	5	14	
		ENTER/REC SERVICES	1	6	7	
		MEDICAL SERVICES	31	118	149	
		EDUCATION SERVICES	23	76	101	
		OTHER PROF SERV	15	62	77	
		PUBLIC ADMIN	6	23	31	
Total			192	723	915	
Midwest Region	Resp: Industry main job [14 major Census groups]	AGFOR/FISHMINE	0	11	11	
		CONSTRUCTION	15	38	53	
		MANUFACTURING	24	90	114	
		TRANSP/COMM/UTIL	9	37	46	
		WHOLESALE TRADE	6	28	34	
		RETAIL TRADE	27	120	147	
		FININS/REALEST	10	33	43	
		BUS/REP SERV	6	34	42	
		PERSONAL SERVICES	2	8	10	
		ENTER/REC SERVICES	2	7	9	
		MEDICAL SERVICES	18	75	93	
		EDUCATION SERVICES	14	73	87	
		OTHER PROF SERV	10	43	53	
		PUBLIC ADMIN	6	27	33	
Total			156	624	779	
West Region	Resp: Industry main job [14 major Census groups]	AGFOR/FISHMINE	2	5	7	
		CONSTRUCTION	13	29	42	
		MANUFACTURING	10	59	69	
		TRANSP/COMM/UTIL	8	39	47	
		WHOLESALE TRADE	0	15	15	
		RETAIL TRADE	22	62	84	
		FININS/REALEST	3	18	21	
		BUS/REP SERV	10	37	47	
		PERSONAL SERVICES	6	13	19	
		ENTER/REC SERVICES	0	13	13	
		MEDICAL SERVICES	6	45	53	
		EDUCATION SERVICES	9	56	65	
		OTHER PROF SERV	11	23	34	
		PUBLIC ADMIN	5	23	28	
Total			107	437	544	
Total		Resp: Industry main job [14 major Census groups]	AGFOR/FISHMINE	6	27	33
			CONSTRUCTION	52	152	204
			MANUFACTURING	53	265	318
			TRANSP/COMM/UTIL	40	141	181
			WHOLESALE TRADE	19	91	110
			RETAIL TRADE	90	343	433
			FININS/REALEST	30	129	159
			BUS/REP SERV	26	166	196
			PERSONAL SERVICES	16	37	55
			ENTER/REC SERVICES	5	31	36
			MEDICAL SERVICES	89	284	353
			EDUCATION SERVICES	58	264	322
			OTHER PROF SERV	47	185	212
			PUBLIC ADMIN	26	98	125
Total:			541	2195	2736	

RETAIL TRADE w CHILD < 6 (WEST): 22/84=.261904

**APPENDIX E**

**Estimated Development Cost for a 60-Space Child Care Center**

**Example Facility Costs for a New 60-Space Child Care Center  
Vermont/Western Station Neighborhood Area Plan**

			<u>Sources &amp; Notes</u>
<b>Number of Children</b>	60		Literature review
<b>Size of Facility</b>			
Indoor Space (per CCR)	100 s.f. per child	6,000	Literature review
Outdoor Space (per CCR)	75 s.f. per child	4,500	State licensing requirements
<b>Land Required</b>			
Building pad		6,000	Per above
Parking			
# Spaces	12		LADBS Requirements
SF per Space	350 s.f.	4,200	HR&A Estimate
Outdoor Play Area		4,500	Per above
Required Land Area		14,700	
<b>Land Cost</b>	\$110 per s.f.	\$ 1,617,000	HR&A estimate
<b>Hard Cost</b>			
Building Shell (per s.f.)	\$155 per s.f. Bldg.	\$ 930,000	Marshall & Swift
Landscaping and Play Equipt.	\$33 per s.f. Outdoor Space	\$ 148,500	Marshall & Swift
Surface Parking	\$2,500 per Space	\$ 30,000	Marshall & Swift
Furnishings & Equipt.	\$50 per s.f. Bldg.	\$ 300,000	HR&A estimate
Contingency	5%	\$ 70,425	
Total Hard Cost		\$ 1,478,900	
Soft Costs	20% x Hard Costs	\$ 295,800	HR&A estimate
Financing Costs	7.0% x Land + Hard + Soft Costs	\$ 237,400	HR&A estimate
<b>Total Cost</b>		\$ 3,629,100	
per building s.f.		\$ 605	
per child care space		\$ 60,500	

Prepared by: HR&A Advisors, Inc.

**Child Care Center Construction Cost Estimate**

	Gross Bldg. SF	Stories	Factor	Total Cost (2015 \$)	Total Cost Per SF (2015 \$)
Children SF per Child			60		
			100		
<b>Child Care</b>	6,000				
Class D - Excellent			\$156.27 PSF		
Height Increase		1	0.0% Above Three Stories		
Sprinklers - Excellent			\$5.68 PSF		
<b>Total With Adjustment Factors</b>				<b>\$1,115,775</b>	<b>\$186</b>
Reduction to for Certain Soft Costs <sup>1</sup>			-17%	<u>-\$185,962</u>	
<b>Total Hard Costs</b>				<b>\$929,812</b>	<b>\$154.97</b>
<b>Adjustment Factors Included</b>					
Cost Factor			1.00 2/1/2015		
Location Factor			1.19 Los Angeles		
Perimeter Factor			1.00		

<sup>1</sup> Per Marshall & Swift total cost includes: sales taxes, interest on construction financing, permit fees, and average architects' and engineers' fees, which have been deducted to avoid double-counting with the "soft costs" category of the development budget.

Source: Marshall & Swift Commercial Cost Estimator, June 2015; HR&A Advisors, Inc.

