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WHEREAS, the City of Dallas ("City") recognizes the importance of its role in local economic development and the public purposes of fostering economic growth; and

WHEREAS, investment decisions made by business owners, developers, and property owners are often significantly influenced by a municipality's ability to provide economic development incentives; and

WHEREAS, it is in the interest of the City to support and secure the development, establishment, expansion, and relocation of businesses within the City for the economic vitality and employment opportunities that these businesses bring for Dallas residents; and

WHEREAS, on May 26, 2021, the City Council adopted an Economic Development Policy 2022-2032 ("Policy") by Resolution No. 21-0927, which was revised on January 25, 2023 by Resolution No. 23-0220; and

WHEREAS, on January 25, 2023, in furtherance of the Policy, the City Council authorized the City of Dallas Economic Development Incentive Policy ("Incentive Policy") effective for the period January 1, 2023 through December 31, 2024 by Resolution No. 23-0220; and

WHEREAS, on January 8, 2025, the City Council reauthorized the Incentive Policy effective for the period January 1, 2025 through December 31, 2026 by Resolution No. 25-0162; and

WHEREAS, Texas Local Government Code Chapter 378.002 requires that the creation of a neighborhood empowerment zone promotes: (1) the creation or rehabilitation of affordable housing in the zone, or (2) an increase in economic development in the zone, or (3) an increase in the quality of social services, education or public safety provided to the residents of the zone; and

WHEREAS, Texas Local Government Code Chapter 378 empowers municipalities to enter into agreements abating municipal property taxes on property in the zone subject to the duration limits of the Property Redevelopment and Tax Abatement Act Section 312.204; and

WHEREAS, the City finds that the creation of the City of Dallas Neighborhood Empowerment Zone No. 23 ("NEZ No. 23" or the "Zone") as depicted on the map attached as **Exhibit A** will promote an increase in economic development in the Zone, will benefit the public, and is for the public purpose of increasing the public health, safety, and welfare of the persons in the City of Dallas; and

WHEREAS, the City finds that the designation of the Zone satisfies the requirements of the Property Redevelopment and Tax Abatement Act, Section 312.202 in that the creation and designation of the Zone is reasonably likely to attract major investment in the Zone that would be a benefit to the property and contribute to the economic development of the City of Dallas; and

WHEREAS, the Incentive Policy includes guidelines and criteria for tax abatements and an economic development program pursuant to Chapter 380 of the Texas Local Government

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Code for making economic development loans and grants of public funding for qualified business development projects that promote economic development, stimulate private sector investment, encourage job creation, and/or grow the tax base in the City; and

WHEREAS, The Bank of Nova Scotia and/or an affiliate (“Scotiabank” or “Company”) desires to create a best-in-class regional office to be located in approximately 100,000 square feet of leased office space (“Project”) at 2601 Victory Avenue in Dallas, Texas on approximately 2.9 acres (“Property”); and

WHEREAS, the Project plans to relocate and/or create approximately 1,025 net new full-time jobs and include an estimated capital investment of approximately \$60 million; and

WHEREAS, Scotiabank is also considering Charlotte, North Carolina for this Project; and

WHEREAS, the City Council has previously passed Ordinance No. 30376 electing to participate in the Texas Enterprise Zone (“TEZ”) Program; and the local incentives offered under this resolution are the same on this date as were outlined in Ordinance No. 30376; and

WHEREAS, the Office of the Governor Economic Development and Tourism, through the Texas Economic Development Bank, will consider Scotiabank, as an enterprise project pursuant to a nomination and an application made by the City; and

WHEREAS, the City desires to pursue the creation of the proper economic and social environment in order to induce the investment of private resources in productive business enterprises located in the City and to provide employment and local health care services to residents of enterprise zones and to other economically disadvantaged individuals; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Texas Enterprise Zone Act, Texas Government Code (the “Act”), Scotiabank has applied to the City for designation as an enterprise project; and

WHEREAS, the City finds that Scotiabank meets the criteria for designation as an enterprise project under the Act on the following grounds:

(a) Scotiabank is a "qualified business" under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site located in an enterprise zone and at least twenty-five percent (25%) of the business' new employees will be residents of an enterprise zone, economically disadvantaged individuals, or veterans; and

(b) There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities within the area; and

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(c) The designation of 2601 Victory Avenue, Dallas, Texas (“Project Site”) as the qualified site for an enterprise project will contribute significantly to the achievement of the plans of the City for development of the area; and

WHEREAS, the City finds that the Project will not be undertaken within the City without an offer of economic development incentives from the City; and

