

Inglewood, California  
January 13, 2006

The Inglewood Redevelopment Agency of the City of Inglewood, California held a special meeting on Friday, January 13, 2006 in the Council Chambers in City Hall of said City.

Chairman Dorn called the Redevelopment Agency into joint session with the City Council at the hour of 12:08 p.m. The Secretary announced the presence of a quorum as follows:

Present: Chairman Dorn, Members Price, Dunlap, Morales and Franklin;  
Absent: None.

134 **PUBLIC COMMENTS - AGENDA ITEMS.** Mayor/Chairman Dorn inquired if there were any persons present who wished to address the City Council/Redevelopment Agency on any item on the agendas

There was no response.

Mayor/Chairman Dorn recessed the Redevelopment Agency at the hour of 12:09 p.m.

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Chairman Dorn reconvened the Redevelopment Agency at the hour of 12:11 p.m. with all members present.

131 **DISCUSSION REGARDING THE YMCA OF METROPOLITAN LOS ANGELES' PROPOSAL TO REDEVELOP AGENCY - OWNED PROPERTY ON PRAIRIE AVENUE BETWEEN 101<sup>ST</sup> AND 102<sup>ND</sup> STREETS.**

Barron McCoy, Redevelopment Manager, stated that over the years staff has been negotiating with members of the YMCA of Metropolitan Los Angeles, to bring forth a proposal for Agency consideration for the redevelopment of a 3.12 acre site on Prairie Avenue. He further stated that the YMCA proposes to construct a facility of approximately 35,000 square feet. He commented that during the course of negotiations, staff was instructed to outline various opportunities, one of which was to consider a shared use agreement whereby the facility would be constructed with funding from the Agency and the YMCA, and services would be provided by staff. Lastly, he commented that as instructed by the Agency, representatives from the YMCA are present to discuss issues and concerns the Agency may have.

Larry Rosen, President/CEO, YMCA of Metropolitan Los Angeles, introduced himself and Board Member, Earl Gayles.

Member Franklin stated that one of the concerns the Agency was interested in solidifying was that the majority of the board at the local level run the YMCA. He stated that in the proposal submitted by Mr. Rosen, the Metropolitan Board would oversee the operations at the local level.

Larry Rosen commented that all the Boards of Managers of the 24 YMCA branches of Metropolitan Los Angeles are made up of local citizens that govern the facility. He further stated that each branch has functional autonomy over all matters including strategies, programming, and resource allocation. He stated that the Board of Directors for Metropolitan Los Angeles acts as a holding company for the local branches. He commented that they provide and share resources and overhead among the 24 local branches. The Metro Board, on which Mr. Gayle sits, enables the 24 local branches to exist. Lastly, he commented that there is no case where the local branches are governed by the Board of Directors on a daily basis.

Member Franklin inquired whether the decision to implement certain programs in the Inglewood branch, which are encouraged by the Agency, will be determined by the Metropolitan Board.

Larry Rosen stated no.

Member Morales specifically inquired whether the local board would be able to hire and fire the Executive Director.

Mr. Rosen stated that the local board would be in partnership with the Board of Directors in that case. He commented that it is not unilateral. He stated that the Metro Board works with the local board in terms of what the board needs as far as leadership. He continued by commenting that the local branches define the criteria as it relates to their objectives and the Metro Board conducts a search for qualified YMCA professionals. The Metro Board then presents the local board with three acceptable and qualified candidates from which to choose, based on the criteria applied to the employment of YMCA professionals. The only people that would be sought after would be persons who are skilled at running a YMCA. The local board does not get an executive they do not want. They also have the option of accepting or rejecting the proposed candidates submitted by the Metro Board.

Member Morales stated that he is sure the Board is familiar with the candidates because they are out in the field recruiting. He stated that since the local board is going to consist of local citizens, it is going to take time to get to know them. He inquired whether or not the solicited candidate would be hired by contract and who would be able to terminate the contract.

Mr. Rosen stated the executive is dispensable at anytime if the local board is unhappy with him/her.

Member Price inquired if the executive can be terminated with or without concurrence from the Metropolitan Board.