## MOTION

In 2001, the City Council approved the Vermont/Western Station Area Neighborhood Plan (SNAP). One of SNAP's goals is to provide sufficient schools, childcare facilities, parks, public pools, soccer fields, open space, libraries and police stations within the Plan Area by the year 2020. In certain SNAP areas, all commercial and mixed use projects, which total 100,000 net square feet or more of non-residential floor area, are required to provide for or include adequate child care facilities to accommodate a project employees' pre-school aged or infant care needs.

SNAP stipulates that such child care facilities may be provided for on- or off-site of a proposed project. Additionally, SNAP provides that an in-lieu cash fee may be considered to meet some or all of the required minimum indoor square footage and play areas necessary for a project development. SNAP mandates that should an applicant request an in-lieu fee, the Board of Recreation and Parks (RAP) Commission determine whether or not accept the fee or require creation or development of a child care facility. While SNAP allows for an in-lieu fee procedure and requires RAP to make final determination, it provides little to no guidance on how RAP is to calculate or determine the efficacy of the in-lieu fee.

The City is currently in the process of working with the first SNAP development, East Hollywood Target, for which the childcare requirements apply. The applicant has requested to make an in-lieu payment. However, because SNAP does not provide a traditional fee formula for calculation of in-lieu fee payments, the applicant has hired its own financial consultant to estimate an appropriate fee. In order for RAP to properly evaluate this fee to make an objective and informed decision as to whether the proposed in-lieu fee adequately qualifies for consideration, it is recommended that an independent, peer review be commissioned to study East Hollywood Target's study.

I THEREFORE MOVE that the City Council authorize and instruct the City Administrative Officer (CAO) to hire a consultant to evaluate the projected childcare needs of the proposed East Hollywood Target development with respect to the requirements of the SNAP; accept up to \$25,000 for the full cost of consultant services from the applicant to evaluate such childcare needs; instruct the City Controller to deposit all funds received as a result of this action in Fund 100, Department 10, Contractual Services Account 3040; and authorize the CAO to make any technical corrections, revisions, or clarifications to the above instructions to effectuate the intent of this action; and

I FURTHER MOVE that the Council REQUEST that the Board of Recreation and Parks (RAP) Commission consider the applicant's proposal at their next regularly scheduled meeting once the peer review is completed and the applicant's development application is complete.

PRESENTED BY:

  
MITCH O'FARRELL  
Councilmember, 13th District

SECONDED BY:



ORIGINAL

MAR 13 2011  


**FINAL MEMORANDUM**

To: Valerie Flores and Kenneth Fong, City Attorney's Office

Cc: Josh Rohmer, Stephanie Magnien Rockwell, Chris Robertson  
City of Los Angeles

From: Economic & Planning Systems, Inc.

Subject: Peer Review of HR&A Estimate of Childcare In-Lieu Payment  
for Target Development; EPS #164005

Date: July 11, 2016

*The Economics of Land Use*



Target Corporation is developing a 186,698-square foot retail center at the corner of Sunset Boulevard and Western Avenue (Project). Rather than providing an onsite childcare facility to meet the childcare needs of project employees, Target Corporation is requesting to make a cash payment in lieu of the childcare facilities requirements. Under the terms of Section G of the Station Neighborhood Area Plan (SNAP), such in-lieu cash payments can be authorized and deposited into a Childcare Trust Fund.

Economic & Planning Systems, Inc., (EPS) was retained by the City of Los Angeles to peer review the September 29, 2015 Report prepared by HR&A for Target Corporation titled "Estimation of a Childcare Facility In-Lieu Fee for the Target Development at Sunset Boulevard and Western Avenue" (HR&A Report or HR&A Analysis). EPS's peer review involved reviewing the HR&A Report, speaking with City staff and the assigned City Attorney to understand the Project background, and discussing key assumptions with the primary author of the HR&A Report.

The HR&A Analysis estimates that: (1) the Project's 250 employees would generate demand for eight childcare spaces (about one space for every 30 employees) and (2) the cost of providing that childcare is approximately \$60,500 per childcare space. This results in an in-lieu payment estimate of \$484,000, or \$2.59 per square foot of Project Floor Area.

HR&A points out that this level of payment per building square foot would be above many citywide childcare in-lieu fees charged by other California jurisdictions, but below that charged by the City of Santa Monica.

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Oakland, CA 94612-3604  
510.841.9190 tel  
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## Findings

Key findings from the peer review include the following:

