



CSL

**MARKET AND FINANCIAL FEASIBILITY STUDY FOR AN
ICE CENTER AND HARDCOURT
SPORTS FACILITY
IN THE TOWN OF NORTHLAKE**

SEPTEMBER 6, 2022



September 6, 2022

Mr. Drew Corn
Town Administrator
Town of Northlake
1500 Commons Circle, Suite 300
Northlake, TX 76226

Dear Mr. Corn:

Conventions, Sports & Leisure International (“CSL”) is pleased to present this draft market and financial feasibility analysis related to the development of an ice center and hardcourt sports facility in the Town of Northlake (“proposed Northlake Sports Center”). The attached report summarizes our research and analyses and is intended to assist project stakeholders in making informed decisions regarding the proposed ice center.

The information contained in this report is based on estimates, assumptions and other information developed from research of the market, knowledge of the sports and entertainment industries, and other factors, including certain information provided by you and others. All information provided to us was not audited or verified and was assumed to be correct. Because procedures were limited, we express no opinion or assurances of any kind on the achievability of any projected information contained herein and this report should not be relied upon for that purpose. Furthermore, there will be differences between projected and actual results. This is because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We sincerely appreciate the opportunity to assist you with this project and would be pleased to be of further assistance in the interpretation and application of the study’s findings.

Very truly yours,

A handwritten signature in cursive script that reads "CSL International".

CSL International

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INTRODUCTION



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1. INTRODUCTION



The Town of Northlake (“Town”) is a small city with a population of approximately 8,000 residents located in the southwestern quadrant of Denton County, which is one of the major counties within the larger Dallas-Fort Worth Metroplex (“DFW” or “Metroplex”) in Texas. Northlake is a rapidly growing community, with a projected population growth rate of nearly five percent, which is significantly higher than that of DFW as a whole, which itself is one of the fastest growing metro areas in the United States.

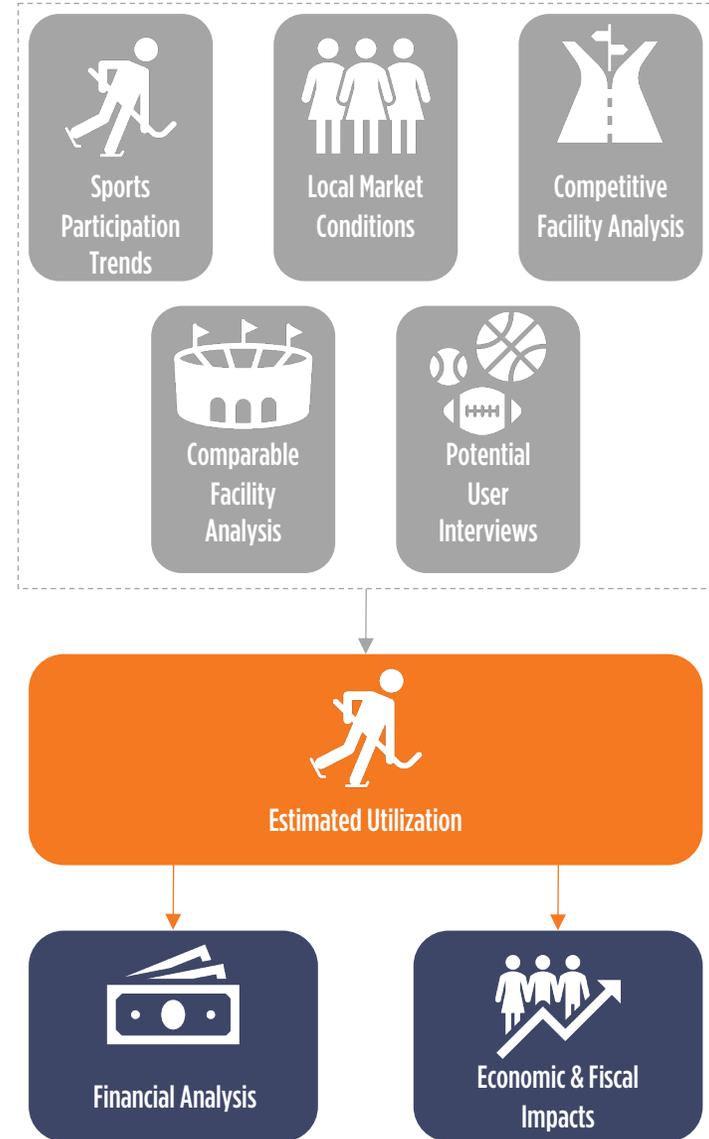
As the Town continues to look for new and creative ways to provide public infrastructure and community assets to accommodate this growing population base, the Town is currently contemplating the construction of a new indoor sports center that could accommodate a wide variety of sports, including ice hockey, skating, basketball, volleyball, and pickleball.

The Town is currently considering partnering with the Dallas Stars (NHL), which currently operates eight indoor sports facilities (“StarCenters”) throughout the DFW area. Under the proposed partnership, the Town would lease the proposed facility to the Stars, which would operate the venue under an annual lease payment agreement.

To further study the viability of the proposed Northlake Sports Center, the Town engaged CSL International (“CSL”) to conduct a comprehensive market and financial feasibility analysis, which encompassed a wide-ranging methodology, as outlined on the right. Throughout the process, CSL first engaged key project stakeholders to elicit feedback on the vision for the facility, then embarked on a wide range of market research, including analyzing local and regional sports participation trends, identifying local and regional demographic and socioeconomic characteristics, identifying and benchmarking both competitive and comparable facilities, and conducting a variety of interviews with local and regional youth sports organizations, including the Dallas Stars, to estimate demand for and preferences regarding the new facility. The results of this market research were used to estimate overall annual event and attendance utilization, by sport. Following this estimate, CSL created an operating financial model for the proposed Northlake Sports Center and estimated its associated economic and fiscal (i.e., tax revenue) impacts to the local market.

The remainder of this report outlines the key findings of the feasibility analysis and is designed to assist project representatives in making informed decisions regarding development of the proposed Northlake Sports Center. The report should be read in its entirety to obtain the background, methods and assumptions underlying the findings.

STUDY METHODOLOGY





2

SPORTS PARTICIPATION TRENDS



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2. SPORTS PARTICIPATION TRENDS



Introduction

The purpose of this section is to provide an overview of regional and national participation trends as indicators of the overall health of sports as well as provide an overview of the sports tourism industry to better understand tournament programming trends. An evaluation of these trends in the context of the demographic and socioeconomic characteristics of the local and regional market and feedback provided by local youth and sports organizations will provide a basis from which to identify the types of sports and/or activities that could be supported by the proposed Northlake Sports Center and serve the needs of the community.

This section is divided into the following categories:



National Sports Participation Trends



Local/Regional Sports Participation Trends



Demographic Characteristics of Sports Participation



Household Spending on Athletic Activities



Youth Sports Tourism Industry Trends

The national and local/regional statistical data presented in this section was derived from the National Sporting Goods Association (“NSGA”). Research information from the NSGA is derived from a comprehensive annual report of participation rates in the United States based on approximately 31,000 interviews with individuals seven years of age and older.

2. SPORTS PARTICIPATION TRENDS



Identified Sports

The NSGA report is designed to identify and analyze trends, patterns and relationships within more than 50 sports and activities. The table to the right presents an overview of the sports and activities tracked by the NSGA.

The participation rates presented over the following pages exclude certain sports that are not expected to be supported by the proposed Northlake Sports Center, such as boating, kayaking, skiing, and other similar activities.

Sport/Activity	Potentially Supported by the New StarCenter	Sport/Activity	Potentially Supported by the New StarCenter
Archery (Target)		Kayaking	
Backpack/Wilderness Camping		Lacrosse	
Baseball		Martial Arts	✓
Basketball	✓	Mountain Biking (Off Road)	
Bicycle Riding		Muzzleloading	
Billiards/Pool		Paintball	
Boating (Motor/Power)		Pickleball	✓
Bowling		Pilates	
Boxing		Running/Jogging	
Camping		Scuba Diving (Open Water)	
Canoeing		Skateboarding	
Cheerleading	✓	Skiing (Alpine)	
Dart Throwing		Skiing (Cross Country)	
Exercise Walking		Snowboarding	
Exercising With Equipment		Soccer	
Fishing (Fresh Water)		Softball	
Fishing (Salt Water)		Surfing	
Football (Flag)		Swimming	
Football (Tackle)		Table Tennis	
Football (Touch)		Target Shooting (Air Gun)	
Golf		Target Shooting (Live Ammunition)	
Gymnastics	✓	Tennis	
Hiking		Volleyball	✓
Hockey (Ice)	✓	Water Skiing	
Hunting with Bow & Arrow		Weightlifting	
Hunting with Firearms		Work Out at Club/Gym/Fitness Studio	
Ice/Figure Skating	✓	Wrestling	✓
In-Line Roller Skating		Yoga	

2. SPORTS PARTICIPATION TRENDS



National Sports Participation Trends

A review of the national sports participation rates provides insights into the overall popularity of various activities that could be hosted at the proposed Northlake Sports Center. The participation rates and levels in this section reflect the number of frequent participants in each sport, including organized and recreational play, in a national context. The NSGA categorizes frequent participants as individuals who engage in a sport at least 50 times per year, including practices and games. While infrequent participants are not included in the sports participation indices presented herein, casual sports participants will be able to utilize facilities within the proposed Northlake Sports Center.

Indoor Team Sports

The chart on the following page provides an overview of national participation trends for selected indoor team sports that could be accommodated by an indoor facility, such as basketball, volleyball, cheerleading, and ice hockey, for the past 10 years.

Basketball is the most popular indoor team sport with over 20 million participants nationally compared to the 10 million participants in volleyball, the second-most popular indoor team sport. Over the past decade, participation in indoor team sports has decreased slightly overall. Basketball participation has dropped 12 percent since 2012 while volleyball participation has increased five percent. Cheerleading participation dropped nine percent since 2012 and ice hockey participation has increased 10 percent.

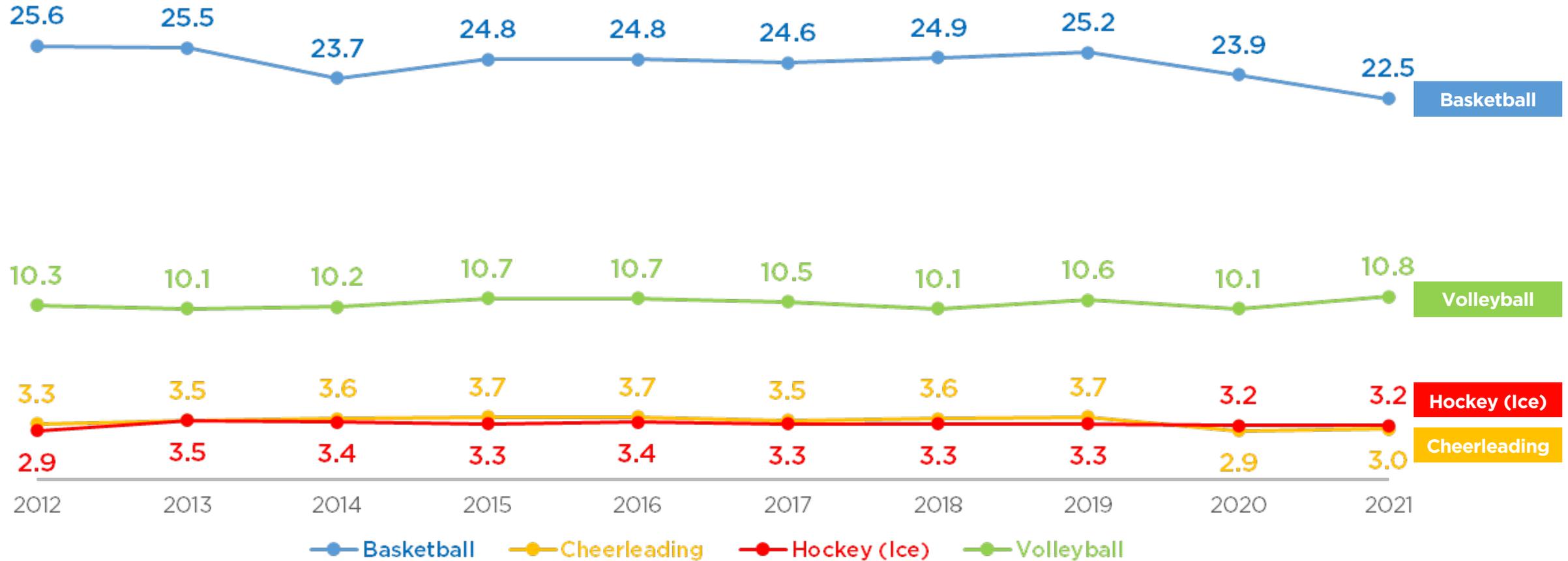


2. SPORTS PARTICIPATION TRENDS



National Sports Participation Trends

Total Indoor Team Sports Participation (in millions)



Source: NSGA. Includes participation of residents aged 7 or older. Reflects national sports participation trends.

2. SPORTS PARTICIPATION TRENDS



National Sports Participation Trends

Indoor Individual and Other Sports

Participation in indoor individual and other sports over the past 10 years is presented in the chart on the following page. These sports include gymnastics, martial arts, wrestling, ice and figure skating, and pickleball.

Ice and figure skating has remained the most popular of these indoor individual and other sports with over eight million participants a year. Martial arts and gymnastics come in second and third with slightly more than five million participants a year, respectively. They are followed by pickleball and wrestling, with each having more than three million participants a year.

Participation in these indoor individual and other sports has generally increased slightly since 2012. While gymnastics participation has decreased 10 percent since 2012, ice skating and wrestling have increased one percent and 10 percent, respectively. Martial arts participation was not tracked until 2013, but has decreased 19 percent since then. Pickleball participation was not tracked until 2016 and has increased 112 percent since then.

