

VI. STATEMENT OF OVERRIDING CONSIDERATIONS

The Project has the following benefits:

1. The Project allows the City to realize its decades-long, elusive goal of revitalizing parcels on the Project Site with productive uses that are compatible with applicable noise compatibility regulations and agreements.

The Project Site is comprised of approximately 28 acres of land, and most of the Project Site, approximately 84 percent, consists of parcels owned by the City of Inglewood or the City of Inglewood as Successor Agency to the Inglewood Redevelopment Agency ("City Parcels"). The Project Site consists of mostly vacant or undeveloped land, and six developed parcels. Proximity to nearby airports, especially LAX, has played a substantial role regarding development on the Project Site, and has limited the viable uses. The Project Site falls within the Airport Influence Area for LAX for the southern runway. A portion of the Project Site is located within the Planning Boundary /AIA for LAX as designated in the Los Angeles County ALUP, which places conditions on the nature and type of development that can occur. The majority of the Project Site is within the 65 CNEL noise contour for the LAX flight path.

Beginning in the mid-1980s, the FAA began to issue noise grants to the City of Inglewood with the objective of recycling incompatible land uses to land uses that are compatible with the noise level of airport operations. Under that program, the FAA and the City of Inglewood approved the acquisition of the vast majority of City Parcels on the Project Site, subject to certain requirements, including restrictions on land uses to ensure compatibility with specified airport noise levels of operation. Other City Parcels were acquired with redevelopment funds for the same purpose of noise abatement. The FAA has expressly stated that residential development of these noise-impacted properties is inherently inconsistent with the intent of the City's land acquisition noise mitigation program. (David F. Cushing, Manager, Los Angeles Airports District Office, U.S. Department of Transportation, Federal Aviation Administration, August 26, 2019.)

Against this backdrop, the City has long pursued a sustained and comprehensive plan of economic redevelopment of the City Parcels. In furtherance of its redevelopment efforts, the City undertook various efforts to adopt more noise-compatible land use regulations, including adoption revised General Plan and Zoning designations for the City Parcels. The City also entered into numerous negotiations regarding City Parcels on the Project Site, but such redevelopment efforts have never come to fruition and the City Parcels remain undeveloped. The City has continuously invested in the beautification of and redevelopment along Century Boulevard and desires to continue those efforts by providing access to entertainment to its residents in the form of spectator sports, including basketball. The Project presents a unique economic development opportunity that finally allows the City to transform vacant and underdeveloped parcels on the Project site into productive, compatible land uses, following decades of prior efforts.

2. The Project is part of a regional sports and entertainment center that will support Inglewood's "City of Champions" identity by bringing back a National Basketball Association franchise to the City.

The Project provides the City with the unique redevelopment opportunity associated with a National Basketball League (NBA) franchise. Opportunities to host such franchises are rare, and the current opportunity is presented in large part because the lease term at Staples Center is expiring, and the team's ownership desires to build a new, state-of-the-art facility. The facility itself presents a significant economic development opportunity, and together with the adjacent SoFi Stadium and other uses, expands the City's presence as a major sports and entertainment center.

The Project builds on the City's rich tradition in sports and entertainment, and the Arena and supporting uses are a key component of a new destination sports and entertainment center. From 1967-1999 the Los Angeles Lakers NBA team played in The Forum, located approximately one mile north of the Project Site, before relocating to Staples Arena. The Forum also housed other sports teams, including the Los Angeles Kings of the National Hockey League, before it was renovated and repurposed as a concert venue. From 1938 -2013, the Hollywood Park horse racetrack operated on most of the area to the north of the Project Site now designated for mixed-use development pursuant to the Hollywood Park Specific Plan (HPSP). The HPSP includes the substantially completed SoFi Stadium, which will house the Los Angeles Rams and the Los Angeles Chargers National Football League teams. The Project will support Inglewood's "City of Champions" identity by bringing back an NBA franchise to the City and helping to create a world class sports and entertainment center.

3. The Project is a privately financed, highly desirable public-private development that will help activate and revitalize the Project Site and promote the recreation and enjoyment of the public.

The Project is a major public-private undertaking, calculated to promote the recreation and enjoyment of the public, and involving a substantial investment. It is privately funded, with the project applicant incurring costs of site assembly, development and construction. The Project includes professional basketball games at the Arena, and also a series of special events and community events, in total estimated to accommodate as many as 243 event days each year, activating the Project site year-round. The Project also includes Arena-supporting and hotel uses that will enliven the Project Site on non-event days. The Project Site includes a major outdoor pedestrian plaza adjacent to the Arena with circulation and gathering, specialized paving, landscaping, seating areas, and public art, including public access as provided in the Development Agreement. In sum, the Project provides a lively local and regional visitor-serving destination, and provide amenities and economic contributions to visitors and the surrounding neighborhood year-round.