- 1. The City's policy objectives are an important consideration in determining whether the HR&A Analysis is consistent with the intent of Section G of the SNAP.** Section G of the SNAP states that "all commercial and Mixed-Use Projects, which total 100,000 net square feet or more of nonresidential floor area, shall include childcare facilities to accommodate the childcare needs of the Project employees for pre-school children." It also notes that a cash payment in-lieu of some or all of the minimum indoor square footage and play area required can be authorized. EPS's peer review is grounded in a broad interpretation of the language of Section G and assumes the objective of Section G is to ensure that there will be childcare spaces available for all of the pre-school aged children of the Project's 250 employees who are likely to enroll their child(ren) in some form of non-relative childcare near their place of work. This is a broader interpretation than the one applied by HR&A as discussed in more detail below.
- 2. A "demand-based" analysis represents a reasonable approach to estimating an in-lieu cash payment, although the specific assumptions have significant implications for the end result.** A demand-based analysis varies from the straight-forward application of the stated standard in Section G of the SNAP (1 square foot of childcare space per 50 square feet of Project floor area) in that a demand-based approach seeks to link the characteristics of new development and associated employees to an estimate of childcare need based on a series of specific assumptions about an employee's likelihood of having one or more children under the age of 6 who might choose to enroll in childcare near the employee's place of work. The estimate of childcare need, in turn, is costed for the purpose of identifying an appropriate fee payment. EPS generally concurs that a "demand-based" approach, as proposed by HR&A, represents a reasonable approach to determining the potential in-lieu cash payment. However, assumptions concerning the number of employees, the need for childcare, and the cost of providing a childcare space are critical components of the analysis that require careful consideration.
- 3. Based on a broader interpretation of the policy language, EPS finds that the Project's 250 employees will generate demand for 15 childcare spaces, higher than the 8 spaces estimated in the HR&A Analysis.** The HR&A Analysis follows a logical sequence of steps and calculations to arrive at the projected demand for childcare from the Project's 250 employees. However, there are certain assumptions in the HR&A Analysis that EPS believes collectively result in an underestimate of demand. These include the adjustments made for employee shifts, not considering that a household with a child under the age of 6 might have more than one child under the age of 6, and the interpretation of the Census Bureau's survey of working parents, which is used to estimate the percent of households choosing some form of non-relative childcare. Applying EPS's recommended revisions results in the Project's 250 employees generating demand for 15 childcare spaces (see Figure 1 for comparison of assumptions and steps).

- 4. Using HR&A's approach to estimating the costs of providing a childcare space, the revised childcare need estimate results in an in lieu cash payment ranging from \$907,500 to \$1,213,500.** The HR&A Report prepares a cost estimate that is based on the new development (including land acquisition) of a state-licensed childcare center, which would be more costly to provide than other options (e.g., expanding capacity within an existing facility). In this regard, EPS finds that the HR&A Analysis, and estimate of \$60,500 per childcare space, is conservative.<sup>1</sup> Applying this per childcare space cost estimate to the revised estimate of the need for 15 childcare spaces results in an estimated in-lieu cash payment of \$907,500 (see **Figure 1** for a comparison of key steps). This is about 87.5 percent above the HR&A estimate and represents about \$4.86 per Project Floor Area.

It is important to note that HR&A's cost estimates are based on dynamic data that is subject to change over time based on economic and market conditions. For example, the land acquisition cost estimate used in the HR&A Analysis is \$110 per square foot. This figure is based on sales transactions within 1 mile of the Project site and excludes any unusually high-value transactions located along high-demand corridors. This is an appropriate exclusion given that, unlike retail or other types of commercial space, a child care facility does not require a premium location, and, in fact, due to the economics of developing and operating a child care facility, a child care facility typically cannot afford a premium location.

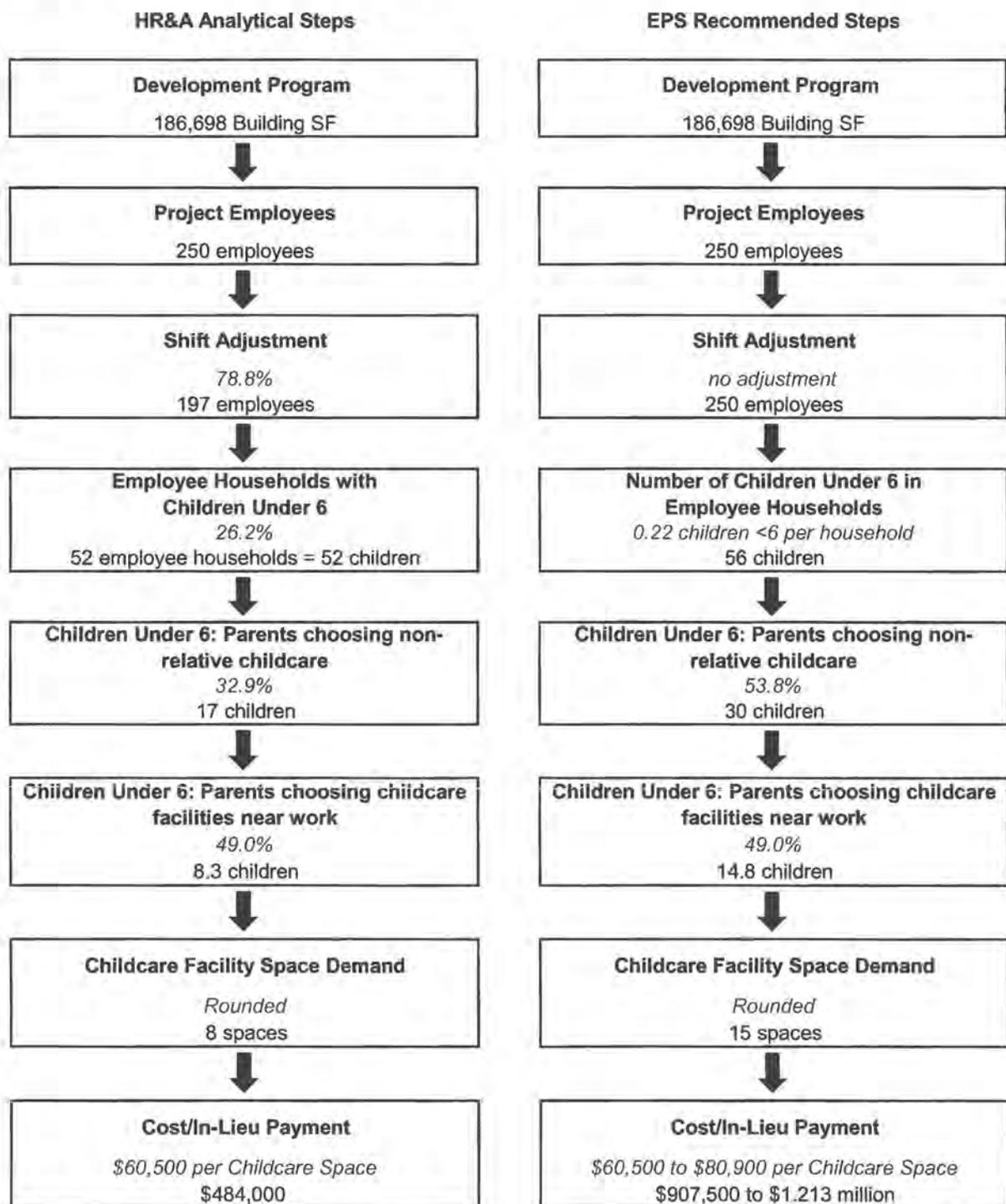
When EPS updated the land acquisition cost research to vet HR&A's estimate, EPS applied the same search criteria (e.g., within 1 mile of the Project site and excluding transactions reflecting premium locations) and found the median price per square foot of land had risen to \$188.<sup>2</sup> Incorporating a land acquisition cost of \$188 per square foot increases the overall cost per child care space to \$80,900 (up from \$60,500) and increases the in lieu cash payment to \$1,213,500 (up from \$907,500). Given the dynamic nature of land values in the area, an in lieu cash payment could reasonably range from \$907,500 to \$1,213,500.

