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ECONOMIC AND FISCAL IMPACT REPORT: INGLEWOOD BASKETBALL AND ENTERTAINMENT CENTER



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I. EXECUTIVE SUMMARY

This Report presents estimates of the economic impacts and net fiscal impacts that the Inglewood Basketball and Entertainment Center Project (“IBEC” or the “Project”), a professional basketball and entertainment arena with ancillary facilities proposed by Murphy’s Bowl, LLC, will have on the economy of the City of Inglewood (“Inglewood” or the “City”) and the General Fund of the City, respectively, compared to continued operation of the existing hotel, fast food, catering, and warehousing or industrial businesses existing within the proposed Project site as of March 2019 (the “Existing Site”). The Project will be developed on a 27 acres of land along the south side of West Century Boulevard, roughly bounded by Century to the north; Yukon Avenue to the east; 103rd Street to the south; and Freeman Avenue to the west (the “Project Site”).

The centerpiece of the Project is a basketball and entertainment arena that will serve as the new home of the LA Clippers of the National Basketball Association, complemented by multiple new uses including retail/restaurant, office, and a hotel.¹ More specifically, the Project includes an approximately 18,500-seat arena, an 85,000 SF practice and training facility, 71,000 SF of team office space, a 25,000 SF sports medicine clinic, 15,000 SF of flexible space for community-serving uses, 15,000 SF of full-service restaurant space, 33,000 SF of retail space, and a 150-key hotel. The proposed uses will be provided in a number of buildings throughout the Project Site. The Project also includes a total of 4,125 parking spaces, which will be distributed in both surface parking lots and above-ground parking structures.

Modeling assumptions and results supporting the estimates of the Project and Existing Site’s general economic impacts are contained in Appendix A. Appendix B includes calculation detail for the net fiscal impacts of the Project to the City, and Appendix C includes calculation details for net fiscal impacts of the Existing Site to the City. The analysis and conclusions contained in this Report were prepared by HR&A Advisors, Inc. (“HR&A”) based on information provided by Murphy’s Bowl, LLC and its consultants (collectively, the “IBEC Development Team”²) and are subject to the limiting conditions included in Appendix E. A summary of HR&A’s professional qualifications is included in Appendix F. All dollar-denominated results presented in this Report are expressed in 2019 dollars, unless noted otherwise.

SUMMARY OF ECONOMIC IMPACTS IN THE CITY OF INGLEWOOD ECONOMY

Using Project hard construction cost data provided by the Development Team, and analyzed by HR&A using the most current IMPLAN input-output model of the City of Inglewood economy, as discussed in Chapter III of the Report, the following **one-time construction-related economic impacts** were derived:

- *Approximately **7,269** total headcount jobs (i.e., direct on-site + “multiplier effect”), of which **7,020** full-time and part-time construction jobs will be located on site.*

¹ The hotel component of the Project may be developed by a third-party developer.

² Consultants to Murphy’s Bowl, LLC providing information for this analysis include Wilson Meany, AECOM, Montgomery Clark Advisors, and Convention Sports & Leisure International.

- Approximately **\$466.7 million** in compensation paid to workers directly and indirectly associated with construction, of which **\$450.4 million** will be paid to on-site workers.
- Approximately **\$1.06 billion** in total economic output, including **\$1.01 billion** associated with Project construction.

Using certain categories of revenues and employment associated with annual operation of the completed and stabilized Project (i.e., gross arena revenues, business and arena operations employment, ancillary uses revenues and employment, but not basketball team salaries, broadcasting rights and advertising revenues, that generally do not circulate in the City economy), as provided by the IBEC Development Team, HR&A used the IMPLAN model to derive annual operations-related economic impacts in the City's economy.

HR&A estimates the following **stabilized annual operations-related economic impacts**:

- Approximately **1,557** total headcount jobs (i.e., direct on-site + "multiplier effect"), of which **1,476** full-time and part-time operations jobs will be located on site.
- Approximately **\$139.3 million** in annual compensation paid to workers directly and indirectly associated with site operations, of which **\$134.7 million** will be paid to on-site workers.
- Approximately **\$267.9 million** in total annual economic output, including **\$255 million** associated with ticket sales, concessions, and the economic activity at other on-site ancillary uses.

Using estimates of annual sales and on-site employment for the existing commercial uses (derived by HR&A using land use data supplied by the IBEC Development Team and IMPLAN) HR&A quantified the economic impact of the Existing Site. HR&A found that the scale of the Project's annual impacts within the City economy is significantly greater than those located with the Existing Site. More specifically, the *net increases with the Project* include:

- Approximately **1,485** more total headcount jobs and **1,408** more jobs located at the Project site; and
- Approximately **\$135.5 million** more in annual compensation paid to workers directly and indirectly associated with Project operations, of which **\$131.1 million** more will be paid to on-site workers.
- Approximately **\$259.6 million** more in total economic output, including **\$247.1 million** more output associated with on-site operations.

Chapter III of this Report presents more information about how the construction and annual economic impact estimates were derived.

SUMMARY OF NET FISCAL IMPACTS TO THE CITY OF INGLEWOOD

HR&A estimated the one-time City revenues generated by construction of the Project, and the annual recurring overall net fiscal impact of the proposed Project relative to the Existing Site in the first stabilized year of build out. Furthermore, HR&A estimated the cumulative net fiscal impact over a 2020-2045 projection period.

To construct the fiscal impact models for the Project and the Existing Site, HR&A used public and proprietary data to estimate real estate metrics, City municipal code requirements to calculate applicable tax revenues for both the Project and the Existing Site, and industry-standard tax revenue and city service cost calculation approaches. Based on a series of calculations that are detailed in Appendix B and Appendix C of this Report, HR&A estimates that construction and annual operation of the Project will generate net fiscal impacts to the City as summarized below.

One-Time Impacts

The estimates of one-time and annually recurring tax and other revenues to the City are based on many of the same assumptions utilized in HR&A's estimate of the general economic impacts of the Project, but supplemented with additional land use-specific operational assumptions provided by the IBEC Development Team and others developed by HR&A. HR&A then constructed a custom net fiscal impact spreadsheet model for the Project's one-time revenues related to construction and annually recurring net fiscal impacts from Project operation (note: results are presented in 2019 dollar values unless otherwise stated).

Construction of the Project will generate new, **one-time tax revenues for the City's General Fund:**

- **\$12.9 million** including construction materials sales tax, the contractor's gross receipts tax, a nonresidential construction tax, and documentary transfer tax on land purchases. (This estimate does not include any planning fees, construction permits, developer fees or mitigation fee charges, because these charges are generally set to directly offset City costs.)

With respect to the one-time revenues related to construction of the Project, nearly half of the revenues are related to the City's nonresidential construction tax (67%), followed by the sales tax on construction materials (25%), business tax on contractor earnings (8%), and documentary transfer tax (0.3%). The construction of the Project will also generate **\$10.3 million** from the City's Arts Fee and School Fee, which are non-General Fund revenues.³

Net Fiscal Impact in the Project's First Stabilized Year of Operation

Estimated annually recurring Project revenues are based on current City tax rates and tax formulas, which are assumed to remain unchanged over the 2020-2045 projection period (i.e., construction plus 20 years of stabilized operation). The cost to deliver City services to the Project are based on a per-capita cost accounting method using the number of estimated Project employees and

³ This sum includes \$9.6 million in Art Fees and \$686,000 in School Facility Fees, which are not recorded in the City's General Fund. This analysis does not include the value of any public benefits to be provided through a Development Agreement between the City and Murphy's Bowl LLC or any other entity in connection with the development of the IBEC Project.

attendees expressed as “resident equivalents,” which are then multiplied by the average per-capita General Fund operating budgets of City departments whose budgets tend to increase with new City development (i.e., Fire, Police, Public Works, and Parks, Recreation, and Community Services).⁴ The difference between total Project revenues and total City service costs yields the net fiscal impact of the Project. We present 2019-dollar estimates (unless otherwise stated) for each applicable tax revenue, and then subtract: (1) the net fiscal impact of existing uses on the Project site, including their property, business license, transient occupancy, utility user’s and retail sales taxes as well as their costs of City services; and (2) the estimated cost of City services delivered to the Project.⁵

Once the Project is fully built-out and stabilized in 2025, the annually recurring fiscal impacts to the City of Inglewood will be as follows (reported in 2019 \$):

- **\$6.1 million** in total City revenues in the Project’s first stabilized year of operation in 2025;
 - Less: **\$0.2 million** in net tax revenue from the Existing Site absent the Project;
 - Less: **\$1.4 million** in annual General Fund service costs delivered to the Project; and
- **\$4.5 million** in net fiscal impact in the first stabilized year.

The operations of the Project will also generate \$2.3 million in Property Tax revenue for the Inglewood Unified School District on an annual basis in 2019 dollars upon Project stabilization.

Cumulative Net Fiscal Impacts

Over the 2020-2045 projection period, HR&A estimates cumulative net fiscal impacts to the City of Inglewood that are substantially larger than the impacts currently being generated at the Existing Site.

- **\$90.8 million** in cumulative City revenues over the 2020-2045 projection period (\$193.1 million in nominal dollars);
 - Less: **\$0.2 million** in net tax revenue from the current site absent the Project;
 - Less: **\$20.6 million** in annual General Fund service costs delivered to the Project; and
- **\$70.0 million** in cumulative net fiscal impact (\$149.1 million in nominal dollars).

⁴ As noted above, these department budgets already account for operation of The Forum, but not the still-under construction City of Champions mixed-use development.

⁵ This analysis does not account for any share of the sale proceeds that the City may receive from the sale of properties within the Project Site owned by the City of Inglewood or the City of Inglewood as Successor Agency to the Inglewood Redevelopment Agency.

The Project will generate **\$72.4 million** in nominal Property Tax revenues specifically for the Inglewood Unified School District over the 2020-2045 projection period.

In general, the largest sources of tax revenues from the ongoing operations of the Project upon stabilization are from property taxes (44% including both the City's share of the 1% general levy and Motor Vehicle License Fee In-Lieu revenues), transient occupancy taxes (17%), and admissions tax (13%). These sources are followed by sales tax (12%), parking tax (5%), business license tax (5%) and utility user's tax (4%). Detailed tax revenue and service cost calculations are provided in Appendix B (for the Proposed Project) and Appendix C (for the Existing Site) of this Report.

Appendix D of this Report presents the economic and net fiscal impacts of a sensitivity analysis scenario in which the Project's retail floor area and number of third-party events are less than assumed in the analysis presented in Chapters III and IV of this Report. The sensitivity analysis scenario reflects the fact that IBEC, while new to the City, operates in a market context with other venues and uses with which it may compete for market share. That is, market competition could result in less retail developed, or changes in event activity at other venues already located in the City (e.g., some third-party events that could be hosted at The Forum might instead be hosted at IBEC). The sensitivity analysis in Appendix D reflects a 63 percent reduction in third-party events and a 77 percent reduction in the retail footprint for IBEC, and the basis for those reductions.

II. PROJECT DESCRIPTION

PROJECT LOCATION

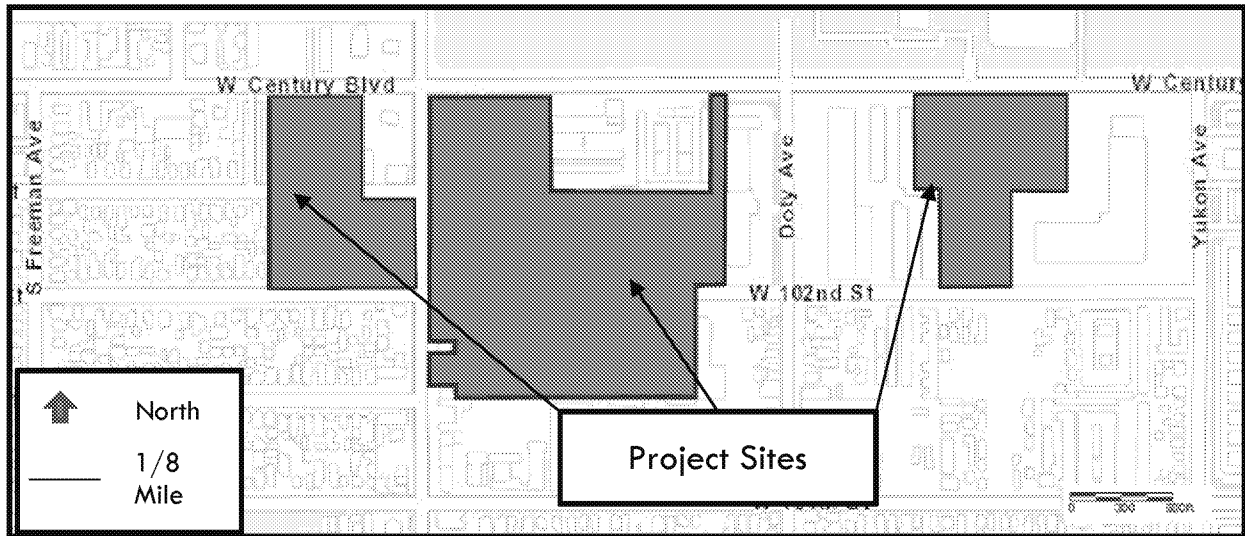
The Inglewood Basketball and Entertainment Center (“IBEC”) Project is located within the City of Inglewood, a major entertainment and employment hub in the South Bay region. The Project Site is located within the Morningside Park neighborhood, which is characterized by low and medium density residential uses, several commercial centers, large entertainment venues like the under-construction SoFi Stadium (soon to be home to two National Football League teams, the Rams and the Chargers), and the Hollywood Park Casino. The neighborhood was also formerly the home of the Hollywood Park Racetrack which was replaced with the SoFi Stadium development within the Hollywood Park Specific Plan area, which provides for approximately 2,500 residential units, 890,000 square feet of stores and restaurants, a 300-key hotel, and 25 acres of parks and open space to the City. Major thoroughfares in the area include Crenshaw Boulevard, Prairie Avenue, and Century Boulevard. The Project Site is approximately one and a half miles from the 405 Freeway, one mile from the 105 Freeway, and three and a half miles from the 110 Freeway. Additionally, the Crenshaw Line will serve the area beginning in mid-2020.

PROJECT SITE

Figure 1 shows the IBEC Project Site, which is composed of three irregularly-shaped clusters of parcels within the area bounded by Century Boulevard to the north; Yukon Avenue to the east; 103rd Street to the south; and Freeman Avenue to the west. The approximately 27-acre Project Site currently contains a limited amount of development on five parcels, including a 1,120 SF fast food restaurant; a 38-key hotel, a 1,300 SF catering business, and 38,860 SF of industrial or warehousing space. The substantial majority of the Project Site is composed of vacant parcels that have remained undeveloped for a significant period of time, in some cases dating back to the mid-1990s or earlier. The Project Site sits under the flight path of the Los Angeles International (LAX) Airport, and is within the LAX Airport Influence Area and the area affected by 65 dB CNEL or greater levels of aircraft noise, and as such is not suitable for residential uses. Much of the Project Site is composed of properties owned by the City of Inglewood or the City of Inglewood as Successor Agency to the Inglewood Redevelopment Agency, acquired through an airport noise mitigation and land recycling program funded in part by grants from the Federal Aviation Administration.

The area surrounding the Project Site is characterized by a variety of uses, including industrial, commercial, and residential uses, along with other uses such as religious and educational facilities. The area to the north of the Project Site is home to world-class sports and entertainment destinations, including the under-construction SoFi Stadium and mixed-use development within the Hollywood Park Specific Plan area adjacent to the Project Site, the Hollywood Park Casino, and the Forum concert venue. Other major land uses in the area near the Project Site include the Los Angeles International Airport two miles west of the Project Site, The Village At Century retail center a block to the east of the Project Site, a variety of commercial uses to the northwest in Downtown Inglewood.

Figure 1: Inglewood Basketball and Entertainment Center Project Site



Source: ESRI, HR&A Advisors, Inc.

PROJECT DESCRIPTION AND LAND USES

The IBEC Project is a mixed-use development anchored by a new professional basketball arena for the LA Clippers. Ancillary uses will include a basketball practice/training facility, a hotel, entertainment uses, retail/restaurant options, and a sports medicine clinic. Specifically, the Project includes an approximately 18,500-seat arena, an 85,000 SF practice and training facility, 71,000 SF of team office space, a 25,000 SF sports medicine clinic, 15,000 SF of flexible space for community-serving uses, 15,000 SF of full-service restaurant space, 33,000 SF of retail space, and a 150-key hotel.⁵ The Project also includes approximately 4,125 parking spaces. These improvements will replace Existing Site uses including a fast food restaurant, a hotel, a catering business, and two industrial or warehousing buildings. As noted in the Executive Summary, Appendix D discusses the economic and net fiscal impacts of a sensitivity analysis scenario with less retail floor area and fewer third-party events accommodated in the arena.

⁵ See Footnote 1.