Mr. Rosen stated that the Metro Board has to concur because they have to ensure that it is done legally.

Member Morales inquired if there is an occasion where the Metro board would not concur with the local board's decision to terminate their executive director.

Mr. Rosen stated that the only way the Metro Board would not concur is if they found that the local board was acting outside the laws governing personnel practices. He further commented that the Metro Board has to be the custodian of their legal behavior.

Chairman Dorn inquired who determines if the local board is acting outside the scope of personnel practices.

Mr. Rosen stated that if it is a matter of law, the Metro Board would seek legal counsel.

Chairman Dorn inquired who makes the decision whether they are acting inside the law.

Mr. Rosen stated that the Metro Board would be the one to make that determination.

Chairman Dorn then inquired who would be responsible for hiring the YMCA staff.

Mr. Rosen stated that the Metro Board would do the hiring of the executive and the executive would hire his/her staff.

Chairman Dorn concluded that the local board does not participate in the hiring of staff.

Mr. Rosen commented that the executive would work with the local board and committees of the local board to screen candidates for positions.

Chairman Dorn inquired again if the executive does the hiring.

Mr. Rosen stated that the person to whom the candidate would report, is the person who offers the position. He continued by stating this process is not new and has been in practice for 124 years in 24 communities.

Member Morales commented that he understands that the process has been a successful one; however, when the City of Inglewood is entertaining the thought of investing a large sum of taxpayer's monies, the City needs to be assured that the citizens know what they are getting for their investment, regardless of how the process worked in other areas. He also commented that when it comes to local control of the YMCA, such issues as the hiring of executives and staff, which are the day-to-day front liners who come in contact with the community, need to be addressed. Member Morales asked Larry Rosen to clarify an earlier response regarding the Metro Board's power to determine whether or not the local board has acted legally in deciding to end any type of executive contract. He also inquired if the local board is allowed to hire its own counsel.

Mr. Rosen commented that the legal entity in this corporation is the Metro Board. He commented that the chartering authority that the board issues allows the local branches to conduct those types of activities. He commented that the board acts as an overseer because they are responsible to the State of California to ensure the actions are in compliance with state law.

Member Morales inquired if the amount of 4 million dollars is common in the past as it relates to investments per city.

Mr. Rosen stated that they have a number of agreements with municipalities that have allowed them to build YMCA facilities in the communities. He referenced the City of Los Angeles stating that they invested \$2 million for enhancements to their YMCA facilities. He commented that the amount of money the City of Inglewood is contemplating is substantial but not unique.

Member Morales commented that if you compare the population between the City of Los Angeles and the City of Inglewood, the amount that Inglewood is considering is very substantial. He further commented that he would expect some differences in the agreements as opposed to the other cities because of the amount being considered.

Larry Rosen commented that the City of Lancaster would be comparable to Inglewood as their investment is on par with what Inglewood is considering. He urged the Agency to identify the problems they would like to prevent. He commented that the local YMCAs reflect the needs and interests of the communities they serve and are governed by people from those communities.

Chairman Dorn inquired who elects the local board.

Mr. Rosen commented that the local board builds itself.

Chairman Dorn stated that someone has to select the initial board.

Mr. Rosen stated that a nucleus of a board has already been formed and is made up of citizens from the community. He commented that the Chairman's name is Capt. Hampton Cantrell. He stated that the members will then select other citizens to serve on the board.

Member Franklin inquired if the current board members would be able to sit on the new local board.

Mr. Rosen stated many of them would stay and others will be asked to leave. He stated that if the City entrusts his company with the opportunity, they will be accepting a challenge they can not turn away from. He stated that they would need to recruit persons from the community with the capacity to help carry out those goals.

Member Franklin commented on discussions in the past regarding the purchase value of the proposed property. He commented that the value detailed in Mr. Rosen's correspondence is less than the actual value now and after the new appraisal is completed; the value is going to increase even more. He inquired if the Metro Board would be able to handle the additional costs.