---

<sup>1</sup> EPS independently confirmed that the parking assumption reflects the current zoning requirements. In addition, the calculation to estimate the in-lieu cash payment appropriately excludes the 109 square feet for the police substation.

<sup>2</sup> Using CoStar vacant land transaction data, within 1 mile of the Project Site, in June 2016.

**Figure 1 Comparison of HR&A Analytical Steps and EPS Recommended Steps**



## Policy/Study Background

Section G of the SNAP describes the land use regulations associated with the provision of childcare facility requirements. As noted in Section G of the SNAP:

- All commercial and Mixed-Use Projects, which total 100,000 net square feet or more of nonresidential floor area, shall include childcare facilities to accommodate the childcare needs of the Project employees for pre-school children.
- Project employees' childcare needs shall be one square foot of floor area of an indoor childcare facility or facilities, for every 50 square feet of net, usable nonresidential floor area; or to the satisfaction of the Commission for Children, Youth, and their Families<sup>3</sup> consistent with the purpose in Section G.<sup>4</sup>
- The childcare facility may be off-site provided it is within 5,280 feet (one mile) of the Project.
- At the Applicant's request, the Commission for Children, Youth, and their Families<sup>5</sup> may authorize a cash payment in-lieu of some or all of the minimum indoor square footage and play area required. In-lieu cash payments for indoor childcare space and outdoor play areas shall be deposited in the City's Childcare Trust Fund.
- The SNAP does specify how the revenue from an in-lieu fee should be spent, but Administrative Code Sec. 5.530. pertains to the Vermont/Western Station Neighborhood Area Plan Childcare Trust Fund (Fund) and indicates that the purpose of the Fund is for the creation or development of Childcare programs or facilities and that funds "shall be expended only for the purpose of acquiring facilities, developing, improving and operating Childcare programs physically located within the boundaries of the Vermont/Western Station Neighborhood Area Specific Plan Area, and providing financial assistance with childcare payments to qualifying parents in the area, as determined by the Department."

## Step-by-Step Demand Analysis Comments and Recommendations

On behalf of Target Corporation, HR&A has proposed a "demand-based" methodology for estimating the appropriate in-lieu cash payment. HR&A suggests this methodology is more appropriate as it can be tailored to the specifics of the Project. This methodology seeks to estimate the number of pre-school aged children associated with Project employees who will require childcare based on a series of analytical assumptions. Important to understanding the HR&A Analysis, HR&A's methodology assumes that the goal of the City's policy is to provide

<sup>3</sup> As noted by HR&A, the City's Department of Parks and Recreation and the Parks and Recreation Commission now have jurisdiction over implementation of the SNAP childcare facility requirement, and the Childcare Trust Fund into which in-lieu cash payments would be deposited.

<sup>4</sup> On page 6 of the HR&A Report, a childcare facility need calculation is provided based on the ratio stated in Section G of the SNAP (1 square foot of childcare facility per 50 square feet of net useable Project floor area). While EPS recognizes that this is not the approach used to calculate the in-lieu payment, it is our presumption that the "existing" square footage of 59,561 should not be deducted as the SNAP language refers to "net useable" rather than "net new usable."

<sup>5</sup> See Note #2 above.

childcare for those Project employees who would be interested in childcare in licensed childcare facilities near their place of work that operate during common childcare facility hours (i.e., approximately 8 a.m. to 5 or 6 p.m.). This methodology also uses childcare provision cost estimates associated with construction of a new licensed facility as opposed to other less costly alternatives. Finally, this “demand-based approach” leads to a different effective standard in terms of the ratio between square feet of childcare facility provision and the net square feet of the Project. Each step is described below and summarized in **Table 1**.

**Step 1** begins with the source of the demand, the 250 on-site Project employees. This figure includes the employees of the Target store as well as the ancillary retail and is well-established in the Project EIR.