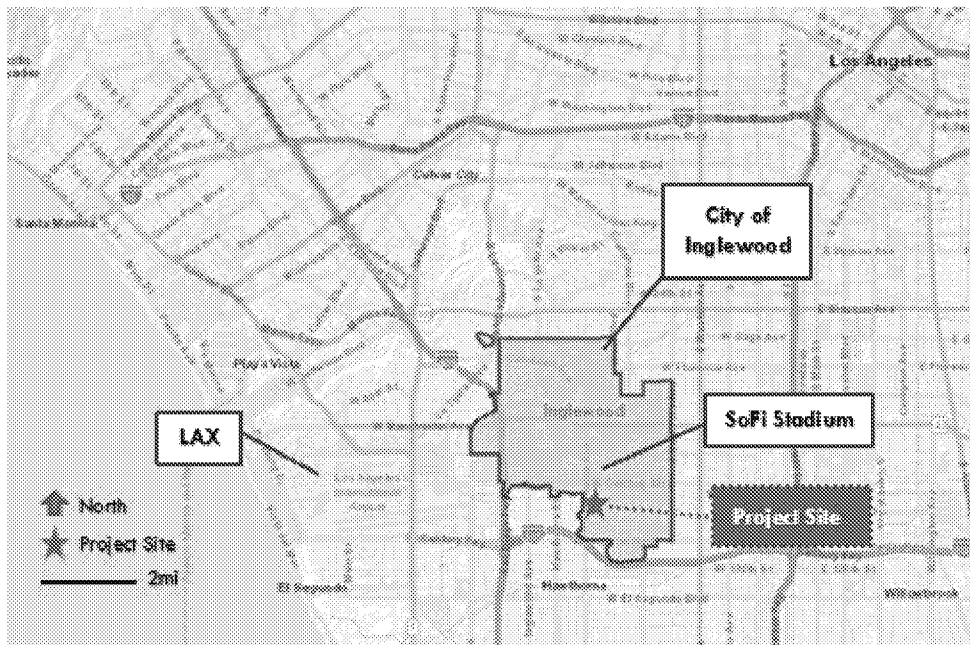
III. ECONOMIC IMPACTS IN THE CITY OF INGLEWOOD

This chapter presents estimates of the general economic impacts – i.e., jobs, worker compensation and economic output – that construction of the Project and its annual operation upon completion will have on the economy of the City of Inglewood, net of the continued operation of the Existing Site.

GEOGRAPHY OF ECONOMIC IMPACT ANALYSIS

HR&A estimated the Project's general economic impacts within the boundaries of the City of Inglewood. The City's boundaries extend as far north as Fairview Boulevard, as far south as the 105 Freeway, as far west as Osage Avenue, and as far east as Van Ness Avenue. Inglewood is bordered by the City of Los Angeles on most sides, but also borders the City of Hawthorne, and the unincorporated County of Los Angeles communities of Lennox, Ladera Heights, View Park-Windsor Hills, and Westmont. The City does not coincide perfectly with ZIP code boundaries, the basic geographical unit for the IMPLAN economic impact model used in the analysis (as described below). HR&A approximated the City's economy for the IMPLAN model by aggregating all ZIP Codes that are entirely within the City as well as those in which more than 50 percent of the developed area is captured within the City's border. Figure 2 shows the location of the Project Site within the City's boundaries.

Figure 2: City of Inglewood Geography



Source: ESRI, HR&A Advisors, Inc.

OVERVIEW OF THE GENERAL ECONOMIC IMPACT ANALYSIS

Employment and other economic impacts related to the construction of the Project, and its annual operation once it is completed, as well as the economic impacts of operation of the Existing Site were they to continue absent the Project, were estimated using the IMPLAN input-output model and IMPLAN data specific to the County of Los Angeles as of 2017, which is the latest year for which model data is available.⁶ Input-output analysis is an economic impact modeling method for understanding the interactions among the industries in a local economy that result from investment in a new capital project or other economic changes. In form, it resembles a giant matrix, or spreadsheet, in which the “inflows” of goods and services needed by an industry (i.e., the purchasing sectors) are the columns and the rows consist of the outputs, or selling sectors. This enables analysis of the specific sectors in an area’s economy that are affected, and by how much, when a dollar’s worth of investment, new employment or other measure of “final demand” is added to a particular industry sector or sectors. These inter-industry relationships can be expressed in terms of dollar impacts or employment impacts.

IMPLAN is a widely-accepted model that HR&A and many others, including many public agencies, use to estimate the economic consequences of new investment in, or other changes to, a local or regional economy. It explicitly accounts for impact “leakage,” or the fact that not all economic impacts are necessarily experienced inside the geographic area under study. The IMPLAN model can be used to generate estimates of direct, indirect and induced employment, compensation (i.e., wages and benefits), and total economic output (i.e., a summary measure of all sales and spending), for both the construction phase of a project, and annually, once it has been completed and occupied. “Employment” includes all individual full-time and part-time jobs, regardless of whether they are permanent or temporary (i.e., “headcount,” not full-time equivalents, or FTEs), and self-employed persons as well as wage and salary workers.

“Direct” impacts include the investment in Project construction, retail sales, hotel revenues, and commercial office activity in the completed Project.⁷ Therefore, the direct impacts occur at the Project Site. “Indirect” impacts are those resulting from construction contractor purchases of goods and services to support Project construction, and goods and services purchased by Project businesses to support their business operations. Most of these indirect impacts will occur within the City of Inglewood, though some will “leak” to other communities beyond the City’s borders. “Induced” impacts result from spending and purchases by the Project’s direct and indirect

⁶ IMPLAN (**IM** pact Analysis for **PLAN**ning), a social accounting and impact analysis software program, was developed in 1979 by the U.S. Forest Service in cooperation with the Federal Emergency Management Agency and the U.S. Bureau of Land Management to assist the Forest Service in land and resource planning and management. The program was updated and improved over subsequent years. In 1992, IMPLAN was transferred under a technology transfer agreement to the Minnesota IMPLAN Group, Inc. (MIG), which was run by three of the key University of Minnesota staff members who worked on the original program and subsequently developed the current modeling system. In 2013, IMPLAN was purchased by MIG, Inc. and privatized.

⁷ IMPLAN expresses output in producer prices, not consumer prices. Therefore “direct” (i.e., on-site) output is not always the same as “sales.” The IMPLAN conversion of sales to output for individual categories of retail sales means that retail is measured in terms of gross margin only (i.e., not including the manufacturing, transportation and wholesale costs associated with the sale price of retail goods).

employees for their household-related goods and services. Some, but not all, induced impacts will also occur in the City depending on how many such workers reside in Inglewood. The indirect and induced effects are together sometimes referred to as the “multiplier effect” of the direct impacts associated with a development project.

ECONOMIC IMPACTS OF PROJECT CONSTRUCTION

The economic impact estimates for Project construction are based on estimates of the Project’s hard construction costs provided by the IBEC Development Team. These final demand values are assigned to the applicable construction sectors in the IMPLAN model, which then generates the direct, indirect, induced, and total employment, employee compensation, and total economic impacts associated with Project construction. These are, essentially, one-time impacts that occur incrementally over the months of Project construction.

Special Adjustments for “Multiplier Effects” within the City of Inglewood Economy

The degree to which the “multiplier effects” (i.e., indirect and induced impacts) would be captured within a local economy depends on the range of businesses located in each geography that are capable of selling goods and services to the Project’s construction contractors, businesses and households, and the degree to which workers live and work in the same geography. Although it is technically possible to generate IMPLAN-based estimates of economic impact for sub-County geographies based on ZIP Codes, the relatively small scale of the City of Inglewood’s economy compared to the economy of the County, and the imprecise fit between ZIP Code boundaries and City boundaries, combine to suggest that direct application of the IMPLAN model for estimating the Project’s multiplier effect impacts in the City would produce distorted results. Accordingly, an alternative method was developed by HR&A to estimate City-level multiplier effect economic impacts resulting from construction and operation of the Project.

For direct impacts, the City and County results are generally the same, because these impacts all occur directly at the Project site, and thus directly within the City. The indirect economic impacts are calculated based on the number of employees working in the City (regardless of where they reside) as compared to the number in the County (0.66% of County employees), based on 2015 U.S. Census data (latest available), and applied to the Project’s indirect impacts calculated within the County. The induced impacts are calculated based on the number of individuals who both live and work within the City (10.3% of City population). That percentage was then applied to the direct impacts, which were then re-run through the IMPLAN model to produce City-specific induced impact figures.

This methodology provides a more reasonable estimate of how many indirect and induced employees residing in the City are likely to spend their day solely within the City limits. However, the resulting City indirect and induced impact estimates could be larger if the City were to require, or the Project development team is successful in targeting, construction and operational business opportunities to Inglewood businesses.

The Project's construction impacts are summarized in Table 1. They show that the planned private investment to develop the Project translates to a total economic output impact of about \$1.06 billion in the City economy. The investment is associated with 7,269 total construction-related jobs within the City economy, of which 7,020 will be located on-site during the Project's construction. The construction investment will also support another 248 indirect and induced jobs within the City (e.g., jobs at businesses which sell merchandise and services directly to the construction general contractor and subcontractors, as well as at other establishments serving the household spending needs of employees). A detailed breakdown of the IMPLAN generated impacts by industry sector due to Project construction are provided in Appendix A.

Table 1: One-Time Employment and Other Economic Impacts in the City of Inglewood Economy from Construction of IBEC (in 2019 \$)

Impact Category ¹	Direct Impact	Induced + Indirect Impacts	Total Impact ²
Arena Construction			
Employment	4,908	174	5,082
Employee Compensation	\$316,089,627	\$11,608,587	\$327,698,214
Total Economic Output	\$710,696,050	\$31,805,544	\$742,501,594
Outdoor Event Plaza Construction			
Employment	327	12	339
Employee Compensation	\$21,086,877	\$774,429	\$21,861,306
Total Economic Output	\$47,411,744	\$3,490,390	\$50,902,134
Back of House Zone Construction			
Employment	185	6	191
Employee Compensation	\$11,144,746	\$413,080	\$11,557,826
Total Economic Output	\$25,340,323	\$1,134,047	\$26,474,370
Ancillary Buildings Construction			
Employment	140	5	145
Employee Compensation	\$8,470,007	\$313,940	\$8,783,947
Total Economic Output	\$19,258,645	\$861,876	\$20,120,521
Parking Construction			
Employment	878	31	910
Employee Compensation	\$56,570,987	\$2,077,604	\$58,648,591
Total Economic Output	\$127,194,230	\$5,692,281	\$132,886,511
Pedestrian Bridge Construction			
Employment	57	2	59
Employee Compensation	\$3,677,299	\$135,051	\$3,812,350
Total Economic Output	\$8,268,041	\$370,016	\$8,638,057
Hotel Construction²			
Employment	121	4	125
Employee Compensation	\$7,310,953	\$270,981	\$7,581,934
Total Economic Output	\$16,623,252	\$743,935	\$17,367,187
Horizontal Construction (Siteworks; Public ROW)			
Employment	404	14	418
Employee Compensation	\$26,007,074	\$782,883	\$26,789,957
Total Economic Output	\$58,474,315	\$2,616,881	\$61,091,196
TOTAL³			
Employment	7,020	248	7,269
Employee Compensation	\$450,357,570	\$16,376,554	\$466,734,124
Total Economic Output	\$1,013,266,600	\$46,714,970	\$1,059,981,570
¹ Employee Compensation and Total Economic Output values are stated in 2019 dollars. ² The hotel component of the Project may be developed by a third party developer. ³ Totals may not sum precisely due to independent rounding. Sources: IBEC Development Team; IMPLAN; HR&A Advisors, Inc.			

ECONOMIC IMPACTS OF PROJECT ANNUAL OPERATIONS

The economic impacts of Project annual operations reflect the ongoing impact once construction is completed and operations are stabilized. These impacts were also derived using the IMPLAN model.

HR&A defined a series of inputs for arena, entertainment, retail, medical office, and hotel uses based on information provided by the IBEC Development Team as well as HR&A research and analysis. To estimate the economic impact of the arena, HR&A utilized sales data provided by the IBEC Development Team for NBA games, exhibition games, concerts and other events. This included estimates of ticket sales, concessions, retail sales, and parking. For retail uses, model inputs are defined in terms of gross sales, as estimated by the IBEC Development Team based on the planned retail mix by category. Certain direct retail impacts only account for the retail margin, which is generally the difference between the retail price and the cost of goods sold at the store. For the medical office component, final demand is defined in terms of an estimate of direct on-site jobs, which was derived by HR&A using industry-standard employee per square foot assumptions.⁸ For the hotel component, final demand is equal to total revenue upon stabilization, based on information from the CBRE Southern California Lodging Forecast Report.⁹

The Project's annual operations impacts are summarized in Table 2. They show that the Project's net annual direct impact of about \$247.1 million from the arena, retail, hotel, on-site medical office jobs, and parking translates to a net total annual economic output impact of about \$259.6 million in the City's economy. The annual operation of the Project will also support a net total of 1,485 employees within the City, of which 1,408 employees will be involved directly in the Project's daily operation. The details of the final demand estimates, and the IMPLAN model results by industry sector, are provided in Appendix A.

⁸ United States Green Building Council. See Appendix A for details.

⁹ Based on averages of the Los Angeles International Airport and South Bay markets from the CBRE SoCal Lodging Forecast (2019). Data presents an occupancy rate of 75%, average daily rate of \$227, and an adjustment to account for non-room revenues for select-service hotels.

Table 2: Ongoing Employment and Other Economic Impacts in the City of Inglewood Economy from Annual Operations of IBEC (in 2019 \$)

Impact Category ¹	Direct Impact	Induced + Indirect Impacts	Total Impact ²
Proposed Project			
Basketball Home Game Ticket, Concession, Retail, and Parking Revenues			
Employment	557	33	590
Employee Compensation	\$64,058,513	\$1,893,806	\$65,952,319
Total Economic Output	\$99,712,003	\$5,361,947	\$105,073,950
Concert Ticket, Concession, Retail, and Parking Revenues			
Employment	154	7	161
Employee Compensation	\$9,868,349	\$413,576	\$10,281,925
Total Economic Output	\$31,875,845	\$1,158,149	\$33,033,994
Family Show Ticket, Concession, Retail, and Parking Revenues			
Employment	41	2	43
Employee Compensation	\$2,790,167	\$122,265	\$2,912,432
Total Economic Output	\$9,399,524	\$342,202	\$9,741,726
Other Events Ticket, Concession, Retail, and Parking Revenues			
Employment	43	4	46
Employee Compensation	\$2,344,043	\$200,293	\$2,544,336
Total Economic Output	\$8,193,710	\$565,672	\$8,759,382
Basketball Team Business Operations			
Employment	210	17	227
Employee Compensation	\$25,429,773	\$976,582	\$26,406,355
Total Economic Output	\$50,478,859	\$2,748,607	\$53,227,466
Arena Operations			
Employment	92	7	99
Employee Compensation	\$14,682,957	\$420,233	\$15,103,190
Total Economic Output	\$20,016,117	\$1,189,576	\$21,205,693
Shopping Center/Retail			
Employment	146	4	150
Employee Compensation	\$5,165,589	\$201,954	\$5,367,543
Total Economic Output	\$14,712,802	\$572,817	\$15,285,619
Restaurants Outside of Arena			
Employment	112	2	114
Employee Compensation	\$3,483,981	\$113,848	\$3,597,829
Total Economic Output	\$6,512,061	\$323,518	\$6,835,579
Community Center			
Employment	26	0	26
Employee Compensation	\$569,868	\$20,783	\$590,651
Total Economic Output	\$1,276,205	\$59,302	\$1,335,507
Sports Medicine Clinic			
Employment	39	2	41
Employee Compensation	\$3,593,023	\$117,588	\$3,710,611
Total Economic Output	\$5,477,250	\$332,790	\$5,810,040

*Table 2 continues below.

Table 2 (Continued)

Hotel			
Employment	58	2	59
Employee Compensation	\$2,743,825	\$100,664.37	\$2,844,489
Total Economic Output	\$7,351,564	\$284,098.93	\$7,635,663
SUBTOTAL - PROPOSED PROJECT²			
Employment	1,476	80	1,557
Employee Compensation	\$134,730,088	\$4,581,593	\$139,311,681
Total Economic Output	\$255,005,940	\$12,938,678	\$267,944,618
Less - Existing Site			
Hotel			
Employment	7	0	8
Employee Compensation	\$344,784	\$12,911	\$357,695
Total Economic Output	\$941,283	\$23,748	\$965,031
Restaurant			
Employment	8	0	8
Employee Compensation	\$199,726	\$7,791	\$207,517
Total Economic Output	\$788,536	\$22,251	\$810,787
Industrial			
Employment	50	2	52
Employee Compensation	\$2,945,141	\$107,934	\$3,053,075
Total Economic Output	\$5,768,455	\$306,962	\$6,075,417
Caterer			
Employment	4	1	4
Employee Compensation	\$98,991	\$41,564	\$140,555
Total Economic Output	\$381,500	\$116,913	\$498,413
NET PROJECT IMPACTS²			
Employment	1,408	78	1,485
Employee Compensation	\$131,141,446	\$4,411,393	\$135,552,839
Total Economic Output	\$247,126,166	\$12,468,804	\$259,594,970
¹ Employee Compensation and Total Economic Output values are stated in 2019 dollars.			
² Totals may not sum precisely due to independent rounding.			
Sources: IBEC Development Team; IMPLAN; HR&A Advisors, Inc.			

