HOME COURT ADVANTAGE REPORT

March 2013

Executive Summary

THINK **BIG** SACRAMENTO

- While Sacramento and Seattle both have great legacies as NBA cities, **Sacramento has proven to be a superior NBA market** in several respects

- In terms of **ticket sales and fan support**, Sacramento consistently outperformed Seattle during the 23 year period both cities had NBA teams

- Sacramento has a solid base of **corporate support** committed to the team's current and future success

- Unlike Seattle, the NBA has 100% market share in Sacramento, making Sacramento **one of the top media markets** in the country for the NBA

Two Great NBA Cities

> **Both Sacramento and Seattle have great legacies as NBA cities**

SACRAMENTO, CA

SEATTLE, WA

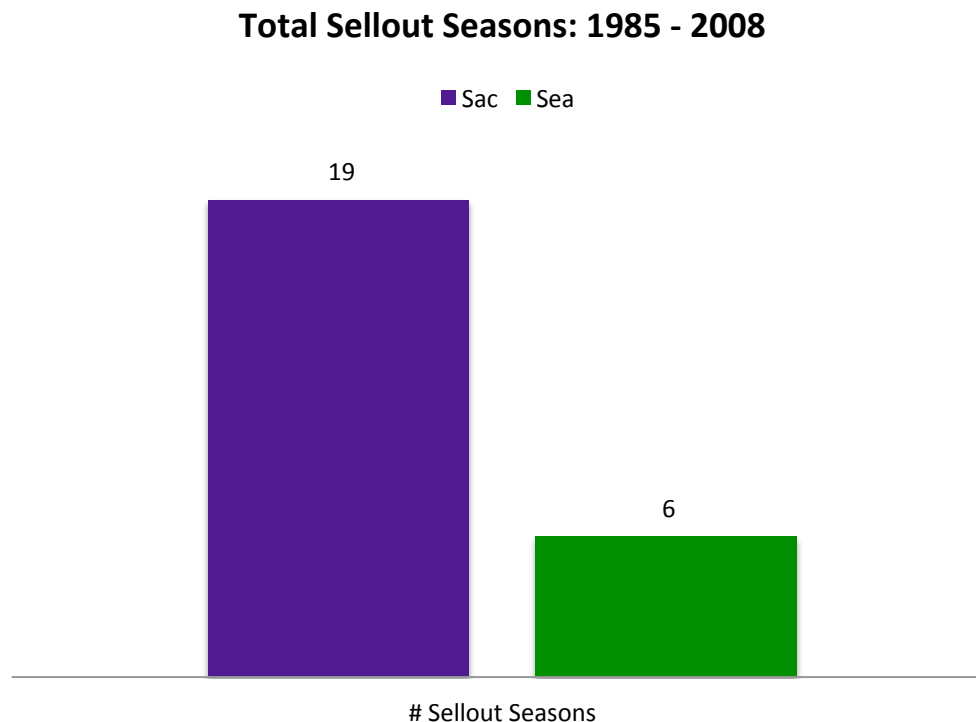|	SACRAMENTO, CA	SEATTLE, WA
NBA Team	Kings	Sonics
Years as NBA City	1985 - present	1967 - 2008
Arena History	1985 – 1988: ARCO Arena I 1988 – present: ARCO II/Sleep Train Arena	1967-1978: Seattle Center Coliseum (SCC) 1978-1985: Kingdome 1985-1994: Seattle Center Coliseum 1994-1995: Tacoma Dome 1995-2008: Key Arena (Renovated SCC)