WHEREAS, the City finds that Scotiabank meets the criteria for tax relief and other incentives adopted by the City and nominates the Project Site as the qualified site for enterprise project status on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity, and stability; and

WHEREAS, the City finds that the Project will significantly advance the public purpose of economic development within the City; and

WHEREAS, on August 20, 2025, the City Council was briefed in executive session regarding this Project; and

WHEREAS, NEZ No. 23 is being designated by the City with the desired goal to properly produce a vibrant economic environment by inducing the investment of private resources in new business enterprises located within the City of Dallas; and

WHEREAS, the City desires to enter into an economic development incentive agreement with Scotiabank to include: (1) a business personal property tax abatement for a period of ten years in an amount equal to the City taxes assessed on ninety percent (90%) of the added taxable value of the business personal property resulting from the Project and (2) a Chapter 380 economic development grant in an amount not to exceed \$2,700,000.00 consisting of: **(a)** an amount not to exceed \$2,500,000.00 for job relocation and/or creation and **(b)** an amount not to exceed \$200,000.00 for fees associated with expedited permitting and soft cost expenditures, in consideration of the job creation and investment associated with Scotiabank’s establishment and operation of a new regional office at 2601 Victory Avenue in NEZ No. 23; and

WHEREAS, the City finds that it is in the best interest of the City to nominate Scotiabank as an enterprise project pursuant to the Act.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

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SECTION 1. That the City hereby designates the Property (approximately 2.9 acres of property currently addressed as 2601 Victory Avenue in Dallas, Texas, and as further depicted on the map attached as **Exhibit A**) as a neighborhood empowerment zone pursuant to Chapter 378 of the Texas Local Government Code to be known as the City of Dallas Neighborhood Empowerment Zone No. 23 (“NEZ No. 23”) to promote an increase in economic development in the zone, establish the boundaries of the zone, and provide for an effective date.

SECTION 2. That the City Manager is hereby authorized, upon approval as to form by the City Attorney, to execute an economic development incentive agreement (“Agreement”) with Scotiabank to include: (1) a business personal property (“BPP”) tax abatement for a period of ten years in an amount equal to the City taxes assessed on ninety percent (90%) of the added taxable value of the business personal property resulting from the Project and (2) a Chapter 380 economic development grant (“Grant”) in an amount not to exceed \$2,700,000.00 consisting of: **(a)** an amount not to exceed \$2,500,000.00 for job relocation and/or creation and **(b)** an amount not to exceed \$200,000.00 for fees associated with expedited permitting and soft cost expenditures, in consideration of the job creation and investment associated with Scotiabank’s establishment and operation of a new regional office at 2601 Victory Avenue in NEZ No. 23.

SECTION 3. That the approval and execution of an economic development incentive agreement by the City is not conditional upon approval and execution of any other tax abatement agreement by any other taxing entity.

SECTION 4. That the facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct.

SECTION 5. That, pursuant to Section 6 of this resolution, the Chief Financial Officer is hereby authorized to disburse Grant funds in an amount not to exceed \$2,700,000.00 to The Bank of Nova Scotia and/or its affiliates (Vendor No. VC0000034635) from the funding source as listed and described below:

Public/Private Partnership Fund

Fund 0352, Department ECO, Unit X242,

Activity PPPF, Object 3016, Program BANKSCOTIA

Encumbrance/Contract No. CX-ECO-2025-00028632

\$2,700,000.00

Total amount not to exceed

\$2,700,000.00

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SECTION 6. That the Grant shall be payable in three (3) installments and subject to the following conditions:

A. Permitting Grant

- Grant Installment 1: Company shall be eligible for Grant Installment 1 in an amount up to \$200,000.00 payable for reimbursement of any Q-Team, permitting fees or other City of Dallas fees incurred by Scotiabank in connection with improvements necessary to facilitate the occupancy of 2601 Victory Avenue, provided such expenses are incurred prior to December 31, 2028

B. Job Grant

- Grant Installment 2: Company shall be eligible for Grant Installment 2 in the amount of \$1,250,000.00 payable upon the relocation/creation of the first 500 jobs based at the Property by December 31, 2029. All jobs created or relocated must be retained through December 31, 2037.
- Grant Installment 3: Company shall be eligible for Grant Installment 3 in the amount of \$1,250,000.00 payable upon the relocation/creation of an additional 500 jobs based at the Property by December 31, 2032. All jobs created or relocated must be retained through December 31, 2037.