IV. FISCAL IMPACTS IN THE CITY OF INGLEWOOD

This chapter presents estimates of the one-time construction-related and annually-recurring General Fund revenues, annual public service costs, and net fiscal impacts that the Project, net of the continued operation of the Existing Site, will create for the City of Inglewood.

OVERVIEW OF THE FISCAL IMPACT ANALYSIS METHODOLOGY

The tax revenue estimates presented in this Report are based on the first round of Project-related spending only—i.e., the tax revenues derived directly from Project construction, and annual operation of the Project's commercial uses. Secondary and tertiary sources of tax revenue will also be generated as a result of indirect and induced economic activity that result from expenditures for construction and operation of the completed Project, but the amounts of these additional revenues and the degree to which they will accrue to the City, are not susceptible to reliable estimation. Therefore, the estimates presented here may understate, to some unknown degree, the actual tax revenues that the Project will produce for Inglewood.

The tax revenue estimates are based on an approach that utilizes a combination of data specific to the Project land uses, generally accepted tax revenue estimating approaches and previous HR&A analysis for comparable projects. The estimates assume that all the taxes in the City that would now apply to the Project would remain in place and that these taxes would continue under the same tax formulas and rates that are now in effect. The analysis focuses on revenues that will be recorded in the City's General Fund and utilizes information from the City's financial year 2019-2020 budget in combination with other sources as noted below. The City's cost to provide public services to the components of the Project is based on a per-capita estimation approach applied to the Project's net new employees and residents (as discussed further below). The net annual fiscal impact of the Project is equal to the revenue it generates for the City's General Fund minus City service costs funded by the City's General Fund. Fiscal impact results for Project construction and annual operations are shown in constant 2019 dollars, and in nominal dollars.

FISCAL IMPACTS OF PROJECT CONSTRUCTION

HR&A estimates that the Project, will generate \$12.9 million (in 2019 dollars) in one-time tax revenues to the City's General Fund and will add \$10.3 million in new, one-time, non-General Fund fees for the City and the Inglewood Unified School District, as summarized in Table 3. These one-time revenues include the sales tax on certain construction materials, the construction contractor business license tax, the documentary transfer tax, and a City tax on residential construction.¹⁰ Sales taxes on construction materials would result in about \$3.3 million in revenue for the City. Construction of the Project would also be subject to the City's business license tax rate on construction contractor earnings. The Inglewood tax rate applied to construction of the Project yields an estimate of about \$950,000. The City also charges a one-time new non-residential

¹⁰ Assuming the construction contractor designates the Project Site as the point of sales for construction material purchases above \$5.0 million, pursuant to California Board of Equalization regulations.

construction tax on hard costs for development within the City, which yields approximately \$8.7 million, as well as a one-time documentary transfer which yields an estimate of \$55,000.¹¹ The fees include \$9.6 million in Art Fees and \$686,000 in School Facility Fees, which are not recorded in the City's General Fund.¹² This analysis does not include the value of any public benefits to be provided through a Development Agreement between the City and Murphy's Bowl, LLC or any other entity in connection with the development of the IBEC Project.

Note that these estimates do not include any planning and construction permit fees, because those City charges are generally set at levels that are intended to directly offset City staff time to process them, and therefore they do not represent net new revenue to the City. Fees for traffic and other environmental mitigation are also omitted, because such fees are generally set at levels to offset direct Project impacts, and therefore also do not represent net new City revenues.

Table 3: One-Time Revenues from Construction of the IBEC (in 2019 \$)

	<u>Over Construction Period</u>
	2019 \$
One-Time Revenues to the City of Inglewood's General Fund¹	
Business Tax on Contractor Earnings	\$954,345
Construction Materials Sales Tax	\$3,253,450
Nonresidential Construction Tax	\$8,675,866
Documentary Transfer Tax	<u>\$55,000</u>
Total One-Time Tax Revenues	\$12,938,661
In-Lieu Fee for Art	\$9,589,130
School Fee	<u>\$685,521</u>
Total One-Time Fees	\$10,274,651

¹ Does not include any revenues which may accrue to the City based on disposition of City-owned parcels.
Prepared by: HR&A Advisors, Inc.

FISCAL IMPACTS FROM ANNUAL OPERATION OF THE COMPLETED PROJECT

As summarized in Table 4, the arena, hotel, retail, and office uses will generate about \$6.1 million in annual revenues, expressed in 2019 dollars, to the City's General Fund once the Project achieves stabilized operation. After accounting for the cost to provide services to the Project and deducting net fiscal impacts associated with the Existing Site, the annual net fiscal impact to the City's General Fund will be approximately \$4.5 million.

¹¹ Property purchase price is based on average of an assumed range of \$40M - \$60M provided by the IBEC Development Team, assumed to occur in 2019.

¹² Art Fees based on the estimated valuation of the IBEC Project per the Development Team; pursuant to the Inglewood Municipal Code, the requirement to provide public art in connection with new nonresidential construction may be satisfied by the provision of on-site artwork or an in-lieu of fee payment.

Table 4: Annually Recurring Revenues from Annual Operations of IBEC

	First Year of Operation in 2025	Over Construction Period + 20 Years from Stabilization	
Annual Revenues to the City of Inglewood's General Fund	2019 \$	Nominal \$	2019 \$
Property Tax ¹	\$1,342,478	\$42,810,046	\$20,411,859
MVLF In Lieu	\$1,356,267	\$43,249,756	\$20,621,512
Business License Tax	\$279,815	\$8,834,315	\$4,103,169
Admissions Tax	\$784,274	\$24,761,073	\$11,500,479
Utility Users' Tax	\$237,555	\$7,500,072	\$3,483,469
Sales Tax	\$712,407	\$22,492,079	\$10,446,627
Transient Occupancy Tax	\$1,020,089	\$32,206,198	\$14,958,427
Parking Tax	<u>\$325,804</u>	<u>\$10,286,262</u>	<u>\$4,777,537</u>
Total Annual Recurring Revenues to City's General Fund	\$6,058,689	\$192,139,802	\$90,303,079
Less: Annual Net Fiscal Impact from Existing Site (net) ²	(\$192,869)	(\$192,869)	(\$192,869)
Less: City Service Costs	(\$1,364,335)	(\$43,842,760)	(\$20,608,183)
Net Fiscal Impact to City's General Fund	\$4,501,485	\$148,104,172	\$69,502,026

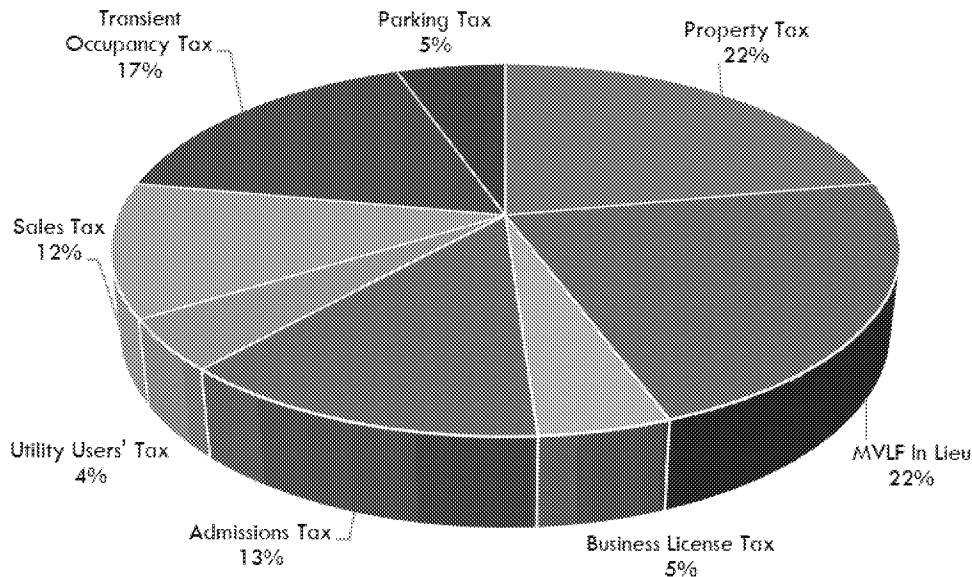
¹ Does not include any revenues which may accrue to the City based on disposition of City-owned parcels.

² Due to the likelihood of the redevelopment of the existing site even in the absence of the Project, HR&A did not speculate on the potential future fiscal impact of the existing site and therefore did not net out associated revenues in the long-term projection of Project fiscal revenues over 20 years.

Prepared by: HR&A Advisors, Inc.

Figure 3 shows that approximately 22 percent of the revenues will result from Property Tax, 22 percent from Motor Vehicle License Fee In-Lieu property tax, and 17 percent from Transient Occupancy Tax on hotel rooms. The remaining 39 percent of the revenues will result from Admissions Tax on ticket sales to events, Retail Sales Tax, Utility Users' Tax, Parking Tax, and Business License Tax.

Figure 3: Relative Proportions of Annually Recurring Revenues from Operation of the IBEC



As summarized in Table 5, the Existing Site's fast food restaurant, hotel, catering company, and industrial businesses are estimated to generate about \$201,000 in annual revenues to the City's General Fund. After accounting for the cost to provide City services to those uses (see discussion below), the net fiscal impact to the City's General Fund will be approximately \$193,000.

Table 5: Annually Recurring Revenues from Operation of the Existing Site (in 2019 \$)

Annual Revenues to the City of Inglewood's General Fund	2019 \$
Property Tax	\$9,544
MVLf In Lieu	\$9,642
Business License Tax	\$3,314
Admissions Tax	\$0
Utility Users' Tax	\$11,267
Sales Tax	\$40,287
Transient Occupancy Tax	\$126,877
Parking Tax	\$0
Total Annual Recurring Revenues to the City's General Fund	\$200,932
Less: City Service Costs	(\$8,403)
Net Fiscal Impact to the General Fund of the Existing Site	\$192,529

Prepared by: HR&A Advisors, Inc.

Revenue Estimation and Projection Approach

Each tax revenue category utilizes a different estimation approach, which is briefly described below. Revenues are estimated for stabilized operation of the completed Project as well as continued operation of the Existing Site.

Property Tax. The property tax applicable to the Project includes a one percent levy on the assessed value of land and buildings, which is distributed among different local taxing entity

accounts. The City receives about 14 percent of the one percent general levy on total assessed value (land and improvements). As of the Project's opening year, the total assessed value of the Project is assumed to be equal to the Project's hard construction costs. This conservative approach was taken because unlike commercial land uses, there is no widespread market for the sale of stadiums or arenas, which would allow HR&A to use an income capitalization approach. For the Existing Site, the assessed value was identified through the LA County Assessor.

For the proposed Project, the total assessed value upon stabilization would be \$959 million in 2019 dollars. For the Existing Site, the total assessed value is \$6.8 million in 2019 dollars. Details of the property tax calculations for the Project and the Existing Site are included in Appendix B and C, respectively.

Property Tax In Lieu of Motor Vehicle License Fees. Beginning in 2005, the State reduced the Motor Vehicle License Fee revenue from two percent to 0.65 percent. The State kept local government revenues whole by swapping the lost Motor Vehicle License Fee revenue for an equivalent amount of property tax revenue. In Inglewood, the rebate is currently equal to 0.141 percent of citywide assessed valuation. These factors were then applied to the estimated assessed value of the Project and the Existing Site to derive the amounts of this tax revenue. Details of the property tax in lieu calculations for the Project and the Existing Site are included in Appendix B and C, respectively.

Utility Users' Tax. Inglewood charges a 10 percent tax on the cost of electricity, water, and natural gas. The tax projections associated with the Project and the Existing Site are based on tax rates per the City of Inglewood Municipal Code and estimates of annual utility charges for each land use. Details of calculations for utility users' tax revenue for the Project and the Existing Site are included in Appendix B and C, respectively.

Sales Tax. Inglewood receives 1.5 percent of the applicable retail and certain other sales that are subject to the State sales and use tax from the Project. The sales tax revenue projection for the Project's retail and restaurant uses, and the Existing Site use, is based on arena merchandise revenues, arena concessions revenues, and annual gross sales estimates from Murphy's Bowl, factored as applicable by HR&A for the percentage of sales that are taxable.¹³ The analysis does not, however, include indirect sales tax revenue that the City would also receive from employee or visitor expenditures elsewhere in the City (e.g., at off-site restaurants, retail and gas stations), because visitor spending data specific to Inglewood is not available. Details of the sales tax calculations for the Project and the Existing Site are included in Appendix B and C, respectively.

Transient Occupancy Tax. Inglewood charges a 14 percent tax on Average Daily Rate ("ADR") revenues earned from hotel rooms. The tax projection associated with the Project is based on the expected ADR and occupancy for the South Bay and Los Angeles International Airport markets per CBRE's Southern California Lodging Forecast (2019). Details of calculations for transient occupancy tax revenue for the Project are included in Appendix B.

Parking Tax. Inglewood charges a 10 percent tax on revenues earned from parking. The tax projection associated with the Project is based on an estimate of revenue provided by the IBEC

¹³ 100% of estimated sales tax revenues are taxable.

Development Team. Details of calculations for the parking tax revenue for the Project are included in Appendix B.

Business License Tax. Inglewood levies a tax on gross receipts of businesses operating in the City, at a rate which varies depending on different business categories. The Project and Existing Site's gross receipts were calculated using expected arena employment provided by the IBEC Development Team and the IMPLAN model. HR&A received employment estimates from the IBEC Development Team for the business activities that would take place on the Project site (i.e., arena, retail, office, and hotel). Leveraging these employment figures in IMPLAN, HR&A was able to estimate the total sales that would occur for each business type; these estimates were then used in HR&A's business license tax calculations. Details for the business license tax for the Project and Existing Site are included in Appendix B and C, respectively.

Admissions Tax. Inglewood charges a \$0.61 per ticket admissions tax on ticket sales to all events at the IBEC. This rate is applied to the average number of tickets sold annually. Estimates for average annual ticket sales were provided by the IBEC Development Team. Details of tax revenue calculations from admissions for the Project included in Appendix B.

ANNUAL CITY SERVICE COSTS AND NET FISCAL IMPACTS

The net fiscal impact of a proposed development project is calculated by subtracting any recurring costs to provide public services to the Project (and the Existing Site) from the annual tax and other revenues it generates. The net fiscal result from new development depends entirely on how the accounting is performed, and whether "marginal" or "average" public service costs are used in the calculation. For analysis of the Project and Existing Site, it is assumed that the Inglewood General Fund departments with variable costs that could be impacted by the Project include Fire, Police, Public Works, and Parks, Recreation, and Community Services departments.¹⁴ The annual General Fund operating cost of these departments can be expressed as a cost per "resident equivalent" for the City. On this basis, the annual cost of operating the relevant City departments is about \$1,439 per resident equivalent in Inglewood (see calculation details in Appendix B, Table 12).

Using calculation assumptions for the time Project employees and residents typically spend in the City (see calculation detail in Appendix B, Table 11), the Project's estimate of retail and restaurant employees, hotel employees, hotel visitors, event day employees office workers, community space workers, sports medicine clinic workers, and arena workers convert to 948 "resident equivalents." Applying the average annual per-capita cost to provide services to the Project results in an annual average cost of City services of about \$4.9 million in the first stabilized year of Project operation. Using the same calculation methodology for the estimated 24 workers in the Existing Site results in 6 "resident equivalents" (see calculation detail in Appendix C, Table 9). Applying the average annual per-capita cost to provide services to the Existing Site results in about \$8,403 in annual city services.

¹⁴ These costs are in addition to event day public service costs that will be paid by event sponsors per applicable provisions of a Development Agreement.

These results probably overstate the actual cost of services that would be delivered to the Project, because the average cost approach, by definition, assumes that the cost of services supplied to the Project is similar to the cost of supplying services everywhere else in the City.

Based on the above discussion, the net fiscal impact of the Project to the City after deducting City service costs and annually recurring revenues from the Existing Site from Project-generated General Fund revenues in the first stabilized year will be approximately \$4.5 million in 2019 dollars, as noted in Table 6.

Table 6: Net Fiscal Impacts from Operation of the IBEC (in 2019 \$)

	Annual Revenues
Total Annual Recurring Revenues to City's General Fund	\$6,058,689
Less: Annual Net Fiscal Impact from Existing Site (net)1	(\$192,529)
Less: City Service Costs	(\$1,364,335)
Net Fiscal Impact to City's General Fund	\$4,501,826

Prepared by: HR&A Advisors, Inc.

The net fiscal impact of the Existing Site to the City of Inglewood after deducting its City service costs from Existing Site-generated General Fund revenues is approximately \$192,000 in 2019 dollars, as noted in Table 7.

Table 7: Net Fiscal Impacts from Operation of the Existing Site (in 2019 \$)

	Annual Revenues
Total Annual Recurring Revenues to the City's General Fund	\$200,932
Less: City Service Costs	(\$8,403)
Net Fiscal Impact to the General Fund of the Existing Site	\$192,529

Prepared by: HR&A Advisors, Inc.

