



memo

To: Ms. Mindy Wilcox, Planning Manager, City of Inglewood
From: David Stone, Stone Planning
Date: May 21, 2020
Re: IBEC and Proposed Attendance Restriction

Ms. Wilcox:

As proposed by the Channel Law Group, in their letter dated March 24, 2020, the IBEC would be precluded from hosting ticketed events on days when The Forum and SoFi Stadium also have events if the combined attendance exceeds a certain threshold (potentially 24,500).

Based on my 20+ years as an economist who studies and reports on the sports and entertainment industry, and based on my previous evaluation of the sports and entertainment market in the Los Angeles basin that was utilized in the IBEC Draft EIR,¹ the following summarizes my thoughts and observations regarding the feasibility of a limitation on same-day events and attendance at the IBEC, The Forum, and SoFi Stadium. I am providing these observations to the City of Inglewood as its consultant on these matters. I have not been retained by the IBEC applicant.

Based on the past and anticipated usage of the venues and various characteristics of the sports/entertainment industry, this limitation would be both very harmful to the business operations of the IBEC, and very difficult and impractical to enact:

- o First, it is not clear whether this proposed limitation applies to maximum facility capacity, anticipated attendance, or actual attendance. Any of these would be difficult or impossible to plan for. Facility capacity can vary based on event production and is not necessarily known in advance, anticipated attendance is affected by countless variables between booking and the performance, and actual physical attendance is not known until post-event. If based on capacity or anticipated attendance, it is possible that the IBEC would have to pass on booking an event on the same day as The Forum, but The Forum's concert could have low ticket sales that would have otherwise allowed the IBEC to book its event.

¹ Stone Planning, 2019. Inglewood Basketball and Entertainment Center – Analysis of Future Events. July 2019.



A similarly-difficult problem to plan for could arise regarding event booking. In general, events will place a “hold” on a date and then later contractually confirm it. A cap imposed on attendance on a particular date, months or years in advance, could have the effect of requiring the IBEC to avoid booking an event on a date that has already been “held” by one of the other venues. If this potential event does not ultimately confirm, or attendance is lower than anticipated, the IBEC would remain unnecessarily unused.

- The limitation as proposed in the Channel Law letter would not allow for the possibility of same-day events that have a combined attendance significantly below that of a single major event (such as an NFL game) at SoFi Stadium, which will have a reported maximum of approximately 72,000.

A major event at SoFi Stadium would preclude any event of any size at the IBEC, even if event times are staggered throughout the day. For example, a 25,000-person afternoon soccer match at the stadium and a nighttime IBEC entertainment event with 5,000 attendees would generate only 30,000 combined attendees, or slightly more than 40% of a typical NFL capacity of 72,000 at SoFi Stadium. The inability of the IBEC to attempt to schedule events on any SoFi Stadium event day would eliminate a significant number of potential event days. In addition to the relatively low combined attendance levels in this scenario, different event times would further limit traffic impacts, as traffic before and after events is directional, and attendees potentially arriving and leaving at a similar time would not cause much overlap. (This is described in more detail in the DEIR.)

A similar dynamic would also exist between The Forum and IBEC but would eliminate significantly more dates for major events at the IBEC. Assuming a sold-out Forum event (with up to approximately 17,500 attendees), the IBEC would be limited to minor events, which would not include any NBA games, most concerts, popular family shows, and other sports and entertainment events. As The Forum is one of the busier arenas in the country and a top destination for concerts, this would harm the IBEC’s ability to schedule LA Clippers games and attract other events, particularly because both arenas will experience the same seasonality of events, with most events held from the fall through spring. (The timing of event booking is described in more detail below.)

- This constraint would impose significant limitations on the IBEC’s ability to be successful due to the way events are generally scheduled in the sports and entertainment industry. For example:
 - Sometimes events are scheduled years in advance. Should the IBEC attract NCAA tournament games, they would be awarded multiple years before the games are held. The Forum and SoFi Stadium will likely not have events scheduled that far out, but as the event date approaches, they could book events that presumably would require the IBEC to move dates (which is not possible with NCAA tournament games) or lose the event it had already booked. This potential scenario would create uncertainty that would likely hurt the IBEC’s ability to book the event in the first place.
 - Development of the NBA schedule begins approximately one year in advance of the season and is finalized in August. NBA teams are able to submit a limited number of unavailable dates to the league. A year out, The Forum will likely have confirmed some concerts but by spring (prior to finalization of the NBA schedule), will have many more



dates booked for the fall. A potential limitation on the IBEC regarding combined attendance at the two arenas will not allow it to commit to LA Clippers home games within the NBA's framework. In addition, the NFL schedule is released in April, which would further complicate the IBEC's scheduling under an attendance limitation, particularly considering that the stadium's two tenants will have a home game virtually every weekend in the fall.

Also, while potential playoff dates must be held in advance, it may not be known if the IBEC will actually host playoff games until the end of the regular season (potentially immediately before the start of the playoffs). And even if the LA Clippers do make the playoffs, the actual number of home dates could range from two games in April to a potential maximum of 16 games into June. There is little flexibility in changing playoff schedules but in the spring and into summer, both The Forum and SoFi Stadium will have many events scheduled that would potentially conflict with necessary NBA playoff games, resulting in the potential scenario that the LA Clippers could not host home playoff games.

- The IBEC would lose needed flexibility in adding non-NBA event dates based on demand, and in booking any multi-day event. For example, it is common for a top-tier concert tour to anticipate adding a second or third show depending on ticket demand (and these dates are often held open by an act and venue for this possibility, particularly in a large market such as the Los Angeles basin). Under the proposed attendance limitation, the IBEC may be precluded from adding events because of scheduled events at The Forum or SoFi Stadium, which could cause the loss of the entire booking. Further, family shows are often held over multiple days (with multiple performances per day) and the busy schedules of The Forum and SoFi Stadium could black out one or more potential IBEC event days that could eliminate the possibility of hosting the entire event.
- Based on my experience working with major sports and entertainment venues around the country over the last two decades, in general, absent any definitive physical limitations (such as parking or other infrastructure), it is unusual to have formal controls on concurrent events at multiple facilities and particularly unusual to have specific attendance limitations at the events; the booking of events at proximate facilities is generally left to coordination between the facilities' operators and determination by event representatives regarding their scheduling needs. I understand the plans for the IBEC already require coordination between the venues. In my experience, such coordination is appropriate and sufficient.

In general, the attendance limitations proposed in the Channel Law Group letter would likely cause many third-party events to bypass the IBEC and instead go to other venues in and around the Los Angeles market, and would create scheduling problems for the LA Clippers. I therefore conclude that this proposal is infeasible.



Please let me know if you have any questions or need additional information, or would like to discuss further. Thank you for the opportunity to continue working with you.

Sincerely,

A handwritten signature in black ink, appearing to read "David Stone".

David Stone, President
Stone Planning LLC