

APPROVED

APR 07 2022

BOARD OF RECREATION AND PARK COMMISSIONERS

BOARD REPORT

NO. 22-069

DATE April 07, 2022

C.D. ALL

BOARD OF RECREATION AND PARK COMMISSIONERS

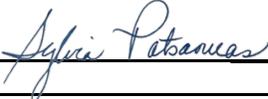
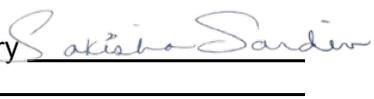
SUBJECT: FIRST AMENDMENT TO YOUTH SPORT PARTNERSHIP AGREEMENT FOR FUNDING BETWEEN THE CITY OF LOS ANGELES AND THE LOS ANGELES ORGANIZING COMMITTEE FOR THE OLYMPIC AND PARALYMPIC GAMES 2028 FOR THE CITY'S YOUTH & ADAPTIVE SPORTS PROGRAM

* AP Diaz	<u>APD</u>	M. Rudnick	_____
H. Fujita	_____	C. Santo Domingo	_____
J. Kim	_____	N. Williams	_____



 General Manager

Approved X Disapproved _____ Withdrawn _____

If Approved: Board President  Board Secretary 

RECOMMENDATIONS

1. Approve the First Amendment to the Youth Sports Partnership Agreement (First Amendment), substantially in the form set forth in this Report's Attachment 1, between the City of Los Angeles acting by and through its Department of Recreation and Parks (RAP) and the Los Angeles Organizing Committee for the Olympic and Paralympic Games 2028 (LA 2028), subject to the approval of the Mayor and City Council, and approval of the City Attorney as to form; and
2. Authorize RAP's General Manager, or its designee, to execute the First Amendment upon receipt of the aforementioned approvals.

SUMMARY

On September 13, 2017, the International Olympic Committee ("IOC") selected the City of Los Angeles to host the 2028 Olympic and Paralympic Games (the "2028 Games"). Among the principles of the Host City Contract, entered into September 13, 2017, by and between the City, the IOC and the United States Olympic Committee ("USOC"), and in the Memorandum of Understanding between the City, LA 2028 and the USOC, regarding the organizing of the 2028 Games, dated August 16, 2017, LA 2028 committed to support youth sports programming, including funding up to \$160,000,000, to significantly enhance access to sport for the City's youth over the years leading up to the 2028 Games (the "Youth Sports Commitment").

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The terms of LA 2028's Youth Sport Commitment, developed in collaboration with the City, were memorialized in the Youth Sport Partnership Agreement (YSA) for the operation and development of the City's Youth Sports Program (YSP). Subsequently, amended terms of LA 2028's Youth Sports Commitment have been developed in collaboration with the City, including RAP as the overseeing entity of the City of Los Angeles' Youth & Adaptive Sports Program (PlayLA) and with the approval of the IOC, and are now memorialized in the attached First Amendment to the Youth Sport Partnership Agreement (attached hereto as Attachment 1) for the operation and development of the PlayLA, which will be incorporated into the larger games agreement (Games Agreement) between the City and LA 2028.

Through the amended YSA, the City will use the provided funding to directly support and increase citywide youth participation in quality sport and fitness programming by removing financial barriers now and up to the 2028 Olympic & Paralympic Games (Games).

PlayLA is structured to overcome barriers to participation, including considerations to achieve gender equity and to increase access and opportunities for all young people, particularly the economically disadvantaged and physically impaired and to ensure enduring health and wellness benefits for all communities in the City of Los Angeles.

YSA Terms and Conditions

The YSA memorializes the following terms relating to PlayLA.

1. Grant Funds from LA 2028 will be used to subsidize and offset funding for youth sports and fitness classes or programs at designated recreation centers and or through signature programs or other non-profit or specialized sport and fitness partners, as well as for marketing and for the implementation of a safe sport program ("Safe Sport").
2. To access Grant Funds, RAP will develop an annual "YSP Project Plan," subject to Board of Recreation and Park Commissioners (Board) and City Council approval, and submit each plan to LA 2028 to draw down the available Youth Sports Commitment funding.
3. RAP will submit annual YSP Project Plan requests to LA 2028, up to the cumulative amount of the total available Grant Funds available for such Fiscal Year, as follows:
 - (i) Participation Fees for Leagues and Classes: A majority of available funds may be used each Fiscal Year to offset the Direct Costs for participation in RAP operated, quality youth sport leagues & classes;
 - (ii) Signature Youth Programs: RAP may also use a targeted amount of funds each year to offset the direct and start-up costs of quality youth sport or fitness programs, and/or including adaptive sport activities.