As summarized in Table 8 below, the arena, hotel, retail, and office uses will generate about \$6.1 million in annual revenues, expressed in 2019 dollars, to the City's General Fund once the Project achieves stabilized operation. These annual revenues will cumulatively result in \$90.8 million in 2019 dollars to the City's General Fund over the 25-year projection period. After accounting for the cost to provide services to the Project and deducting net fiscal impacts associated with the Existing Site, which cumulatively sum to \$20.8 million in 2019 dollars over the projection period, the cumulative net fiscal impact to the City's General Fund will be approximately \$70.0 million in 2019 dollars. Additionally, one-time construction-related tax revenues will add \$12.9 million to the City's General Fund; the Project will also generate \$10.3 million in additional non-General Fund fees for the City and the Inglewood Unified School District.

Table 8: Net Fiscal Impact Summary (in 2019 \$)

	First Year of Operation in 2025	Over Construction Period + 20 Years from Stabilization	
	2019 \$	Nominal \$	2019 \$
Annual Revenues to the City of Inglewood's General Fund			
Property Tax ¹	\$1,342,478	\$42,810,046	\$20,411,859
MVLF In Lieu	\$1,356,267	\$43,249,756	\$20,621,512
Business License Tax	\$279,815	\$8,834,315	\$4,103,169
Admissions Tax	\$784,274	\$24,761,073	\$11,500,479
Utility Users' Tax	\$237,555	\$7,500,072	\$3,483,469
Sales Tax	\$712,407	\$22,492,079	\$10,446,627
Transient Occupancy Tax	\$1,020,089	\$32,206,198	\$14,958,427
Parking Tax	<u>\$325,804</u>	<u>\$10,286,262</u>	<u>\$4,777,537</u>
Total Annual Recurring Revenues to City's General Fund	\$6,058,689	\$192,139,802	\$90,303,079
Less: Annual Net Fiscal Impact from Existing Site (net) ²	(\$192,869)	(\$192,869)	(\$192,869)
Less: City Service Costs	<u>(\$1,364,335)</u>	<u>(\$43,842,760)</u>	<u>(\$20,608,183)</u>
Net Fiscal Impact to City's General Fund	\$4,501,485	\$148,104,172	\$69,502,026

¹ Does not include any revenues which may accrue to the City based on disposition of City-owned parcels.

² Due to the likelihood of the redevelopment of the existing site even in the absence of the Project, HR&A did not speculate on the potential future fiscal impact of the existing site and therefore did not net out associated revenues in the long-term projection of Project fiscal revenues over 20 years.

Prepared by: HR&A Advisors, Inc.

APPENDIX A – IBEC ECONOMIC IMPACTS INPUTS

Appendix A, Table 1
Inglewood Basketball and Entertainment Center
Economic Impact Inputs
Construction Costs

Cost Categories	Hard Construction Cost (2018 \$)	IMPLAN Input	IMPLAN Sector #	IMPLAN Sector Name
Vertical¹	\$901,224,000	\$901,224,000		
Hard Costs - Arena, Practice and Training Facility, Sports Medicine Clinic and Office	\$660,406,000	\$660,406,000	57	Construction of New Commerical Structures
Hard Costs - Outdoor Event Plaza	\$46,775,000	\$46,775,000	57	Construction of New Commerical Structures
Hard Costs - Back of House Zone	\$25,000,000	\$25,000,000	57	Construction of New Commerical Structures
Hard Costs - Ancillary Buildings	\$19,000,000	\$19,000,000	57	Construction of New Commerical Structures
Hard Costs - Parking	\$125,486,000	\$125,486,000	57	Construction of New Commerical Structures
Hard Costs - Pedestrian Bridge	\$8,157,000	\$8,175,000	57	Construction of New Commerical Structures
Hard Costs - Hotel	\$16,400,000	\$16,400,000	57	Construction of New Commerical Structures
Horizontal¹	\$57,689,000	\$57,689,000		
Hard Costs - Siteworks (utilities, infrastructure, demolitions)	\$48,664,000	\$48,664,000	57	Construction of New Commerical Structures
Hard Costs - Public ROW	\$9,025,000	\$9,025,000	57	Construction of New Commerical Structures
Other¹	\$179,284,000	\$41,300,000		
Construction Cost Escalation	\$137,984,000			
Furniture Fixtures & Equipment ²	\$41,300,000	\$41,300,000	57	Construction of New Commerical Structures
Total Hard Costs	\$1,138,197,000	\$1,000,213,000		

¹ IBEC Development Team.

² FF&E costs were run in the IMPLAN model with the arena construction hard costs.

**Appendix A, Table 2
Inglewood Basketball and Entertainment Center
Economic Impact Inputs
Proposed Annual Operations: Arena**

IMPLAN Input						
Tenant Events	Annual Events	Average Paid Attendance	Annual Revenues (2018\$) ¹	IMPLAN Sector #	IMPLAN Sector Name	Margin?
Regular Season Games	41	16,000				
Tickets			\$75,641,823	489	Commercial Sports	No
Concessions			\$14,616,842	502	Limited Service Food	No
Merchandise			\$2,361,600	403	Retail - Clothing and Clothing Accessories	Yes
Parking			<u>\$1,405,714</u>	463	Facilities Support	No
Total (Regular Season Games)			\$94,025,979			
Exhibition Games	3	12,000				
Tickets			\$3,611,880	489	Commercial Sports	No
Concessions			\$853,525	502	Limited Service Food	No
Merchandise			\$97,200	404	Retail - Sporting Goods	Yes
Parking			\$102,857	463	Facilities Support	No
<hr/>						
Other Ticketed Events	Annual Events	Average Paid Attendance	Annual Revenues (2018\$) ¹	IMPLAN Sector #	IMPLAN Sector Name	Margin?
Concerts - Tier 1 Ticket Price	5	15,000				
Tickets			\$8,625,000	488	Performing Arts	No
Concessions			\$1,943,473	502	Limited Service Food	No
Merchandise			\$855,000	403	Retail - Clothing and Clothing Accessories	Yes
Parking			<u>\$187,500</u>	463	Facilities Support	No
Total (Concerts - Tier 1)			\$11,610,973			
Concerts - Tier 2 Ticket Price	8	12,000				
Tickets			\$8,640,000	488	Performing Arts	No
Concessions			\$2,539,555	502	Limited Service Food	No
Merchandise			\$1,094,400	403	Retail - Clothing and Clothing Accessories	Yes
Parking			<u>\$300,000</u>	463	Facilities Support	No
Total (Concerts - Tier 2)			\$12,573,955			
Concerts - Tier 3 Ticket Price	10	7,000				
Tickets			\$5,250,000	488	Performing Arts	No
Concessions			\$1,986,944	502	Limited Service Food	No
Merchandise			\$798,000	403	Retail - Clothing and Clothing Accessories	Yes
Parking			<u>\$221,667</u>	463	Facilities Support	No
Total (Concerts - Tier 3)			\$8,256,611			
Family Shows	20	6,000				
Tickets			\$7,200,000	488	Performing Arts	No
Concessions			\$1,763,040	502	Limited Service Food	No
Merchandise			\$684,000	403	Retail - Clothing and Clothing Accessories	Yes
Parking			<u>\$22,800</u>	463	Facilities Support	No
Total (Family Shows)			\$9,669,840			
Other Events	35	5,000				
Tickets			\$5,250,000	488	Performing Arts	No
Concessions			\$2,363,130	502	Limited Service Food	No
Merchandise			\$393,750	403	Retail - Clothing and Clothing Accessories	Yes
Parking			<u>\$315,000</u>	463	Facilities Support	No
Total (Other Events)			\$8,321,880			

**Appendix A, Table 2
Inglewood Basketball and Entertainment Center
Economic Impact Inputs
Proposed Annual Operations: Arena (cont'd)**

Other Events	Annual Events	Average Paid Attendance	Event Employment ¹	IMPLAN Sector #	IMPLAN Sector Name	Margin?
Corporate/Community Events	100	300	26	496	Other amusement and recreation industries	No

¹ IBEC Development Team.

² Merchandise and Concessions have been pared down to reflect at-the-gate attendance figures which are smaller than paid admission.

³ Note: Will split IMPLAN input 50/50 between Performing Arts and Commercial Sports.

**Appendix A, Table 3
Inglewood Basketball and Entertainment Center
Economic Impact Inputs
Proposed Annual Operations: Tenant**

IMPLAN Input					
Tenant Employment	Total Employment ²	IMPLAN Sector #	IMPLAN Sector Name	Margin?	
Basketball Operations ¹	54	489	Commercial Sports	No	
Business Operations	100	461	Management of companies and enterprises	No	
Business Operations Support	100	461	Management of companies and enterprises	No	
Arena Operations	<u>75</u>	489	Commercial Sports	No	
Total	329				

¹ Note: Includes players, coaches, staff, etc.

² IBEC Development Team.

Appendix A, Table 4
Inglewood Basketball and Entertainment Center
Economic Impact Inputs
Proposed Annual Operations: Ancillary Uses

IMPLAN Input							
Retail	Gross Leasable Area (SF)¹		Total Employment¹	IMPLAN Sector #	IMPLAN Sector Name	Margin?	
Team Store/Shopping Center	33,000		146	403	Retail - Clothing and Clothing Accessories	Yes	
Restaurant	Gross Leasable Area (SF)¹		Total Employment¹	IMPLAN Sector #	IMPLAN Sector Name	Margin?	
Full Service Restaurant	15,000		112	501	Full-service restaurants	No	
Community Center	Gross Leasable Area (SF)¹		Total Employment¹	IMPLAN Sector #	IMPLAN Sector Name	Margin?	
Community Center	15,000		26	497	Fitness and Recreational Sport Centers	No	
Health Center	Gross Leasable Area (SF)¹		Total Employment¹	IMPLAN Sector #	IMPLAN Sector Name	Margin?	
Sports Medicine Clinic	25,000		35	475	Offices of Physicians	No	
Hotel	Number of Keys¹	Average Daily Rate (ADR)²	Average Occupancy Rate²	Annual Revenue (2018\$)²	IMPLAN Sector #	IMPLAN Sector Name	Margin?
Hotel	150	\$166	80%	\$7,286,349	499	Hotels and motels, including casino hotels	No

¹ IBEC Development Team

² HR&A Advisors based on a review on of 2017 Southern California Lodging Forecast for hotels in the South Bay and Los Angeles Interational Airport markets.

**Appendix A, Table 5
Inglewood Basketball and Entertainment Center
Economic Impact Inputs
Existing Annual Operations**

		IMPLAN Input				
		Annual Revenue (2017\$) ¹	Annual Revenue (2018 \$) ¹	IMPLAN		Margin?
Hotel				Sector #	IMPLAN Sector Name	
Rodeway Inn		\$906,266	\$932,933	499	Hotels (including casino hotels)	No

		Annual Revenue (2010\$) ³		Annual Revenue (2018\$) ²		IMPLAN		
Restaurant		Lot Size (SF) ²	Occupied SF ²	Sector #	IMPLAN Sector Name	Margin?		
Church's Chicken Fast Food Restaurant		14,234	1,118	502	Limited-service restaurants	No		

		SF per Employee ⁴				IMPLAN		
Industrial		Lot Size (SF) ²	Occupied SF ²	Direct Jobs	Sector #	IMPLAN Sector Name	Margin?	
Warehouse Building 1 (Industrial)		44,867	32,631	781	42	416	Warehousing and storage	No
Warehouse Building 2 (Industrial)		15,213	6,231	781	8	416	Warehousing and storage	

¹ IBEC Development Team.

² IBEC Development Team.

³ HR&A Advisors based on review of QSR's Church's Chicken systemwide sales. Inflated to 2018\$.

⁴ US Green Building Council.

APPENDIX B – PROPOSED IBEC PROJECT FISCAL CALCULATION DETAIL

FISCAL IMPACT CALCULATION DETAILS

Appendix B, Table 1
Inglewood Basketball and Entertainment Center
Net Fiscal and Other Revenue Impacts from Annual Operations and
One-Time Revenues During Construction to the City of Inglewood

	First Year of	Over Construction Period + 20	
	Operation in 2025	Years from Stabilization	
	2019 \$	Nominal \$	2019 \$
Annual Revenues to the City of Inglewood's General Fund			
Property Tax ¹	\$1,342,478	\$42,810,046	\$20,411,859
MVLF In Lieu	\$1,356,267	\$43,249,756	\$20,621,512
Business License Tax	\$279,815	\$8,834,315	\$4,103,169
Admissions Tax	\$784,274	\$24,761,073	\$11,500,479
Utility Users' Tax	\$237,555	\$7,500,072	\$3,483,469
Sales Tax	\$712,407	\$22,492,079	\$10,446,627
Transient Occupancy Tax	\$1,020,089	\$32,206,198	\$14,958,427
Parking Tax	\$325,804	\$10,286,262	\$4,777,537
Total Annual Recurring Revenues to City's General Fund	\$6,058,689	\$192,139,802	\$90,303,079
Less: Annual Net Fiscal Impact from Existing Site (net) ²	(\$192,869)	(\$192,869)	(\$192,869)
Less: City Service Costs	(\$1,364,335)	(\$43,842,760)	(\$20,608,183)
Net Fiscal Impact to City's General Fund	\$4,501,485	\$148,104,172	\$69,502,026

¹ Does not include any revenues which may accrue to the City based on disposition of City-owned parcels.

² Due to the likelihood of the redevelopment of the existing site even in the absence of the Project, HR&A did not speculate on the potential future fiscal impact of the existing site and therefore did not net out associated revenues in the long-term projection of Project fiscal revenues over 20 years.

Prepared by: HR&A Advisors, Inc.

Appendix B, Table 2
Inglewood Basketball and Entertainment Center
Project Land Use Assumptions

Project Land Use Assumptions

Use	Gross Square Feet or Units ¹
Arena	915,000
LA Clippers Team Office	71,000
LA Clippers Team Practice & Training Facility	85,000
Sports Medicine Clinic	25,000
Community Space	15,000
Full-Service Rooftop Restaurant/Lounge	15,000
Plaza Dining & Retail	33,000
<i>Full-Service Plaza Restaurant/Bar</i>	7,000
<i>Coffee Shop</i>	5,000
<i>Quick-Service Restaurant</i>	4,000
<i>Clippers Team Store</i>	7,000
<i>Barbershop/Salon</i>	600
<i>Other LA Clippers Team Experience/General Retail</i>	9,400
Limited Service Hotel	150 rooms

¹ IBEC Development Team.

Prepared by: HR&A Advisors, Inc.

City of Inglewood Tax Rates and Assumptions

Source	Rate or Value ³
Annually-Recurring Taxes	
Property Tax General Levy (x Assessed Value)	1.0%
City Share of Property Tax General Levy ¹	14.0%
Motor Vehicle License Fee In-Lieu of Property Taxes	
City Total Assessed Value	\$8,557,056,828
Total MVLF Revenues	\$12,102,927
MVLF In Lieu (x Assessed Value) ²	0.141%
Sales Tax	1.5%
Admissions Tax (Per Ticket) ⁴	\$0.61
Transient Occupancy Tax	14%
Utility User's Tax	10%
Parking Tax	10%
Business License Tax ⁵	\$1.00 per every \$1,000
One-Time Taxes	
Nonresidential Construction Tax	1.0%
In-Lieu Fee for Art ³	1.0%
Documentary Transfer Tax ⁶	\$0.55 per \$500 in Purchase Value

¹ Property tax share of the general levy per City of Inglewood FY2017-18 report.

² MVLF In Lieu is calculated as the City's total MVLF In Lieu revenue generated in the previous year divided by total City assessed valuation (\$8.6 billion), or 0.141%.

³ City of Inglewood.

⁴ Per code, adjusted for inflation from July 2015 to December 2018.

⁵ City of Inglewood. Rates based on gross sales and business type.

⁶ City of Inglewood. Imposed on all transactions where value exceeds one hundred dollars; a tax of 0.275 per \$500, or fraction thereof.

Prepared by: HR&A Advisors, Inc.

Appendix B, Table 2
Inglewood Basketball and Entertainment Center
Project Land Use Assumptions (cont'd)

Other Fiscal Model Assumptions¹

Revenue Inflation	2.4%
Annual Inflation Rate	2.4%
Annual Inflation Rate (Property Tax and MVLf In Lieu)	2.0%
Discount Rate	5.0%

¹ HR&A Advisors.

Prepared by: HR&A Advisors, Inc.