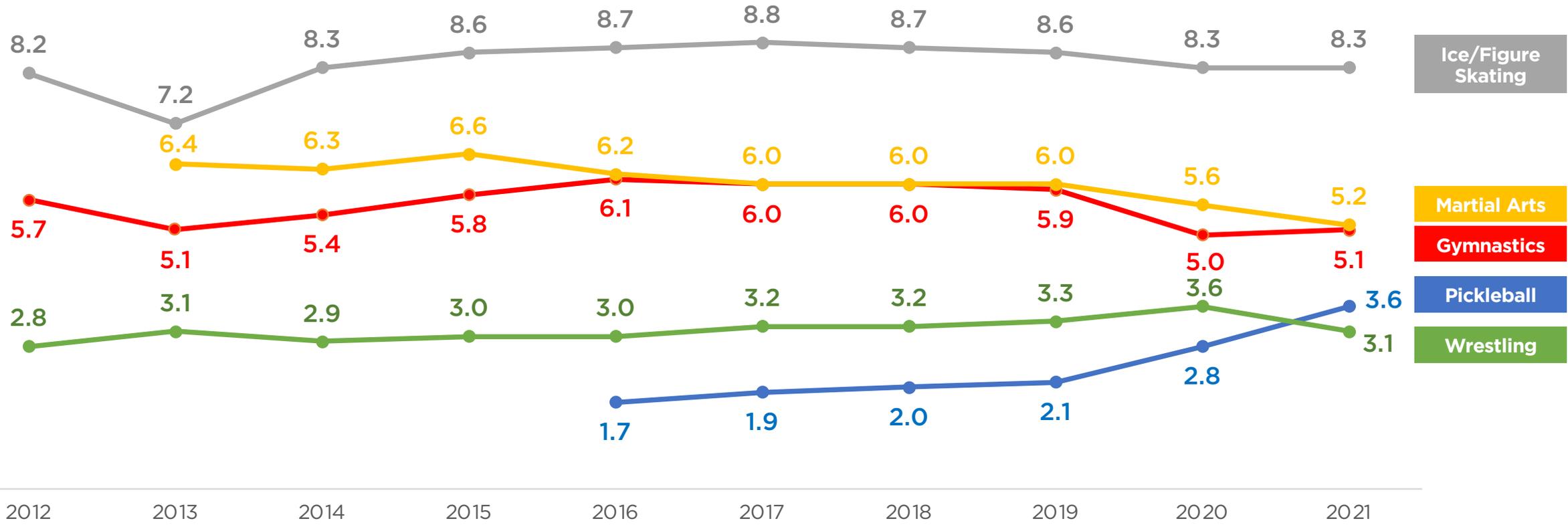


2. SPORTS PARTICIPATION TRENDS



National Sports Participation Trends

Total Indoor Individual and Other Sports Participation (in millions)



Source: NSGA. Includes participation of residents aged 7 or older. Reflects national sports participation trends.

2. SPORTS PARTICIPATION TRENDS



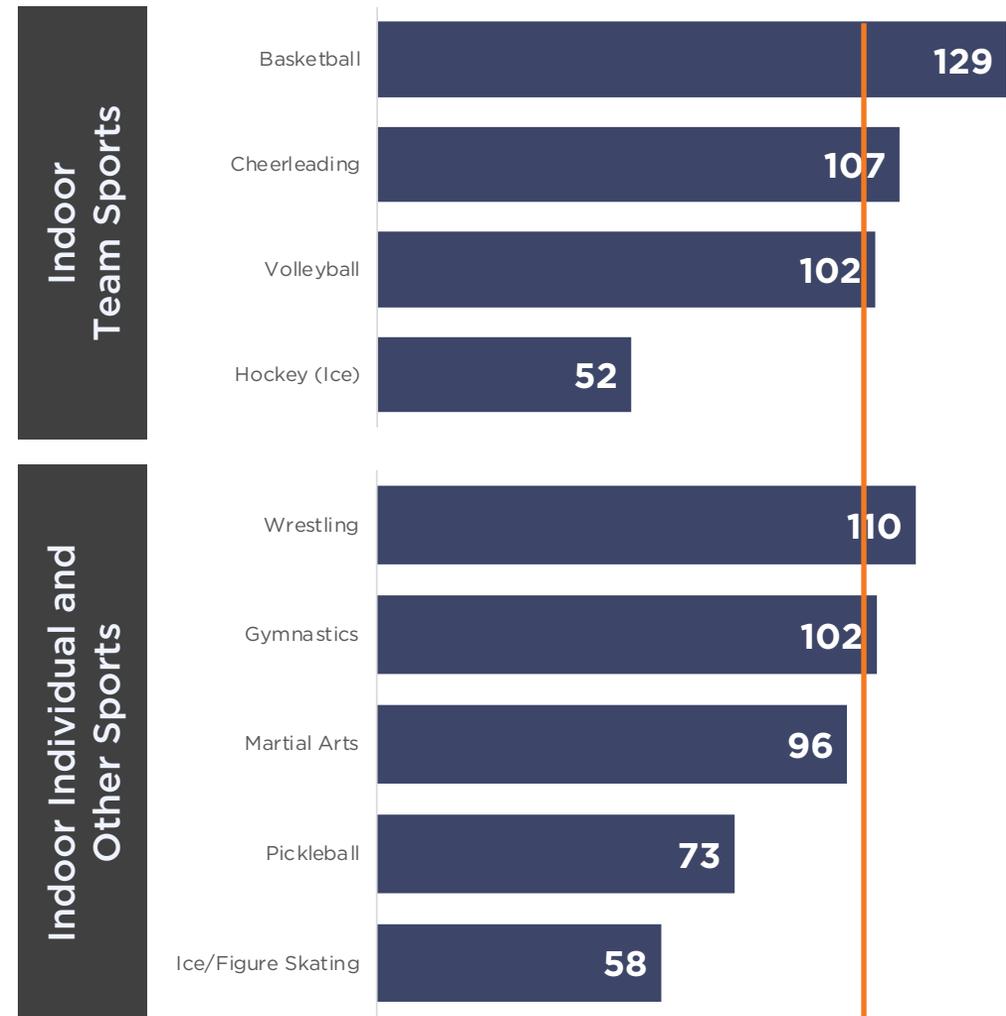
Regional Sports Participation Trends

Regional Sports Participation Indices

Regional sports participation rates provide further insights into the potential opportunities for the proposed Northlake Sports Center to serve the needs of local and regional tournament organizers of various sports. The chart to the right provides regional participation indices, calculated against the national participation rate, for the West South Central region, which includes the states of Texas, Oklahoma, Arkansas and Louisiana. An index of 100 indicates a participation rate equal to the national average, while an index under 100 represents sports in which residents in the region participate at a rate below the national average. An index over 100 represents sports where the region participates at a higher rate compared to the nation as a whole.

As shown, the region participates in sports such as volleyball, cheerleading, gymnastics and martial arts at similar rates as the nation as a whole. The region participates in wrestling at a rate 10 percent higher than the nation and basketball at a rate 29 percent higher than the nation. Ice sports such as hockey and ice skating are participated at just over half the rate they are nationally and pickleball is participated at is 73 percent the rate of the nation as a whole.

Local/Regional Sports Participation Indices
West South Central Region



U.S. Average
(100)

2. SPORTS PARTICIPATION TRENDS



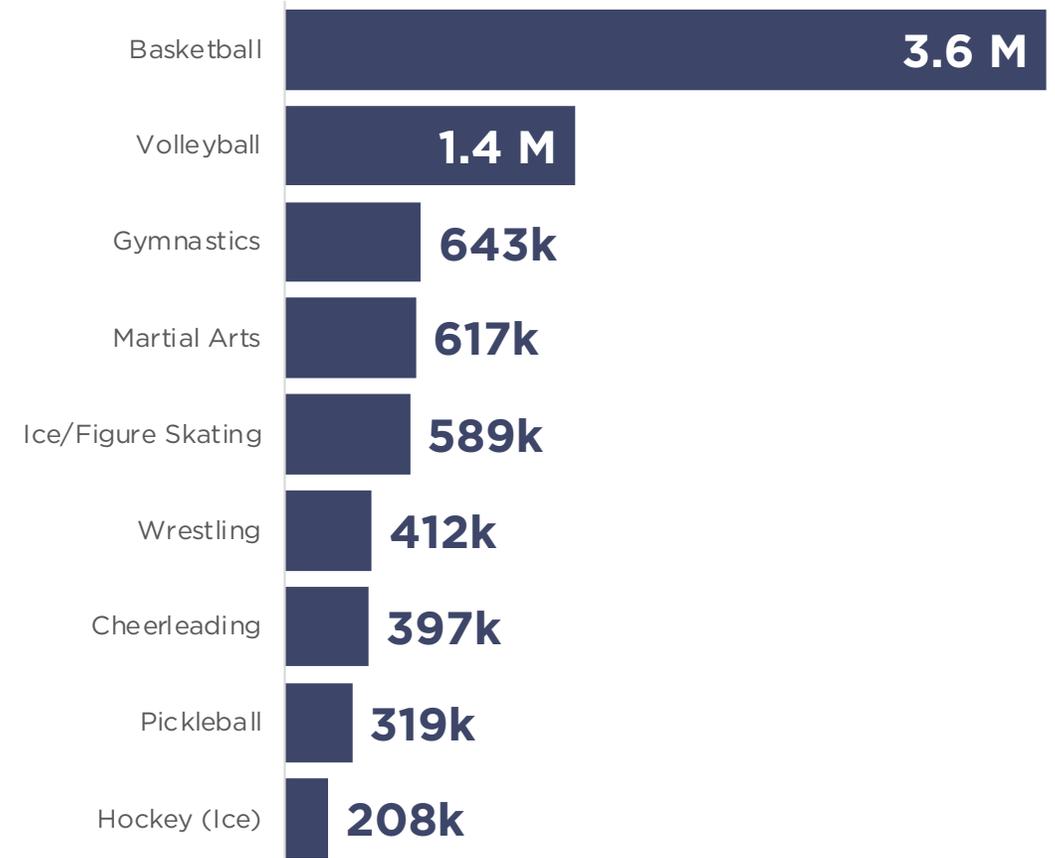
Regional Sports Participation Trends

Regional Sports Participants

The chart to the right provides an overview of the estimated participants within the regional market area that participated in various sports and athletic activities in 2021. It should be noted that these participant numbers include those that participate in multiple sports and athletic activities and, therefore, are not additive across categories.

As show, within the region, basketball is the most popular sport with 3.6 million participants. It is followed by volleyball with 1.4 million participants. Ice and figure skating, martial arts and gymnastics all have approximately 600,000 participants in region, while wrestling and cheerleading both have 400,000 participants in region. Pickleball and ice hockey have approximately 300,000 and 200,000 participants in the region, respectively.

Regional Sports Participants
West South Central Region



2. SPORTS PARTICIPATION TRENDS



Demographic Characteristics of Sports Participation

Participation in various sports is dependent, in large part, on the demographic characteristics of the general population. The following pages present the age, household income, and ethnicity characteristics of participants in the identified sports that could be hosted at the proposed Northlake Sports Center.

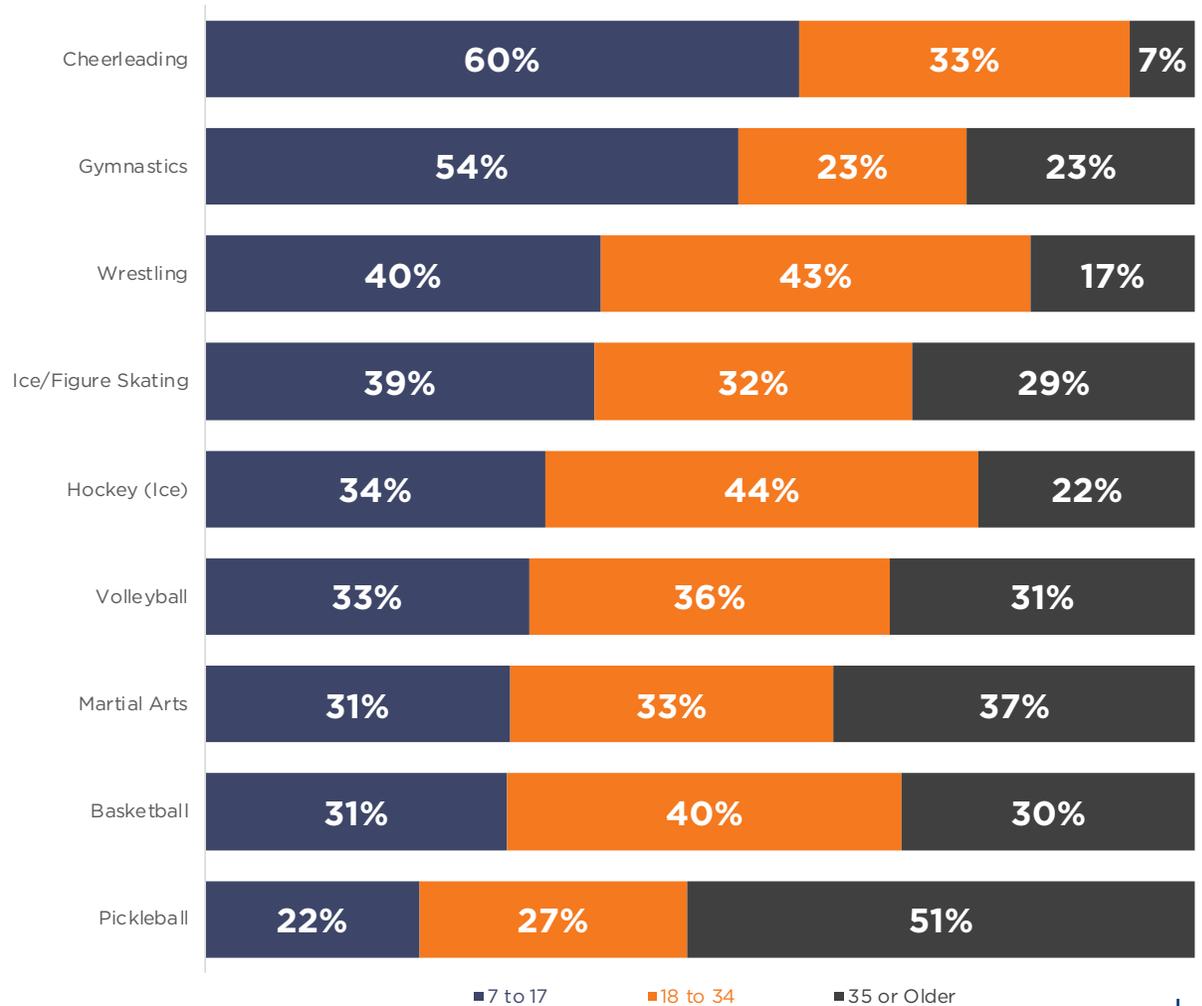
Age

Another determining factor of the types of programming anticipated to be hosted at the proposed Northlake Sports Center is the age of sport participants. The chart to the right presents an overview of participants among various sports by age group. As shown, cheerleading, gymnastics, and ice and figure skating are most popular among children under 18 years of age. Wrestling, ice hockey, volleyball, martial arts and basketball are most popular among adults aged 18 to 34. Pickleball is most popular among adults over the age of 35.

