



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
December 6, 2022

TOPIC: Facility Use Agreement Amendment with TKO Youth Foundation

AGENDA TITLE:

Facility Use Agreement Amendment with TKO Youth Foundation (TKO) to Reflect a Rate of \$20.00 Per Hour for the Use of the Fitness Room in the Jerome Community Center with Anticipated Payments from TKO to the City to Reflect the Period from September 1, 2022 Until September 21, 2023 (General Fund)

RECOMMENDED ACTION

It is recommended that the City Council consider approving one of the two following options:

1. No change to the existing agreement and TKO will maintain responsibility for the Fiscal Year 2022-23 Miscellaneous Fee of \$116.00 per hour for use of the Fitness Room in the Jerome Community Center with anticipated payments from TKO to the City to reflect the period from September 1, 2022 until September 21, 2023.
2. Authorize the City Manager to execute an amendment to the facility use agreement with TKO Youth Foundation (TKO) to reflect a rate of \$20.00 per hour for the use of the Fitness Room in the Jerome Community Center with anticipated payments from TKO to the City to reflect the period from September 1, 2022 until September 21, 2023, subject to non-substantive changes approved by the City Manager and City Attorney.

DISCUSSION

TKO Youth Foundation (TKO) is a non-profit California corporation that was founded in 1994 to serve as a juvenile justice prevention and after-school youth program. TKO has been training local Santa Ana youth in boxing for two decades and offers educational support, including scholarships, while requiring program participants to maintain a minimum grade point average. The Santa Ana community values the TKO programs that encourage Santa Ana youth to engage in sports and supervise after-school activities in a safe environment.

On September 21, 2021 the City of Santa Ana and TKO Youth Foundation entered into a two-year agreement for the limited right to utilize the Fitness Room in the Jerome Community Center to host tournaments and to provide boxing classes, training, and

equipment storage. As part of the agreement, TKO will be charged an hourly fee, per month, for use of the Fitness Room, as determined by the City's Miscellaneous Fee Schedule, beginning September 1, 2022. The corresponding miscellaneous fee for the use of Fitness Room on the agreement execution date was \$20.00 per hour. On average, TKO reserves the use of the Fitness Room for five hours per day and approximately 100 hours per month. This equates to a monthly balance estimate of \$2,000 per month and \$24,000 per year.

On June 7, 2022, City Council approved the Fiscal Year 2022-23 Miscellaneous Fee Schedule that adjusted the rate of the Fitness Room based on square footage. The Fitness Room in the Jerome Community Center was categorized as a Large Community Center Room, measuring above 2,000 square-feet. This methodology was applied to all PRCSA facilities in the Fiscal Year 2022-23 Miscellaneous Fee Schedule. The new adjusted rate for the Fitness Room in the Jerome Community Center, based on square footage, is \$116.00 per hour, and represents the value for short-term rental opportunity.

In the case of TKO's long-term facility use agreement, the current rate of \$116.00 per hour represents a significant rental fee increase. If TKO were to continue to use the Fitness Room in the Jerome Community Center under the adjusted rate for five hours per day and 100 hours per month, the new monthly balance would be \$11,600 per month and \$139,200 per year.

The Parks, Recreation and Community Services Agency (PRCSA) is providing the following options for Council's consideration in relation to the agreement between the City and TKO:

1. No change to the existing agreement and TKO will maintain responsibility for the Fiscal Year 2022-23 Miscellaneous Fee of \$116.00 per hour for use of the Fitness Room in the Jerome Community Center with anticipated payments from TKO to the City to reflect the period from September 1, 2022 until September 21, 2023.
2. Approve an amendment to the current facility use agreement with TKO to reflect an hourly rate of \$20.00 per hour for the use of the Fitness Room in the Jerome Community Center with anticipated payments from TKO to the City to reflect the period from September 1, 2022 until September 21, 2023 (Exhibit A).

ENVIRONMENTAL IMPACT

There is no environmental impact associated with this action.

FISCAL IMPACT

Funds will be deposited in the Parks, Recreation and Community Services, General Fund Revenue Account (01113002-57361 - PRCSA Recreation Facility Rental).

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EXHIBIT(S)

1. Amendment

Submitted By: Hawk Scott, Executive Dir. of Parks, Recreation and Community Services

Approved By: Kristine Ridge, City Manager