**Appendix B, Table 3
Inglewood Basketball and Entertainment Center
Estimated Property Taxes**

	First Stabilized Year (2019\$)
Arena	
% Complete	
Total Construction Cost (2019 \$) ¹	\$660,406,000
Outdoor Event Plaza	
% Complete	
Total Construction Cost (2019 \$) ¹	\$46,775,000
Back of House Zone	
% Complete	
Total Construction Cost (2019 \$) ¹	\$25,000,000
Ancillary Buildings	
% Complete	
Total Construction Cost (2019 \$) ¹	\$19,000,000
Parking and Pedestrian Bridge	
% Complete	
Total Construction Cost (2019 \$) ¹	\$133,643,000
Hotel	
% Complete	
Total Construction Cost (2019 \$) ¹	\$16,400,000
Other Horizontal Costs	
% Complete	
Total Construction Cost (2019 \$) ¹	\$57,689,000
Acquired Land Value	
% Acquired	
Total Land Value (2020 \$) ¹	\$50,000,000
Total Project Assessed Value	\$958,913,000
	First Stabilized Year (2019 \$)
Property Tax	
Total Assessed Value	\$958,913,000
General Levy (x Assessed Value)	1.0% \$9,589,130
City Share of General Levy ²	14.0% \$1,342,478
MVLF In Lieu (x Assessed Value) ³	0.141% \$1,356,267
¹ IBEC Development Team.	
² City of Inglewood.	
³ MVLF In Lieu is calculated as the Project's AV multiplied by the percent of MVLF In Lieu generated in the previous year (\$12.1 million) divided by total City assessed valuation (\$8.6 billion), or 0.141%.	
<i>Prepared by: HR&A Advisors, Inc.</i>	

**Appendix B, Table 4
Inglewood Basketball and Entertainment Center
Estimated Sales Tax**

Tenant Type	Annual Gross		Annual Taxable
	Sales¹	Taxable %²	Retail Sales
Arena Merchandise Revenues ¹			
Basketball Games - Merchandise Revenues	\$2,458,800	100%	\$2,458,800
Concerts - Merchandise Revenues	\$2,747,400	100%	\$2,747,400
Family Shows - Merchandise Revenues	\$684,000	100%	\$684,000
Other Events - Merchandise Revenues	\$393,750	100%	\$393,750
Non-Event - Merchandise Revenues	\$950,000	100%	\$950,000
Arena Concessions Revenues ¹			
Basketball Games - Concessions Revenues	\$15,470,367	100%	\$15,470,367
Concerts - Concessions Revenues	\$6,469,972	100%	\$6,469,972
Family Shows - Concessions Revenues	\$1,763,040	100%	\$1,763,040
Other Events - Concessions Revenues	\$2,363,130	100%	\$2,363,130
Shopping Center/Retail	\$5,943,966	100%	\$5,943,966
Restaurant	\$8,140,077	100%	\$8,140,077
Hotel F&B and Retail ³	\$109,295	100%	<u>\$109,295</u>
Annual Taxable Sales			\$47,493,797
City's Sales Tax Rate ⁴			1.5%
Annual Sales Tax Revenue (2019 \$)			\$712,407

¹ Per IBEC Development Team; IMPLAN; HR&A Advisors. For Arena: Equal to the total annual revenues provided by IBEC Development Team. For Shopping Center/Retail and Restaurants: IMPLAN total economic outputs for each used, based on total employment figures provided by IBEC Development Team.

² Per HR&A Advisors.

³ Based on a CBRE Hotels estimate of food and beverage revenue for limited service hotels on a per room basis.

⁴ Per City of Inglewood Municipal Code. Assumes tax rates effective 1/1/2018 remain in effect without change over the projection period.

Prepared by: HR&A Advisors, Inc.

**Appendix B, Table 5
Inglewood Basketball and Entertainment Center
Estimated Admissions Tax**

Basketball Games - Average Annual Tickets	756,875
Concerts - Average Annual Tickets	241,000
Family Shows - Average Annual Tickets	120,000
Other Events - Average Annual Tickets	175,000
All Events - Average Annual Tickets Sold¹	1,292,875
<i>Tax Rate per Ticket²</i>	\$0.61
Total Annual Admissions Tax (2019 \$)	\$784,274

¹ IBEC Development Team

² Per City of Inglewood Municipal Code. Assumes tax rates effective 1/1/2018 remain in effect without change over the projection period. Per code, adjusted for inflation from July 2015 to December 2018.

Prepared by: HR&A Advisors, Inc.

**Appendix B, Table 6
Inglewood Basketball and Entertainment Center
Estimated Utility Users' Tax**

Utility / Program Component							
Water - Quantity	Size	Acres Feet/year¹	HCF Equivalent	Utility Rate (\$/HCF)²	Utility Cost	Utility Tax Rate³	Total Utility Taxes
Arena (indoor and outdoor water usage)	915,000 SF	39.4	17,163	\$3.48	\$59,726	10.0%	\$5,973
Restaurant / Bar / Lounge	15,000 SF	8.1	3,528	\$3.48	\$12,279	10.0%	\$1,228
Office	71,000 SF	8.8	3,833	\$3.48	\$13,340	10.0%	\$1,334
Team Store and Retail	33,000 SF	8.1	3,528	\$3.48	\$12,279	10.0%	\$1,228
Hotel	150 Rooms	21.0	9,148	\$3.48	\$31,834	10.0%	\$3,183
Indoor Washdown	N/A	2.4	1,045	\$3.48	\$3,638	10.0%	\$364
Outdoor Washdown	N/A	0.7	305	\$3.48	\$1,061	10.0%	\$106
Landscape	N/A	14.3	6,229	\$3.48	\$21,677	10.0%	\$2,168
							\$12,946
Electricity		Size	kWh/year¹	Utility Rate (\$/kWh)⁴	Utility Cost	Utility Tax Rate³	
Arena and associated uses		1,034,000 SF	15,640,000	\$0.12	\$1,847,084	10.0%	\$184,708
Hotel		150 Rooms	1,892,000	\$0.12	\$227,040	10.0%	\$22,704
							\$207,412
Natural Gas	Size	kBTU/year¹	Therm/Year	Utility Rate (\$/therm)⁵	Utility Cost	Utility Tax Rate³	
Arena and associated uses	1,034,000 SF	17,031,000	170,310	\$0.68	\$115,759	10.0%	\$11,576
Hotel	150 Rooms	7,396,000	73,960	\$0.76	\$56,210	10.0%	\$5,621
							\$17,197
Annual Utility Users' Tax Revenue (2019 \$)							\$237,555

¹ Per IBEC Draft Environmental Impact Report.

² Per Golden State Water Company current rates for commercial users. Note that water rates do not account for service charges which require a detailed understanding of the Project's water utility hook-ups.

³ Per City of Inglewood Municipal Code. Assumes tax rates effective 1/1/2018 remain in effect without change over the projection period.

⁴ Electricity local average commercial utility rate for commercial consumption in Inglewood per the National Renewable Energy Laboratory.

⁵ Per SoCalGas current rates as of 1/9/2018; rate per therm is average of Tier 1, Tier 2 and Tier 3 rates for rate category "GN-10C."

Prepared by: HR&A Advisors, Inc.

Appendix B, Table 7
Inglewood Basketball and Entertainment Center
Estimated Transient Occupancy Tax

Hotel Keys ¹	150
Average Occupancy ²	80%
Room Nights (Rooms x Occ. Rate x 365 Nights)	43,800
Average Daily Rate ²	\$166
Total Annual Revenue	\$7,286,349
TOT Rate ³	14%
Annual TOT Revenue (2019 \$)	\$1,020,089

¹ IBEC Development Team.

² Per CBRE SoCal Lodging Forecast (2019); HR&A Advisors. Based on averages of the South Bay and Los Angeles International Airport markets.

³ Per City of Inglewood Municipal Code. Assumes tax rates effective 1/1/2018 remain in effect without change over the projection period.

Prepared by: HR&A Advisors, Inc.

Appendix B, Table 8
Inglewood Basketball and Entertainment Center
Estimated Parking Tax

Basketball Games - Parking Revenues	\$1,508,571
Concerts - Parking Revenues	\$709,167
Family Shows - Parking Revenues	\$22,800
Other Events - Parking Revenues	\$315,000
Non-Event Revenues	<u>\$702,500</u>
Annual Parking Revenues¹	\$3,258,038
Parking Tax ²	10%
Total Annual Parking Tax Revenue	\$325,804

¹ Per IBEC Development Team.

² Per City of Inglewood Municipal Code. Assumes tax rates effective 1/1/2018 remain in effect without change over the projection period.

Prepared by: HR&A Advisors, Inc.

**Appendix B, Table 9
Inglewood Basketball and Entertainment Center
Estimated Business License Tax**

	Annual Gross Sales¹
Arena Gross Receipts	
<i>Arena Ticket Sales</i>	
Basketball Games - Gross Ticket Sales	\$79,592,317
Concerts - Gross Ticket Sales	\$22,515,000
Family Shows - Gross Ticket Sales	\$7,200,000
Other Events - Gross Ticket Sales	\$5,250,000
<i>Basketball Games - Premium Seating</i>	
Premium - Suites	\$22,735,000
Premium - Loge Boxes	\$4,796,000
Premium - Club Seats	\$43,046,950
<i>Arena Merchandise Revenues</i>	
Basketball Games - Merchandise Revenues	\$2,458,800
Concerts - Merchandise Revenues	\$2,747,400
Family Shows - Merchandise Revenues	\$684,000
Other Events - Merchandise Revenues	\$393,750
Non-Event - Merchandise Revenues	\$950,000
<i>Arena Concessions Revenues</i>	
Basketball Games - Concessions Revenues	\$15,470,367
Concerts - Concessions Revenues	\$6,469,972
Family Shows - Concessions Sales	\$1,763,040
Other Events - Concessions Sales	\$2,363,130
<i>Arena Parking Revenues</i>	
Basketball Games - Parking Revenues	\$1,508,571
Concerts - Parking Revenues	\$709,167
Family Shows - Parking Sales	\$22,800
Other Events - Parking Sales	\$315,000
<i>Facility Rental Revenues</i>	
Concerts - Rental Revenues	\$1,450,000
Family Shows - Rental Revenues	\$600,000
Other Events - Rental Revenues	<u>\$1,750,000</u>
Subtotal Arena Gross Receipts	\$224,791,264
Other Gross Receipts	
Hotel	\$7,286,349
Shopping Center/Retail	\$5,943,966
Restaurant	\$8,140,077
Sports Medicine Clinic	<u>\$5,477,250</u>
Subtotal Other Gross Receipts	\$26,847,642
Total	\$251,638,906

**Appendix B, Table 9
Inglewood Basketball and Entertainment Center
Estimated Business License Tax (cont'd)**

Gross Receipts Tax	Tax Per \$1,000	
	Gross Receipts²	Tax Amount
Arena Tenant	\$1.10	\$247,270
Hotel Tenant	\$1.10	\$8,015
Shopping Center/Retail Tenant	\$1.10	\$6,538
Restaurant Tenant	\$1.10	\$8,954
Sports Medicine Clinic	\$1.65	<u>\$9,037</u>
Total Gross Receipts Tax (2018 \$)		\$279,815

¹ IBEC Development Team; IMPLAN; HR&A Advisors. For Arena: Equal to the total annual revenues provided by Murphy's Bowl. For all other uses, equal to IMPLAN total economic outputs for each used, based on total employment figures provided by Murphy's Bowl. HR&A did not account for non-event revenues such as naming rights or broadcasting royalties.

² Per City of Inglewood Municipal Code. Assumes tax rates effective 1/1/2018 remain in effect without change over the projection period.

Prepared by: HR&A Advisors, Inc.

Appendix B, Table 10
Inglewood Basketball and Entertainment Center
Estimated Construction Related (One-Time) Taxes

Business Tax on Contractor Earnings

Hard Construction Costs ¹	\$958,913,000
Annual Flat Fee ²	\$94
Tax per \$1,000 of Gross Receipts Above \$85,000 ²	\$1.10

One-Time Revenue - Business Tax on Contractor Earnings

Construction Materials Sales Tax (1.5%)

Total Hard Construction Cost ¹	\$958,913,000
Materials Share ³	50%
Materials Share Subject to Tax in City of Inglewood ³	50%

One-Time Revenue (2019 \$)

Non-Residential Construction Tax (1%)

Commercial Building Value Permit ¹	\$958,913,000
---	---------------

One-Time Revenue (2019 \$)

Documentary Transfer Tax

Purchase Price of Properties ¹	\$50,000,000
Tax per \$500 ²	\$0.55

One-Time Revenue (2019 \$)

Total One-Time Revenue (2019 \$)

¹ Property purchase price is based on average of an assumed range of \$40M - \$60M provided by IBEC Development Team, assumed to occur in 2019.

² Per City of Inglewood Municipal Code. Assumes tax rates effective 1/1/2018 remain in effect without change over the projection period.

³ Per HR&A. Assumes 50% construction material sales are transacted in the City of Inglewood.

Prepared by: HR&A Advisors, Inc.

Appendix B, Table 11
Inglewood Basketball and Entertainment Center
Proposed Project: City Resident-Equivalents

	Number	% of Day in City ⁴	Resident-Equivalents
Population in Inglewood Households¹			
Out-Commuting Resident Workers ²	43,668	76%	33,271
Remaining Residential Population	<u>66,930</u>	100%	<u>66,930</u>
<i>Subtotal</i>	110,598	91%	100,201
Non-Resident Daytime Population³			
Non-Resident Employees	26,389	24%	6,283
Hotel Visitors	1,216	75%	912
Existing Event Venue Attendees	<u>822</u>	17%	<u>137</u>
<i>Subtotal</i>	26,389		7,332
Grand Total	136,987	106,484	107,533

¹ Population per 2012-2016 American Community Survey, U.S. Census Bureau.

² Out-commuting resident workers per Longitudinal Employment Housing Data, 2015, U.S. Census Bureau.

³ In-commuting resident workers per Longitudinal Employment Housing Data, 2015, U.S. Census Bureau.

⁴ Calculated per an assumed percentage the individual is actually within the City. For example, non-resident daytime employees are assumed to be in the City 8 hours per day, 5 days per week for a total of 40 hours per week out of a total of 168 hours, this equates to 24% of the week within the City.

Prepared by: HR&A Advisors, Inc.

**Appendix B, Table 12
Inglewood Basketball and Entertainment Center
Estimated City Service Costs**

City Departments	FY 2018-19 Adopted Budget¹	Equivalent Population²	Cost Per Resident- Equivalent
Fire	\$14,971,090	107,533	\$139
Police	\$68,178,686	107,533	\$634
Public Works	\$59,220,408	107,533	\$551
Parks, Recreation, and Community Services	<u>\$12,401,561</u>	107,533	<u>\$115</u>
Total Operating Budget	\$154,771,745	107,533	\$1,439

Project	Number	% of Day⁵	Resident-Equivalents
Hotel Visitors			
Number of Rooms	150		
Persons per Room ³	1.6		
Occupancy	80%		
Total Hotel Visitor Population	192	50%	96
Business Operations Workers	275	31%	84.81
Arena Spectators (Daily Average) ⁴	3,542	17%	590.35
Arena Workers (Event-Day Workers - Daily Average) ⁵			
Basketball Games	93	25%	23.36
Concerts	27	25%	6.70
Family Shows	18	25%	4.45
Other Events	31	25%	7.79
Restaurant Workers ⁶	140	31%	43.18
Shopping Center/Retail Workers ⁶	168	31%	51.81
Sports Medicine Clinic Workers ⁶	39	31%	12.03
Community Space Workers ⁶	32	31%	9.87
Hotel Workers ⁷	57	31%	<u>17.58</u>
Total Resident-Equivalents			948
 Total Cost of City Services (2018 \$)			 \$1,364,335

¹ Per City of Inglewood FY 2018-19 Adopted Budget, includes departmental budget appropriations (salary, expenses, and other direct costs) as well as certain related/indirect variable costs.

² Per HR&A Advisors. See Resident-Equivalent calculation, Appendix B, Table 11.

³ Per PKF, Economics of Tourism Report (2014).

⁴ Per IBEC Development Team estimate of approximately 1.3 million annual spectators at 122 paid events, spending 4 hours in the City per event.

⁵ Per IBEC Development Team. Note that these values correspond with part-time event-specific workers and does not align directly with IMPLAN direct employment estimates. Calculated per an assumed percentage the individual workers are actually within the City based on the quantity and duration of programmed events, assuming 6-hour average shifts. See City Resident-Equivalents calculation for more info.

⁶ Per IBEC Development Team. Calculated per an assumed percentage the individual is actually within the City. See City Resident-Equivalents calculation for more info.

⁷ Per IMPLAN; HR&A Advisors.

Prepared by: HR&A Advisors, Inc.

Appendix B, Table 13
Inglewood Basketball and Entertainment Center
Estimated City Fee Costs

Public Art for New Fee (1%)¹	
Hard Construction Cost	\$958,913,000
In-Lieu Fee for Art	<u>1.00%</u>
Total Arts in-lieu Fee Payment	\$9,589,130
Schools Fee²	
Retail Square Feet	48,000
Retail Fee per Square Foot	<u>\$0.41</u>
Retail Portion Fee Payment	\$19,536
Office Square Feet	71,000
Office Fee per Square Foot	<u>\$0.61</u>
Office Portion of Fee Payment	\$43,310
Medicine Clinic Square Feet	25,000
Hospital Fee per Square foot	<u>\$0.51</u>
Medicine Clinic Portion of Fee Payment	\$12,675
Arena and Training Facility Square Feet	1,000,000
Office Fee per Square Foot	<u>\$0.61</u>
Arena and Training Facility Portion of Fee Payment	\$610,000
Total Schools in-lieu Fee Payment	\$685,521
Total One-Time Fee Revenue (2019 \$)	\$10,274,651

¹ Per City of Inglewood Municipal Code. Assumes tax rates effective 1/1/2018 remain in effect without change over the projection period.

² School Fees taken from Cooperative Strategies¹ Justification Study, Produced for the Inglewood Unified School District and published 5/17/2018.

Prepared by: HR&A Advisors, Inc.