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4. RAP will enact and maintain minimum standards for safety maintenance, training and reporting under a collaboration with the U. S. Center for Safe Sport, in an amount not to exceed \$2,000,000.00, and within one year from the YSA's execution.
5. Eligible participants for subsidies will be based on household income within ½ mile radius of that recreation center. Using current income data, this standard covers 81 of RAP's 123 recreation centers. Eligible participants at non-designated or pre-qualified sites will verify their eligibility by self-certifying household income or participation in the state's reduced lunch program. RAP will retain the right to adjust or modify any pre-designated and qualified recreation center as needed to meet operational, maintenance or income needs.
6. RAP will commit to raising public awareness and engagement of the YSP by utilizing designated marketing funds to identify and create the YSPs branding, marketing and visual identity and to purchase multi-lingual advertising for each year of the YSP.
7. RAP will submit an annual Project Plan with an estimated amount to identify subsidies for upcoming year registration in existing or signature programming for reimbursement and to be reconciled each subsequent year, while committing to a preference for Olympic or Adaptive Sports and to track participation and growth resulting from RAP's baseline participation numbers now and through 2028.

First Amendment to YSA

The First Amendment to the YSA still memorializes all of the above principals but amends the agreement to include the following terms relating to PlayLA to provide RAP expanded access to and flexibility for use of YSP funds by enabling the following:

1. The opportunity to potentially access **additional funds** for use as "**Other Costs**" through good faith negotiations with LA 2028, once the original \$6.4 million for such use has been exhausted (but no earlier than September 1, 2025).
2. Amends the the definition of "Direct Cost" in Exhibit B to allow project plan reimbursement for the following:
 - a. Reimbursement for **Transportation Costs** associated with Signature Youth Programs, including cost of RAP coach or instructor wages applicable to time spent transporting Eligible Participants, and applicable bus rental expenses; and
 - b. Reimbursement of **Membership Fees** for individuals participating in National Governing Board ("NGB") sanctioned RAP activities.

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FISCAL IMPACT

Approval of the proposed First Amendment and acceptance of Grant funding from LA 2028 will have a positive impact on RAP's General Fund, resulting in cost savings to RAP in its operation and offering of subsidized youth sports and fitness programs Citywide.

STRATEGIC PLAN INITIATIVES AND GOALS

Approval of this Board Report advances RAP's Strategic Plan by supporting:

Goal No. 2: Offer Affordable and Equitable Recreational Programming

Outcome No. 1: Improved health and social equity for young Angelenos

Key Metric: Number of youth participants in sports and fitness programs

Result: Increase participation in youth sports, fitness and aquatics programs by removing barriers to enrollment, specifically in in low-income communities of color

This report was prepared by Anthony-Paul (AP) Diaz, Executive Officer, Department of Recreation and Parks.

LIST OF ATTACHMENTS/EXHIBITS

Proposed First Amendment

First Amendment to Youth Sport Partnership Agreement

This First Amendment to Youth Sport Partnership Agreement C-136936 (this “Amendment”) is made and entered into as of the date of the last signature set forth below, and is by and between the City of Los Angeles, a municipal corporation (the “City”), acting by and through its Department of Recreation and Parks (“RAP”) and the Los Angeles Organizing Committee for the Olympic and Paralympic Games 2028 (“LA28”). These entities shall be known herein collectively as the “Parties” or individually as a “Party.” Capitalized terms used but not otherwise defined herein shall have the meanings ascribed in the Youth Sport Partnership Agreement (as defined below).

WHEREAS, the Parties entered into that certain agreement regarding the 2028 Youth Sport Partnership dated as of September 23, 2020 (the “Youth Sport Partnership Agreement”); and

WHEREAS, the Parties now desire to amend the Youth Sport Partnership Agreement to the extent set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree to amend and modify the Youth Sport Partnership Agreement as follows:

Section 1. Amendments.