Mr. Rosen responded by stating that in his letter he has requested consideration from the City with regard to the land value increasing during the protracted time of the negotiations. He stated that the property on Kelso had been sold in anticipation of finalizing the new deal, but that has not yet happened. He further commented that during that time, the appraised property value had increased and they have already cashed out from the Kelso property. He commented that he is hopeful that the City will participate and place the YMCA at the proposed site.

Member Franklin inquired if Mr. Rosen realized the property belonged to the Inglewood Redevelopment Agency which was acquired with LAWA funds and as a consequence they are duty bound to sell the property at the current value. Member Franklin inquired whether the Metro Board is asking for the City to augment the difference of the initial appraisal and the current one in addition to the \$4 million investment they are already contemplating.

Mr. Rosen stated that what his board is proposing is for the City to assist in soft costs such as permitting and site improvements. He said that he understands the City is obligated to sell the property at the current appraisal. He further commented that he believes the difference in price is because the negotiations have been going on for such a long time. He stated that they have been ready to do something like this some time ago it just hasn't been finalized.

Member Franklin also commented that it is his understanding the development of the property would not be immediate but rather a phase with trailers on the parcels. He commented that would be in opposition to a building up and running like the City approved. He commented that Mr. Rosen's associates acknowledge that they would have to do fundraising to help offset the burden of costs. He commented that Metro is looking for the City to absorb the surplus in costs. He inquired if there have been any communications with surrounding cities who will take advantage of the new facility being built.

Mr. Rosen commented that if a price is agreed upon, and how a relationship between Metro and the City is executed, the land would be purchased. He further commented that donors can't be approached until they find out where they are going to be located. He commented that if there is any doubt in the donor's mind where the assets will be located, the donor will not make a pledge. He commented that the moment a deal is in place, fundraising could begin. He commented that the donor community is not just limited to Inglewood but it expands among the influences of the YMCA organization. He further stated that the money to be raised would be the difference between what the City/Agency is willing to invest and the actual cost of the project. He commented that it would take a year to raise the money and another year to construct the facility. He stated that the building could not be constructed until the money has been received.

Member Franklin inquired whether the burden falls upon the City to absorb the majority of the subsidy and whether funds generated through contributions would be used for operating costs.

Larry Rosen commented that the funds the City is contemplating would be about 45% of the capital costs. He commented that the building would cost more than \$8 million to construct and the remainder would be funded with capital contributions that can be raised once the deal is in place.

Member Price commented that although it is not uncommon to have municipal funds in a YMCA project, the city is exercising its due diligence because it is a new venture. He asked Mr. Rosen to elaborate on the type of arrangements made to a City who has contributed a substantial investment.

Mr. Rosen used the City of Los Angeles as an example commenting that the nature of the City's repayment is something the City might want to consider. He commented that the City dedicated an amount of the investments and the YMCA defined how that would be repaid in terms of services offered to the community. He commented that the City of Inglewood could consider its investment as a loan to the YMCA to provide services for those persons who could not afford or need subsidized payments to become a member. He commented that the nature of the YMCA organization is to ensure that all citizens of Inglewood could become members. He commented that most of the low-income families that are members are able to receive services because the YMCA raises money to subsidize fees so no one is turned away.

Member Dunlap asked for clarification on how exactly the service credit works.

Mr. Rosen stated for example if the City of Inglewood wanted every third grader to learn how to swim by 2009, the YMCA would work towards that objective. He commented that when the deadline is reached, one child who knows how to swim would be counted as 1.

Member Morales inquired if it is common practice to approach surrounding cities that would have the benefit of access to the YMCA because of its physical location, for financial contributions or is that usually done during the fundraising stage.

Mr. Rosen commented that the YMCA generally works with the city where the facility is to be located. He further commented that to recover the outstanding funds needed to construct the facilities would not only come from local donors located in Hawthorne or Lawndale, but from other donors located in Beverly Hills and Palisades. He commented that the YMCA would solicit donations from people and organizations who are friends of the YMCA organization.

With dialogue concluded between the Members of the Inglewood Redevelopment Agency and Mr. Rosen, Chairman Dorn thanked the representatives from the YMCA for coming.

There being no further business to be presented, Chairman Dorn declared the meeting adjourned at the hour of 12:42 p.m.

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Secretary

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2006

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Chairman