APPENDIX C – EXISTING SITE FISCAL CALCULATION DETAIL

FISCAL IMPACT CALCULATION DETAILS

Appendix C, Table 1
Inglewood Basketball and Entertainment Center
Annual Recurring Revenues at the Existing Site

Annual Revenues to the City of Inglewood's General Fund	2019 \$
Property Tax	\$9,544
MVLF In Lieu	\$9,642
Business License Tax	\$3,314
Admissions Tax	\$0
Utility Users' Tax	\$11,267
Sales Tax	\$40,287
Transient Occupancy Tax	\$126,877
Parking Tax	\$0
Total Annual Recurring Revenues to the City's General Fund	\$200,932
Less: City Service Costs	(\$8,403)
Net Fiscal Impact to the General Fund of the Existing Site	\$192,529

Prepared by: HR&A Advisors, Inc.

**Appendix C, Table 2
Inglewood Basketball and Entertainment Center
Existing Land Use Assumptions**

Existing Site Land Use Assumptions

Use	Occupied Square Feet or Units ¹
Rodeway Inn	36 keys
Church's Chicken Fast Food Restaurant	1,118
Warehouse Building 1 (Industrial)	32,631
Let's Have a Cart Party (Catering) ²	1,274
Warehouse Building 2 (Industrial)	6,231

¹ IBEC Development Team.

² CoStar Group Inc.

Prepared by: HR&A Advisors, Inc.

Other Fiscal Model Assumptions¹

Revenue Inflation	2.4%
Annual Inflation Rate	2.4%
Annual Inflation Rate (Property Tax and MVLF In Lieu)	2.0%
Discount Rate	5.0%

¹ HR&A Advisors.

Prepared by: HR&A Advisors, Inc.

City of Inglewood Tax Rates and Assumptions

Source	Rate or Value ³
Annually-Recurring Taxes	
Property Tax General Levy (x Assessed Value)	1.0%
City Share of Property Tax General Levy ¹	14.0%
Motor Vehicle License Fee In-Lieu of Property Taxes	
City Total Assessed Value	\$8,557,056,828
Total MVLF Revenues	\$12,102,927
MVLF In Lieu (x Assessed Value) ²	0.141%
Sales Tax	1.5%
Admissions Tax (Per Ticket) ⁴	\$0.61
Transient Occupancy Tax	14%
Utility User's Tax	10%
Parking Tax	10%
Business License Tax ⁵	\$1.00 per every \$1,000
One-Time Taxes	
Nonresidential Construction Tax	1.0%
In-Lieu Fee for Art ³	1.0%
Documentary Transfer Tax ⁶	\$0.55 per \$500 in Purchase Value

¹ Property tax share of the general levy per City of Inglewood FY2017-18 report.

² MVLF In Lieu is calculated as the City's total MVLF In Lieu revenue generated in the previous year divided by total City assessed valuation (\$8.6 billion), or 0.141%.

³ City of Inglewood

⁴ Per code, adjusted for inflation from July 2015 to December 2018.

⁵ City of Inglewood. Rates based on gross sales and business type.

⁶ City of Inglewood. Imposed on all transactions where value exceeds one hundred dollars; a tax of 0.275

Prepared by: HR&A Advisors, Inc.

Appendix C, Table 3
Inglewood Basketball and Entertainment Center
Existing Site - Property Tax Calculation

Existing Property Tax (2019 \$)		
Existing Assessed Value ¹	\$6,817,473	
General Levy (x Assessed Value)	1.0%	\$68,175
City Share of General Levy	14.0%	\$9,544
MVLF In Lieu (x Assessed Value)	0.141%	\$9,642

¹ IBEC Development Team via TitlePoint Tax Search. Applies only to nine private properties being acquired (11% of project land area); the remainder are publicly-owned properties and currently exempt from Property Tax. Existing site assessed values were inflated by 2% to account for lag between year of assessed value report (FY 17-18) and current FY (FY 18-19).

Prepared by: HR&A Advisors, Inc.

Appendix C, Table 4
Inglewood Basketball and Entertainment Center
Existing Site - Estimated Sales Tax

Tenant Type	Annual Gross		Annual Taxable
	Sales¹	Taxable %²	Retail Sales
Rodeway Inn ¹	\$978,251	100%	\$978,251.48
Church's Chicken Fast Food Restaurant ²	\$819,210	100%	\$819,210.34
Warehouse Building 1 (Industrial) ³	\$455,862	100%	\$455,862.00
Let's Have a Cart Party ⁴	\$318,500	100%	\$318,500.00
Warehouse Building 2 (Industrial) ³	\$113,965	100%	<u>\$113,965.00</u>
Annual Taxable Sales			\$2,685,788.82
City's Sales Tax Rate ³			1.5%
Annual Sales Tax Revenue (2019 \$)			\$40,287

¹ IBEC Development Team.

² HR&A Advisors based on review of QSR's Church's Chicken systemwide sales, inflated to 2019 \$.

³ Gross sales estimates were based on occupied square feet provided by IBEC Development Team; US Green Building Council estimates for employment densities for industrial and warehousing land uses, and IMPLAN estimates for revenue per employee.

⁴ Sales per SF taken from Baker Tilly's Restaurant Benchmarks report.

Prepared by: HR&A Advisors, Inc.

**Appendix C, Table 5
Inglewood Basketball and Entertainment Center
Existing Site Utility Users' Tax**

Utility / Program Component							
Water	Size	Mgal/year¹	HCF Equivalent	Utility Rate (\$/HCF)²	Annual Utility Cost	Utility Tax Rate³	Total Utility Taxes
Rodeway Inn ⁴	36 Rooms	0.2	265	\$3.48	\$923	10.0%	\$92
Church's Chicken Fast Food Restaurant ⁵	1,118 SF	0.6	807	\$3.48	\$2,809	10.0%	\$281
Warehouse Building 1 (Industrial) ⁶	32,631 SF	2.0	2,654	\$3.48	\$9,235	10.0%	\$924
Let's Have a Cart Party ⁵	1,274 SF	2.6	3,449	\$3.48	\$12,003	10.0%	\$1,200
Warehouse Building 2 (Industrial) ⁶	6,231 SF	0.4	507	\$3.48	\$1,764	10.0%	\$176
							\$2,673
Electricity			Size	Cost per SF⁷	Annual Utility Cost	Utility Tax Rate³	Total Utility Taxes
Rodeway Inn			16,806 SF	\$1.67	\$27,985	10.0%	\$2,798
Church's Chicken Fast Food Restaurant			1,118 SF	\$1.91	\$2,133	10.0%	\$213
Warehouse Building 1 (Industrial)			32,631 SF	\$0.86	\$27,968	10.0%	\$2,797
Let's Have a Cart Party			1,274 SF	\$1.91	\$2,430	10.0%	\$243
Warehouse Building 2 (Industrial)			6,231 SF	\$0.86	\$5,341	10.0%	\$534
							\$6,586
Natural Gas			Size	Cost per SF⁷	Annual Utility Cost	Utility Tax Rate³	Total Utility Taxes
Rodeway Inn			16,806 SF	\$0.50	\$8,367	10.0%	\$837
Church's Chicken Fast Food Restaurant			1,118 SF	\$0.27	\$299	10.0%	\$30
Warehouse Building 1 (Industrial)			32,631 SF	\$0.29	\$9,302	10.0%	\$930
Let's Have a Cart Party ⁵			1,274 SF	\$0.27	\$340	10.0%	\$34
Warehouse Building 2 (Industrial)			6,231 SF	\$0.29	\$1,776	10.0%	\$178
							\$2,008
Annual Utility Users' Tax Revenue (2019 \$)							\$11,267

¹ Per IBEC Development Team.

² Per Golden State Water Company current rates for commercial users.

³ Per City of Inglewood Municipal Code. Assumes tax rates effective 1/1/2018 remain in effect without change over the projection period.

⁴ Proportional assumption based on the number of Mgal/year/room assumed for the proposed hotel component of the IBEC.

⁵ Proportional assumption based on the number of Mgal/year/SF assumed for the retail/restaurant/coffeeshop component of the IBEC.

⁶ Proportional assumption based on the number of Mgal/year/SF for the entire arean component of the IBEC.

⁷ Commercial & Residential Building Energy Consumption Survey, U.S. Department of Energy, inflated to 2019 dollars.

Prepared by: HR&A Advisors, Inc.

Appendix C, Table 6

**Inglewood Basketball and Entertainment Center
Estimated Business License Tax - Existing Site**

Gross Receipts	Annual Gross Sales	Tax Per \$1,000 Gross Receipts²	Tax Amount
Rodeway Inn ¹	\$978,251	\$1.10	\$1,076
Church's Chicken Fast Food Restaurant ²	\$819,210	\$1.10	\$901
Warehouse Building 1 (Industrial) ³	\$455,862	\$1.10	\$501
Let's Have a Cart Party	\$318,500	\$1.10	\$350
Warehouse Building 2 (Industrial) ³	<u>\$113,965</u>	\$1.10	<u>\$125</u>
Total - Tenants			\$2,954

Gross Receipts - Landlords	Net Rentable Square Feet	Rent PSF	Annual Rent to Landlord	Tax Per \$1,000 Gross Receipts²	Tax Amount
Church's Chicken Landlord ⁴	1,118 SF	\$71.00	\$79,378	\$1.10	\$87
Let's Have a Cart Party ⁵	1,274 SF	\$25.00	\$31,850	\$1.10	\$35
Warehouse Building 1 Landlord ⁵	32,631 SF	\$6.60	\$215,365	\$1.10	<u>\$237</u>
Total - Landlords					\$359

Total - Existing Site Business License Tax					\$3,314
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¹ IBEC Development Team.

² HR&A Advisors based on review of QSR's Church's Chicken systemwide sales, inflated to 2019 \$.

³ Gross sales estimates were based on occupied square feet provided by IBEC Development Team; US Green Building Council estimates for employment densities for industrial and warehousing land uses, and IMPLAN estimates for revenue per employee.

⁴ Market rent per IBEC Development Team.

⁵ CoStar Group Inc.

Prepared by: HR&A Advisors, Inc.

Appendix C, Table 7

**Inglewood Basketball and Entertainment Center
Existing Site - Estimated Transient Occupancy Tax**

Hotel Keys ¹	36
Average Occupancy ¹	76%
Room Nights (Rooms x Occ. Rate x 365 Nights)	9,986
Average Daily Rate ¹	\$91
Total Annual Revenue	\$906,266
<hr/>	
TOT Rate ²	14%
Annual TOT Revenue (2019 \$)	\$126,877

¹ IBEC Development Team.

² Per City of Inglewood Municipal Code. Assumes tax rates effective 1/1/2018 remain in effect without change over the projection period.

Prepared by: HR&A Advisors, Inc.

Appendix C, Table 8
Inglewood Basketball & Entertainment Center
Existing Site: Estimated City Service Costs

City Departments	FY 2018-19 Adopted Budget¹	Total Resident- Equivalent Population²	Cost Per Resident-Equivalent
Fire	\$14,971,090	107,533	\$139
Police	\$68,178,686	107,533	\$634
Public Works	\$59,220,408	107,533	\$551
Parks, Recreation, and Community Services	\$12,401,561	107,533	\$115
Total Operating Budget	\$154,771,745		\$1,439

Existing Uses	Employees³	% of Day	Resident-Equivalents
Rodeway Inn	8	24%	1.92
Church's Chicken Fast Food Restaurant	8	24%	1.92
Warehouse Building 1 (Industrial)	4	24%	0.96
Let's Have a Cart Party ⁴	3	24%	0.80
Warehouse Building 2 (Industrial)	1	24%	0.24
Total Resident-Equivalents			5.84

Total Cost of City Services (2019 \$)	\$8,403
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¹ Per City of Inglewood FY 2018-19 Adopted Budget, includes departmental budget appropriations (salary, expenses, and other direct costs) as well as certain related/indirect variable costs.

² Per HR&A Advisors. See Resident-Equivalent calculation, Appendix B, Table X.

³ Per IMPLAN, HR&A Advisors.

⁴ Estimate based on US Department of Energy square footage per employee standards by industry.

Prepared by: HR&A Advisors, Inc.

APPENDIX D – SENSITIVITY ANALYSIS OF A REDUCED EVENTS AND RETAIL SCENARIO

This Appendix presents the results of a sensitivity analysis on the general economic and fiscal impacts in the City economy that may result from both the construction and stabilized annual operation of the IBEC under a more conservative scenario for third-party events and retail uses than is assumed for the Project. This sensitivity analysis reflects the fact that IBEC, while new to the City, operates in a market context with other venues and uses with which it may compete for market share. That is, market competition could result in less retail developed, or changes in event activity at other venues already located in the City (e.g., some third-party events that could be hosted at The Forum might instead be hosted at IBEC).

Considering that it is not possible to predict with certainty how these market circumstances will play out in the future, and for analytic convenience, this Appendix presents alternative sets of economic and net fiscal impact estimates resulting from a scenario with: (1) a lower estimate of third-party non-basketball events based on HR&A's independent review of a July 2019 report by Stone Planning, LLC (the "Stone Report");¹ and (2) a reduction in the Project ancillary retail program as provided to HR&A by the IBEC Development Team. The modified Project assumptions reflected in this sensitivity analysis are described below.

Reduced Number of Third-Party Events

HR&A based its assumption for the lower bound of third-party events on the findings of the Stone Report, which was commissioned for the City as part of the Draft EIR process. The Stone Report determines that of the 78 major third-party events that are projected to occur at the IBEC in its first year of stabilized operations in 2025, at least 29 of those events would be "net new" to the Los Angeles events market. As the Stone Report notes, this is because the opening of the IBEC venue will unlock latent demand in the market for more third-party events above and beyond baseline assumption about Los Angeles market growth, and the IBEC would capture some of that additional growth. Therefore, those 29 events represent an extremely conservative estimate of new economic impact associated with major third-party events occurring in Inglewood that would not occur *but for* the IBEC venue. To be conservative, HR&A utilized Stone's new-to-market event estimate as the lower bound of major third-party event activity in this sensitivity analysis, which represents a 63 percent reduction from the 78 assumed events in the Project economic impact analysis. Figure 1 presents a lower-bound estimate of third-party events by type based on the Stone Report along with the number of events in the Project description as analyzed in previous sections of this Report.

¹ IBEC Draft Environmental Impact Report Appendix R: "Inglewood Basketball and Entertainment Center – Analysis of Future Events." The report was completed by Stone in July 2019.

Appendix D, Figure 1: IBEC Non-Basketball Events in the Sensitivity Analysis Scenario²

Event Type	Number of New Events	Number of Project Events*
Concerts	5	23
Tier 1 Concerts	1	5
Tier 2 Concerts	2	8
Tier 3 Concerts	2	10
Family Events	4	20
Other Events	20	35
Total Non-Basketball Events	29	78
* Draft EIR Project Description.		
<i>Prepared by: HR&A Advisors, Inc.</i>		

Reduced Amount of Ancillary Retail

For purposes of this analysis, the IBEC Development Team provided HR&A with a revised retail program which scales down the IBEC’s ancillary development. The program provided reduces the overall Shopping Center/Retail square footage to 7,500 SF from 33,000 SF, consisting solely of a smaller 5,000 SF Clippers Team Store (versus 7,000 SF previously assumed) and the 2,500 SF Full-Service Restaurant (versus 16,000 SF of miscellaneous dining venues previously assumed). According to the IBEC Development Team, this is considered the minimum amount of Shopping Center/Retail development that would be built at the Project.

Appendix D, Figure 2: IBEC Sensitivity Analysis Scenario and Project Program Assumptions

Use	Revised Gross Square Feet or Units	Project Gross Square Feet or Units*	% Change
Arena	915,000	915,000	0%
LA Clippers Team Office	71,000	71,000	0%
LA Clippers Team Practice & Training Facility	85,000	85,000	0%
Sports Medicine Clinic	25,000	25,000	0%
Community Space	15,000	15,000	0%
Full-Service Rooftop Restaurant/Lounge	15,000	15,000	0%
Plaza Dining & Retail	7,500	33,000	-77%
Full-Service Plaza Restaurant/Bar	2,500	7,000	-64%
Coffee Shop	0	5,000	-100%
Quick-Service Restaurant	0	4,000	-100%
Clippers Team Store	5,000	7,000	-29%
Barbershop/Salon	0	600	-100%
Other LA Clippers Team Experience/General Retail	0	9,400	-100%
Limited Service Hotel	150 rooms	150 Rooms	0%
* Draft EIR Project Description.			
<i>Prepared by: HR&A Advisors, Inc.</i>			

The economic and net fiscal impact sensitivity analysis results presented below rely on the same analysis models, methodologies and calculation assumptions utilized in the analysis of the Project as presented in previous sections of this Report.

² The Stone Report does not make an assumption about which concert “tiers” would make up the five events they believe would be new to the Inglewood market. For purposes of the sensitivity analysis, HR&A distributed the five concerts proportionally among the three tiers consistent with the distribution of tiers per the Project description. The number of family or other events reflects the conclusions about net new events in the Stone Report.

ECONOMIC IMPACT RESULTS OF THE SENSITIVITY ANALYSIS SCENARIO

For this sensitivity analysis scenario, the economic impacts of construction of the IBEC are only affected by the reduced retail program, as there is no reason to expect that a somewhat reduced third-party events program would lead to a decrease in any other Project construction costs. As such, the sensitivity analysis results in new construction impacts that are only marginally less than those presented in the Project analysis. As shown in Figure D-3, total employment (i.e., including multiplier effects) decreases by two percent (112 jobs), employee compensation decreases by one percent (approximately \$6.8 million), and the total economic output decreases by one percent (approximately \$15.5 million).