Most youth begin participating in organized athletic activities at the age of seven. Generally, research shows that most children participate in sports for an average of three years. Therefore, the number of children participating in sports from the age of seven to 10 years old are much larger than those youth participating in older age groups.

It will be important that the programming offered at the proposed Northlake Sports Center reflect the age participation trends among youth as well as interest in various sports by adults in the context of the demographic characteristics of the local market.

Age by Sport



Source: NSGA.

2. SPORTS PARTICIPATION TRENDS



Demographic Characteristics of Sports Participation

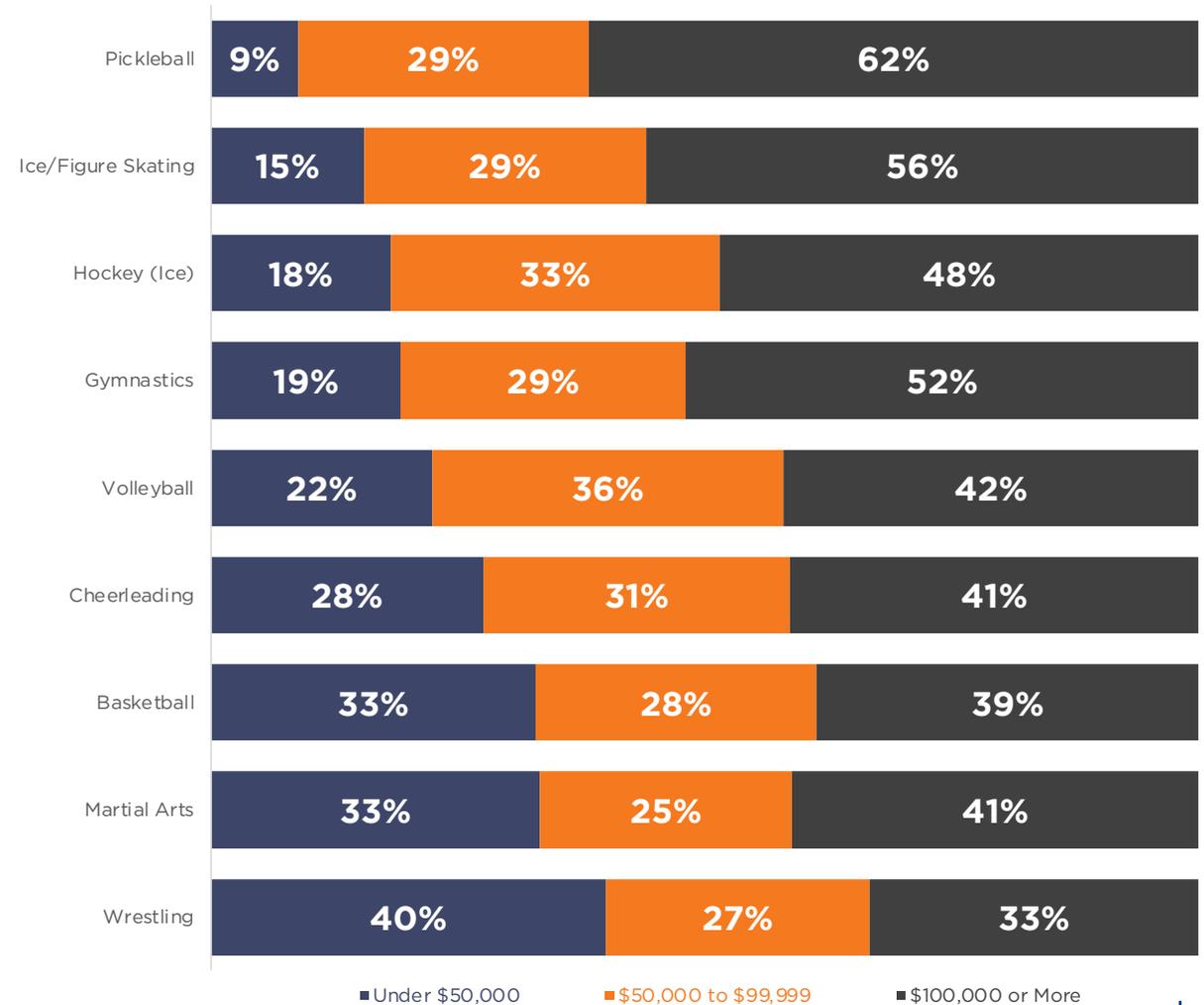
Household Income

Because of the relative cost to participate in certain sports, the median household income characteristics of youth sports participants can vary drastically depending on the sport type.

The chart to the right provides an overview of the median household income of participants in a variety of sports that could be hosted at the proposed Northlake Sports Center. As shown, sports such as wrestling, martial arts and basketball have higher proportions of low-income participants when compared to sports like pickleball, ice and figure skating, or ice hockey.

According to research conducted by The Aspen Institute, children from low-income households participate in sports at a rate that is approximately 50 percent lower than those children from higher income households. A lack of free or affordable sports programs and a lack of safe places to play are often cited as key reasons for low participation among lower income households. This should be considered in the context of the household income characteristics of the local market area of the proposed Northlake Sports Center when determining the sports offered and price of participation at the facility.

Median Household Income by Sport



Source: NSGA.

2. SPORTS PARTICIPATION TRENDS



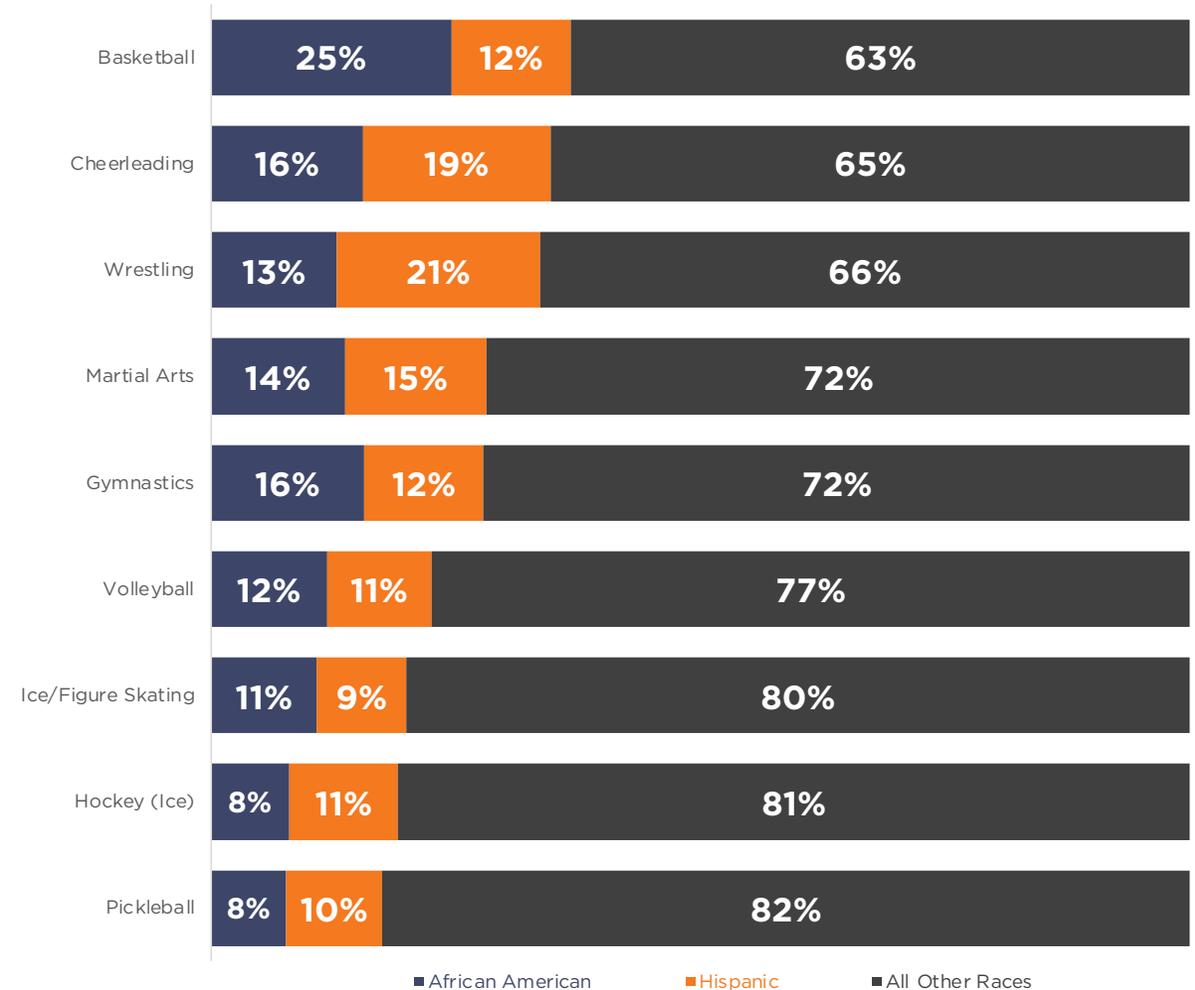
Demographic Characteristics of Sports Participation

Ethnicity

The chart to the right provides an overview of the ethnicity characteristics of participants in a variety of sports that could be hosted at the proposed Northlake Sports Center. As shown, sports such as basketball, cheerleading and gymnastics have the highest proportion of African American participants while wrestling, cheerleading and martial arts have the highest proportion of Hispanic participants. Sports such as pickleball, ice hockey, and ice and figure skating have the highest proportion of participants of all other races.

A review of the ethnic characteristics of the local community that is expected to be served by the proposed Northlake Sports Center when compared to the national participation rates specifically among minorities will provide additional guidance in understanding the types of programming that would be best received at the facility.

Ethnicity Characteristics by Sport



Source: NSGA.

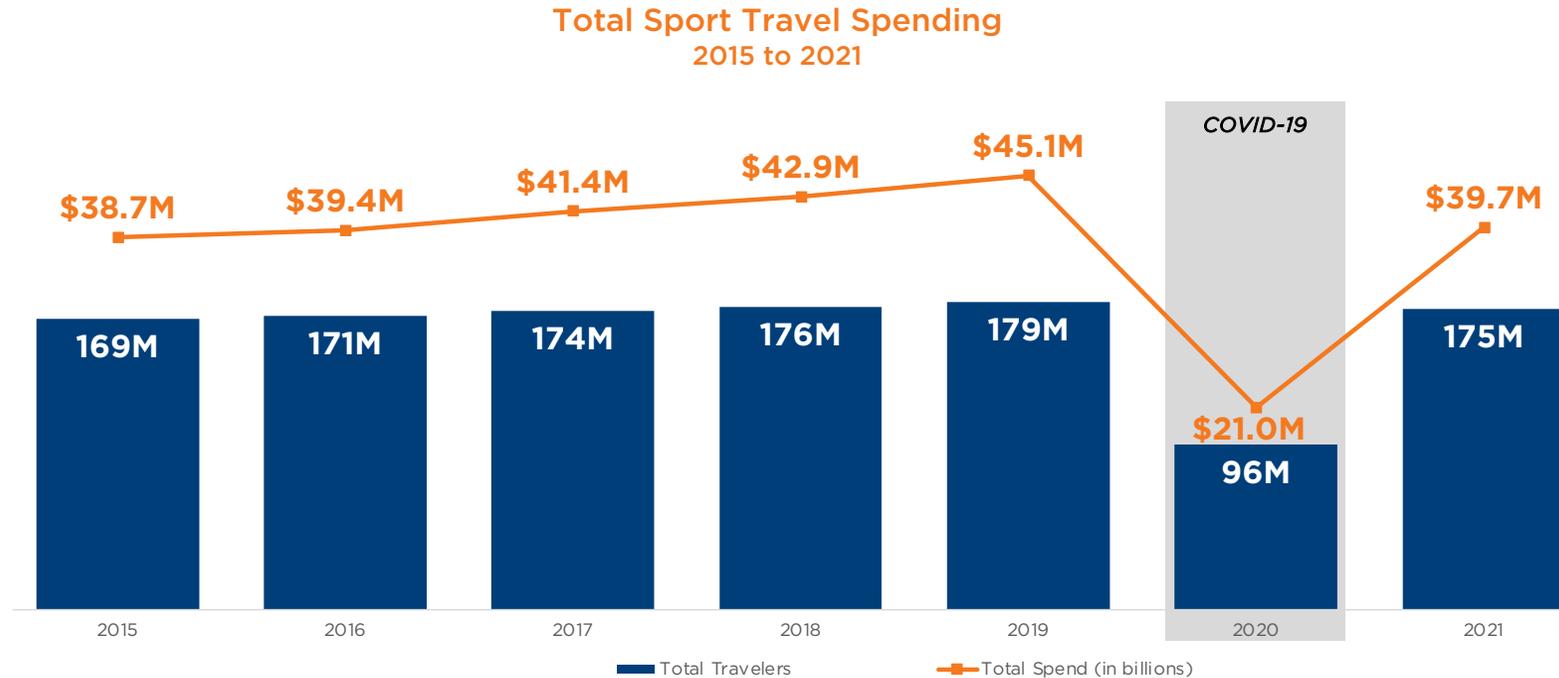
Note: NSGA only includes broken out ethnic data for African American and Hispanic populations

2. SPORTS PARTICIPATION TRENDS



Household Spending on Athletic Activities

An expected focus of the proposed Northlake Sports Center is attracting tournament participants from the regional area. The rise in popularity of sports tournament weekends and other athletic activities had driven an increase in sports travel since 2015. The following chart provides an overview of the total number of U.S. residents that traveled for a reason related to athletic activities (excluding travel to professional sporting events or collegiate regular-season games) as well as the associated total spending related to sport tourism.



Source: Sports ETA.

As shown, since 2015 the number of people who traveled for sports-related reasons rose to 179 million in 2019, representing a six percent increase since 2015. While 2020 saw a large drop off in travelers, primarily due to the effects of COVID-19, 2021 saw a recovery to 98 percent of 2019 levels (175 million). Spending by sports participants, event organizers, and sports venues as it relates to the participation in youth activities in the country totaled approximately \$45.1 billion in 2019, an increase of nearly 17 percent since 2015. COVID-19 caused a large drop off in spending in 2020, but 2021 saw a recovery to \$39.7 billion, which is 3 percent higher than 2015 and 97% of 2019 levels.