Home Court Advantage #1: Fan Attendance

THINK BIG SACRAMENTO

FACT: Sacramento fans had **better game attendance in 20 of 23 seasons**

Season	Sacramento Total Attendance	Seattle Total Attendance	Advantage?
1985-1986	423,653	329,296	**SACRAMENTO**
1986-1987	423,653	356,362	**SACRAMENTO**
1987-1988	423,653	492,312	Seattle
1988-1989	677,197	529,733	**SACRAMENTO**
1989-1990	697,574	502,014	**SACRAMENTO**
1990-1991	697,574	510,166	**SACRAMENTO**
1991-1992	697,574	586,929	**SACRAMENTO**
1992-1993	709,997	632,205	**SACRAMENTO**
1993-1994	709,997	601,969	**SACRAMENTO**
1994-1995	709,997	633,748	**SACRAMENTO**
1995-1996	709,997	697,301	**SACRAMENTO**
1996-1997	709,997	699,952	**SACRAMENTO**
1997-1998	605,434	699,952	Seattle
1998-1999	418,751	426,800	Seattle
1999-2000	687,410	615,730	**SACRAMENTO**
2000-2001	709,997	640,847	**SACRAMENTO**
2001-2002	709,997	633,516	**SACRAMENTO**
2002-2003	709,997	637,194	**SACRAMENTO**
2003-2004	709,997	625,474	**SACRAMENTO**
2004-2005	709,997	675,490	**SACRAMENTO**
2005-2006	709,997	664,157	**SACRAMENTO**
2006-2007	709,997	654,163	**SACRAMENTO**
2007-2008	580,181	547,556	**SACRAMENTO**

- From 1985 – 2008, both Sacramento and Seattle had NBA teams

- During this period, more Sacramento fans came to games in 20 of 23 seasons

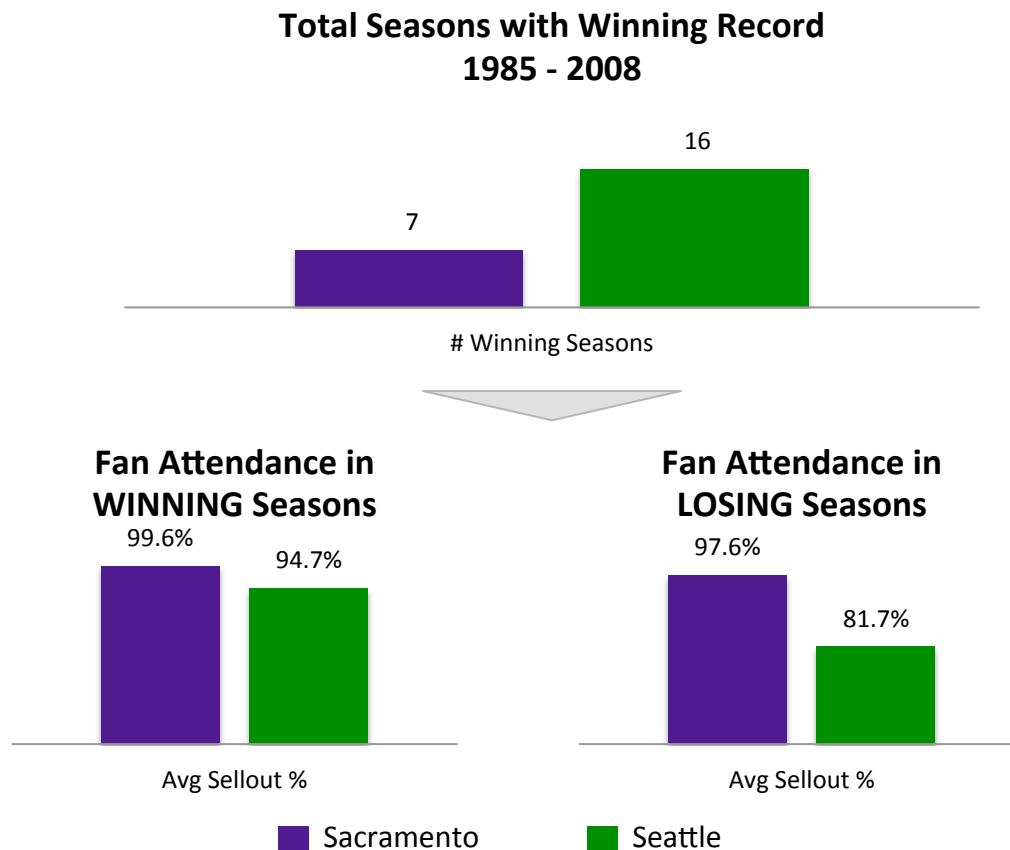- Both cities had comparably-sized arenas (~17K seats) for most of this period

Sources: ESPN, Basketball Reference, Association for Professional Basketball Research.

Home Court Advantage #2: Sellout Seasons

THINK BIG SACRAMENTO

FACT: Sacramento fans **produced over three-times as many sellout seasons**

Total Sellout Seasons: 1985 - 2008

■ Sac ■ Sea

19

6

Sellout Seasons

- From 1985 – 2008, Sacramento fans sold out 19 of 23 seasons, #1 in NBA

- During this period, Sacramento secured two of the longest sellout streaks in NBA history

- Meanwhile, Seattle fans only sold out 6 seasons

Sources: ESPN, Basketball Reference.