Appendix D, Figure 3: Construction Economic Impacts of the Sensitivity Analysis Scenario

Impact Category	Sensitivity Analysis			Project Totals (Original)	Gross Change (Total Impact)	% Change
	Direct Impact	Induced + Indirect Impacts	Total Impact			
PROJECT CONSTRUCTION IMPACT						
Employment	6,912	245	7,157	7,269	-112	-2%
Employee Compensation	\$443,812,565	\$16,133,964	\$459,946,529	\$466,734,124	(\$6,787,595)	-1%
Total Economic Output	\$998,384,920	\$46,048,976	\$1,044,433,895	\$1,059,981,570	(\$15,547,675)	-1%

Prepared by: HR&A Advisors, Inc.

The reduced retail and events program scenario has a more significant impact on the economic impacts of ongoing operations of the IBEC, since consumer spending at events and retail spaces are what drive new economic output and jobs in the City. As shown in Figure D-4, the sensitivity analysis results in a 20 percent reduction in the total number of jobs (295 jobs), a 12 percent reduction in total employee compensation (approximately \$15.6 million), and a 19 percent reduction in total economic output (approximately \$49.1 million) as compared to the projections presented in the Project analysis.

Appendix D, Figure 4: On-Going Economic Impacts of the Sensitivity Analysis Scenario

Impact Category	Sensitivity Analysis			Project Totals (Original)	Gross Change (Total Impact)	% Change
	Direct Impact	Induced + Indirect Impacts	Total Impact			
SUBTOTAL - PROPOSED PROJECT						
Employment	1,193	69	1,262	1,557	-295	-19%
Employee Compensation	\$119,799,527	\$3,919,090	\$123,718,617	\$139,311,681	(\$15,593,065)	-11%
Total Economic Output	\$207,726,650	\$11,075,920	\$218,802,570	\$267,944,618	(\$49,142,048)	-18%
Less - Existing Site						
Employment	69	3	72	72	\$0	0%
Employee Compensation	\$3,588,642	\$170,200	\$3,758,842	\$3,758,842	\$0	0%
Total Economic Output	\$7,879,774	\$469,874	\$8,349,648	\$8,349,648	\$0	0%
NET PROJECT IMPACTS						
Employment	1,124	66	1,190	1,485	-295	-20%
Employee Compensation	\$116,210,885	\$3,748,890	\$119,959,775	\$135,552,839	(\$15,593,065)	-12%
Total Economic Output	\$199,846,876	\$10,606,045	\$210,452,922	\$259,594,970	(\$49,142,048)	-19%

Prepared by: HR&A Advisors, Inc.

NET FISCAL IMPACT RESULTS FOR THE SENSITIVITY ANALYSIS SCENARIO

Like the economic impact sensitivity analysis, the reduced retail program is the only aspect of the sensitivity analysis scenario that impacts the fiscal impact results of Project construction. The sensitivity analysis results in fiscal impacts generated from construction that are only marginally less than those for the Project. All one-time revenues and City fees from construction are two percent less than those presented in the Project analysis, except for Documentary Transfer Tax, which does not change. As shown in Figure D-5 below, one-time revenues to the City’s General Fund as a result of Project construction decrease by two percent (approximately \$240,000); other non-General Fund one-time fees (i.e., the in-lieu fee for art and the City’s school fee) also decrease by two percent (approximately \$157,000).

Appendix D, Figure 5: Construction Fiscal Impacts of the Sensitivity Analysis Scenario

Impact Category	Sensitivity Analysis		Nominal Project Totals (Original)	Gross Change (Nominal)	% Change (Nominal)
	Over Construction Period				
ONE-TIME REVENUES					
City of Inglewood General Fund	Nominal \$	2019 \$	Nominal \$		
Business Tax on Contractor Earnings	\$1,142,227	\$939,733	\$1,159,987	(\$17,760)	-2%
Construction Materials Sales Tax	\$3,893,954	\$3,203,637	\$3,954,501	(\$60,547)	-2%
Nonresidential Construction Tax	\$10,383,878	\$8,543,031	\$10,545,337	(\$161,459)	-2%
Documentary Transfer Tax	\$55,000	\$55,000	\$55,000	\$0	0%
Total One-Time Tax Revenues	\$15,475,059	\$12,741,401	\$15,714,825	(\$239,766)	-2%
OTHER FEES					
In-Lieu Fee for Art	\$9,442,312	\$9,442,312	\$9,589,130	(\$146,818)	-2%
School Fee	\$675,143	\$675,143	\$685,521	(\$10,379)	-2%
Total One-Time City Fee Revenues	\$10,117,454	\$10,117,454	\$10,274,651	(\$157,197)	-2%

Prepared by: HR&A Advisors, Inc.

Figures D-6 and D-7 present the sensitivity analysis scenario on-going net fiscal impacts in the Project’s first stabilized year, and the cumulative on-going impacts during construction and 20 years from stabilization, respectively. As shown in Figure D-6, four of eight tax revenue sources remain virtually unchanged by the sensitivity analysis scenario use assumptions, including Property Tax, MVLf In Lieu, and Utility Users’ Tax and Transient Occupancy Tax. The two property tax and utility tax revenues are directly tied to the physical scale of the IBEC, which is only impacted by the minor 16,000 square foot reduction in the retail footprint. The Transient Occupancy Tax source is directly tied to the hotel component, which is not changed in the sensitivity analysis scenario.

The other four revenue sources, Business License Tax, Admission Tax, Sales Tax, and Parking Tax, are more directly impacted by the analyzed changes in the number of events and retail footprint, as each source is directly tied to consumer spending on retail products and food and beverage (inside or outside the arena), ticket sales, and parking. The tax revenue impact changes range from a decrease of 17 percent (Business License Tax) to 31 percent (Sales Tax).

In the first year of stabilization under the sensitivity analysis scenario, annually recurring revenues decrease by 10 percent (approximately \$603,000) and total net fiscal impact decreases by 12 percent (approximately \$528,000) as compared to the projections presented in the Project analysis. City service costs also decrease by six percent (approximately \$75,000) in the first

stabilized year due to a lower number of event and retail workers when translated into “resident-equivalents.” The sensitivity analysis suggests that even with a reduction in third-party events and a smaller retail program the IBEC will generate approximately \$4.0 million in net positive impact to the City’s General Fund on a recurring annual basis.

Appendix D, Figure 6: On-Going Net Fiscal Impacts of the Sensitivity Analysis Scenario (First Stabilized Year)

Impact Category	Sensitivity Analysis			
	First Year of Operation in 2025 (2019\$)	Project Totals (Original)	Gross Change (Total Impact)	% Change
SUBTOTAL - PROPOSED PROJECT				
Annual Revenues to the City of Inglewood's General Fund	2019 \$	2019 \$		
Property Tax	\$1,321,924	\$1,342,478	(\$20,555)	-2%
MVLF In Lieu	\$1,335,501	\$1,356,267	(\$20,766)	-2%
Business License Tax	\$231,880	\$279,815	(\$47,936)	-17%
Admissions Tax	\$566,439	\$784,274	(\$217,835)	-28%
Utility Users' Tax	\$236,606	\$237,555	(\$949)	0%
Sales Tax	\$488,511	\$712,407	(\$223,896)	-31%
Transient Occupancy Tax	\$1,020,089	\$1,020,089	\$0	0%
Parking Tax	\$255,129	\$325,804	(\$70,674)	-22%
Total Annual Recurring Revenues to City's General Fund	\$5,456,080	\$6,058,689	(\$602,610)	-10%
Less - Existing Site				
Annual Net Fiscal Impact from Existing Site (net)	(\$192,529)	(\$192,529)	\$0	0%
City Service Costs	(\$1,289,258)	(\$1,364,335)	\$75,077	-6%
NET PROJECT IMPACT				
Net Fiscal Impact to City's General Fund	\$3,974,293	\$4,501,826	(\$527,533)	-12%

Prepared by: HR&A Advisors, Inc.

Shown cumulatively in Figure D-7 over the construction period and the first 20 years of stabilized operations (i.e., through 2045), the gross annually recurring revenues under the sensitivity analysis scenario decrease by approximately \$19.0 million and the net fiscal impact decreases by approximately \$16.5 million, but overall, still yields a net positive result.

Appendix D, Figure 7: On-Going Net Fiscal Impacts of the Sensitivity Analysis Scenario (Over Construction Period and 20 Years From Stabilization)

Impact Category	Sensitivity Analysis				
	Over Construction Period + 20 Years from Stabilization		Nominal Project Totals (Original)	Gross Change (Nominal)	% Change (Nominal)
SUBTOTAL - PROPOSED PROJECT					
Annual Revenues to the City of Inglewood's General Fund	Nominal \$	2019 \$	Nominal \$		
Property Tax	\$42,190,673	\$20,118,247	\$42,810,046	(\$619,373)	-1%
MVLF In Lieu	\$42,624,021	\$20,324,885	\$43,249,756	(\$625,735)	-1%
Business License Tax	\$7,320,895	\$3,400,249	\$8,834,315	(\$1,513,420)	-17%
Admissions Tax	\$17,883,599	\$8,306,181	\$24,761,073	(\$6,877,473)	-28%
Utility Users' Tax	\$7,470,117	\$3,469,556	\$7,500,072	(\$29,956)	0%
Sales Tax	\$15,423,257	\$7,163,456	\$22,492,079	(\$7,068,822)	-31%
Transient Occupancy Tax	\$32,206,198	\$14,958,427	\$32,206,198	\$0	0%
Parking Tax	\$8,054,931	\$3,741,177	\$10,286,262	(\$2,231,332)	-22%
Total Annual Recurring Revenues to City's General Fund	\$173,173,691	\$81,482,177	\$192,139,802	(\$18,966,111)	-10%
Less - Existing Site					
Annual Net Fiscal Impact from Existing Site (net)	(\$192,529)	(\$192,529)	(\$192,529)	\$0	0%
City Service Costs	(\$41,430,179)	(\$19,474,155)	(\$43,842,760)	\$2,412,581	-6%
NET PROJECT IMPACT					
Net Fiscal Impact to City's General Fund	\$131,550,983	\$61,815,493	\$148,104,513	(\$16,553,530)	-11%

Prepared by: HR&A Advisors, Inc.

Figures D-8 and D-9, on the pages following the Sensitivity Analysis Conclusions, provide further detail about the economic impact results for the sensitivity analysis scenario by Project use component.

SENSITIVITY ANALYSIS CONCLUSIONS

The sensitivity analysis suggests that even under a more conservative scenario for retail and events, the Project still has a significantly positive impact on the City of Inglewood's economy and General Fund. Key conclusions from the sensitivity analysis are identified below:

- **Construction Impacts:** Since the scale of Project construction is reduced by only about 15,000 square feet, due to a reduced retail program, the economic and net fiscal impact results change by less than two percent.
- **Economic Impacts of IBEC Operations:** The sensitivity analysis indicates that a reduced events profile and retail program, as compared to the projections presented in the Project analysis, would result in a decrease of roughly 19 percent in total economic output, a 20 percent decrease in jobs and a 12 percent decrease in total employee compensation. There would still be a recurring annual net impact of approximately \$210 million in economic output and 1,190 jobs once the Project reaches stabilized operations in 2025.
- **Fiscal Impacts of IBEC Operations:** The main drivers of General Fund revenues from the IBEC, which are Property Tax, MVLF In-Lieu, and Transient Occupancy Tax, are essentially unchanged by the modified assumptions for the sensitivity analysis scenario, and these are the revenue sources that dominate in the overall Project total. The sensitivity analysis changes have more effect on categories of tax revenues which are related to consumer spending, and these would see larger declines (Sales Tax, Business License Tax, and Admissions Tax).

Overall, these impacts result in only a 12 percent reduction in net fiscal impact for the City in the Project's first stabilized year (\$528,000), and results in a new net impact to the City of approximately \$4.0 million. Cumulatively over Project buildout and 20 years of stabilized operation, the sensitivity analysis still yields a positive net fiscal impact of approximately \$132 million (in nominal dollars).

Appendix D, Figure 8: One-Time Employment and Other Economic Impacts in the City of Inglewood Economy from Construction of the Sensitivity Analysis Scenario

<i>Sensitivity Analysis</i>						
Impact Category ¹	Direct Impact	Induced + Indirect Impacts	Total Impact ²	Project Totals (Original)	Gross Change (Total Impact)	% Change
Arena Construction						
Employment	4,908	174	5,082	5,082	0	0%
Employee Compensation	\$316,089,627	\$11,608,587	\$327,698,214	\$327,698,214	0	0%
Total Economic Output	\$710,696,050	\$31,805,544	\$742,501,594	\$742,501,594	0	0%
Outdoor Event Plaza Construction						
Employment	327	12	339	339	0	0%
Employee Compensation	\$21,086,877	\$774,429	\$21,861,306	\$21,861,306	0	0%
Total Economic Output	\$47,411,744	\$3,490,390	\$50,902,134	\$50,902,134	0	0%
Back of House Zone Construction						
Employment	185	6	191	191	0	0%
Employee Compensation	\$11,144,746	\$413,080	\$11,557,826	\$11,557,826	0	0%
Total Economic Output	\$25,340,323	\$1,134,047	\$26,474,370	\$26,474,370	0	0%
Ancillary Buildings Construction						
Employment	32	1	33	145	-112	-77%
Employee Compensation	\$1,925,002	\$71,350	\$1,996,352	\$8,783,947	(\$6,787,595)	-77%
Total Economic Output	\$4,376,965	\$195,881	\$4,572,846	\$20,120,521	(\$15,547,675)	-77%
Parking Construction						
Employment	878	31	910	910	0	0%
Employee Compensation	\$56,570,987	\$2,077,604	\$58,648,591	\$58,648,591	0	0%
Total Economic Output	\$127,194,230	\$5,692,281	\$132,886,511	\$132,886,511	0	0%
Pedestrian Bridge Construction						
Employment	57	2	59	59	0	0%
Employee Compensation	\$3,677,299	\$135,051	\$3,812,350	\$3,812,350	0	0%
Total Economic Output	\$8,268,041	\$370,016	\$8,638,057	\$8,638,057	0	0%
Hotel Construction²						
Employment	121	4	125	125	0	0%
Employee Compensation	\$7,310,953	\$270,981	\$7,581,934	\$7,581,934	0	0%
Total Economic Output	\$16,623,252	\$743,935	\$17,367,187	\$17,367,187	0	0%
Horizontal Construction (Siteworks; Public ROW)						
Employment	404	14	418	418	0	0%
Employee Compensation	\$26,007,074	\$782,883	\$26,789,957	\$26,789,957	0	0%
Total Economic Output	\$58,474,315	\$2,616,881	\$61,091,196	\$61,091,196	0	0%
TOTAL³						
Employment	6,912	245	7,157	7,269	-112	-2%
Employee Compensation	\$443,812,565	\$16,133,964	\$459,946,529	\$466,734,124	(\$6,787,595)	-1%
Total Economic Output	\$998,384,920	\$46,048,976	\$1,044,433,895	\$1,059,981,570	(\$15,547,675)	-1%
¹ Employee Compensation and Total Economic Output values are stated in 2019 dollars.						
² The hotel component of the Project may be developed by a third party developer.						
³ Totals may not sum precisely due to independent rounding.						
Sources: IBEC Development Team; IMPLAN; HR&A Advisors, Inc.						
Prepared by: HR&A Advisors, Inc.						