**Step 2** refines the Project employment estimate, in an effort to identify just those employees who would be working during the daytime hours (i.e., those hours that a childcare facility typically would be open). As described below, EPS believes that the reduction that occurs later in Step 4 accounts for the fact that not all Project employees with pre-school aged children will avail themselves of childcare and, thus, renders Step 2 redundant. There are a number of reasons an employee with a young child may not choose to enroll that child in childcare, including the potential availability of another parent or a relative to care for the child, the lack of affordable options in a convenient location, or the incompatibility of the employee’s work/shift logistics and available childcare options. We believe these considerations are valid and that they are accounted for in Step 4. Therefore, we do not recommend discounting the number of employees based on potential shift assignments in Step 2.

Related to Step 2, which refines the Project employment estimate, it may be that there is some potential that 250 employees equals something less than 250 households. For example, there may be potential for same-store colleagues to form a family/household, which would reduce the demand for childcare from Project employees. HR&A conservatively assumes that each employee is equal to a unique household. Without detailed information from Target about their workforce and household formation, EPS cannot recommend an appropriate discount factor.

**Step 3** identifies the percent of Project employees with children under the age of 6 using specific characteristics of employees in the “Retail Trade” living in the “West” region. While this data (see Appendix D of the HR&A Report) identifies 22 households (out of a sample of 84 households) with “any child” under the age of 6 in the household, the data does not appear to account for the possibility of there being more than one child under the age of 6 in the household.

Using Census data, it is possible to calculate the average number of children under the age of 6 per household (see Census tables S1101 and S0901, 2010-2014 ACS, 5-Year Estimates for the City of Los Angeles.) A review of the data on these tables suggests that there are an average of 0.22 children under the age of 6 in the City’s households, as shown on **Table 2**. This analysis is not specific to the retail industry, rather it reflects the Citywide average, but it more accurately estimates the number of *children* under the age of 6 (as opposed to the number of *households* with at least one child under the age of 6).

**Table 1 Step-by-Step Comments on HR&A Demand Analysis**

Step Reference Number	Step Description	Assumption Used by HR&A	Result	Source	EPS Comment
1	Number of employees	250		Project EIR (Approved)	1) No comment.
2	Discount employees to reflect those working daytime shifts	78.8%	197.1	National Study of the Changing Workforce Survey Data	1) Allowance for employees who will not choose child care is already reflected in Step 4. 2) Advise not to discount 250 employee count.
3	Percent of Project employees with children under the age of 6	26.2%	52.0	National Study of the Changing Workforce Survey Data	1) Source estimates the percent of households with one or more children under the age of 6 but does not necessarily provide an estimate of the number of children. 2) Advise using Census data to more accurately estimate the total number of pre-school aged children in the City's households.
4	Percent of Project employees with pre-school aged children choosing child care facilities	32.9%	17.1	Census Bureau's survey of child care arrangements among working parents	1) Important to note that current choices may not reflect preferred choices, if options were expanded and improved. 2) Sample should reflect just those children in a "regular arrangement" which reduces the sample and increases the percent of employees choosing childcare.
5	Percent of Project employees with pre-school aged children choosing child care facilities near place of work	49.0%	8.4	Average of 23% (West Hollywood nexus study survey) and 75% (literature review conducted for Santa Monica)	1) In EPS experience, this assumption tends to vary the most. Given that neither source is perfectly applicable to this Project, taking the average is reasonable.
<b>Total Number of Child Care Spaces Required</b>			<b>8</b>		1) Advise rounding up when estimating the number of children.

**Table 2 Average Number of Children under the Age of 6 per Household**

Category	Percent	Number
Children under 18 in Households		854,900
under 6 years	34.9%	298,360
6 to 11 years	32.3%	276,133
12 to 17 years	32.8%	280,407
Total Households		1,329,372
Number of Children under 6 Years per Household		0.22

Source: 2010-2014 American Community Survey 5-Year Estimates, Tables S1101 and S0901.

It is worth noting that the demand analysis in the HR&A Report is not structured in a way that is specific to the ages of the children. This is appropriate given the data sources used by HR&A; however, estimating the number of children within typical age cohorts of pre-school aged children (i.e., under 1, 1 to 2, and 3 to 5) would allow for a more nuanced analysis of the childcare preferences of the Project's employees. For example, parents make different childcare choices and have different locational preferences for their infant children than they do for their 4- and 5-year old children. In addition, many 5-year olds are enrolled in kindergarten and, therefore, do not need the type of childcare arrangements accounted for in this Study. An age-specific analysis allows just a subset (typically 50 percent) of 5-year olds to be included. The HR&A analysis is conservative in the sense that it includes all 5-year old children. Without additional research, EPS cannot say definitively whether an age-specific approach would increase or decrease the number of required childcare spaces. Revised, age-specific assumptions could end up off-setting one another.

**Step 4** establishes the percent of Project employees with pre-school aged children who are likely to choose childcare facilities, rather than care by a parent or a relative. This is an appropriate cut, and HR&A uses a well-researched and reliable data source. However, while the HR&A Report assumes that 32.9 percent of households with pre-school aged children will choose "non-relative" care based on Table 1 on page 2 of "Who's Minding the Kids? Childcare Arrangements," issued April 2013 by the U.S. Census Bureau, EPS believes the ratio should be based on the sample of children who are in a "regular arrangement," which is defined as an arrangement that is used at least once a week. It seems that a Project employee with a regular work schedule with one or more children under the age of 6 would fall into the category of needing a "regular arrangement." This assumption reduces the sample from 20,404 to 12,499, resulting in a revised assumption that 53.8 percent of households with pre-school aged children will choose "non-relative" care.

As noted above in Step 2, EPS also believes that the selected percentage should be applied to an employee count that has not been reduced on account of potential work shift. This is because the percentage of Project employees with pre-school aged children who are likely to choose childcare facilities rather than care by a parent or a relative reflects that not all Project employees will be able to (or choose to) take advantage of available childcare options, perhaps because of their work shift.

