

Benjamin J. Hanelin
Direct Dial: +1.213.891.8015
Benjamin.Hanelin@lw.com

355 South Grand Avenue, Suite 100
Los Angeles, California 90071-1560
Tel: +1.213.485.1234 Fax: +1.213.891.8763
www.lw.com

LATHAM & WATKINS LLP

March 21, 2018

VIA EMAIL AND U.S. MAIL

Mindy Wilcox, AICP, Planning Manager
City of Inglewood, Planning Division
One West Manchester Boulevard, 4th Floor
Inglewood, CA 90301
E-Mail: mwilcox@cityofinglewood.org

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Re: Comments on February 20, 2018, Notice of Preparation of a Draft Environmental Impact Report and Public Scoping Meeting

Dear Ms. Wilcox:

On behalf of our client, MSG Forum, LLC (“MSG Forum”) we write to comment on the City’s Notice of Preparation of a Draft Environmental Impact Report for the Inglewood Basketball and Entertainment Center (the “Project”).

MSG Forum is the owner and operator of the Forum, a premiere concert and event venue located approximately one mile from the proposed Project site. MSG Forum is deeply invested in the City of Inglewood and the community surrounding the Forum. MSG Forum invested over \$100 million into the Forum to make it a state-of-the-art venue and a true highlight within Inglewood. As a result of these efforts, the Forum is now one of the top concert venues nationally. MSG Forum is committed to seeing Inglewood continue to progress and develop in a manner that benefits the community as a whole.

As such, MSG Forum is concerned about the environmental review for this proposed Project.

1. **All Study Areas Must Be Evaluated Thoroughly.**

The NOP states that “the EIR will evaluate the full range of environmental issues contemplated for consideration under CEQA and the CEQA Guidelines.” MSG Forum agrees that, at a minimum, all environmental factors identified in CEQA and listed in the NOP must be evaluated. Given the nature, extent and location of the Project, we anticipate that the Project will have significant impacts on most environmental factors, such as air quality, geology, greenhouse gases, land use, noise and transportation, to name a few. As recognized in the NOP, a thorough evaluation of all environmental factors must be included in the EIR for public review and comment.

2. **The NOP is Premature Given Pending Litigation.**

To our knowledge, there are currently two challenges to the City's actions concerning the site of the Project. The first is a CEQA challenge to the Exclusive Negotiation Agreement with Murphy's Bowl LLC in *Inglewood Residents Against Takings and Evictions v. Inglewood*, LASC (Case No. BS 170333). The City's execution of the ENA without first undertaking environmental review violated CEQA and has irreparably prejudiced the CEQA process that the City is now starting. The City must rescind the ENA.

The second challenge was brought by MSG Forum against the City and Murphy's Bowl in *MSG Forum, LLC v. City of Inglewood et al.*, LASC (Case No. YC072715). Among other things, the MSG complaint alleges that the City, through Mayor James Butts Jr., fraudulently induced MSG Forum to terminate its lease (with an option to purchase) of several parcels of land that are now at the heart of the Project's proposed site. As the City illegally secured its interest in much of the land slated for the proposed Project, the City cannot proceed with its environmental review until the litigation is resolved. Proceeding with environmental review now is a gross abuse of public resources in light of MSG Forum's well founded claims and pending request for injunctive relief. Moreover, given the dark cloud over the City's control of much of the land within the proposed Project site, the City's pre-judged approval of the Project will prove to be unlawful and not in compliance with CEQA for an illusory alternatives analysis, among other reasons. Accordingly, the City should immediately withdraw its NOP.

3. **The City Has Failed to Provide the Promised Information.**

In its June 15, 2017, Frequently Asked Questions regarding the ENA, the City stated that "[t]he ENA establishes a timeline and framework for the development, analysis and entitlement of the planned basketball facility. The Los Angeles Clippers will **propose the specific site boundary, program and building forms of the proposed development.** The City of Inglewood will then analyze the various impacts that the proposed development might have on the community, including both environmental review and fiscal impact." [Emphasis added.]¹ The NOP indicates that specific site boundaries and generic program elements have been proposed for the Project, however, "building forms" and "program[s]" have not been made available to the public despite the City's commitment to do so. That information should be provided to the public as required by the ENA and the NOP recirculated.

Finally, pursuant to section 21092.2 of the Public Resources Code, please provide notice of all actions required to or proposed to be taken under CEQA or otherwise with respect to the proposed Project.

* * *

¹ City of Inglewood, *Los Angeles Clippers – City of Inglewood Exclusive Negotiating Agreement: Frequently Asked Questions* (June 15, 2017) (Exhibit A)

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Should you have any questions regarding these comments, please contact me at (213) 891-8015 or Benjamin.Hanelin@lw.com.

Very truly yours,

A handwritten signature in black ink, appearing to read "B. Hanelin", with a long horizontal flourish extending to the right.

Benjamin J. Hanelin
of LATHAM & WATKINS LLP

cc: Maria Pilar Hoyer, Esq.
George J. Muhlsten, Esq.

EXHIBIT A



James T. Butts, Jr.
Mayor

CITY OF INGLEWOOD

OFFICE OF THE MAYOR

June 15, 2017



Los Angeles Clippers – City of Inglewood Exclusive Negotiating Agreement Frequently Asked Questions

What happened today?

