APPROVED

JAN 1 0 2006

NO. 06-04

DATE January 4, 2006

BOARD OF RECREATION BY PARK COMMISSIONERS

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## BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GREEN MEADOWS RECREATION CENTER - GRANT OF FUNDS FROM NIKE, INC., FOR THE RECONDITIONING OF TWO EXISTING BASKETBALL COURTS USING SYNTHETIC MATERIALS

J. Combs	J. Kolb		
H. Fujita	F. Mok		
S. Huntley	K. Regan		
B. Jensen	*M. Shull	<i>M</i> 10	/ Con
			General Margager
Approved		Disapproved	Withdrawn

## **RECOMMENDATION**:

#### That the Board:

- 1. Approve the proposed grant agreement, substantially in the form on file in the Board Office, between the City and Nike, Inc., for the reconditioning of two existing basketball courts with synthetic materials, at the Green Meadows Recreation Center, subject to the approval of the Mayor, and the City Attorney as to form;
- 2. Direct the Chief Financial Officer to designate a Department fund and account number into which the grant amount of \$80,000.00 is to be deposited upon receipt of the funds from the Grantor;
- 3. Authorize the Department to enter into a sole source construction contract with Atlas Tracks, Inc., for the amount not to exceed \$80,000.00, for the reconditioning of two existing basketball courts using synthetic materials at the Green Meadows Recreation Center;
- 4. Direct the Board Secretary to send the grant agreement to the Mayor and City Attorney; and,
- 5. Authorize the Board President and Secretary to execute the grant agreement and construction contract, subject to the necessary approvals.

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## SUMMARY:

Nike, Inc., has offered to provide funding for the reconditioning of two (2) existing basketball courts using synthetic materials at the Green Meadows Recreation Center located at 431 E. 89<sup>th</sup> Street in the Ninth Council District. The grant consists of cash in the amount of \$80,000.00, to be provided in two (2) payments; the first (\$40,000.00) within fourteen (14) days following the execution of the proposed grant agreement, and the second (\$40,000.00) within fourteen (14) days following the grantor's receipt of copies of the fully-executed construction agreement between the City and Atlas Tracks, Inc. Based on estimates prepared by Atlas Track's, Inc., the amount of the grant is anticipated to cover all project expenses, including but not limited to planning, design, and installation. The agreement is for a three (3) year term.

## Nike Grind Products:

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

## Atlas Tracks, Inc:

Nike Grind is used by various licensees to make a variety of sports surfacing products, with Atlas Track and Tennis (dba) synthetic courts being one of them. As a condition of the proposed grant, Nike requires that the proposed courts be made in part with Nike Grind Products, and that the courts be refurbished by Atlas Tracks, Inc., which is the only manufacturer of synthetic courts licensed to use Nike Grind Products. For years, Nike has worked closely with Atlas Track and Tennis, a leading innovator of synthetic courts, to make some of the best athletic court surfaces in the world. Atlas Track and Tennis has developed an innovative all-weather surface which incorporates Nike Grind Products with the Atlas polymer-resin binder system.

Atlas has estimated the costs involved to complete the project. Based on these estimates and the City's review thereof, the refurbishment of the courts may be able to be completed entirely and solely with the funds granted by Nike, at no cost to the City. However, should there be additional costs to refurbish the courts the City would bear that cost. Staff will return to the Board to request the appropriation of additional funds if necessary.

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## **Department Contributions**:

In exchange for this grant, the Department will agree to:

- 1. Acknowledge Nike as grantor partners on applicable Department written materials, news releases, and related marketing or publicity including, but not limited to a "kick-off" press conference and court dedication ceremonies;
- 2. Assist and cooperate in mutually acceptable dedication events at the courts;
- 3. Allow Nike the right to publicize, show photographs, and use the name of the courts and otherwise promote the Grantor's contribution;
- 4. Allow Nike the right to use the courts from time to time for sports events, upon reasonable notice and subject to the approval of the Department;
- 5. Allow Nike the right (but not the obligation) to place and remove, on or around the courts, their logo(s), trademark(s), and other signage, marks and/or insignia as related to events held at the courts, subject to the reasonable approval of the Department; and,
- 6. Allow Nike to operate a booth or similar area for strictly promotional purposes at Nike events at the courts.

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

#### **ENVIRONMENTAL**:

Staff has determined that this project will consist of an agreement between the Department and Nike, Inc., to allow the modification of existing basketball courts with a synthetic surface at the Green Meadows Recreation Center. Therefore, the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1a, Class 1, Category 1 and Section 1d, Class 4, Category 7 of the City CEQA Guidelines.

Staff has discussed the proposed project with the Assistant General Manager of Operations East, the Superintendent of the Pacific Region, and the Office of Councilmember Jan Perry, of the Ninth Council District, and each supports the project and concurs with staff's recommendations.

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# FISCAL IMPACT STATEMENT:

Barring any unforeseen circumstances, this project should not have any fiscal impact on the Department, as the costs of the proposed court refurbishments will be funded entirely through the Nike grant, based on estimates provided by Atlas Track and Tennis. However, any project costs that may exceed the amount of the grant will be the responsibility of the Department.

Future maintenance expenses will not be impacted as the upkeep of synthetic courts is similar to that of concrete-asphalt courts, requiring only periodic sweeping and washing.

This report was prepared by Joel Alvarez, Management Analyst II, of the Department's Real Estate and Asset Management Section.