

REPORT OF GENERAL MANAGER

NO. 05-87

DATE April 6, 2005

C. D. 13

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: AGREEMENT WITH NIKE USA, INC., TO ACCEPT A GIFT OF FUNDS FOR REPAIR AND RENOVATION WORK AT ECHO PARK AND LINCOLN PARK RECREATION CENTERS

J. Combs	<u>[Signature]</u>	H. Fujita	_____
*K. Regan	<u>[Signature]</u>	K. Chan	_____
F. Mok	_____	J. Kolb	_____
B. Jensen	_____		

[Signature]
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Accept a gift of \$50,000 from Nike USA, Inc. (NIKE), for the purpose of making improvements to the jogging path at Lincoln Park, and jogging path and outdoor lighting at Echo Park Recreation Centers, subject to the conditions in the attached Agreement to Accept Gift;
2. Approve an Agreement to Accept Gift, substantially in the form attached;
3. Direct the Board Secretary to submit the proposed Agreement to the Mayor, in accordance with Executive Directive No. 16, and to the City Attorney for review and approval as to form;
4. Authorize the Board President and Secretary to execute the Agreement subsequent to all necessary approvals; and
5. Direct that upon receipt of the \$50,000 gift, the gift funds be deposited in Fund 301, Department 88, Municipal Recreation Program Account 256, Sub-Account 1751, and authorize use of funds from this account in accordance with the Agreement.

SUMMARY:

Representatives from NIKE have met with Department staff several times over the last three months to discuss repairs and improvements to the asphalt jogging path at Lincoln Park Recreation Center and limited repairs (e.g., cold patching) to the jogging path and outdoor

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lighting improvements (replace aluminum wiring with new copper wiring in three light poles) at Echo Park Recreation Center. Both parks are over 100 years old. Many improvements have been made over the years but there remains a need for additional health and safety improvements. NIKE has made a commitment to improve the health of families through running programs. NIKE will be sponsoring a large race as part of this year's Fiesta Broadway on May 1 and has invited many of our recreation centers to participate. As part of the running legacy, NIKE wants to help create safer areas for people to workout and run. Both of the parks that will be improved are used daily by local runners, and convenient parking can be found at both.

The Department estimates the cost of the planned projects to be about \$50,000. The jogging path improvements will be done with Department construction forces and the use of existing contract vendors for asphalt services. Some outdoor improvements will be done by NIKE volunteers, community volunteers and Department employees. Funds will be conveyed to the Department by NIKE in accordance with the terms of the Agreement to Accept Gift, which commits the Department to completion of the project.

As mentioned above, the project will be accomplished by a mix of Department staff, hiring hall labor, and some specialty work done by existing City contractors, such as installation of the asphalt paving. The attached Agreement to Accept Gift incorporates a detail of the components of the project and costs of each component. If any funds remain after completion of the agreed-upon work, those funds shall only be used for future or other repairs or improvements to the parks involved. Both Lincoln Park and Echo Park will benefit from these improvements.

The Department's Environmental Management staff has determined that these proposed projects consist of repair and maintenance activities only. The minor alterations to the condition of the land at these existing public recreation facilities involve negligible or no expansion of use. Therefore, the projects are exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1 (3, 4) and Class 4 (3) of the City CEQA Guidelines.

The Department is enthusiastic about embarking upon this project. The partnership offered by NIKE through funding this project is an excellent example of the Department's ability to leverage financial support to achieve enhancements to our facilities for the enjoyment by our patrons and visitors.

FISCAL IMPACT:

There is minimal financial impact tied to the donation. The annual cost to paint out graffiti on the exercise stretch bar is \$100 per year. If the donation is not accepted, the financial impact would be greater since the necessary repair work needed at both parks would be the sole responsibility of the City.

Report prepared by Mark Mariscal.

AGREEMENT TO ACCEPT GIFT

THIS AGREEMENT is made and entered into this ____ day of _____, 2005, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners (hereinafter "CITY") and NIKE USA, Inc. (hereinafter "NIKE").