On June 15, 2017, following approval by the Inglewood City Council, the Los Angeles Clippers entered into an Exclusive Negotiating Agreement (ENA) process with the City of Inglewood to pursue the development of a state-of-the-art NBA arena that may become the permanent home of the Los Angeles Clippers.

What does the ENA do?

The ENA establishes a three-year timeframe during which the Los Angeles Clippers will develop the details of its proposed basketball facility. The City of Inglewood will evaluate the impacts of the construction and operation of that proposed facility.

Where is the proposed project located?

The project is located on approximately 20 acres of land south of Century Boulevard at Prairie Avenue. During the environmental review and planning process, the Los Angeles Clippers and the City of Inglewood will determine which portion of the land is the best site for the Clippers new home. Any surplus land will be released from the ENA and be available for other uses by the City of Inglewood.

Is anything besides an arena contemplated for the Inglewood facility?

The site will likely include a state-of-the-art NBA arena, a training facility and team office space.

How much will the Clippers new basketball arena cost?

The Los Angeles Clippers and the City of Inglewood have just entered the three-year ENA period. A cost estimate is premature at this time.

How would the Los Angeles Clippers' pay for the arena?

The new arena would be 100 percent privately funded and privately capitalized. No public dollars will be used for this project.

Why are the Clippers making this decision now?

Today's announcement simply gives the team options for the future. The Los Angeles Clippers current lease with Anschutz Entertainment Group (AEG) at STAPLES Center expires in 2024,



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seven years from now. Putting a new project site together, conducting environmental review, obtaining permits and constructing a new arena takes time – approximately six to seven years.

What is the process now that the Inglewood City Council has passed the ENA?

The ENA establishes a timeline and framework for the development, analysis and entitlement of the planned basketball facility. The Los Angeles Clippers will propose the specific site boundary, program and building forms of the proposed development. The City of Inglewood will then analyze the various impacts that the proposed development might have on the community, including both environmental review and fiscal impact.

Will the Clippers go to the ballot box, like Stan Kroenke did for his football stadium, or will they utilize the California Environmental Quality Act (CEQA) process to review the project?

The Los Angeles Clippers plan to engage in the City's environmental review process. We estimate that this CEQA review will take approximately two years. It is an open, public and transparent process.

Does the City of Inglewood own the land required for the arena?

Upon project approval, the Los Angeles Clippers will purchase, from the City and related municipal entities, the site proposed for the development. As required by law, the land's purchase price will be the fair market value for the land as appraised based on its current zoning.

Are there other parcels that the City of Inglewood does not own?

While City-controlled land constitutes most of the development site, some privately controlled parcels may be added into the final development. Any privately controlled parcels will be purchased at fair market value based on current zoning (i.e., the fair market value of the land with its current zoning and not on its value as a site for a basketball facility).

Who is responsible for paying the costs associated with the City of Inglewood's review?

The Los Angeles Clippers will pay all the costs to plan, entitle and develop the proposed facility. Upon signing the ENA, the Los Angeles Clippers paid the City of Inglewood \$1.5 million, which will fund the City's administrative costs. If additional funding is required, the Clippers will provide the necessary resources.

How will Inglewood residents and business owners benefit from the basketball arena?

The Los Angeles Clippers are committed to working with Inglewood residents and businesses to develop a premier basketball facility that will create a tremendous sense of pride, an economic engine and a source of employment opportunities in Inglewood and the greater Los Angeles community.

Can Inglewood accommodate another major sports and entertainment venue?

If a decision is made to build a new, state-of-the-art NBA arena, the Los Angeles Clippers would be honored to join Madison Square Gardens and The Kroenke Group in Inglewood, where one of the most dynamic sports and entertainment districts in the United States is taking shape.

What about AEG and the Clippers current home, STAPLES Center?

As Steve Ballmer indicated when he purchased the team, he said that he is happy to be playing in Los Angeles but when the Los Angeles Clippers current lease expires at STAPLES Center in seven years, the Clippers will have options.

Why would the Clippers want to leave downtown Los Angeles when it is booming?

For the next seven years, STAPLES Center is the Los Angeles Clippers' home. Today's announcement does not indicate that the Los Angeles Clippers are leaving STAPLES Center. Rather, today's announcement is about keeping the team's options open. STAPLES Center is a great building, but if you look around the NBA, there are newer and greater buildings that are optimized for basketball.

The Los Angeles Clippers are involved in Los Angeles civic, cultural and philanthropic life. Will that change with a move to Inglewood?

The Los Angeles Clippers are honored to be a part of the greater Los Angeles community on multiple levels. We are and will continue to be involved in the greater Los Angeles area. It's a team and an ownership priority.

When do the Clippers expect to finalize a decision whether to stay at STAPLES Center or move elsewhere?

The Los Angeles Clippers have seven years remaining on the team's current lease at STAPLES Center. No set date exists to finalize this decision.

Would the Clippers new arena host any other sports and entertainment besides the Clippers NBA games?

The Los Angeles Clippers have no plans at this time. We are exploring the possibility of building a state-of-the-art NBA basketball arena.