2. SPORTS PARTICIPATION TRENDS

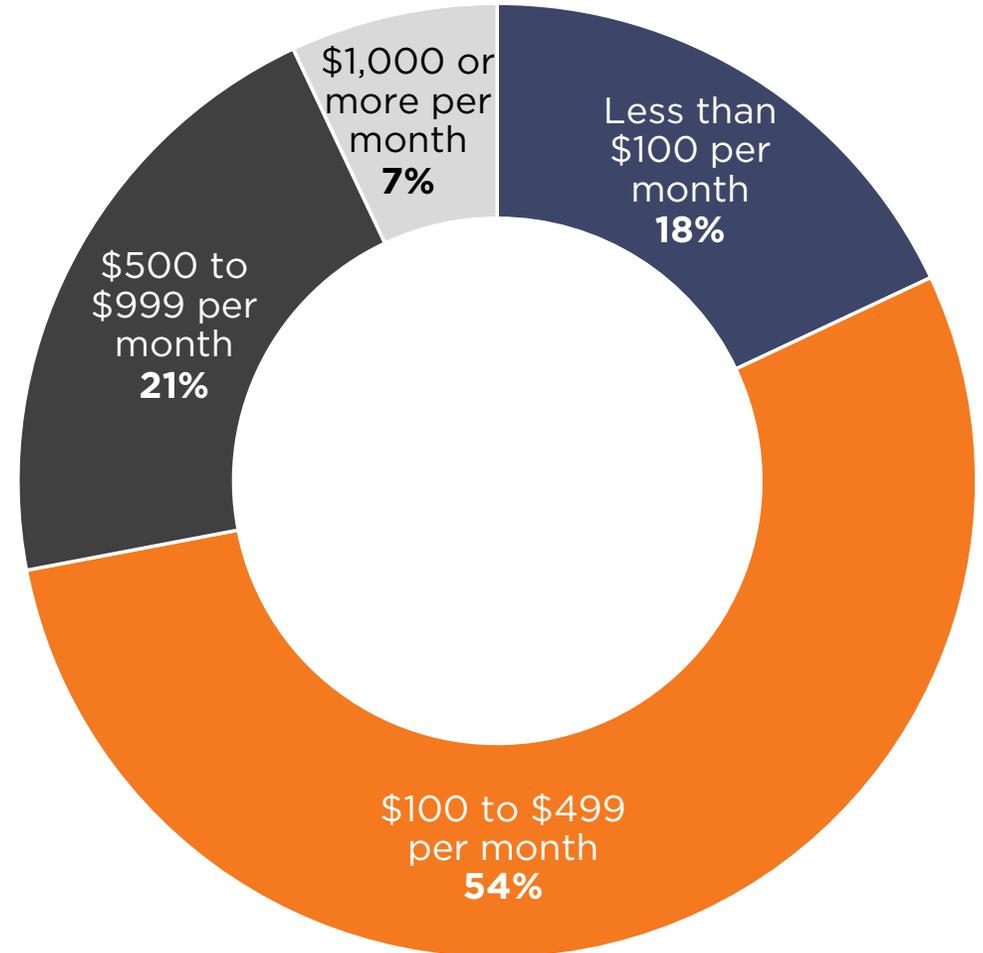


Household Spending on Athletic Activities

A decade ago, the Physical Activity Council reported that more than 54 percent of Americans aged six or older (approximately 156 million residents) participated in physical activities, including organized sports. Since that time, annual participation has remained relatively constant. Because of the popularity of these types of activities, the sports tourism industry has seen sizeable growth.

As shown in the chart to the right, a 2019 report by TD Ameritrade estimates that more than one in four families with youth participating in sports spends \$500 or more each month on registration fees, travel, equipment, and other such expenses related to athletic activities per child. This level of spending has contributed to the elevation of the youth sports tourism industry as one of the fastest-growing segments of travel. According to a study by TD Ameritrade, the youth sports tourism was an estimated \$17 billion industry in 2019.

U.S. Families Monthly Expenditures on Youth Sports per child



2. SPORTS PARTICIPATION TRENDS



Household Spending on Athletic Activities

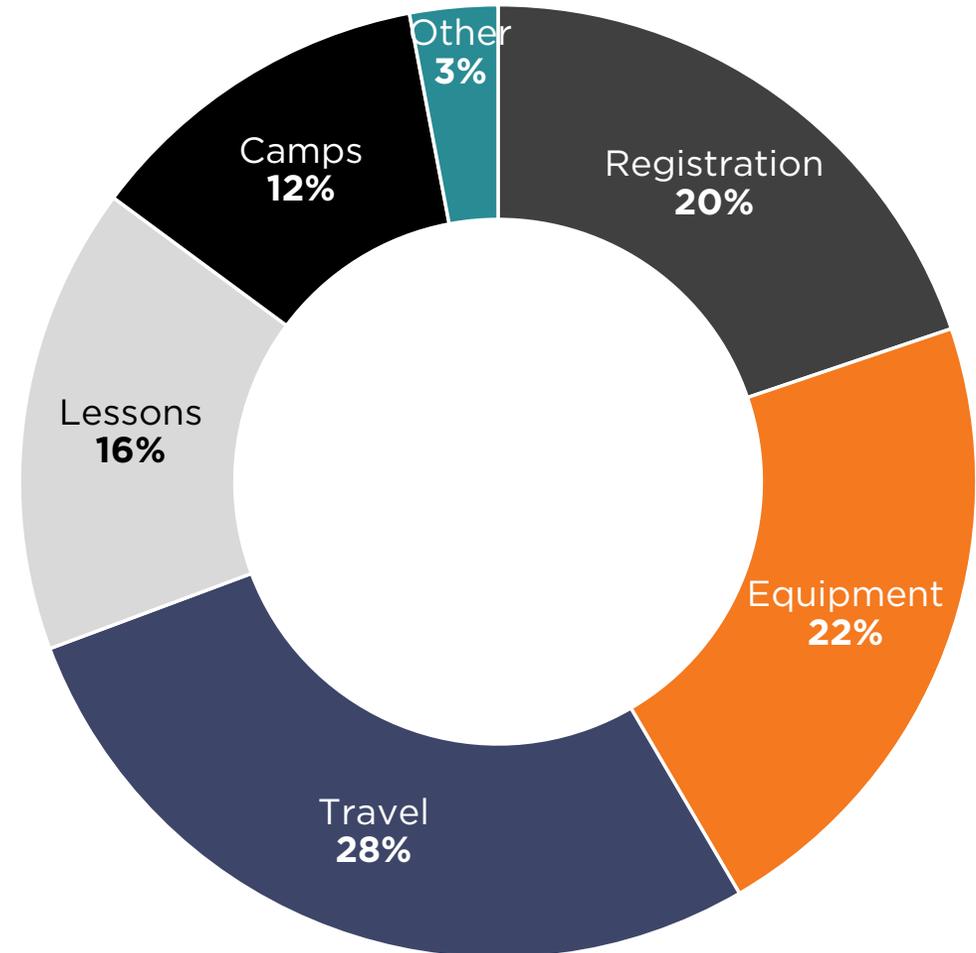
Annual Expenditures

The chart to the right shows the allocation of household spending towards youth sports. Participation in elite travel club organizations and tournaments provides young athletes with the opportunity to face higher levels of competition, gain exposure to coaches, staff, and scouts for elite club programs and higher education institutions, and further develop young athletes' skills within a given sport.

Families have progressively spent more on youth sports as local league and school participation has been increasingly supplemented by private club teams. As shown, travel-related costs account for nearly a third of annual expenditures related to athletic activities. The cost of equipment is the second-highest proportion of participation costs (approximately 22 percent), followed by registration fees (20 percent), private lessons (16 percent), camps (12 percent), and other expenditures (three percent).

As a youth sports center, the proposed Northlake Sports Center could provide a variety of programming such as camps, clinics, league play, and tournaments. Therefore, the facility could be in a position to capture up to 80 percent of the spend families dedicate to athletic activities each year.

Allocation of Annual Expenditures



2. SPORTS PARTICIPATION TRENDS



Household Spending on Athletic Activities

Annual Cost by Sports

The magnitude of spending related to participation in athletic activities is dependent, in large part, on the specific sport. The chart to the right provides an overview of the average annual cost to participate in various organized sports as estimated by TD Ameritrade via a poll conducted in 2019 by Harris. As shown, costs to participate in organized sports within the U.S. can range from an average of \$268 per participant, per year (flag football) to a high of \$2,583 per participant, per year (ice hockey).

Some sports, such as ice hockey, skiing, and snowboarding, require expensive equipment to participate. Additionally, some sports also require the rental of playing surfaces to participate, such as ice time for ice hockey and figure skating or slope passes for skiing and snowboarding. The cost of goods and services within a market area as well as the popularity of the sport within the region can influence the relative cost to participate.



2. SPORTS PARTICIPATION TRENDS



Summary

A review of the sports participation trends at the national and regional level provides a framework from which to assess the potential demand for various programming anticipated to be hosted at the proposed Northlake Sports Center. The following are key findings and conclusions of the sports participation research:

Consistent Participation



The participation in sports that would have potential programming at the proposed facility has generally remained stable over the past decade.

Low Ice Sport Participation



The West South Central region experiences relatively lower levels of participation in ice sports such as hockey and figure skating when compared to the nation as a whole.

High Basketball Participation



The West South Central region over indexes in participation for basketball.

Recovery in Sports Travel Spending



Sports travel spending in 2021 recovered two-thirds of the losses it sustained from the COVID-19 pandemic.

High Spending Per Child



Nearly 30 percent of families spend \$500 or more monthly on youth sports per child and over 80 percent spend over \$100 per child.



3

LOCAL MARKET CONDITIONS



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3. LOCAL MARKET CONDITIONS



Introduction

The success and long-term viability of the proposed Northlake Sports Center is, to a large extent, dependent on the demographic and socioeconomic characteristics of the local and regional market in which the facility would operate. Key market characteristics that may impact the viability of the proposed facility include:



Population



Age



Income



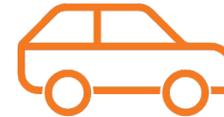
Diversity



Employment



Corporate Base



Accessibility



Hotels and
Lodging

For the purposes of this analysis, the primary market for programming and utilization hosted at the proposed Northlake Sports Center is anticipated to be a 30-minute drive (“Primary Market”). Additionally, a limited number of participants are anticipated to originate within a broader secondary market, which is defined as the Dallas-Fort Worth-Arlington Core-Base Statistical Area (“CBSA” or “Secondary Market”). A CBSA is a U.S. geographic area defined by the U.S. Office of Management and Budget based around an urban center of at least 10,000 people and adjacent areas that are socioeconomically tied to the urban center by commuting.

Additionally, for larger regional events, such as tournaments, competitions or invitationals, industry research indicates that participants are willing to travel, on average, up to four hours by car to participate. For purposes of this report, a four-hour drive time radius (“Tournament Market”) was applied to estimate the potential tournament market for the proposed Northlake Sports Center. Occasionally, sports complexes can pull from national markets, but these opportunities are less frequent and highly competitive.

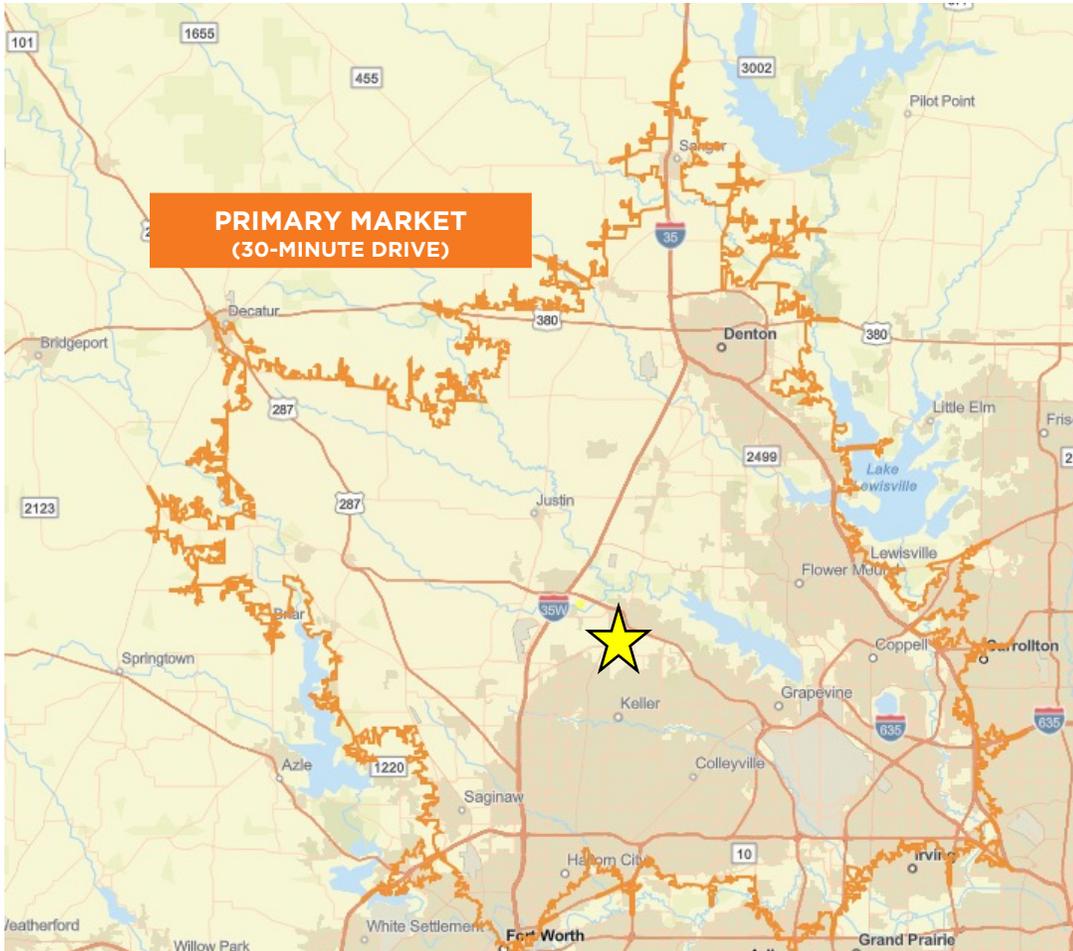
3. LOCAL MARKET CONDITIONS



Market Areas

The identified catchment market areas for the proposed Northlake Sports Center are shown in the maps below.

