



CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

C.F. No. 15-0989-S7
0220-05859-0001

Date: April 7, 2022

To: Honorable Members of the Ad Hoc Committee on the 2028 Olympic and Paralympic Games

From: Sharon M. Tso, Chief Legislative Analyst 
Matthew W. Szabo, City Administrative Officer 

Subject: **FIRST AMENDMENT TO THE YOUTH SPORT PARTNERSHIP AGREEMENT FOR THE 2028 OLYMPIC AND PARALYMPIC GAMES**

RECOMMENDATION

That the City Council approve, and authorize the General Manager of the Department of Recreation and Parks to execute, the First Amendment to the Youth Sport Partnership Agreement (C-136936) with the Los Angeles Organizing Committee for the Olympic and Paralympic Games 2028, subject to approval of the City Attorney.

SUMMARY

On April 7, 2022, the Board of Recreation and Park Commissioners (Board) adopted a Department of Recreation and Parks (Department; RAP) recommendation to approve an Amendment to the 2028 Youth Sport Partnership Agreement (YSP; C-136936) between the Department and the Los Angeles Organizing Committee for the Olympic and Paralympic Games 2028 (LA 2028). Approval of the Amendment would provide RAP expanded access and flexibility to use YSP funds by enabling the reimbursement of Transportation Costs and Membership Fees, among other changes.

BACKGROUND

Consistent with the terms of the Host City Contract (HCC) for the 2028 Olympic and Paralympic Games (2028 Games), the City and LA 2028 entered the YSP on September 23, 2020. The YSP provides \$160 million for youth sports programming to significantly enhance access to sports for the City's youth during the years leading up to the 2028 Games. The YSP is structured to increase access and opportunity 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 through the participation in sports programs at City parks.

The YSP supports youth participation in sports by providing financial subsidies to limit the cost of participation to not more than \$10 per participant in YSP activities for all youth at prequalified City recreation centers and for all eligible youth at non-prequalified City recreation centers. Pre-qualified City recreation centers are located in neighborhoods where the median household income is under \$70,000 within a half-mile radius, in accordance with the California State Parks Community Fact Finder.

In accordance with the YSP, the Department prepares an annual project plan which outlines the activities and costs for (i) Leagues and Classes at City recreation facilities; (ii) Signature Sport programs for new or substantially reorganized RAP activities, such as adaptive sport activities, which may be delivered with a partner provider; and (iii) other costs associated with marketing, outreach, and services from the United States Center for SafeSports. The 2022-23 Project Plan has been provided under separate cover.

PROPOSED AMENDMENT TO THE YSP

Subsequent to the approval of the YSP, RAP identified additional costs that could support increasing accessibility and participation in the YSP activities. First, many leagues and classes, such as golf and surfing, are offered at locations not easily accessible to all youth. Local transportation to reasonably access these facilities would help increase participation in these sports. Reimbursement for transportation costs was not originally memorialized in the YSP. Additionally, many leagues and classes associated with a National Governing Body (NGB), such as USA Swimming's relationship with YSP-led swimming leagues, require membership in the NGB with an associated fee. Reimbursement for these membership fees was also not memorialized in the YSP. Absent an amendment to the YSP, RAP would have to fund transportation and membership costs necessary for program implementation from their own budget.

RAP recognized that additional funds were needed to support transportation and NGB member costs and requested that LA 2028 consider an amendment to the YSP. The attached Amendment was subsequently negotiated with LA 2028 and approved by the IOC, and presented to and adopted by the RAP Board on April 7, 2022. Approval of the Amendment would provide RAP expanded access to and flexibility for use of YSP funds by:

1. Enabling the opportunity to access additional funds for use as "Other Costs" through good faith negotiations with LA28, once the original \$6.4 million for such use has been exhausted; and
2. Amending the definition of "Direct Cost" to allow Project Plan reimbursement for Transportation Costs and Membership Fees.

This Amendment is now presented to Council for final approval.

FISCAL IMPACT STATEMENT

There is no fiscal impact resulting from the recommendation in this report. Funding is provided from the Youth Sport Partnership Fund which receives quarterly allocations of funds from the Los Angeles Organizing Committee of the Olympic and Paralympic Games 2028 consistent with the 2028 Youth Sport Partnership Agreement. The Youth Sport Partnership Fund is administered by the City Administrative Officer.

FINANCIAL POLICIES STATEMENT

The approval of the recommendation in this report complies with the City's Financial Policies as the proposed Amendment provides reimbursement for eligible City expenditures in support of the Youth Sport Partnership program.

Attachment:

Exhibit A - First Amendment to Youth Sport Partnership Agreement

SMT:MWS:AW:RR 11220093

EXHIBIT A: First Amendment to Youth Sport Partnership Agreement

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: _____