Home Court Advantage #3: Fan Loyalty

FACT: Sacramento fans have shown stronger support in **both good times and bad**

Total Seasons with Winning Record 1985 - 2008

16

7

Winning Seasons

Fan Attendance in WINNING Seasons

99.6%

94.7%

Avg Sellout %

Fan Attendance in LOSING Seasons

97.6%

81.7%

Avg Sellout %

■ Sacramento   ■ Seattle

- From 1985 – 2008, the Kings had only seven winning seasons, while the Sonics had sixteen

- In winning seasons, Sacramento fans sold out 99.6% of seats – 5% more than Seattle fans

- In losing seasons, Sacramento fans still sold out 97.6% of seats - 16% more than Seattle fans

Sources: Association for Professional Basketball Research, ESPN, Basketball Reference, NBA Hoops Online, NBA Universe.

Home Court Advantage #4: 100% Market Share

THINK **BIG** SACRAMENTO

FACT: The NBA has **100% share** of Sacramento's major pro sports market

Major Pro Sports	Sacramento	Seattle (Proposed)
NBA	Kings	Sonics
NFL		Seahawks
MLB		Mariners
NHL		?
MLS		Sounders
Total Teams	**1**	**4**

- The NBA enjoys 100% market share in Sacramento as the only major professional sports league in the region

- In contrast, the NBA would be the fourth major professional sports team competing in the Seattle market

- In addition, Seattle has major conference NCAA Division I athletics (University of Washington) and is reportedly seeking to add an NHL team.

Sources: NBA, NFL, MLB, NHL, MLS websites. Seattle Times.

Home Court Advantage #5: Corporate Support

THiNK BIG SACRAMENTO

FACT: Sacramento's corporate community has shown **unprecedented support** for the Kings present and future viability.

	Sacramento	Seattle	Advantage?
Committed $10M in new sponsorships when team at-risk of relocation?	Yes	No	SACRAMENTO
Committed $50M in sponsorships for team's first five seasons in new arena?	Yes	No	SACRAMENTO
# Companies with 500+ Employees *(Adjusted for # pro sports teams)*	115	54	SACRAMENTO
# Companies with >$50MM sales *(Adjusted for # pro sports teams)*	133	100	SACRAMENTO

Source: Claritas 2013, Hoovers 2013.

Home Court Advantage #6: TV Market

THINK BIG SACRAMENTO

FACT: Sacramento's adjusted TV market is the **second-best** in the NBA

NBA Team	Market	TV Population (000s)	# Major Teams*	Adjusted TV Homes (000s)	Rank
Orlando Magic	Orlando-Daytona Beach-Melbourne	3,532	1	3,532	1
Sacramento Kings	Sacramento-Stockton-Modesto	3,402	1	3,402	2
San Antonio Spurs	San Antonio	2,131	1	2,131	3
Los Angeles Clippers	Los Angeles	16,765	8	2,096	4
Los Angeles Lakers	Los Angeles	16,765	8	2,096	4
Brooklyn Nets	New York	19,799	10	1,980	6
New York Knicks	New York	19,799	10	1,980	6
Atlanta Hawks	Atlanta	5,823	3	1,941	8
Toronto Raptors	Toronto-Hamilton	7,337	4	1,834	9
Charlotte Bobcats	Charlotte	3,411	2	1,706	10
Oklahoma City Thunder	Oklahoma City	1,696	1	1,696	11
Memphis Grizzlies	Memphis	1,648	1	1,648	12
Chicago Bulls	Chicago	9,363	6	1,561	13
Houston Rockets	Houston	6,053	4	1,513	14
Portland Trail Blazers	Portland, OR	3,022	2	1,511	15
Philadelphia 76ers	Philadelphia	7,543	5	1,509	16
Cleveland Cavaliers	Cleveland-Akron (Canton)	4,134	3	1,378	17
Dallas Mavericks	Dallas-Ft. Worth	6,865	5	1,373	18
Boston Celtics	Boston (Manchester)	6,717	5	1,343	19
Indiana Pacers	Indianapolis	2,675	2	1,338	20
Utah Jazz	Salt Lake City	2,523	2	1,262	21
Detroit Pistons	Detroit	4,901	4	1,225	22
Washington Wizards	Washington, DC (Hagrstwn)	5,853	5	1,171	23
Minnesota Timberwolves	Minneapolis-St. Paul	4,598	4	1,150	24
Seattle (Proposed)	Seattle-Tacoma	4,565	4	1,141	25
Milwaukee Bucks	Milwaukee	2,233	2	1,117	26
Phoenix Suns	Phoenix (Prescott)	4,438	4	1,110	27
Golden State Warriors	San Francisco-Oak-San Jose	6,717	7	960	28
Miami Heat	Miami-Ft. Lauderdale	3,658	4	915	29
Denver Nuggets	Denver	3,856	5	771	30
New Orleans Hornets	New Orleans	1,538	2	769	31