Primary Market



Source: ESRI

Secondary & Tournament Market



Source: ESRI

3. LOCAL MARKET CONDITIONS



Population

The ability of the proposed facility to attract sports utilization is impacted by the size of the regional population from which the facility can expect to draw visitors. The primary market is home to 1.7 million residents and is projected to grow at a 1.1 percent annual rate over the next five years. This is approximately 4.5 times higher than the national growth rate, which is projected at 0.2 percent annually.

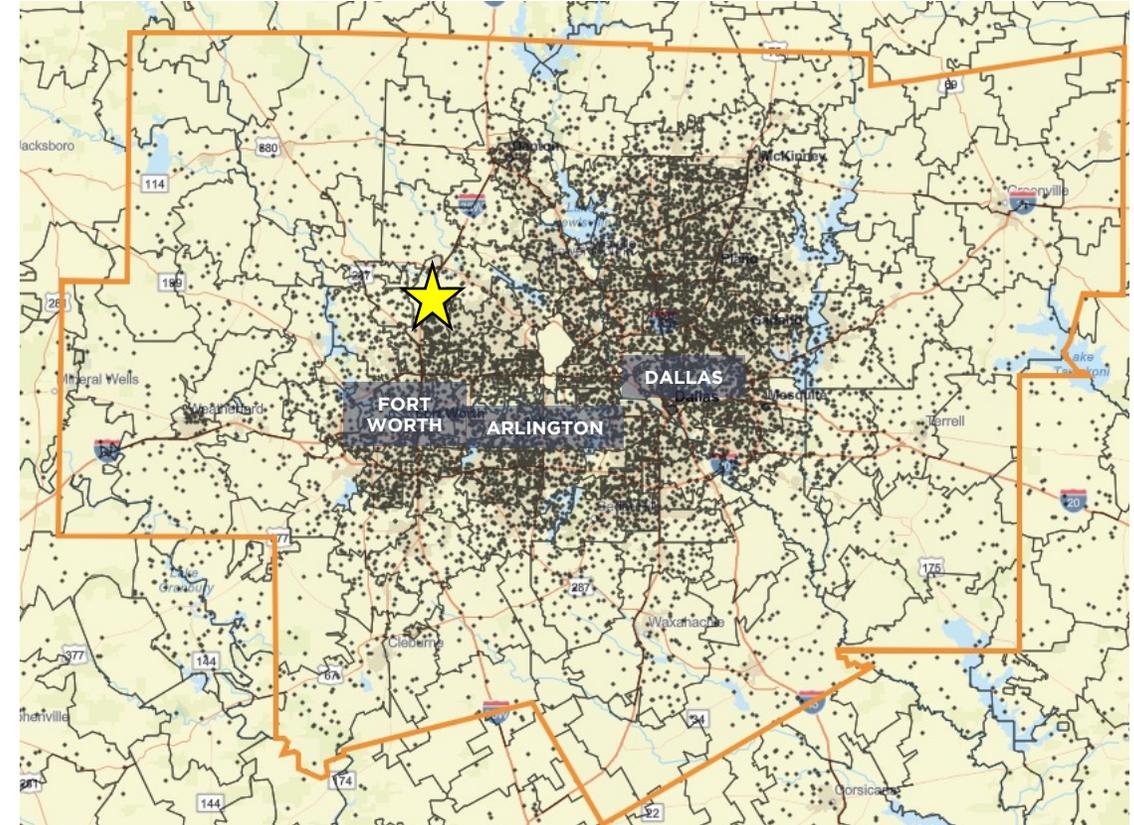
The Dallas-Fort Worth CBSA is home to approximately 7.9 million people, ranking as the fourth largest CBSA in the United States. Over the next five years, the population in the DFW area is estimated to grow by approximately 1.1 percent annually over the next five years, similar to that of the primary market area.

Characteristic	Population			
	Primary Market (30 Minute Drive Time)	Secondary Market (Dallas-Fort Worth-Arlington CBSA)	Tournament Market (4 Hour Drive Time)	U.S.
2010 Population	1,335,513	6,366,542	16,036,895	308,745,538
2022 Population	1,670,279	7,961,535	18,834,219	335,707,897
2027 Population	1,763,115	8,393,172	19,717,997	339,902,796
Historical Growth	1.9%	1.9%	1.3%	0.7%
Projected Growth	1.1%	1.1%	0.9%	0.2%
Total Households	517,790	2,877,711	6,993,001	128,657,669

Source: ESRI.

The map to the right shows the population density of the CBSA. The major population centers in the area are located to the south in downtown Fort Worth and to the east in the Dallas area. The area immediately surrounding the proposed Northlake Sports Center less dense than much of the non-rural areas in the throughout the secondary market.

Population Density
Dallas-Fort Worth CBSA



Source: ESRI.

1 Dot = 500 residents.

3. LOCAL MARKET CONDITIONS



Age

The age distribution of a market’s population can be indicative of the total base from which to draw participants and can also serve to influence the types of programming offered at the proposed Northlake Sports Center.

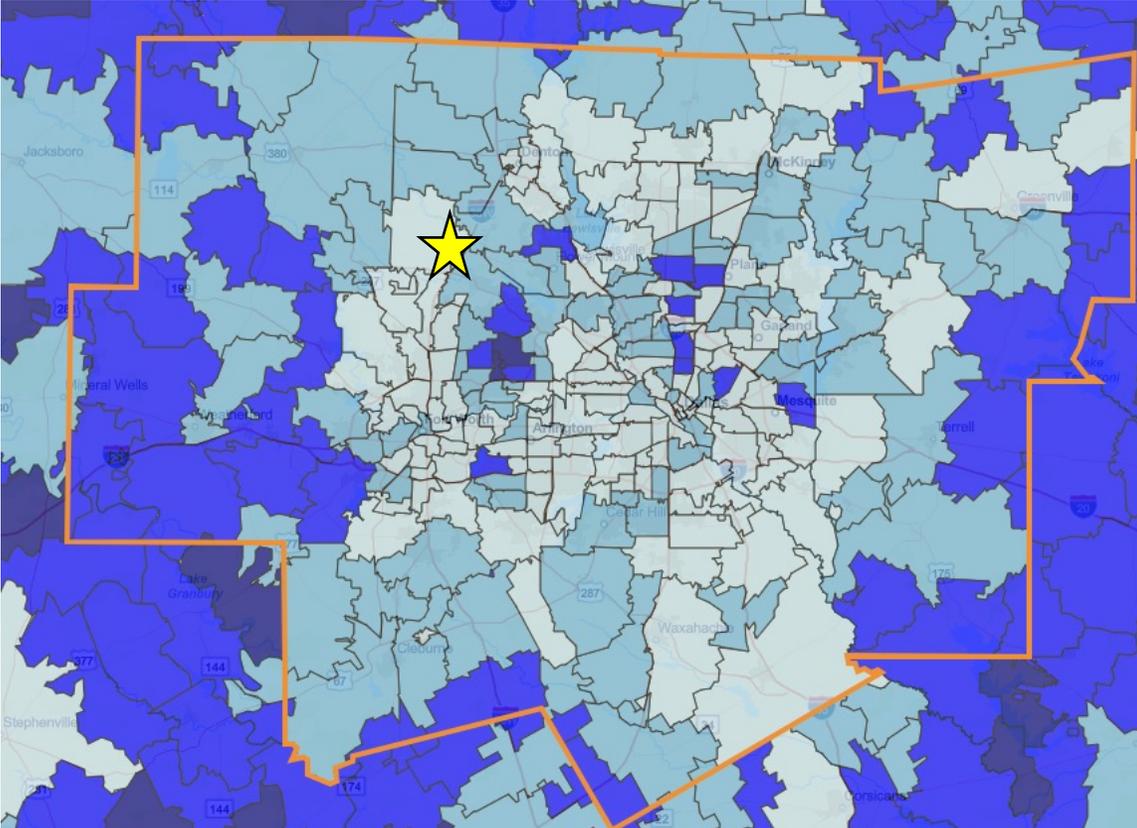
Within the primary market, the median age is 35.1 years old, which is 3.8 years younger than the national average of 38.9 years old. The youth sports population is typically drawn from the ages of five to 18. In the primary market, this population makes up 18.9 percent of the population which, is approximately 10 percent higher than that of the nation as a whole (17.2 percent). The secondary market’s proportion of residents within this range is also above the nation as a whole with 19.5 percent of the population falling between five and 18 years old.

Characteristic	Age			
	Primary Market (30 Minute Drive Time)	Secondary Market (Dallas-Fort Worth-Arlington CBSA)	Tournament Market (4 Hour Drive Time)	U.S.
Median Age	35.1	35.3	36.1	38.9
Age Distribution:				
Under 15	20.2%	21.1%	20.1%	18.1%
15 to 24	13.7%	13.3%	13.6%	12.8%
25 to 34	15.9%	15.3%	14.8%	14.0%
35 to 44	14.4%	14.1%	13.5%	12.8%
45 to 54	12.7%	12.3%	11.8%	12.0%
55 to 64	11.5%	11.4%	11.7%	12.8%
65+	11.7%	12.6%	14.6%	17.5%
Youth Sports Ages:				
5 to 18	18.9%	19.5%	18.6%	17.2%

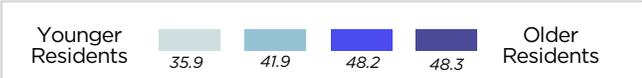
Source: ESRI.

The map to the right illustrates the median age distribution of the market for the proposed facility. As shown, the area immediately surrounding the proposed Northlake Sports Center have younger median ages than other portions of the CBSA.

Age Distribution
Dallas-Fort Worth CBSA



Source: ESRI.



3. LOCAL MARKET CONDITIONS



Household Income

An important socioeconomic characteristic that provides insight into a market’s ability to allocate discretionary income to youth sports, concessions, and other items at the proposed Northlake Sports Center is household income. The median household income in the primary market is \$91,523 which is 26 percent higher than the national median of \$72,414. The secondary market also has a higher median household income than the nation as a whole (\$79,627). It is also notable that the primary market has a 15 percent higher median household income than the secondary market as a whole.

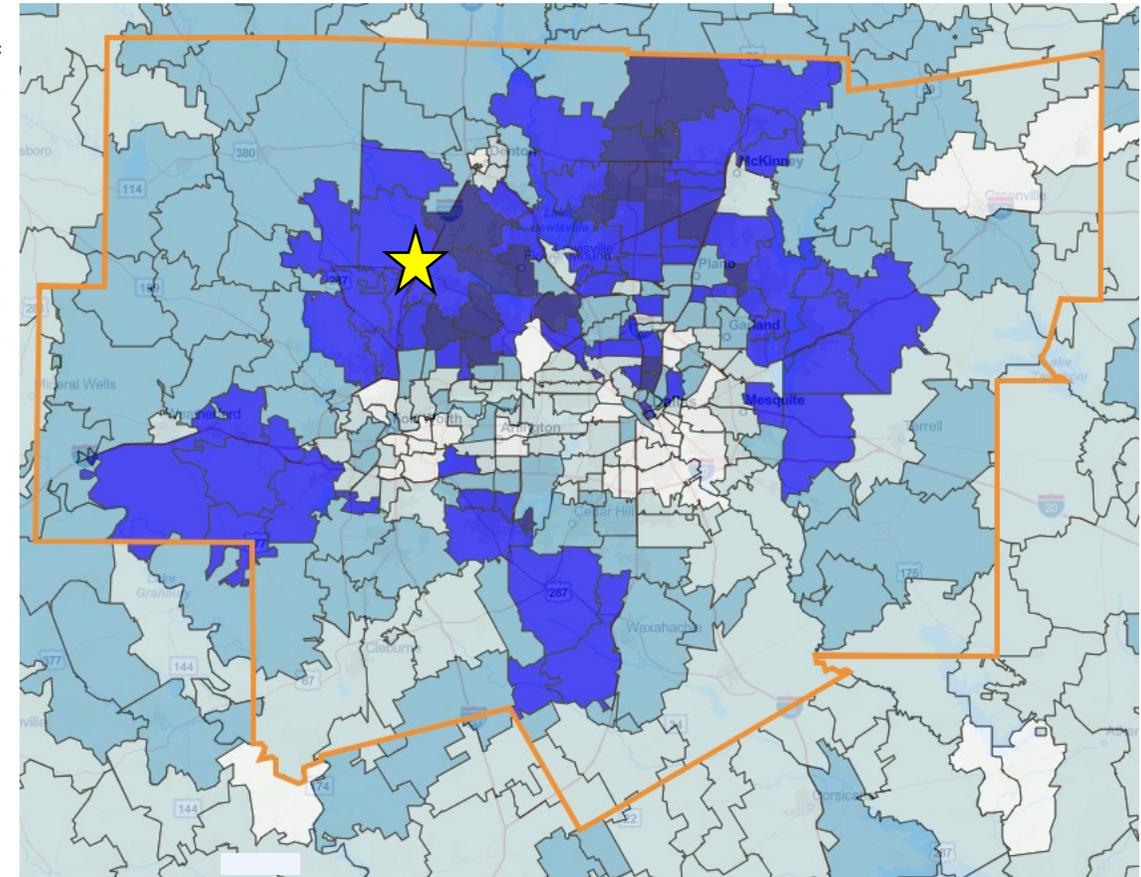
Any discussion of household income should consider the cost of living of an area. The cost of living indicates how expensive or inexpensive a city is, relative to the nation as a whole. The national average is 100.0, and the Dallas-Fort Worth area has a cost of living index of 101.2, indicating that Dallas-Fort Worth residents are accustomed to paying slightly elevated prices for products and services compared to the nation as a whole. When adjusting median household income for cost of living, the income in the CBSA decreases to \$90,438, which is 24.9 percent greater than the national median of \$72,414.

Household Income				
Characteristic	Primary Market (30 Minute Drive Time)	Secondary Market (Dallas-Fort Worth-Arlington CBSA)	Tournament Market (4 Hour Drive Time)	U.S.
Median Household Income	\$91,523	\$79,627	\$72,215	\$72,414
Cost of Living	101.2	101.2	101.2	100.0
Adjusted Median Household Income	\$90,438	\$78,683	\$71,359	\$72,414
Income Distribution				
\$0 to \$24,999	8.5%	11.6%	14.9%	15.8%
\$25,000 to \$74,999	33.3%	35.2%	36.5%	35.5%
\$75,000 to \$99,999	14.5%	13.9%	13.5%	13.2%
\$100,000 to \$149,999	19.9%	18.7%	17.4%	17.2%
\$150,000 and Over	23.8%	20.7%	17.6%	18.3%

Source: ESRI.