SECTION 7. That the BPP tax abatement shall be for a period of ten (10) years in an amount equal to the City taxes assessed on ninety percent (90%) of the added taxable value of the business personal property resulting from the Project. The added taxable value of Company's business personal property is the amount of the difference between the appraised value of the real property as shown on the tax rolls of the Dallas Central Appraisal District as of January 1, 2025 and the appraised value of the business personal property as shown on such tax rolls as of January 1 of the year of calculation. The value of the business personal property shall be as finally determined by Dallas Central Appraisal District ("DCAD").

Pursuant to Section 11.43 of the Texas Tax Code, it shall be the responsibility of Company to file an annual exemption application form with the Chief Appraisal of the DCAD throughout the term of the BPP tax abatement. In addition, Company shall certify in a written annual report to the City (Director of the Office of Economic Development) by April 15 of each year throughout the term of the BPP tax abatement that Company is in compliance with the Agreement. The exemption application form and certification report shall be submitted to the City (Director of the Office of Economic Development) for review and approval prior to submission of the exemption application form to the DCAD. Failure of Company to obtain the City approval for the annual exemption application form may result in the loss of the BPP tax abatement for the year. The exemption application form and form certification report will be attached to the Agreement for Company's use.

SECTION 8. That the business personal property subject to the BPP tax abatement shall be located wholly on the Property (depicted as the hatched area) and located within the City's NEZ No. 23, as illustrated on the attached map (**Exhibit A**).

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SECTION 9. That the Agreement shall include the following specific terms and conditions:

- A. Construction Completion: Company shall complete or cause the completion of the construction of Tenant Improvements as evidenced by a final Certificate of Occupancy on a minimum 95,000 square foot office space at Property on or before December 31, 2028.
- B. Lease and Occupancy: Company shall execute a minimum 10-year lease for a minimum of 95,000 square feet of office space at Property no later than December 31, 2025. Company shall begin to occupy the office space no later than December 31, 2026 and shall continuously operate in the leased space as a corporate regional office throughout the term of the Agreement.
- C. Minimum Investment Requirement: Company shall incur and document, to the satisfaction of the Director of the Office of Economic Development, a total minimum capital investment of \$50 million by December 31, 2028 in any combination of Tenant Improvements (hard and soft costs), Furniture, Fixtures & Equipment, and Information Technology.
- D. Average Annual Wage: For the total amount of net newly created or relocated permanent full-time jobs by Company pursuant to the Job Grant, the average annual wage shall be no lower than \$135,000 across all positions excluding benefits and as reported on the employee's W-2 Form. Any bonus payment made that is not captured on the W-2 Form does not count toward the average annual wage. Compliance with the average annual wage requirement shall be maintained through the term of the Agreement.
- E. Minimum Wage: For the total amount of net newly created or relocated permanent full-time jobs by Company pursuant to the Economic Development Job Grant, the minimum wage shall be equal to or greater than the then-current living wage for an individual in Dallas County as determined by the Massachusetts Institute of Technology's Living Wage Calculator (figure may be adjusted throughout the term of the incentive agreement). The living wage rate in Dallas County is currently \$23.06 per hour (excluding overtime, bonuses, and benefits), and notice of the rate shall be provided to Company by the Office of Economic Development annually for each upcoming year. Compliance with the minimum wage requirement shall be maintained through the term of the incentive agreement.
- F. Minimum Local Hiring: For the total amount of net newly created or relocated permanent full-time jobs by Company pursuant to the Job Grant, a minimum of 25% shall be filled by residents of the City of Dallas. Additionally, by December 31, 2025, Company shall submit to the Director a written plan ("Local Hiring Plan") describing how Company shall use and document commercially reasonable efforts to achieve

SECTION 9. (continued)

a goal of 40% filled by residents of the City of Dallas. At a minimum, the Local Hiring Plan shall describe how Company will target local recruitment through local advertisement, community outreach, local engagement, participation in local job fairs, coordination with local colleges and universities, and coordination with local workforce development and employment resources. The Local Hiring Plan shall be subject to approval by the Director, which approval shall not be unreasonably withheld, to ensure that commercially reasonable efforts are made by Company to promote the hiring of Dallas residents. Within thirty (30) calendar days of the City's receipt of the Local Hiring Plan, the Director shall either (i) approve the Local Hiring Plan or (ii) in the event the Director disapproves the Local Hiring Plan, provide written notification to Company of the Director's disapproval, specifying the reasons for such disapproval. Compliance with the minimum local hiring requirement and the Local Hiring Plan shall be maintained through the term of the Agreement. Specifically, in the instance of an event of default of the minimum local hiring requirement, the cure period shall be six (6) months to allow time for any necessary hiring cycle or process.