In **Step 5**, the number of children requiring childcare is further reduced to account for the percent of Project employees who would choose childcare facilities near their place of work as opposed to near their home. EPS is familiar with the range of assumptions quoted in the HR&A Report, noting that the assumption regarding the choice to use childcare near place of work varies across other studies from between 23 percent to 75 percent. The HR&A Report uses the average of the two assumptions, 49 percent. While not based on technical analysis, EPS finds this to be a reasonable assumption given that the West Hollywood survey (the basis of the 23 percent assumption) is potentially outdated (1989) and more heavily weighted to office workers than retail workers and the national study (the basis of the 75 percent assumption), while often referenced in childcare nexus studies is not available for a closer review. EPS concurs with HR&A that since neither source is perfect, taking the average of the two is reasonable.

## Results of EPS Recommendations

The recommendations summarized above result in demand for 15 childcare spaces based on a Project employee count of 250. The steps are shown below in **Table 3**.

At a cost of \$60,500 per childcare space, 15 childcare spaces represents a total cost of \$907,500 or a per Project floor area square foot cost of \$4.86. This is higher than the adopted in lieu fees of many other cities, yet approximately consistent with the City of Santa Monica's in lieu fee. At a cost of \$80,900 per childcare space, 15 childcare spaces represents a total cost of \$1,213,500 or a per Project floor area square foot cost of \$6.50, well above the highest adopted in lieu fees studied.

**Table 3 EPS Refined Demand Analysis**

Step Reference Number	Step Description	Assumption Used by HR&A	Result	Source
1	Number of employees	250		Project EIR (Approved)
2	Discount employees to reflect those working daytime shifts	100.0%	250.0 employees	
3	Number of children under the age of 6 per household	0.22	56.1 children < age 6	Census, ACS 2010-2014, See Table 2
4	Percent of Project employees with pre-school aged children choosing child care facilities	53.8%	30.2 children < age 6 needing non-relative child care	Census Bureau's survey of child care arrangements among working parents; Uses sample of children in a "regular childcare arrangement"
5	Percent of Project employees with pre-school aged children choosing child care facilities near place of work	49.0%	14.8 children < age 6 needing non-relative child care, near employee's place of work	Average of 23% (West Hollywood nexus study survey) and 75% (literature review conducted for Santa Monica)
<b>Total Number of Child Care Spaces Required</b>			<b>15</b>	

**BOARD REPORT**

**NO.** 16-209

**DATE** September 21, 2016

**C.D.** 14

**BOARD OF RECREATION AND PARK COMMISSIONERS**

**SUBJECT:** ASCOT HILLS PARK INTERPRETIVE NATURE FACILITIES (PRJ21075) PROJECT – HABITAT CONSERVATION FUND PROGRAM – SUBMISSION OF GRANT APPLICATION; CITY COUNCIL RESOLUTION; ACCEPTANCE OF GRANT FUNDS

AP Diaz _____	V. Israel _____
R. Barajas _____	K. Regan _____
H. Fujita _____	*N. Williams <u>NDW</u>



\_\_\_\_\_  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS

1. Approve the submission of a Habitat Conservation Fund (HCF) Program grant application in the amount of \$75,000.00 for the Ascot Hills Park Interpretive Nature Facilities (PRJ21075) Project (Project), subject to the approval of the Mayor and the City Council;
2. Designate the Department of Recreation and Parks' (RAP) General Manager, Executive Officer, or Assistant General Manager as the agent to conduct all negotiations, execute and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the Ascot Hills Park Interpretive Nature Facilities (PRJ21075) Project;
3. Recommend to the City Council the adoption of the accompanying Resolution, herein included as Attachment No. 1, which authorizes the submission of a grant application for the HCF grant in the amount of \$75,000.00 for the Ascot Hills Park Interpretive Nature Facilities (PRJ21075) Project;
4. Authorize RAP's Chief Accounting Employee to establish the necessary account and/or to appropriate funding received within "Recreation and Parks Grant" Fund 205 to accept the HCF grant in an amount up to \$75,000.00 for the Ascot Hills Park Interpretive Nature Facilities (PRJ21075) Project; and
5. Direct staff to transmit a copy of the Resolution to the City Clerk for committee and City Council approval, in accordance with the HCF grant guidelines.

## BOARD REPORT

PG. 2 NO. 16-209

### SUMMARY

The Habitat Conservation Fund (HCF) Program grant, established as a result of the passage of the California Wildlife Protection Act of 1990, provides approximately \$2,000,000.00 in annual competitive grant funding to local agencies to acquire, enhance, restore or develop facilities for public recreation and fish and wildlife habitat protection purposes. Applications for this round of funding are due by October 3, 2016.

At its meeting of October 19, 2011, the Board of Recreation and Park Commissioners approved the submission of a HCF grant application for the Ascot Hills Trails Pavilion project, which consisted of constructing a new trailhead and shade pavilion that would include educational wildlife kiosks and signage (Report No. 11-293). However, the pavilion project was not funded. In May 2016, the Ascot Hills Park Advisory Board (PAB) contacted RAP to consider seeking HCF Program funding for a trails-related project at Ascot Hills Park that would help patrons to navigate the park's natural trails and educate them on the indigenous plants and wildlife. After meeting with the PAB's representative and vetting the project, RAP's Planning, Construction and Maintenance Branch staff determined that the Project is viable and consistent with RAP's future development plans for this Park, as approved at the Board of Recreation and Park Commissioners meeting of June 18, 2015 (Report No. 15-140). RAP staff also received concurrence from Councilmember José Huizar's Office, Council District 14, for this Project.