The map on the right shows the distribution of median household income of the market area. As shown, the proposed facility’s location is in a relatively high-income area, with similarly high-income areas located north of Dallas and Fort Worth and lower-income areas located closer to the city centers.

Household Income Distribution
Dallas-Fort Worth CBSA



Source: ESRI.



3. LOCAL MARKET CONDITIONS



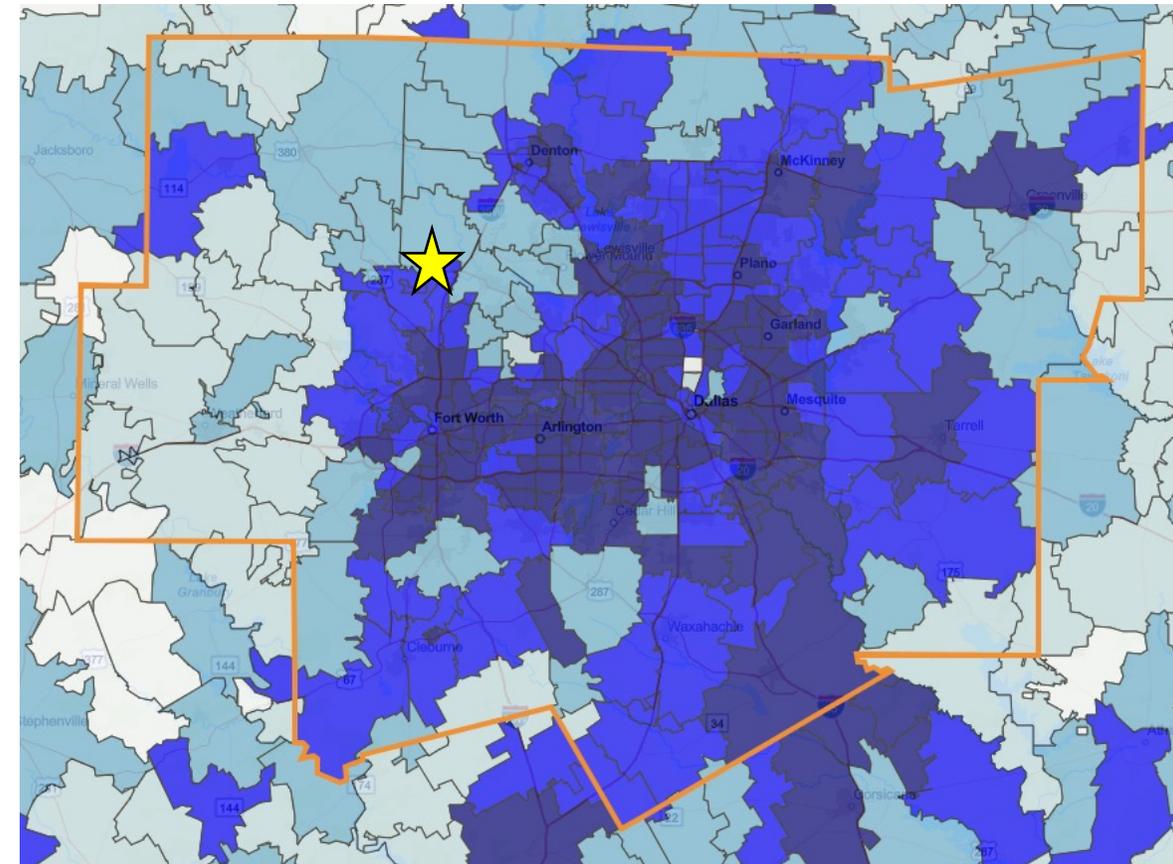
Diversity

Another factor that will influence the types of sports and recreational offerings at the proposed Northlake Sports Center is the ethnicity makeup of residents within the market.

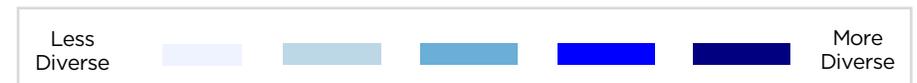
The map to the right provides an overview of the diversity index of residents within the secondary market. The diversity index refers to the probability (0 to 100) that two people chosen at random from a specified market catchment would belong to different race or ethnic groups. High scores indicate a more diverse population while a low index score indicates a more uniform population base. The location of the proposed facility is in a relatively diverse area. The primary market's diversity index (78.4) is nine percent more diverse than the U.S. (71.6) and the secondary market (82.5) has a score 15 percent higher than the nation as a whole. The diversity index generally increases closer to the downtown core of Dallas and Fort Worth. It is worth noting that while the primary market is more diverse than the nation as a whole, it is less diverse than the secondary market.

The table below provides an overall breakdown of the ethnicities of residents of the various markets as well as the nation as a whole. As shown, more than 50 percent of residents within the primary market identify as a minority, which illustrates the importance of the proposed facility to offer a variety of programming and recreational activities that appeal to a diverse population.

Ethnic Diversity
Dallas-Fort Worth CBSA



Source: ESRI.



Characteristic	Diversity			
	Primary Market (30 Minute Drive Time)	Secondary Market (Dallas-Fort Worth-Arlington CBSA)	Tournament Market (4 Hour Drive Time)	U.S.
Diversity Index	78.4	82.5	78.2	71.6
Ethnic Makeup				
White	49.1%	42.3%	49.9%	57.3%
Black/ African American	10.2%	15.6%	13.0%	12.0%
Other (i.e. American Indian, Pacific Islander,	5.4%	4.6%	6.3%	5.6%
Hispanic	24.4%	29.6%	25.5%	19.0%
Asian	11.0%	8.0%	5.3%	6.0%

Source: ESRI.

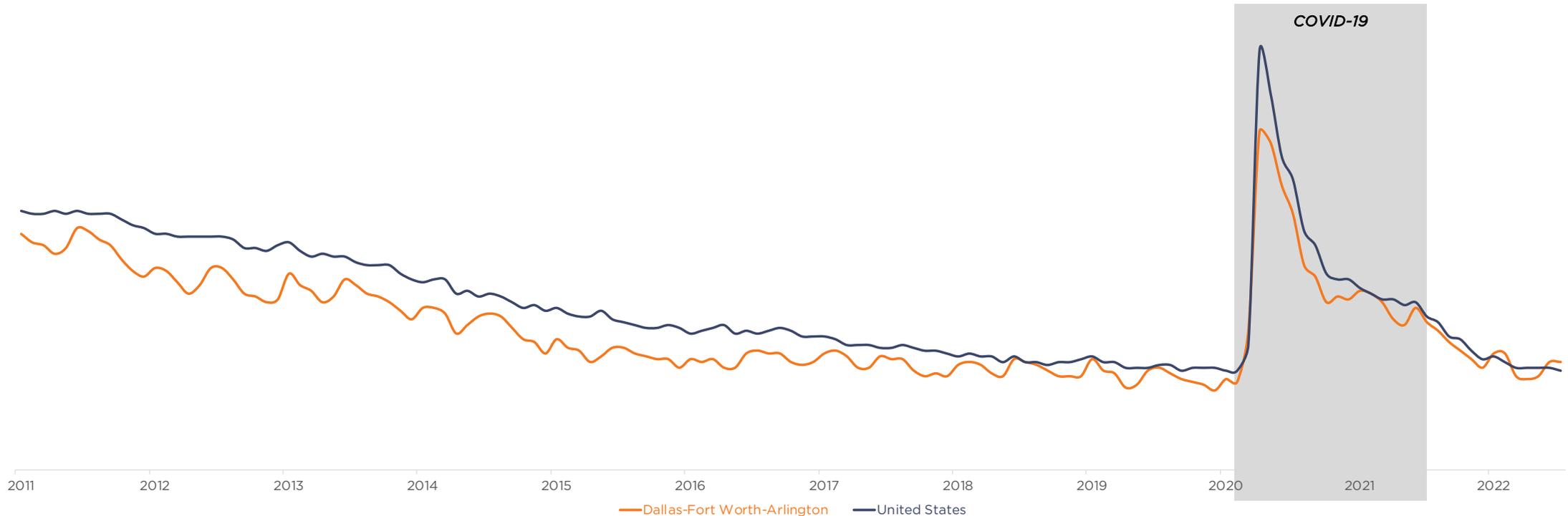
3. LOCAL MARKET CONDITIONS



Unemployment

Unemployment rates can be a predictor of economic health within a region. Higher unemployment rates are typically associated with poor economic health and impact the regional market's disposable income and spending behaviors.

According to the U.S. Bureau of Labor Statistics, the unemployment rate in the Dallas-Fort Worth area in July 2022 was 3.8 percent, which was slightly higher than the national rate of 3.5 percent. As shown in the chart below, on average, from 2011 to 2020, prior to the COVID-19 pandemic, the Dallas-Fort Worth unemployment rate has been 16 percent lower than the national rate.



Source: US Department of Labor.

3. LOCAL MARKET CONDITIONS



Corporate Base

Identifying large employers in the area of the proposed Northlake Sports Center is important as these companies could be prime candidates to serve as sponsors for various teams or tournaments hosted at the facility.

The table to the right presents the top 25 largest employers within the Dallas-Fort Worth Area in 2021 as compiled by the Dallas Business Journal.

The largest employer within the region, employing approximately 30,000 people, is American Airlines, followed by Texas Health Resources (26,000), and Lockheed Martin (22,950).

Companies in the hospitals and health care industry represent seven of the 25 largest employers, the most of any industry, employing over 110,000 workers locally.

Top 25 Major Employers Dallas-Fort Worth			
Rank	Company	Industry	Number Local of Employees
1	American Airlines	Airlines/Aviation	30,000
2	Texas Health Resources	Hospital & Health Care	26,000
3	Lockheed Martin	Aviation & Aerospace	22,950
4	University of Texas Southwestern Medical Center	Hospital & Health Care	20,167
5	Baylor Scott & White Health	Hospital & Health Care	18,195
6	Medical City Healthcare	Hospital & Health Care	17,000
7	University of North Texas System	Higher Education	14,730
8	Bank of America	Financial Services	13,650
9	Parkland Health & Hospital Systems	Hospital & Health Care	13,095
10	JPMorgan Chase Bank	Financial Services	13,050
11	City of Dallas Office of Economic Development	Governmental Administration	12,695
12	Fort Worth ISD	Education	11,000
13	General Motors Arlington Assembly	Automotive	10,507
14	Southwest Airlines	Airlines/Aviation	9,915
15	State Farm	Insurance	9,800
16	Dallas County	Governmental Administration	8,715
17	Methodist Health Systems	Hospital & Health Care	8,638
18	Raytheon Technologies	Aviation & Aerospace	8,600
19	Garland ISD	Education	8,400
20	Frisco ISD	Education	8,009
21	The University of Texas at Arlington	Higher Education	7,657
22	JPS Health Network	Hospital & Health Care	7,132
23	City of Fort Worth	Governmental Administration	6,700
24	Lewisville ISD	Education	6,500
25	Fidelity Investments	Financial Services	6,200

Source: Dallas Business Journal.



3. LOCAL MARKET CONDITIONS



Regional Accessibility: Driving Access

Ease of access is important to the viability of the proposed Northlake Sports Center as the vast majority of the attendees and participants will originate from within the local or regional market. The map to the right provides an overview of major thoroughfares and roadways that will give residents and visitors access to the site location.

Located near the intersection of State Highway 114 and I-35, the Northlake site would provide relatively convenient access for residents in the Dallas-Fort Worth area. Dallas-Fort Worth is also centrally located within the North Texas area which could make the proposed facility an attractive location to host regional events and tournaments. There are approximately 18.8 million residents within a four-hour drive, with the major cities of San Antonio and Houston just outside that drive time. The regional area also includes several major highways including I-35 leading south to Waco, Austin, and San Antonio, and north to Oklahoma City, I-45 leading south to Houston, and I-20 leading east to Shreveport and west to Abilene.

The table to the right presents a list of the metropolitan areas located within a four-hour drive of Northlake, as it is estimated that the vast majority of tournament participants and visitors will originate from within this distance.

Drive Distance Cities Within Tournament Market			
City	Distance	Drive Time	Population
Fort Worth, TX	20 miles	30m	967,000
Dallas, TX	35 miles	50m	1,321,000
Wichita Falls, TX	100 miles	1h 30m	102,000
Waco, TX	110 miles	2h	141,000
Abilene, TX	170 miles	2h 50m	127,000
Killeen, TX	165 miles	3h	157,000
Oklahoma City, OK	180 miles	3h 10m	703,000
Austin, TX	210 miles	3h 40m	1,058,000
Shreveport, LA	220 miles	3h 30m	184,000
Houston, TX	275 miles	4 hr 30m	2,356,000
San Antonio, TX	290 miles	4hr 45m	1,453,000
TOTAL IN MARKET			18,750,000

Note: Sorted in order by distance/drive time from proposed StarCenter.
Source: ESRI.