G. Workforce Program Initiatives: To further the public goals of workforce development and the creation of workforce pipelines in Dallas, Company shall engage with Dallas College and serve as an employer partner for its Workforce Scholars program and its adult apprenticeship program, or other comparable agreement that will engage students in work-based activities, including but not limited to, paid or unpaid internships, co-ops, practicums, pre-apprenticeships, and registered and non-registered apprenticeships for youth and adults.

In addition to the partnership with Dallas College, Company shall engage with at least one of the four following educational partners to enhance the career pipeline, provide internship opportunities, and/or other career readiness opportunities as agreed to by both parties.

- Paul Quinn College
- University of North Texas-Dallas
- Dallas Independent School District
- Richardson Independent School District

Company shall deliver to Office of Economic Development Director an agreement executed by Company and the appropriate educational partners documenting the terms of the career readiness program no later than December 31, 2027. At a minimum, Company shall continue this workforce program for a minimum of five (5) years through December 31, 2032. Company or its educational partners shall provide an annual summary regarding the status/outcomes of the workforce programs involving educational partners, including number of participants, salaries or other benefits paid to participants, and race/gender/ethnicity of participants, and a summary of the program.

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SECTION 9 (continued)

- H. Access to the Office: Company shall, upon reasonable advance request, permit staff from the Office of Economic Development access to the Dallas office to review all records and documents related to the obligations contained herein to monitor compliance with the Agreement.
- I. Annual Reporting: Company shall provide written annual reports to the Office of Economic Development regarding compliance with the terms of the Agreement, including employment information disaggregated by residential zip code, race and ethnicity of the employee, and results of the workforce partnership program. The year-end summary report shall be due to the Office of Economic Development by April 15 of the following year in a format acceptable to the Director. As an example, the 2025 annual summary report will be due by April 15, 2026.
- J. Recapture Liability: Failure to comply with the terms of the Agreement may result in Company's required repayment of any incentives received and the forfeit of any incentives yet to be received.
- K. Deadline for Execution of Agreement. Company shall execute an Agreement with the City by December 31, 2025.
- L. Minor Modifications. At Company's written request, the Director may authorize one (1) extension of the Project's material dates and deadlines by up to nine (9) months for just cause.
- M. Term. The term of the Agreement shall begin on the date of Agreement execution and end on December 31, 2037 or at the end of the term of the BPP tax abatement, whichever is later.
- N. Force Majeure. In the event the Project has been delayed because of Force Majeure, after being provided written notice by Company, Company shall have additional time to complete the Project, as may be required in the event of Force Majeure, defined herein, so long as Company is diligently and faithfully pursuing completion of the Project, as reasonably determined by the Director. Extension of Project's material dates and deadlines because of Force Majeure shall not require the City Council approval. "Force Majeure" shall mean any contingency or cause beyond the reasonable control of the Company, as reasonably determined by the Director including, without limitation, acts of nature or the public enemy, war, riot, civil commotion, insurrection, state, federal or municipal government (including, without limitation, timely issuance of permits needed to complete the development of the Project), or de facto governmental action (unless caused by acts or omissions of Company), fires, explosions, floods, pandemics, epidemics, or viral outbreaks other

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SECTION 9 (continued)

than the current pandemic, shortages in labor or materials, and strikes. In the event of Force Majeure, Company shall be excused from doing or performing the same during such period of delay, so that the completion dates applicable to such performance shall be extended for a period equal to the period of time Company was delayed.

O. Assignment. An assignment of the rights and/or the obligations of the Agreement in whole or in part shall only be allowed to a direct affiliate of Company with the prior written approval of the Director, not to be unreasonably withheld.

SECTION 10. That the findings of the City and its actions approving this resolution as related to the Texas Enterprise Zone (TEZ) nomination taken at the City Council meeting are hereby approved and adopted.

SECTION 11. That be it further resolved that Scotiabank is a “qualified business” as defined in Section 2303.402 of the Act and meets the criteria for designation as an enterprise project, as set forth in Section 2303 of the Act.

SECTION 12. That be it further resolved that the enterprise project shall take effect on the date of designation of the enterprise project by the Office of the Governor of the State of Texas and terminate five years therefrom.

SECTION 13. That the City Manager or his or her designee is authorized to sign any and all forms required to complete the TEZ nomination process.

SECTION 14. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.