



PROPOSED SCOPE OF WORK

This section includes our proposed scope of work for completion of an analysis of the share of usage of a new arena that would be new to the market vs. relocated from existing facilities, to be used in the project's EIR. We will review the current market environment, conduct interviews with locally-active promoters and venues, and review pertinent experience from other markets.

While we will review and be informed by other estimates of new vs. relocated usage, our work will provide independent estimates of these figures. We will rely on overall estimates of arena usage that are provided to us, and provide a peer review of these estimates and the methods used to determine them.

Our detailed scope of work is described below.

Task 1 – Analysis of the Current and Future Market Environment

This analysis will gauge the current and future market environment for arenas in the Inglewood/LA area. In order to accomplish this, we will focus on the following:

- As available, review of existing design plans for the facility, such as its site, capacities, offerings, technical specifications, and the like.
- Review of overall usage estimates of the new arena being prepared by the Clippers and its consultant, as well as estimates of new vs. relocated usage and any supporting research/data. *(Overall usage estimates will be reviewed in more detail in Task 4.)*
- Profile and analysis of directly relevant facilities in the market, such as the Staples Center, Forum, Honda Center, and any others. Based on available data (such as from client representatives, industry sources, Stone Planning's database, and others), we will profile and analyze these facilities' major characteristics and historical usage. We will focus on characteristics that are relevant to attracting and hosting non-tenant events, such as location, capacity, quality, general date availability, ownership/partners and relationships with other industry professionals, and the like.
- Analysis of the impact of the opening of the Forum on the Staples Center's non-tenant event bookings.

Task 2 – Research and Interviews

We will interview local stakeholders for first-hand insight into the LA market and the current and anticipated future landscape (this will also inform Task 1). This will include contacting local/national promoters operating in and familiar with the LA market. We will also contact venues and other industry professionals in the market that may be willing to provide insight into the local environment



and its dynamics; these venues would not directly compete with the major arenas, but their management teams are familiar with the market and environment. Some examples could include amphitheatres, stadiums, booking agents, and others.

Task 3 – Other Market Case Studies

We will also research the experience of other major markets in the US that have multiple, competing arenas and the extent to which a new facility's usage was new or transferred. Given the size of the LA market as the second-largest market in the US, we will profile New York as a case study, as it has added multiple competing arenas in recent years and is expected to add another arena in 2021. Similar to Task 1 and 2 for the LA market, we will research historical operating results of these arenas and interview facility representatives in order to fully understand the competitive dynamics, the impact of adding new arenas on overall event demand over time, and other relevant factors.

While New York is the one market that we will analyze in detail, we will also provide (as relevant) experiences from other major markets that have added a new arena(s) to compete with an existing arena.

Task 4 – Peer Review of Total Arena Usage Estimates

We will review the Clippers' internal estimates of total arena usage and the methods used to determine them. We will then comment on the reasonableness of these estimates and the methods.

Based on our conclusions, we understand that independent estimates of overall usage may be requested from Stone Planning. This task does not include these estimates; we would discuss this separately as an add-on to our scope of work.

Task 5 – Estimates of New vs. Relocated Demand

Based on the results of previous tasks, as well as the estimates of overall arena usage that are provided to us and our review of their reasonableness, we will provide independent estimates of the new arena's share of new vs. transferred use, by event type.