Driving Access



3. LOCAL MARKET CONDITIONS



Regional Accessibility: Air Access

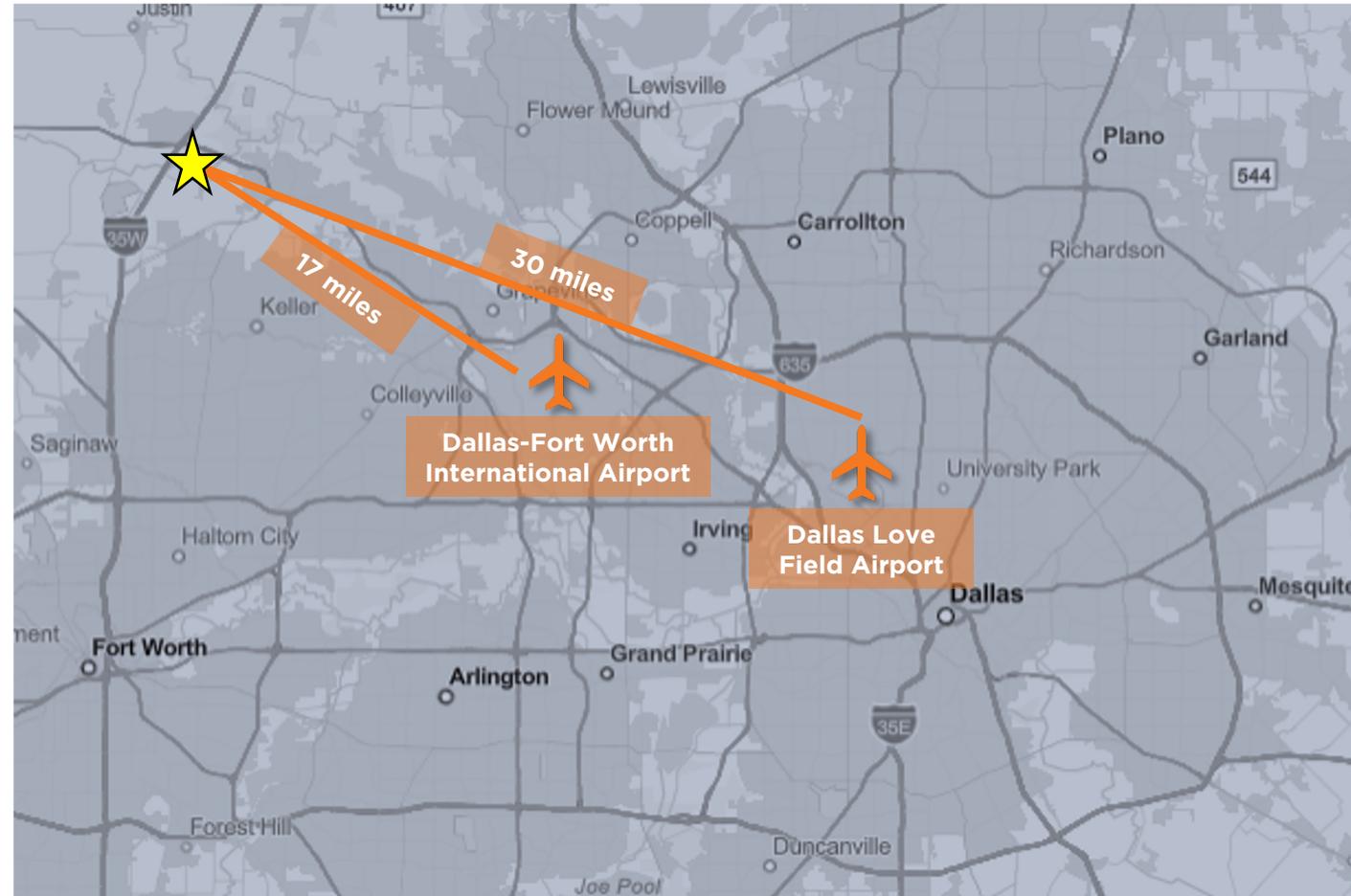
Although it is estimated that the vast majority of participants and visitors to the proposed Northlake Sports Center will originate from within a four-hour drive of the site location and will arrive by car, air access can be an important factor in attracting tournament participants and spectators from regional or national locations. Typically, larger regional and national tournaments as well as collegiate showcases can attract teams and coaches from across the country that would arrive by plane.

The Dallas-Fort Worth International Airport is the primary commercial airport servicing Dallas-Fort Worth and is the 4th busiest airport in the country with passenger traffic exceeding 75 million in 2019. Major carriers such as American Airlines, Spirit, and United have routes which connect the area to 189 non-stop domestic locations as well as 72 international locations.

In addition to Dallas-Fort Worth International Airport, the region is also serviced by Dallas Love Field Airport. Love Field is located farther away from the proposed facility and is a smaller airport with only 20 gates with service to 67 domestic locations. Love Field primarily serves as a hub for Southwest Airlines, but also has flights serviced by Alaska Airlines and Delta.

The map to the right provides an overview of these two key airport access points in relation to the site location of the proposed Northlake Sports Center.

Air Access



3. LOCAL MARKET CONDITIONS



Hotels and Lodging

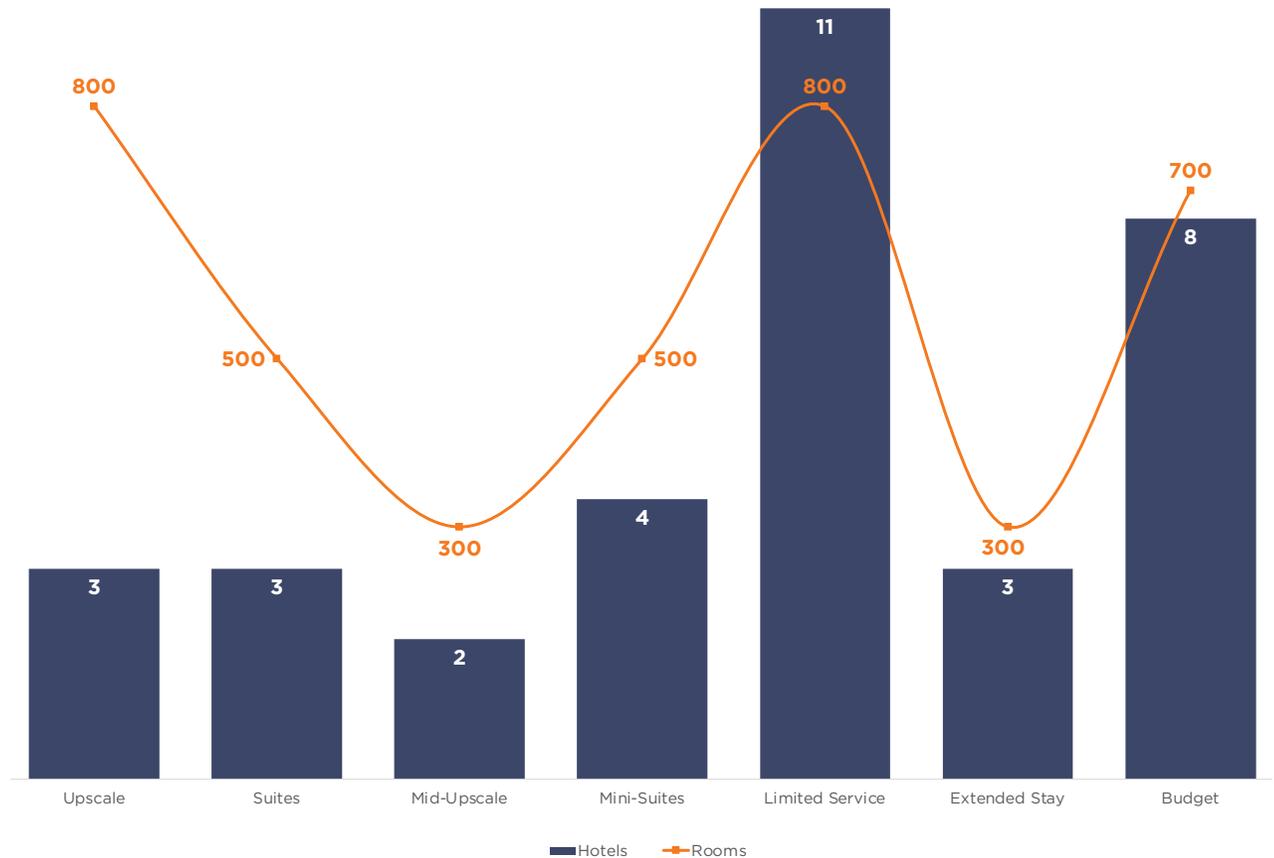
The ability of the proposed Northlake Sports Center to take advantage of the full tournament market is contingent on the ability for participants and visitors to be housed overnight. Thus, a developed lodging market must be available for these participants and their families who travel to the area. The Northlake location's proximity to the Dallas-Fort Worth metro area provides ample access to lodging facilities. There are also a number of facilities located in the more local Northlake/Denton market. As shown in the table below, the Northlake/Denton area is home to over 30 hotels that include over 4,000 hotel rooms, while the Dallas-Fort Worth area includes over 1,000 hotels and over 123,000 rooms.

Hotels Overview		
Market	Hotels	Total # Rooms
Northlake/Denton	34	4,019
Dallas/Fort Worth CBSA	1,073	123,500

Source: Cambria Hotels Feasibility Study 2019.

The graph to the right provides an overview of the hotel availability in the Northlake/Denton area by type of hotel. As shown, the area consists primarily of limited service and budget hotels which could provide a low-cost lodging option for those attending tournaments at the proposed facility. However, the diversity of hotel offerings provides patrons with a variety of options to choose from depending on their desired price point and experience.

Northlake / Denton Hotel and Room Count by Hotel Type



Source: Cambria Hotels Feasibility Study 2019.

3. LOCAL MARKET CONDITIONS



Existing StarCenters in the DFW Area

The proposed Northlake Sports Center would likely be the ninth location run by the Dallas Stars in the Dallas-Forth Worth market. As such, it is beneficial to benchmark the local market areas of these facilities to provide a comparison to the market of the proposed facility.

The map to the right presents an overview of the 10-minute drive time area for each of the existing StarCenter facilities in the region.

As shown on the map, there is a strong presence of StarCenters in the northern suburbs of Dallas, but no presence north of Fort Worth. This presents a potentially strong opportunity for the Northlake location to pick up new users without cannibalizing utilization at existing facilities.

Current StarCenters in Dallas-Fort Worth



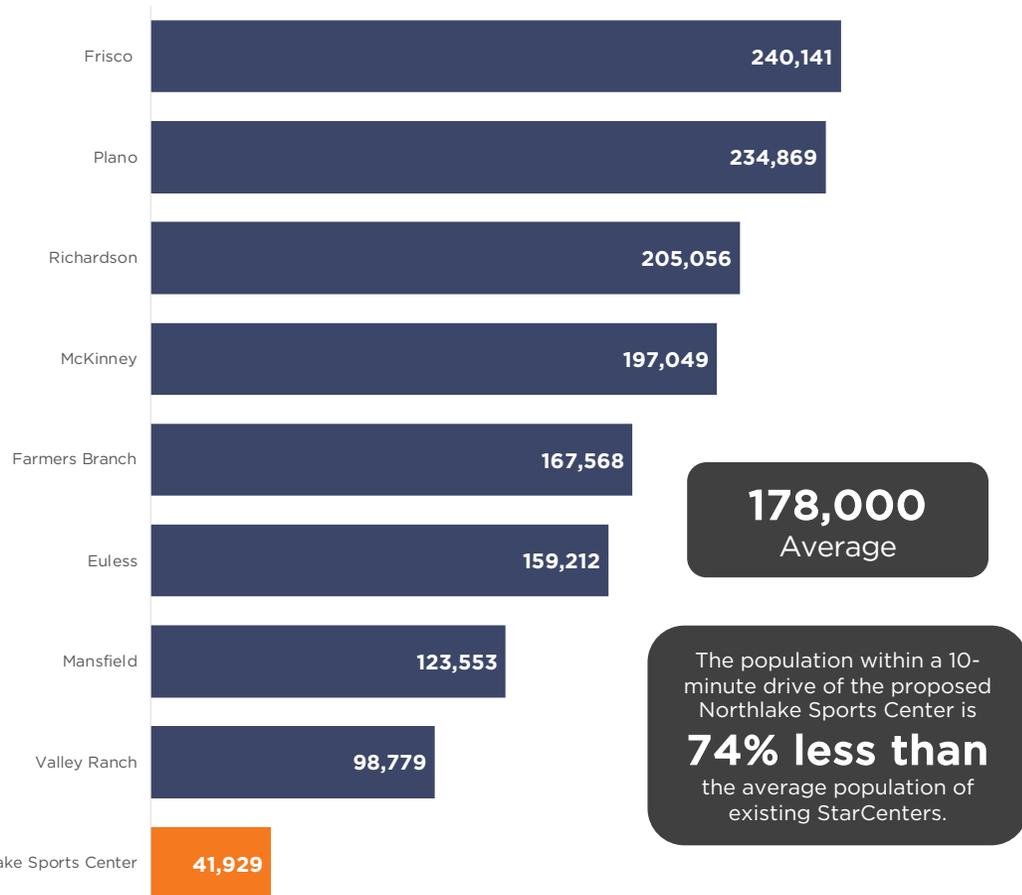
3. LOCAL MARKET CONDITIONS



Existing StarCenters in the DFW Area

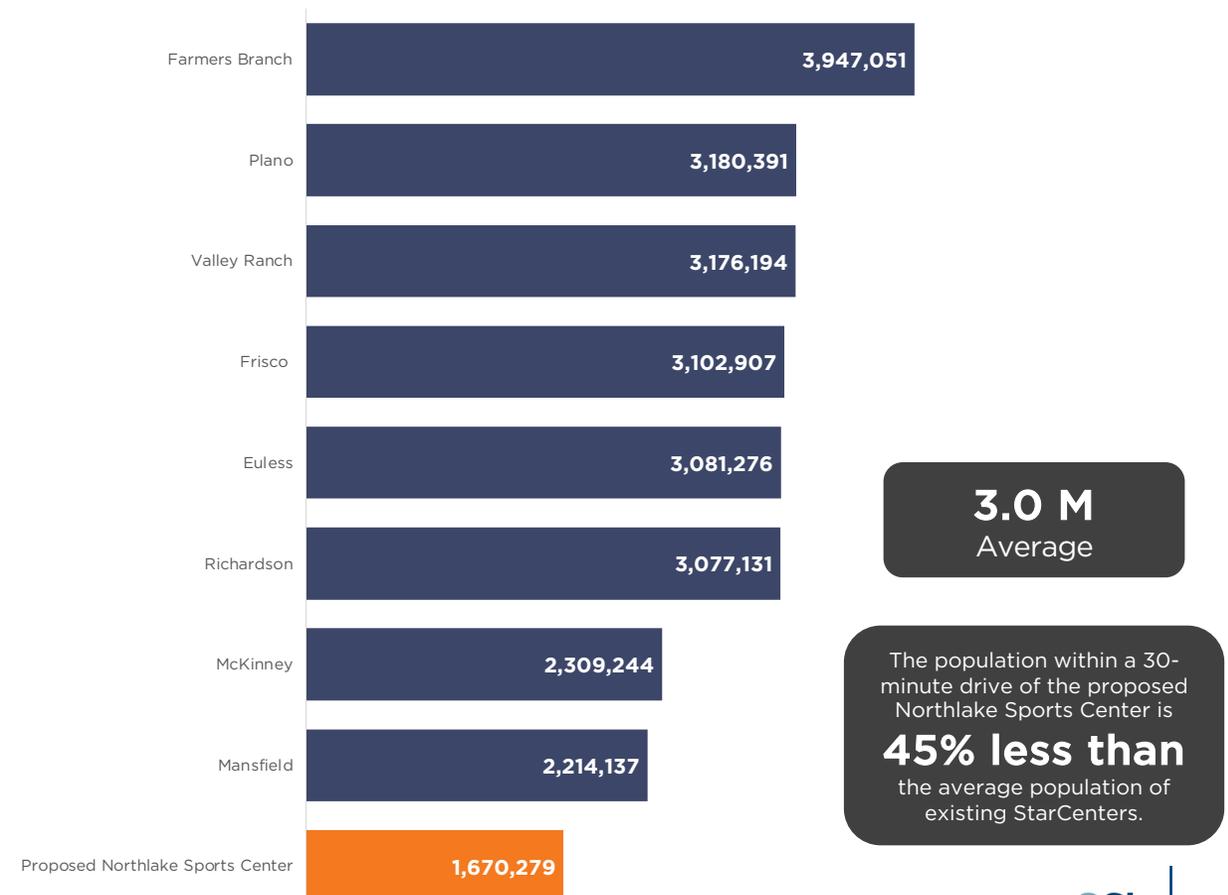
The charts below compare the local populations around each existing StarCenter to the proposed Northlake Sports Center. As shown, the proposed Northlake Sports Center would have the lowest population of any existing StarCenter within a 10-minute and a 30-minute drive of the facility.