The Project, located in the Northeast Los Angeles community at 4371 Multnomah Street, Los Angeles, CA 90032 (see Ascot Hills Park Analysis Report, herein included as Attachment No. 2), involves: 1) constructing an interpretive nature center to serve as a starting point or trailhead for park users to become oriented to the park before venturing out onto the park's network of hiking trails; 2) enhancing existing trails alongside the stream with site-related displays; and 3) installing trail maps at key trailheads. The development work would not involve the removal or disturbance of any trees, as the Project site is located on a flat plain that is free of any trees and will be accessible to all patrons including those with physical challenges. Once the design work, which will be funded by the Ascot Hills PAB, is completed, the Project is estimated to take approximately three months to construct. Funding for the project will include a pledged \$75,000.00 in Quimby funds and the unsecured \$75,000.00 in HCF funding, if awarded, for a total of \$150,000.00.

In accordance with the HCF Grant Guide, an authorizing Resolution, herein included as Attachment No. 1, which approves the submission of the grant application for the proposed project, must be approved by the grantee's governing body.

### ENVIRONMENTAL IMPACT STATEMENT

Once the final plans for the Project are approved, the Project will become subject to the California Environmental Quality Act (CEQA). Therefore, in accordance with Section 15378 (b)(4) of the State CEQA Guidelines, the Board's action does not constitute a "project under CEQA." Further CEQA determinations will occur if the grant funds are awarded and the Project plans are finalized.

## BOARD REPORT

PG. 3 NO. 16-209

### FISCAL IMPACT STATEMENT

At this time, the proposed HCF grant and Quimby funds are sufficient to develop the proposed Project. Therefore, there is no anticipated fiscal impact to RAP's General Fund. With regard to maintenance, there is no anticipated fiscal impact to RAP's General Fund since there will be no change to current staffing levels.

This Report was prepared by Isophine Atkinson, Senior Management Analyst II, Grants Administration, Finance Division.

### LIST OF ATTACHMENTS

- 1) Resolution of the City Council of the City of Los Angeles
- 2) Ascot Hills Park Analysis Report

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES  
APPROVING THE APPLICATION FOR GRANT FUNDS FROM THE  
HABITAT CONSERVATION FUND PROGRAM  
ASCOT HILLS PARK INTERPRETIVE NATURE FACILITIES PROJECT**

WHEREAS, the people of the State of California have enacted the California Wildlife Protection Act of 1990, which provides funds to the State of California for grants to local agencies to acquire, enhance, restore or develop facilities for public recreation and fish and wildlife habitat protection purposes; and

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility for the administration of the HCF Program, setting up necessary procedures governing project application under the HCF Program; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the applicant to certify by resolution the approval of application(s) before submission of said application(s) to the State; and

WHEREAS, the applicant will enter into a contract with the State of California to complete the project;

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF LOS ANGELES HEREBY:

1. Approves the filing of an application for the Habitat Conservation Fund Program; and
2. Certifies that said applicant has or will have available, prior to commencement of any work on the project included in this application, the required match and sufficient funds to complete the project; and
3. Certifies that the applicant has or will have sufficient funds to operate and maintain the project(s), and
4. Certifies that the applicant has reviewed, understands, and agrees to the provisions contained in the contract shown in the grant administration guide; and
5. Delegates the authority to the Department of Recreation and Parks' General Manager, Executive Officer, or Assistant General Manager, to conduct all negotiations, execute and submit all documents, including, but not limited to applications, agreements, amendments, payment requests and so on, which may be necessary for the completion of the project.
6. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines

The undersigned City Clerk of the Applicant here before named does hereby attest and certify that the forgoing is a true and full copy of a Resolution of the City Council of the City of Los Angeles adopted at a duly convened meeting on the date above-mentioned, which has not been altered, amended or repealed.