Appendix D, Figure 9: Ongoing Employment and Other Economic Impacts in the City of Inglewood Economy from Annual Operations of the Sensitivity Analysis Scenario

Sensitivity Analysis						
Impact Category ¹	Direct Impact	Induced + Indirect Impacts	Total Impact ²	Project Totals (Original)	Gross Change (Total Impact)	% Change
Proposed Project						
Basketball Home Game Ticket, Concession, Retail, and Parking Revenues						
Employment	557	33	590	590	0	0%
Employee Compensation	\$64,058,513	\$1,893,806	\$65,952,319	\$65,952,319	0	0%
Total Economic Output	\$99,712,003	\$5,361,947	\$105,073,950	\$105,073,950	0	0%
Concert Ticket, Concession, Retail, and Parking Revenues						
Employment	34	2	35	161	-126	-78%
Employee Compensation	\$2,166,103	\$90,780	\$2,256,883	\$10,281,925	(\$8,025,043)	-78%
Total Economic Output	\$6,996,748	\$254,214	\$7,250,962	\$33,033,994	(\$25,783,032)	-78%
Family Show Ticket, Concession, Retail, and Parking Revenues						
Employment	8	0	9	43	-34	-80%
Employee Compensation	\$558,033	\$24,453	\$582,486	\$2,912,432	-2,329,945	-80%
Total Economic Output	\$1,879,905	\$68,440	\$1,948,345	\$9,741,726	-7,793,381	-80%
Other Events Ticket, Concession, Retail, and Parking Revenues						
Employment	24	2	26	46	-20	-43%
Employee Compensation	\$1,339,453	\$114,453	\$1,453,906	\$2,544,336	(\$1,090,430)	-43%
Total Economic Output	\$4,682,120	\$323,241	\$5,005,361	\$8,759,382	(\$3,754,021)	-43%
Basketball Team Business Operations						
Employment	210	17	227	227	0	0%
Employee Compensation	\$25,429,773	\$976,582	\$26,406,355	\$26,406,355	0	0%
Total Economic Output	\$50,478,859	\$2,748,607	\$53,227,466	\$53,227,466	0	0%
Arena Operations						
Employment	92	7	99	99	0	0%
Employee Compensation	\$14,682,957	\$420,233	\$15,103,190	\$15,103,190	0	0%
Total Economic Output	\$20,016,117	\$1,189,576	\$21,205,693	\$21,205,693	0	0%
Shopping Center/Retail						
Employment	33	1	34	150	-116	-77%
Employee Compensation	\$1,173,998	\$45,899	\$1,219,896	\$5,367,543	(\$4,147,647)	-77%
Total Economic Output	\$3,343,819	\$130,186	\$3,474,004	\$15,285,619	(\$11,811,615)	-77%
Restaurants Outside of Arena						
Employment	112	2	114	114	0	0%
Employee Compensation	\$3,483,981	\$113,848	\$3,597,829	\$3,597,829	0	0%
Total Economic Output	\$6,512,061	\$323,518	\$6,835,579	\$6,835,579	0	0%
Community Center						
Employment	26	0	26	26	0	0%
Employee Compensation	\$569,868	\$20,783	\$590,651	\$590,651	0	0%
Total Economic Output	\$1,276,205	\$59,302	\$1,335,507	\$1,335,507	0	0%
Sports Medicine Clinic						
Employment	39	2	41	41	0	0%
Employee Compensation	\$3,593,023	\$117,588	\$3,710,611	\$3,710,611	0	0%
Total Economic Output	\$5,477,250	\$332,790	\$5,810,040	\$5,810,040	0	0%
Hotel						
Employment	58	2	59	59	0	0%
Employee Compensation	\$2,743,825	\$100,664.37	\$2,844,489	\$2,844,489	0	0%
Total Economic Output	\$7,351,564	\$284,098.93	\$7,635,663	\$7,635,663	0	0%
SUBTOTAL - PROPOSED PROJECT²						
Employment	1,193	69	1,262	1,557	-295	-19%
Employee Compensation	\$119,799,527	\$3,919,090	\$123,718,617	\$139,311,681	(\$15,593,065)	-11%
Total Economic Output	\$207,726,650	\$11,075,920	\$218,802,570	\$267,944,618	(\$49,142,048)	-18%

Less - Existing Site						
Hotel						
Employment	7	0	8	8	0	0%
Employee Compensation	\$344,784	\$12,911	\$357,695	\$357,695	0	0%
Total Economic Output	\$941,283	\$23,748	\$965,031	\$965,031	0	0%
Restaurant						
Employment	8	0	8	8	0	0%
Employee Compensation	\$199,726	\$7,791	\$207,517	\$207,517	0	0%
Total Economic Output	\$788,536	\$22,251	\$810,787	\$810,787	0	0%
Industrial						
Employment	50	2	52	52	0	0%
Employee Compensation	\$2,945,141	\$107,934	\$3,053,075	\$3,053,075	0	0%
Total Economic Output	\$5,768,455	\$306,962	\$6,075,417	\$6,075,417	0	0%
Caterer						
Employment	4	1	4	4	0	0%
Employee Compensation	\$98,991	\$41,564	\$140,555	\$140,555	0	0%
Total Economic Output	\$381,500	\$116,913	\$498,413	\$498,413	0	0%
NET PROJECT IMPACTS²						
Employment	1,124	66	1,190	1,485	-295	-20%
Employee Compensation	\$116,210,885	\$3,748,890	\$119,959,775	\$135,552,839	(\$15,593,065)	-12%
Total Economic Output	\$199,846,876	\$10,606,045	\$210,452,922	\$259,594,970	(\$49,142,048)	-19%
¹ Employee Compensation and Total Economic Output values are stated in 2019 dollars.						
² Totals may not sum precisely due to independent rounding.						
Sources: IBEC Development Team; IMPLAN; HR&A Advisors, Inc.						
Prepared by: HR&A Advisors, Inc.						



APPENDIX E – GENERAL AND LIMITING CONDITIONS

1. Any person who relies on or otherwise uses this Study is required to have first read, understood and accepted the following disclosures, limitations and disclaimers, and will, by reason of such reliance or other use, be deemed to have read, understood and accepted the same.
2. HR&A Advisors, Inc. (HR&A) has been engaged and compensated by Murphy's Bowl, LLC to prepare this Study. In preparing this Study HR&A has used its independent professional judgment and skills in good faith, subject to the limitations, disclosures and disclaimers herein.
3. This Study is based on estimates, assumptions and other information developed by HR&A, Murphy's Bowl, LLC, Wilson Meany, AECOM, Convention Sports & Leisure International, Montgomery Clark Advisors, other third party consultants to Murphy's Bowl, LLC, and city officials. Every reasonable effort has been made to ensure that the data contained in this Study are accurate as of the date of this Study; however, factors exist that are outside the control of HR&A and that may affect the estimates and/or projections noted herein. HR&A neither guarantees any results nor takes responsibility for their actual achievement or continuing applicability, as actual outcomes will depend on future events and circumstances beyond HR&A's control.
4. HR&A reviewed the information and projections provided by third parties using its independent professional judgment and skills in good faith, but assumes no liability resulting from errors, omissions or any other inaccuracies with respect to the information provided by such third parties referenced in this Study.
5. HR&A also relied on data provided by or purchased from the U.S. Census, American Community Survey, Minnesota IMPLAN Group (MIG), and CoStar Group. HR&A assumes no liability resulting from errors, omissions or any other inaccuracies with respect to the information provided by these parties.
6. In addition to relying on data, information, projections and forecasts of others as referred to above, HR&A has included in this Study estimates and assumptions made by HR&A that HR&A believes are appropriate, but HR&A makes no representation that there will be no variances between actual outcomes and such estimates and assumptions.
7. No summary or abstract of this Study, and no excerpts from this Study, may be made for any purpose without HR&A's prior written consent.
8. HR&A has provided estimates of potential property tax impacts in Inglewood based on our experience and familiarity with national best practices for tax assessments of income-



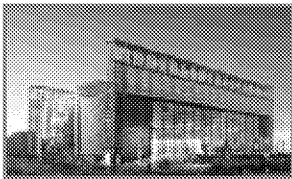
producing properties. HR&A is not a licensed real estate appraiser and makes no further representations regarding such estimates.

9. No opinion is intended to be expressed and no responsibility is assumed for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate consultant.
10. Some of the figures presented in this report may be rounded. HR&A disclaims any and all liability relating to rounding errors.
11. This Study may be relied on and otherwise used only by persons who receive this Study from HR&A or with HR&A's prior written consent and only for the purpose stated in writing in conjunction with such receipt or consent. No reliance on or other use of this Study by any person or for any purpose other than as stated in the previous sentence is permitted. HR&A disclaims all responsibility in the case of any reliance on or other use of this Study in conflict with the above portions of this paragraph.
12. If the Study is referred to or included in any offering material or prospectus, the Study shall be deemed to have been included for informational purposes only and its use shall be subject to these General and Limiting Conditions. HR&A, its directors, officers and employees have no liability to recipients of any such offering material or prospectus. HR&A disclaims any and all liability to any party.
13. This Study is qualified in its entirety by, and should be considered in light of these General and Limiting Conditions. By use of this Study, each party that uses this Study agrees to be bound by all of the General and Limiting Conditions stated herein.

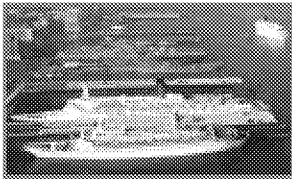


APPENDIX F – SUMMARY OF HR&A QUALIFICATIONS

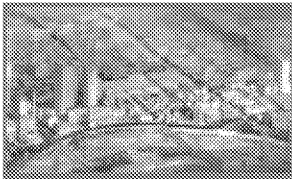
Over more than 40 years, HR&A Advisors, Inc. (HR&A) has built a distinguished track record solving complex real estate and economic development challenges.



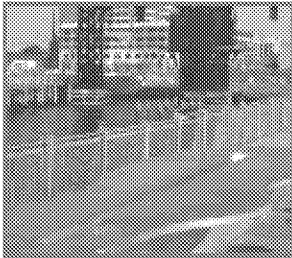
HR&A Advisors, Inc. (HR&A) is an industry-leading development advisor with over three decades of experience working in collaboration with government agencies, private developers, architects, engineers, and other specialists. We bring a wealth of national experience in corridor redevelopment projects through place making and mixed-use development including transit-oriented development. Our work has been recognized with numerous prestigious real estate industry awards, including:



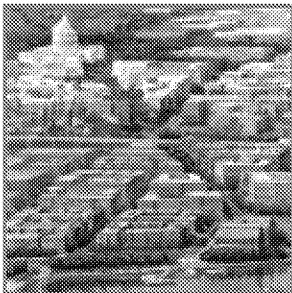
- 2017 **American Planning Association Massachusetts, Comprehensive Planning Award**, Imagine Boston 2030 Plan, Boston, MA



- 2015 **American Society of Landscape Architects (ASLA), Award of Excellence in Analysis and Planning**, Penn's Landing Redevelopment Feasibility Study, Philadelphia, PA



- 2013 **American Planning Association New York, Meritorious Achievement Award**, Brooklyn Tech Triangle Strategic Plan, Brooklyn, NY



- 2012 **American Institute of Architects Honor Award for Regional and Urban Design, Master Plan** for the Central Delaware Riverfront, Philadelphia, PA
- 2010 **International Economic Development Council Neighborhood Development Prize**, High Line Park Transformation, New York, NY
- 2009 **International Economic Development Council Public Private Partnership Award**, Cincinnati Center City Development Corporation (3CDC) Creation, Cincinnati, OH
- 2007 **Urban Land Institute Award for Excellence**, Daniel Island Redevelopment, Charleston, SC
- 2005 **American Institute of Architects Honor Award for Regional and Urban Design**, Anacostia Waterfront Initiative Framework Plan, Washington, D.C.

HR&A was founded in 1976 (our predecessor corporation was Hamilton, Rabinovitz & Alschuler, Inc.) and has maintained an office in Los Angeles for 43 years. The firm's five offices in New York, Los Angeles, Dallas, Raleigh, and Washington, D.C. enable us to serve clients around the U.S. and the world.



OUR SERVICES

Economic Development: HR&A has four decades of experience developing visionary solutions to revitalize downtowns, neighborhoods, districts, cities, and regions into job-producing, community-strengthening assets. Our economic frameworks and implementation plans help public officials, community leaders, developers, and constituents create new governance entities, forge new partnerships, and focus the responsibilities of existing organizations in support of economic development.

Inclusive Cities: The American city confronts increasingly urgent challenges of inclusion. By translating the ideas of communities and advocates into meaningful systems change, our work seeks to resolve existing and growing inequities in our cities by connecting economic success with social justice. Our deep understanding of government, knowledge of local and private economic forces, and analytical rigor allows us to help civic and business leaders promote more inclusive development and build more dynamic and equitable cities.

Parks and Open Space: HR&A is at the leading edge of a movement to create sustainable financial and management solutions for parks and open spaces that create value and enrich communities. HR&A guides the planning and development of world-class urban parks, plazas, trails, waterfronts, and open spaces. We view public open spaces as powerful tools to catalyze economic development. Working with our clients, we define the economic value of public spaces and create funding strategies and business plans for capital investments and operations. These measurable economic benefits help support the development, programming, and maintenance of urban open spaces.

Planning for Resilience and Sustainability: HR&A tackles the challenges of climate mitigation and adaptation from an economic development perspective. By integrating social and economic benefits into environmental infrastructure projects, we help our clients make complex projects feasible, raise additional revenue for delivery and maintenance, and identify lasting, robust solutions that support environmental quality, climate adaptation, and disaster response.

Real Estate Advisory: Exceptional spaces catalyze growth, generating value for developers, businesses, and residents. Our team of experts works with public and private organizations to unlock the financial and community benefits that real estate development can provide. HR&A's comprehensive strategies offer imaginative and practical solutions to a broad range of development challenges, market and financial feasibility, planning, approvals, deal structuring, and financing of complex, large-scale urban developments.

Transit-Oriented Development (TOD): The most effective transit connects great places. Our TOD strategies leverage the added value of transit to generate traffic, revenue, and new opportunities for smart growth. To guide clients through pre-development, we advise on station area planning, value capture strategies, real estate market opportunities, economic impacts, and the selection of developers and project teams.

Urban Tech: We help cities and communities maintain economic competitiveness and create an engaging urban environment that appeals to the increasingly mobile, digital-first population. HR&A works with our clients to reshape their programs, policies, and physical spaces as technology transforms everyday interactions and local and global economies. We help develop effective strategies to adapt responsively to the digitization of society.



We engage our clients, understand their aspirations, fully immerse in their communities, and are passionately committed to their success.

— John H. Alschuler, Jr.

HR&A provides consulting services to a diverse group of public- and private-sector clients. Our industry knowledge allows us to develop recommendations that are feasible and tailored to meet the needs of each client.

Public Sector

Amtrak
Brooklyn Bridge Park Development Corporation, NY
Boston Redevelopment Authority, MA
Centro Partnership of San Antonio, TX
City of Austin, TX
City of Cincinnati, OH
City of Concord, CA
City and County of Denver, CO
City of Minneapolis, MN
City of Pasadena, CA
City of Phoenix, AZ
City of San Antonio, TX
City of San Diego, CA
City and County of San Francisco, CA
City of San Jose, CA
City of Santa Monica, CA
City of Seattle, WA
City of West Hollywood, CA
Civic San Diego
Connecticut Department of Transportation, CT
County of Los Angeles Dept. of Mental Health
Daniel Island Development Corporation, SC
Delaware River Waterfront Corporation, PA
District of Columbia, Housing Authority
District of Columbia, Office of Planning
Empire State Development, NY
Hong Kong International Airport, China
Invest Atlanta (Atlanta Development Authority)
Los Angeles Community College District
Los Angeles County Metropolitan Transportation Authority
Los Angeles Department of City Planning
Los Angeles Economic and Workforce Development Department
Maryland National Capital Park and Planning Commission
Massachusetts Convention Center Authority
Metropolitan Transportation Authority, NY
Minneapolis Parks and Recreation Board
New York City Department of City Planning
New York City Department of Transportation

New York City Housing Authority
New York City Economic Development Corporation
New Jersey Transit
Olympic Park Legacy Company, London, UK
Philadelphia Redevelopment Authority
Port Authority of New York and New Jersey
Port of Los Angeles, CA
Prosper Portland (formerly Portland Development Commission), OR
San Diego Unified Port District
Southern California Association of Governments, CA
Transport for London, UK
Union Station Redevelopment Corporation, DC
U.S. Department of Housing and Urban Development
Waterfront Toronto, Canada

Developers & Private Sector

Airbnb
Boeing Realty Corporation
Brookfield Properties
Catellus Development Corporation
Citicorp Real Estate, Inc.
Delta Air Lines, Inc.
Disney Development Corporation
Duke Energy
Forest City Ratner Companies
General Growth Properties
Hanjin International
Home Depot Company
Hostelling International USA
Jamestown Properties LCOR, Inc.
MGM Resorts International
Macerich Company
Macy's
Madison Square Garden
Major League Soccer
Montparnasse 56
New York Times Company
NRG Energy
Paramount Pictures
ProLogis, Inc.
The Related Companies



S.L. Green Realty Corporation
Skanska
Target Corporation
Tishman Speyer Properties
Trammell Crow Company
Verizon
Westfield Corporation, Inc.
Young Woo & Associates

Education & Healthcare

City University of New York
Columbia University
Kaiser Permanente
Los Angeles Unified School District
Memorial Sloan-Kettering Cancer Center
New York Academy of Medicine
New York Blood Center
New York-Presbyterian Hospital
The College of New Jersey
University of California, Davis
University of California, Los Angeles
University of California, Riverside
University of North Carolina at Greensboro
University of Pennsylvania
University of Redlands
University of Texas at Austin
Washington University in St. Louis

Arts & Culture

American Museum of Natural History
Brooklyn Academy of Music
Harry Frank Guggenheim Foundation
LA Plaza de Cultura y Artes
Lincoln Center for the Performing Arts
Menil Foundation
Motion Picture Association of America
NBC Universal
New Jersey Performing Arts Center
Newseum
New York Public Library
North Carolina Museum of Art
Paramount Pictures
The Walt Disney Company
The Whitney Museum

Civic & Other Not-for-Profit

92nd Street Y
100 Resilient Cities
Association for a Better New York
Brooklyn Community Services
Common Ground Community
Design Trust for Public Space
Deutsche Bank Americas Foundation

Downtown Brooklyn Partnership
Enterprise Community Partners
Friends of the High Line
Friends of Waterfront Seattle
The JPB Foundation
Living Cities
Los Angeles County Fair Association
Los Angeles River Revitalization Corp.
Open Society Foundations
Research Triangle Foundation
Rockefeller Foundation
Rose Kennedy Greenway Conservancy
Times Square Alliance
The Trust for Public Land
Trinity Wall Street
Urban Green Council
World Bank Group