- Sacramento ranks #2 among NBA TV markets when adjusted for competition from other major sports leagues

- In contrast, Seattle would be ranked #25

* - Major teams defined as the top five major professional sports: NFL, MLB, NBA, NHL, MLS.
Source: TV Basics

Home Court Advantage #7: Radio Market

THINK BIG SACRAMENTO

FACT: Sacramento's adjusted radio market is **the best** in the NBA

NBA Team	Market	Radio Population (000s)	# Major Teams*	Adj. Radio Homes (000s)	Rank
Sacramento Kings	Sacramento-Stockton-Modesto	1,888	1	1,888	1
San Antonio Spurs	San Antonio	1,857	1	1,859	2
Orlando Magic	Orlando-Dytna Beach-Melbourne	1,622	1	1,622	3
Brooklyn Nets	New York	15,867	10	1,587	4
New York Knicks	New York	15,867	10	1,587	4
Atlanta Hawks	Atlanta	4,385	3	1,462	6
Los Angeles Clippers	Los Angeles	11,044	8	1,381	7
Los Angeles Lakers	Los Angeles	11,044	8	1,381	7
Chicago Bulls	Chicago	7,878	6	1,313	9
Houston Rockets	Houston	5,126	4	1,282	10
Toronto Raptors	Toronto-Hamilton	5,023	4	1,256	11
Oklahoma City Thunder	Oklahoma City	1,174	1	1,174	12
Memphis Grizzlies	Memphis	1,112	1	1,112	13
Dallas Mavericks	Dallas-Ft. Worth	5,432	5	1,086	14
Portland Trail Blazers	Portland, OR	2,152	2	1,076	15
Charlotte Bobcats	Charlotte	2,072	2	1,036	16
Miami Heat	Miami-Ft. Lauderdale	3,781	4	945	17
Detroit Pistons	Detroit	3,760	4	940	18
Washington Wizards	Washington, DC (Hagerstown)	4,635	5	927	19
Philadelphia 76ers	Philadelphia	4,518	5	904	20
Golden State Warriors	San Francisco-Oakland-San Jose	6,265	7	895	21
Seattle (Proposed)	Seattle-Tacoma	3,538	4	885	22
Utah Jazz	Salt Lake City	1,745	2	873	23
Boston Celtics	Boston (Manchester)	4,082	5	816	24
Phoenix Suns	Phoenix (Prescott)	3,256	4	814	25
Milwaukee Bucks	Milwaukee	1,481	2	741	26
Indiana Pacers	Indianapolis	1,444	2	722	27
Minnesota Timberwolves	Minneapolis-St. Paul	2,794	4	698	28
New Orleans Hornets	New Orleans	1,213	2	607	29
Cleveland Cavaliers	Cleveland-Akron (Canton)	1,760	3	587	30
Denver Nuggets	Denver	2,430	5	486	31

- Sacramento ranks #1 among NBA radio markets when adjusted for competition from other major sports leagues

- In contrast, Seattle would be ranked #22

* - Major teams defined as the top five major professional sports: NFL, MLB, NBA, NHL, MLS.
Source: Arbitron

THINK **BIG**
S A C R A M E N T O

The Seattle Times

January 15, 2013

"**You might think that Seattle is a basketball-crazy town. But you'd be wrong.** The reality is that after the Sonics left, interest in professional basketball here went into a free fall. Despite this past week's press frenzy, the market **data show that our metro area has one of the nation's lowest levels of interest in the NBA**.

It's important to realize that **even back in 2005, our market only ranked 27th** for the percent of the population with the highest level of interest in the NBA. We were still **10 percent below the national average** that year.

"With worse fan support than Spokane, can Seattle get its NBA mojo back?"
Gene Balk, Seattle Times