1.1 Funding for Other Costs. Section 8(e) of the Youth Sport Partnership Agreement is hereby amended and restated in its entirety to read as follows:

“(e) Funding for Other Costs. Notwithstanding anything herein to the contrary, but subject to Section 8(e)(i), the City may use up to 4% of total Grant Funds (i.e., six million four hundred thousand dollars (\$6,400,000) (the “Other Costs Amount”) to recoup or otherwise cover expenses that are consistent with the Parties’ shared goal to increase the number of City youth participating in sport and fitness programs but that do not otherwise qualify as Direct Costs, including but not limited to community engagement and outreach expenses, program Start-Up Costs, Safe Sport expenses, and marketing, program branding, and reporting requirements expenses (“Other Costs”). The City shall have broad discretion and unilateral control over how these funds are expended to support the above stated goals, as described in the YSP Project Plan for any given Fiscal Year. LA 2028 shall pay the City the Other Costs in quarterly payments as necessary to support each approved YSP Project Plan. Other Costs may vary from year to year; provided, however, that, subject to Section 8(e)(i), the total amount available for Other Costs over the Agreement Term shall not exceed the Other Costs Amount (i.e., \$6,400,000). These Grant Funds for Other Costs shall be credited towards LA 2028’s total commitment for YSP.

- (i) Notwithstanding the applicable foregoing terms of Section 8(e), but solely in the event that the City fully exhausts the Other Costs Amount (i.e., \$6,400,000) prior to the expiration of the Agreement Term, the Parties shall, reasonably promptly following the later to occur of (1) such date by which the City has fully exhausted the Other Costs Amount (i.e., \$6,400,000) and (2) September 1, 2025, discuss in good faith (i) the existence of any continued (or additional) and reasonable Other Costs and

(ii) to the extent any such costs are mutually identified, a potential corresponding, reasonable, and appropriate increase to the Other Costs Amount. As it concerns the terms of this Section 8(e)(i), the Parties shall (x) mutually agree upon a date (to be no earlier than September 1, 2025) to mark the commencement of such good faith discussions (such date, the “Discussion Commencement Date”) and (y) be obligated to so discuss in good faith for the thirty (30) consecutive day period immediately following the Discussion Commencement Date. For the avoidance of doubt, any amendment or modification to this YSP Agreement mutually agreed to by the Parties as a result of such good faith discussions shall be subject to the terms of Section 17(d) hereof (Amendment; Waiver).”

1.2 Definition of Direct Costs. The first sentence of Section 6(f) of the Youth Sport Partnership Agreement is hereby amended and restated in its entirety to read as follows:

“(f) “Direct Costs” shall mean those costs incurred by the Grantee of the type described in *Exhibit B*, and reimbursable at the rates set forth in, or otherwise defined pursuant to the terms of *Exhibit B*, subject to the terms and conditions of this YSP Agreement.”

1.3 Certain Transportation Expenses and NGB Membership Expenses as Direct Costs. Exhibit B to the Youth Sport Partnership Agreement shall be amended by adding the following words directly beneath the standalone chart entitled “Class”:

“Transportation Costs. Beginning with the YSP Project Plan corresponding with Fiscal Year 2022-23 (the “FY 22-23 Project Plan”) and for each YSP Project Plan thereafter, Direct Costs may include reasonable and mutually agreed upon expenses directly and exclusively associated with the direct transporting of Eligible Participants to, or from, certain mutually-agreed upon Signature Youth Sport Program Activities (“Transportation Costs”). For each applicable YSP Project Plan, the Transportation Costs shall be exclusively reflected as the *product of*:

- (1) with respect to each applicable Signature Youth Sport Program Activity, a reasonable and mutually agreed upon dollar rate per Eligible Participant that (x) takes into account solely (i) RAP coach or instructor wages applicable to time spent transporting Eligible Participants on the terms set forth above and (ii) applicable bus rental expenses (if any), (y) is determined via reference to, among other things, relevant RAP financial and staffing records (historical or otherwise), and (z) is established by the Parties in connection with the FY 22-23 Project Plan

multiplied by

- (2) with respect to each applicable Signature Youth Sport Program Activity, the number of Eligible Participants participating in such Activity.

For the avoidance of doubt, the Transportation Costs shall exclude any capital expenditure.