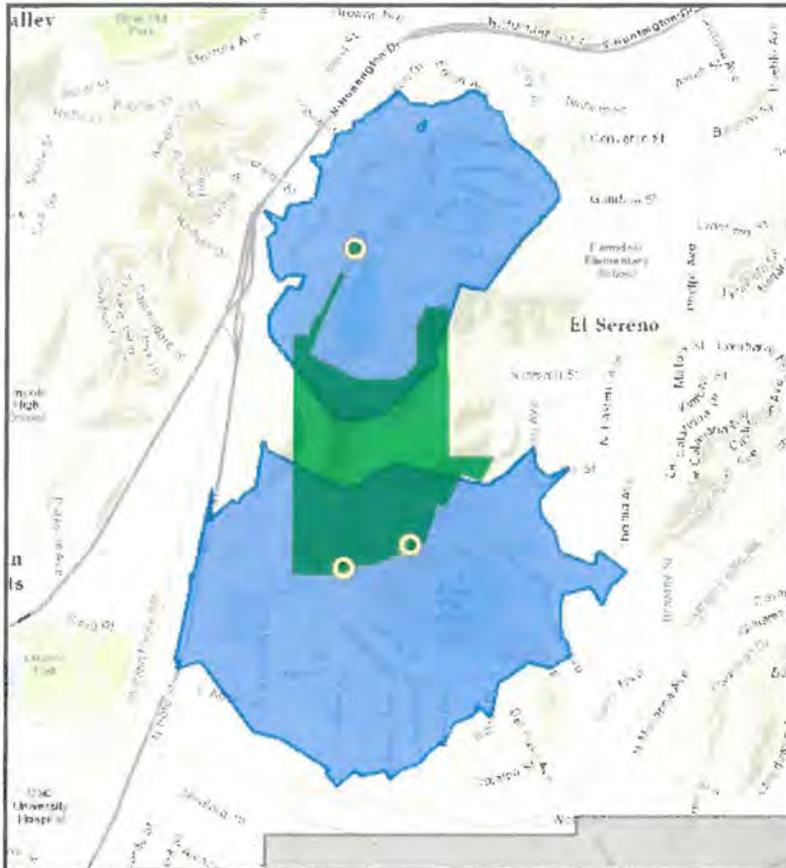
HOLLY L. WOLCOTT, City Clerk

By: \_\_\_\_\_



EQUITABLE PARKS & AMENITIES  
DECISION SUPPORT SYSTEM

# Park Analysis Report



## Scenario Information

Scenario Name:  
**Ascot Hills Park Interpretive Nature  
Facilities (PRJ21075)**

Description:  
Construction of an interpretive nature center;  
enhancement of existing trails alongside the  
stream with site-related displays; and installing  
trail maps at key trailheads

Scenario Type:  
**Existing Park Upgrade**  
**Ascot Hills Park**

Park Class:  
**Neighborhood**

Baseline Dataset\*:  
**All Parks (RAP and Non-RAP)**

\*The baseline dataset is the existing parks dataset whose service areas are used to calculate the currently non-served metrics given below in blue. These residents and households, which would be served by the proposed park, are not currently served by any existing park in the baseline dataset.

## Population and Age Breakdown

	Total Residents Served:	Currently Non-Served Residents Served:
Residents Served:	2,736	2,671
Residents Served by Age		
Under Age 5:	166	157
Age 5 to 9:	165	160
Age 10 to 14:	187	183
Age 15 to 17:	122	119
Age 18 to 64:	1,663	1,627
Age 65 and Over:	433	425

## Household and Income Breakdown

	Total Households Served:	Currently Non-Served Households Served:
Households Served:	780	759
Households Served by Annual Income		
Under \$25,000:	199	194
\$25,000 to \$34,999:	72	70
\$35,000 to \$49,999:	163	158
\$50,000 to \$74,999:	172	166
\$75,000 and Over:	174	171

Source: Census/ACS 2010

INFORMATIONAL BOARD REPORT

CITY OF LOS ANGELES  
DEPARTMENT OF RECREATION AND PARKS

September 21, 2016

TO: BOARD OF RECREATION AND PARK COMMISSIONERS  
FROM: MICHAEL A. SHULL, General Manager   
SUBJECT: VARIOUS COMMUNICATIONS

The following communications addressed to the Board have been received by the Board Office, and the action taken thereon is presented.

<u>From</u>	<u>Action Taken</u>
1) Chief Legislative Analyst, forwarding the Legislative Report for the weeks ending August 19, and August 26, 2016.	Noted and Filed.
2) City Clerk, relative to the re-exemption of one Golf Manager position for the Department of Recreation and Parks.	Noted and Filed.
3) City Clerk, relative to the need for a comprehensive assessment of all the funding and programmatic ways the City supports youth in Los Angeles.	Noted and Filed.
4) City Clerk, relative to the exemption of one Service Coordinator position for the Department of Recreation and Parks.	Noted and Filed.
5) City Clerk, relative to adding a new Chapter to the Los Angeles Administrative Code establishing a South Park Open Space Maintenance Trust Fund.	Noted and Filed. (Report No. 15-245)
6) City Clerk, relative to funding to keep the Hollywood Recreation Center swimming pool open on weekends through October 1, 2016.	Noted and Filed.
7) Chief Legislative Analyst, forwarding the Legislative Report for the weeks ending August 19, and August 26, 2016.	Noted and Filed.

BOARD OF RECREATION AND PARK COMMISSIONERS

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|---|---|
| 8) Jerome Puttler, three communications relative to an incident at Vermont Canyon Tennis Courts.                                    | Referred to General Manager.                        |
| 9) Teresa Fillius, relative to a gopher infestation at the Field of Dreams.   | Referred to General Manager.                        |
| 10) Gerry Hans, President, Friends of Griffith Park, relative to the Griffith Observatory Circulation and Parking Enhancement Plan. | Referred to General Manager.<br>(Report No. 16-186) |
| 11) Jeff Page, two communications relative to the trees in Gladys Park, with a response.  | Noted and Filed.                                    |
| 12) Christine Kent, three communications relative to a truck parked in the Hollywoodland neighborhood, adjacent to Griffith Park.   | Noted and Filed.                                    |

This Report was prepared by Paul Liles, Clerk Typist, Commission Office.

MATTERS PENDING

Matters Pending will be carried for a maximum of six months, after which time they will be deemed withdrawn and rescheduled whenever a new staff report is received.

GENERAL MANAGER'S REPORTS:

<u>ORIGINALLY PLACED ON BOARD AGENDA</u>	<u>PLACED ON MATTERS PENDING</u>	<u>DEEMED WITHDRAWN</u>
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None

BIDS TO BE RECEIVED:

09/27/16	West Wilshire (Pan Pacific) Park – Improvements to Athletic Fields: Baseball/Softball and Soccer Fields (W.O. #E170496F)
09/27/16	Stonehurst Recreation Center – ADA Facility Upgrades (W.O. #E170243F)
09/27/16	Evergreen Recreation Center – ADA Facility Improvement (W.O. #E170382F)

PROPOSALS TO BE RECEIVED:

None

QUALIFICATIONS TO BE RECEIVED:

11/03/16	Fence and Wall Installation, Maintenance and/or Repairs
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