4. The Project will meet high-quality sustainability and urban design standards.

The Project is designed by a team of sports architects and urban landscape experts with worldwide major athletic venue expertise. The Project approvals include proposed Design

Guidelines that are specific to the Project and address a wide variety of topics such as building design, landscaping, signage and lighting. The Project will be designed and constructed to meet or achieve the US Green Building Council's Leadership in Energy and Environmental Design (LEED) Gold certification requirements. It will provide onsite renewable energy generation including solar roofs, and provide cool roofs and cool parking promoting features, such as cool surface treatment for new parking facilities. LEED certification is anticipated to be achieved by the end of the first full NBA season. Key elements of the LEED certification will be its location in an urban infill environment, infill location, the density of the site and connectivity to the adjacent community, and accessibility to public transportation. Additional features under consideration include but are not limited to indoor and outdoor water reduction measures, on-site renewable energy generation, optimized energy performance, and responsible construction and demolition waste management strategies, heat island reduction measures and light pollution measures. As reflected in the MMRP, other major Project commitments and requirements include a robust Transportation Demand Management Plan, a no net new Greenhouse Gas (GHG) emissions commitment, and additional air pollutant emissions reductions requirements, all as monitored and verified through conditions of approval and/or the MMRP for the Project.

5. The Project includes a series of commitments regarding transportation infrastructure that will benefit the larger community.

The Project includes commitments regarding transportation infrastructure that will benefit the surrounding area on both event and non-event days. Road upgrades, road restriping, converting medians to turn lanes, widening off-ramps and implementing intelligent transportation system improvements including cameras, vehicle sensors and changeable electronic message signs to better monitor and reroute cars from the City's traffic command center. The Project also includes streetscape and pedestrian circulation system improvements that would increase walkability and improve the pedestrian and bicyclist experience and accessibility on adjacent public rights of way near the Project Site, including illumination to highlight circulation paths and landscape features, and to create a safe pedestrian experience.

6. The Project will provide substantial tax revenue through property, sales, admissions, and transient occupancy taxes.

[Note to reviewers: Summarized from HR&A Report; City to confirm]

The Project will generate approximately \$12.9 million in one-time tax revenues related to construction of the Project. Approximately 67% are related to the City's nonresidential construction tax, followed by the sales tax on construction materials (25%), business tax on contractor earnings (8%) and documentary transfer tax (0.8%). Construction of the Project will also generate about \$10.3 million from the Project's Arts Fee and Schools fee, which are non-general fund revenues.

Upon Project stabilized operations in 2025, the Project is expected to produce (calculated in 2019 dollars) approximately \$4.5 million in annual net tax revenues, plus \$2.3 million in annual property tax revenue for the Inglewood Unified School District. Cumulatively, it will produce

approximately \$70.0 million in cumulative net fiscal impact (or \$149.1 million in nominal dollars) plus approximately \$72.4 million cumulatively in nominal property tax revenues.

[The fiscal analysis for the Project also included sensitivity analysis for a reduced ancillary retail program and third-party events scenario to provide a more conservative analysis. As compared to the base Project scenario, the construction period analysis is substantially the same, with only a slight decrease of approximately 2% for one-time tax and City fee revenues. For operations, the net annual fiscal impacts are reduced but would continue to be substantial at approximately \$4,000,000, or \$132,000,000 cumulatively in nominal dollars.]

7. The Project will generate major new construction and permanent employment opportunities, including for Inglewood residents.

[Note to reviewers: Summarized from HR&A Report; City to confirm]

During construction, approximately 7,269 total headcount (direct on-site plus multiplier effect) jobs will be created, of which approximately 7,020 will be full-time and part-time construction jobs located at the Project Site. Approximately \$466.7 million in compensation will be paid to workers directly and indirectly associated with construction, and the construction period will generate approximately \$1.06 billion in total economic output. On an annual basis once operations stabilize, approximately 1,557 total headcount jobs will be created, of which approximately 1,476 will be full-time and part-time operations jobs located at the Project Site. Approximately \$139.3 million in annual compensation will be paid to workers directly and indirectly associated with Project operations, and approximately \$267.9 million in total economic output will be generated.