NGB Membership Costs. Beginning with the FY 22-23 Project Plan and for each YSP Project Plan thereafter, Direct Costs may include, solely as it concerns NGB-sanctioned Leagues and Classes that (i) exclusively offer NGB-certified programming; (ii) are offered on an, at minimum, multi-week basis; and (iii) charge NGB individual participant membership fees (the “NGB Sanctioned Activities”), NGB individual participant membership fees charged to Eligible Participants (in an amount not to exceed a reasonable dollar amount per each Eligible Participant that is participating in an NGB Sanctioned Activity) (the “NGB Membership Costs”). In connection with any Project Plan seeking funding for NGB Membership Costs, RAP shall submit to LA28 documentation evidencing the amount of membership fees being charged by NGBs to Eligible Participants (on a per participant and per NGB Sanctioned Activity basis).”

1.4 Seasonal Advance Funding; Aquatic Costs. The paragraph of Section 9(b)(iii) of the Youth Sport Partnership Agreement beginning with the words “The amount of Seasonal Advance Funding” is hereby amended and restated in its entirety as follows:

“For each season prior to the season(s) corresponding to the FY 22-23 Project Plan (as defined in *Exhibit B*), the amount of Seasonal Advance Funding for each season shall be the sum of (x) the Anticipated Enrollment for such season at each Recreation Center multiplied by \$180 for Leagues (the “Leagues Sum”), (y) the Anticipated Enrollment for such season at each Recreation Center multiplied by \$80 for Classes (the “Classes Sum”), and (z) the unit costs for aquatic classes and aquatic leagues (the “Aquatic Costs”). The Aquatic Costs have not yet been defined, but the Parties agree (i) to work together in good faith to define the Aquatic Costs and (ii) that the City may submit the Aquatic Costs as a part of the Signature Youth Sports Program, for a given Fiscal Year in the YSP Project Plan for that Fiscal Year.

Notwithstanding the foregoing, beginning with the season(s) corresponding to the FY 22-23 Project Plan (and for each season thereafter), the amount of Seasonal Advance Funding for each season shall be the sum of:

- (1) the Leagues Sum;
- (2) the Classes Sum;
- (3) the Transportation Costs (as defined in *Exhibit B*);
- (4) the NGB Membership Costs (as defined in *Exhibit B*); and
- (5) the Aquatic Costs (it being expressly acknowledged and agreed that the Aquatic Costs may include, as and to extent mutually agreed to by the Parties, expenses associated with the operation of RAP pools outside of customary operating hours; provided that such expenses (x) bear a direct, proportionate and reasonable relationship to the aquatic leagues and classes being offered by RAP and (y) to the extent applicable, are of

a comparable nature to expenses for extended pool operating hours previously funded by LA28 in connection with the City's SWIMLA youth aquatic program).”

Section 2. Miscellaneous.

2.1 Ratification. Except as expressly amended hereby, the Youth Sport Partnership Agreement is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect, and are expressly incorporated herein.

2.2 Order of Precedence. In the event of any conflict or inconsistency between this Amendment and the Youth Sport Partnership Agreement and/or the attachments or exhibits thereto, such conflict or inconsistency shall be resolved in accordance with the following order of precedence:

1. This Amendment to Youth Sport Partnership Agreement.
2. The Youth Sport Partnership Agreement.
3. Attachments or exhibits to the Youth Sport Partnership Agreement.

2.3 IOC Approval Required. The Parties acknowledge and agree that, pursuant to Section 17(k) of the Youth Sport Partnership Agreement, the understandings set forth in this Amendment are subject to the written approval of the IOC and shall not be binding upon any Party unless and until such written approval is obtained.

[The remainder of this page has intentionally been left blank; signature pages follow.]

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed by their duly authorized representatives and affixed as of the date of signature of the Parties:

THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its DEPARTMENT OF RECREATION AND PARKS

By: _____
ANTHONY-PAUL (AP) DIAZ, Esq.
Executive Officer
City of Los Angeles
Department of Recreation and Parks

Date: _____

APPROVED AS TO FORM:

MICHAEL N. FEUER, City Attorney

By: _____

Date: _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: _____

Date: _____

LOS ANGELES ORGANIZING COMMITTEE FOR THE OLYMPIC AND PARALYMPIC GAMES 2028

By: _____
KATHY CARTER
Chief Executive Officer

Date: _____