1. NIKE hereby donates the sum of \$50,000.00 (fifty thousand dollars) to CITY (hereinafter GIFT) under the conditions of this AGREEMENT, to be paid on or before May 31, 2005. NIKE shall also provide approximately 50 to 60 of these employees for a one day volunteer clean-up of both Lincoln and Echo Parks. The "NikeGO" Community Involvement event is scheduled for April 14, 2005.
2. CITY shall devote all donated funds pursuant to the GIFT for the following projects: a) patch and slurry coat a minimum of 7,000 square feet of the asphalt jogging path at the Lincoln Park Recreation Center; b) improve electrical wiring and lighting at the Echo Park Recreation Center outdoor area surrounding the lake; c) At both Lincoln and Echo Parks, CITY shall place an exercise stretch bar and allow NIKE to be identified as the sponsor of the GIFT by installing an engraved 4"x 6" plate with the "NikeGO" logo on the frame of the exercise stretch bar. CITY will maintain these two exercise stretch bars as usable and free of graffiti during the term of this Agreement. Failure of CITY to do so shall be a material breach of this AGREEMENT. After three years, CITY may remove exercise bars or engraved plate at its sole expense
3. CITY shall cooperate with NIKE's reasonable requests for public relations activities and coordination of volunteer work related to the April 14 cleanup, NIKE's gift, and the CITY's improvements to Lincoln and Echo Parks.
4. CITY shall submit reports to NIKE as requested throughout the duration of the repairs and improvements, detailing the manner in which the funds have been expended and relating the progress which has been made in accomplishing the purposes of the GIFT. Work must start within one month of receiving the GIFT funds. The entire installation is projected to be completed within four months.
5. CITY shall not use any portion of the GIFT funds to influence the outcome of any specific election for candidates to public office, to carry on any voter registration drive except as provided in Internal Revenue Code (IRC) Section 495(f), to induce or encourage violations of law or public policy, to cause any private inurement or improper private benefit to occur, or to take any other action inconsistent with IRC Section 501(c)(3).
6. CITY hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless NIKE, its officers, directors, trustees, employees, members, and donors from and against any and all claims, liabilities, losses, and expenses (including reasonable attorneys' fees) directly, indirectly, wholly, or partially arising from or in connection with any act or omission of CITY, in accepting the GIFT, in expending or applying the GIFT funds, except to the extent that such claims, liabilities, losses, or expenses arise from or are in connection with any active negligence or willful misconduct of NIKE, its officers, directors, trustees, employees, members, or donors.

7. This AGREEMENT shall supersede any prior oral or written understanding or communications between the parties and constitutes the entire agreement of the parties with respect to the subject matter hereof. This AGREEMENT may not be amended or modified, except in a writing signed by both parties hereto.

Such GIFT is hereby accepted by the CITY, upon and subject to the terms and conditions hereinabove stated, with the understanding that neither the donation, the acceptance, nor the payment of the GIFT shall obligate NIKE to provide the CITY with any additional support.

THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners

BY: _____
President

BY: _____
Secretary

NIKE USA, Inc.

BY: _____
(Signature)

(Print Name)

(Title)

(Date)

BY: _____
(Signature)

(Print Name)

(Title)

(Date)

ATTACHMENT A

Use of Gifted Funding:

- Patch and slurry coat at least 7000 square feet at Lincoln Park Recreation Center. Make limited repairs to jogging path (e.g., cold patching) at Echo Park Recreation Center \$35,000.00
 - Improve lighting at Echo Park Lake. Remove and replace electrical wiring on three poles. 9,000.00
 - Install a stretching station at both Lincoln and Echo Parks, each station to include NikeGo signage. Maintain the stretching stations and NikeGO signage in clean, working order for three years from installation. 1,000.00
 - Supervise/direct/provide supplies for Nike employee cleanup of Lincoln and Echo Parks on April 14, 2005, NikeGO Community Involvement Day. 1,000.00
 - Contingency funds 4,000.00
- \$50,000.00