[The fiscal analysis for the Project also included sensitivity analysis for a reduced ancillary retail program and third-party events scenario to provide a more conservative analysis. As compared to the base Project scenario, the construction period analysis is substantially the same, with only a slight decrease of approximately 2% for one-time tax and City fee revenues. For operations, the net annual economic impacts are reduced but would continue to be substantial at approximately \$210 million in annual net economic output and 1,190 jobs at stabilized operations.]

8. The Development Agreement includes extraordinary public benefits.

The Project includes the following extraordinary public benefits in excess of those otherwise having a nexus to the Project and that would not be achieved in the absence of the Project:

(a) Creation of Local Jobs and Workforce Equity

-Minority/Disadvantaged Business Enterprises participation goals of at least 30% of the total value of funds awarded for contracts and subcontracts related to construction activities during the Project, with a goal of at least 50% of that 30% goal being awarded to local qualified businesses located in Inglewood.

-Local employment opportunities, including specific implementation steps and a goal of hiring qualified Inglewood residents for no less than 35% of the employment positions needed in connection with event operations at the Arena, including employment positions with Developer's contractors, subcontractors, and vendors providing services in connection with events held inside the Arena.

-Job fairs advertising and promotion funds up to \$150,000 over the lifetime of the Project in order to fund at least 4 job fairs and related advertising and promotion for those job fairs.

-Workforce outreach coordination program funding of \$600,000 and associated support of workforce outreach, and training and placement programs for Project construction and operations.

-Contribution of \$250,000 to fund programs that will provide job skills to Inglewood residents entering the job market.

-Construction opportunities funding of \$150,000 to fund job placement for the formerly incarcerated.

-Project Labor Agreement for Project construction with the Los Angeles/Orange County Building and Construction Trades with provisions for the protection of labor standards, wages, and working conditions.

-Obligation to make good faith efforts to lease at least one restaurant space in the Project to a qualified Inglewood business for at least one year on market terms.

(b) Commitments to Affordable Housing and Renter Support

-Funding for affordable housing of up to \$75,000,000 to a fund or program to provide low-interest loans for the acquisition, preservation, and development of affordable and mixed-income housing in the City of Inglewood, or for the acquisition of land for the future development of affordable and mixed-income housing.

-First-time homeowners assistance contribution of \$2,500,000 towards first-time homebuyer programs for Inglewood residents with household incomes at or below the median income for Los Angeles County.

-Emergency support to Inglewood renters and anti-eviction services funding of \$3,000,000 for purposes of preventing homelessness and providing legal support for families facing evictions in Inglewood.

-Capacity building for housing-focused non-profits of \$250,000 in grants to help local and regional community development corporations, community development financial institutions, land banks, and other non-profits focused on housing to expand their respective operations.

(c) Rehabilitation of Morningside Park Library and Creation of Community Center

-Contribution of \$6,000,000 to rehabilitate the City's Public Library as a library and community center, where members of a community can gather for group activities, social support, public information, and other purposes.

(d) Support for Inglewood Youth and Education

-Funding of \$4,000,000 for purposes of after school tutoring programs for Inglewood students.

- Funds of a minimum of \$500,000 for purposes of developing and operating coding, science, technology, and engineering camps and programs for Inglewood students.
- Contribution of a minimum of \$2,750,000, for purposes of discouraging Inglewood high school students from dropping out of school.
- Funding of up to \$1,000,000 for purposes of expanding counseling services and support for students seeking a post-secondary education.
- Funding of a minimum of \$4,500,000 for purposes of providing scholarships to eligible low-income students in the Inglewood United School District that are accepted to 2-year and 4-year colleges.

(e) Support for Inglewood Seniors

- Contribution of at least \$500,000 to fund social and educational programs at the Inglewood Senior Center.

(f) Improving Inglewood Parks

- Funding of \$300,000 to renovate public basketball courts in Inglewood.

(g) Community Engagement and Collaboration

- Commitment to make the Arena available to community groups to use the Arena for up to 10 days per calendar year for community events.
- Dedication of an average of 100 general admission tickets to every Los Angeles Clippers basketball home game at the Arena during the regular season for use by a community group at no charge.

In summary, the Project allows the City to further its overarching objectives of economic development by bringing productive and beneficial uses to the site that are compatible with airport noise restrictions and related grant agreements. It also provides substantial employment opportunities, community benefits, and transportation and other infrastructure that will benefit the community. Having considered these benefits, the Planning Commission finds that the foregoing benefits of the Project, each individually and collectively, outweigh the unavoidable adverse environmental effects, and that the adverse environmental effects are therefore acceptable.