10-Minute Drive Time Population Comparison



Source: ESRI.

30-Minute Drive Time Population Comparison



Source: ESRI.

3. LOCAL MARKET CONDITIONS



Key Takeaways

The following graphic presents key takeaways from the analysis of the local and regional marketplace.

Limited Local Population



The proposed site's primary market has a limited population base, especially as compared to other StarCenters within the CBSA, thus will rely on participants driving from further away to utilize rink and court spaces.

Young Population



The population within the primary market skews younger, relative to the U.S., which is positive for potential youth sports programming.

Diverse Populace



The proposed site's market is more diverse than the nation with both the primary and especially the secondary market scoring higher than the nation on the diversity index.

High Income



The primary market has a high median household income, as compared to both the Dallas-Fort Worth CBSA and the U.S. as a whole.

High Growth



The primary and secondary markets are notable for a fast population growth rate, outpacing projected growth within the U.S. as a whole by over four times.

High Accessibility



The proposed site is ideally situated near high traffic thoroughfares and highways, and the greater Dallas-Fort Worth area also includes a wide range of accessibility access including by car and air.



4

**COMPETITIVE &
COMPARABLE FACILITY
ANALYSIS**



CSL

4. COMPETITIVE & COMPARABLE FACILITY ANALYSIS



Introduction

The operations of the proposed Northlake Sports Center will be affected, to some extent, by the presence and operations of other existing StarCenters throughout the Dallas-Fort Worth Metroplex. These existing StarCenters both serve as benchmarks for the proposed venue as well as a source of competition for certain types of large-scale events.

The table to the right displays the eight currently-operational StarCenters in the Metroplex. As shown, the average StarCenter opened in 2004, contains two ice sheets, and is approximately 99,800 square feet.

Additionally, it is anticipated that other regional ice centers could compete with the proposed Northlake Sports Center, including NYTEX Sports Centre and Allen Community Ice Rink. These potentially competitive facilities have an average of two ice sheets as well as a variety of other sport facilities (i.e., basketball courts, etc.) and are approximately 83,500 square feet.

Finally, it can be useful to benchmark similarly-designed facilities from around the country that could be comparable to the proposed Northlake Sports Center in terms of operations and building program elements. Since the proposed facility is envisioned to include multiple sports, the table to the right includes comparable facilities that are multi-purpose in nature in addition to the StarCenters and other regional ice centers identified for analysis. As shown, the average comparable facility opened in 2019, has two ice sheets, and is approximately 228,700 square feet.

Following conversations with the Stars, and utilizing industry knowledge, the Farmers Branch, Frisco, and McKinney StarCenters have been identified as most comparable to the proposed facility from a utilization and financial operations perspective. Additionally, NYTEX Sports Centre has been identified as a potential competitive facility, and The Sport Stable, South Suburban Sports Complex, and MidAmerican Energy Company RecPlex have been identified as comparable facilities.

The following pages provide an in-depth look at these identified facilities to better understand the physical, operational, and financial characteristics of successful StarCenters in the Metroplex, other regional facilities, and comparable facilities.

Facility	Location	Year Opened	Ice Sheets	Facility Square Footage
Competitive and Comparable StarCenters				
Valley Ranch	Irving, TX	1997	1	85,000
Plano	Plano, TX	1999	2	120,000
Euless	Euless, TX	2001	2	30,000
Richardson	Richardson, TX	2001	2	51,000
Frisco	Frisco, TX	2003	2	208,000
Farmers Branch	Farmers Branch, TX	2004	2	95,000
McKinney	McKinney, TX	2009	3	131,000
Mansfield	Mansfield, TX	2018	2	78,000
Average		2004	2	99,750
Other Regional Ice Centers				
NYTEX Sports Centre	Richland Hills, TX	1999	2	140,000
Allen Community Ice Rink	Allen, TX	n/a	1	27,000
Average		1999	2	83,500
Comparable Ice Centers				
The Sport Stable	Superior, CO	2016	2	180,000
South Suburban Sports Complex	Highlands Ranch, CO	2021	3	206,000
MidAmerican Energy Company RecPlex	West Des Moines, IA	2021	2	300,000
Average		2019	2	228,667
Average - All Facilities		2007	2	127,000

Note: Sorted by year opened.



COMPETITIVE FACILITIES



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4. COMPETITIVE & COMPARABLE FACILITY ANALYSIS



Comerica Center

Location: Frisco, TX
 Distance from Northlake: 39 miles
 Year Opened: 2003

of Ice Sheets: 2
 Square Feet: 208,000
 Annual Tournaments: 15



In 2003, the Dallas Stars opened its sixth StarCenter location in Frisco as part of Deja Blue Arena, since renamed Comerica Center. The complex became the team’s headquarters and training facility and is part of a larger mixed-use development that includes a minor league ballpark (Riders Field), hotel and convention center.

The Comerica Center itself encompasses the Dallas Stars’ practice facility, executive offices, a StarCenter community ice rink, and a 6,000-seat multi-purpose arena that is home to the Texas Legends of the NBA G League and the Frisco Fighters of the Indoor Football League. The StarCenter rink hosts a variety of hockey-related programming including public skate, learn to skate, hockey and skating lessons, youth and adult hockey leagues, private ice rentals, and tournaments, as well as birthday parties, corporate events, broomball, and curling. While annual attendance data is not publicly available, the facility hosts 15 tournaments per year with a total of 450 to 500 teams.

The table to the right displays financial results of the StarCenter from July 2020 to June 2021. It should be noted that results may have been impacted by the COVID-19 pandemic. As shown, the largest source of revenue came from hockey and ice-related programming (\$1.2 million) such as camps, clinics, and leagues. Non-ice related revenue, which generated approximately \$408,000, is made up of concessions, advertising, merchandise, and rental revenue. In total, the facility generated approximately \$2.1 million in revenue.

Facility cost was the center’s largest expense and is primarily comprised of rent, which totaled \$582,000. In total, the ice center had \$1.1 million in operating expenses that resulted in a profit of approximately \$1.0 million.

Financial Results

	2020-2021
Revenue	
Non-Ice Related Revenue	\$408,000
Hockey-Ice Related Revenue	\$1,228,000
Academy-Ice Related Revenues	\$101,000
Figure Skating	\$16,000
Public Skating	\$90,000
Ice Rentals	\$213,000
Total Revenue	\$2,057,000
Expenses	
Payroll & Benefits	\$171,000
G&A	\$90,000
Facility Cost	\$582,000
Hockey and Skating Program	\$209,000
Total Operating Expenses	\$1,052,000
Net Profit / Loss	\$1,004,731

4. COMPETITIVE & COMPARABLE FACILITY ANALYSIS



Children's Health StarCenter | Farmers Branch

Location: Farmers Branch, TX
 Distance from Northlake: 37 miles
 # of Ice Sheets: 2
 Year Opened: 2004

Square Feet: 95,000
 Annual Visitors: 978,138
 Annual Tournaments: 15



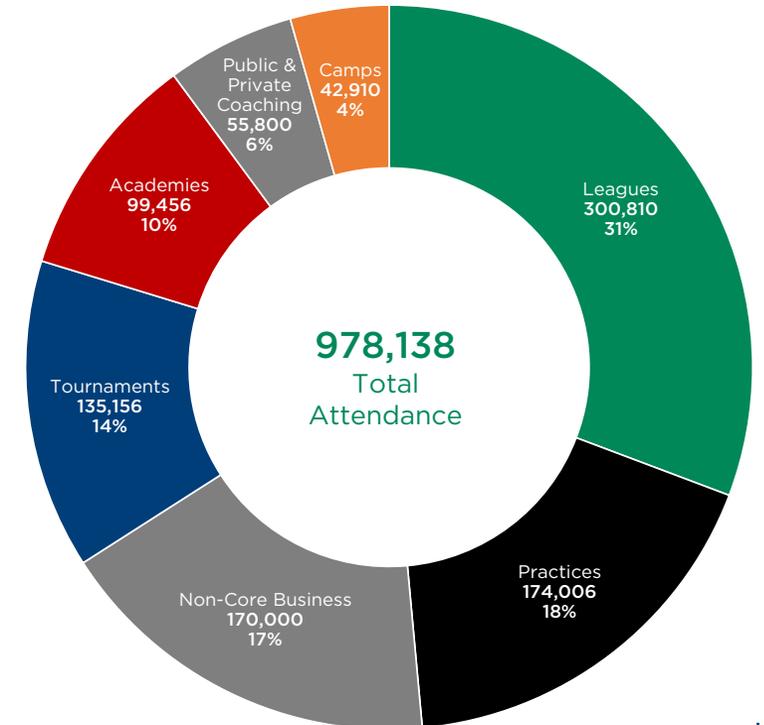
Opened in 2004, the StarCenter in Farmers Branch was the seventh StarCenter facility operated by the Stars in the Metroplex. The facility is also home to the Dallas Stars Alumni Center and the Texas Hockey History Center.

The facility underwent a renovation in 2018 that brought the overall size to 95,000 square feet and included an upgrade to the exterior of the building, a refresh of the lobby and rink viewing areas, as well as lighting and sound improvements. The ice center features two sheets of ice and hosts a variety of hockey-related programming including learn to skate programs, open skate, private lessons, youth and adult hockey leagues, private lessons, broomball, curling, and hockey tournaments. The facility also includes a snack shop and multiple private event areas for birthday parties and corporate events.

The chart to the right displays annual attendance by event type at the StarCenter in Farmers Branch. As shown, approximately 31 percent (301,000) of annual attendance comes from league play. The facility hosts eight leagues, including high school, adult, and youth, that range in size from four to 19 teams per league. The facility also hosts approximately 174,000 people per year for practices including participants, staff and spectators, as well as 170,000 from non-core business programming, which includes birthday parties, broomball, corporate events, and curling. In total, the facility sees approximately 978,000 annual visitors.

Approximately 135,200 attendees come from 15 annual tournaments. Tournaments range from 15 to 65 teams, with a total of approximately 500 teams hosted at the facility annually..

Ice Center Utilization



Note: Financial data was not available for the Farmers Branch location.

4. COMPETITIVE & COMPARABLE FACILITY ANALYSIS



Children's Health StarCenter | McKinney

Location: McKinney, TX
Distance from Northlake: 46 miles
of Ice Sheets: 3
Year Opened: 2009

Square Feet: 131,000
Annual Visitors: 1,088,572
Tournaments: 15



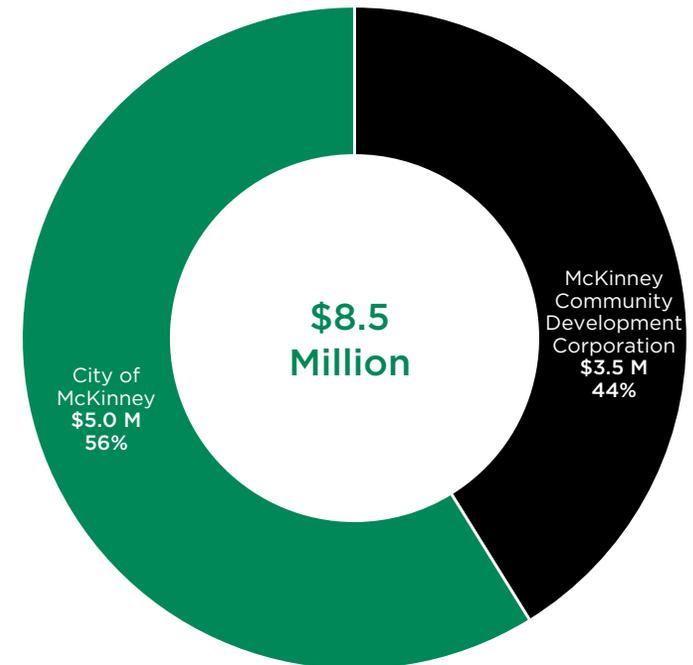
The StarCenter in McKinney, the eighth facility in the StarCenter network, opened in 2009. The facility was built on 7.3 acres of land in Craig Ranch and was a result of a partnership between the Stars, the City of McKinney, the McKinney Community Development Corporation, and Craig Ranch.

In 2017, the StarCenter added approximately 46,000 square feet to the facility that included constructing a third ice rink with 1,800 seats, additional parking, and locker rooms. The funding for the \$8.5 million expansion included \$3.5 million from the McKinney Community Development Corp, and \$5.0 million from the City of McKinney. The Stars pay annual rent to lease the facility from the City of McKinney. Annual rent rates were \$60,000 per month in years one through five, and \$65,000 per month in years six through 20 of the lease agreement.

The facility hosts a variety of on-ice programming across its three ice sheets including learn to skate programs, open skate, private lessons, youth and adult hockey leagues, private lessons, broomball, curling, and hockey tournaments. The ice center also contains a full-service StarStuff pro shop, a snack bar, and four meeting rooms.

Utilization and financial results for the facility are provided on the following page.

2017 Renovation Funding



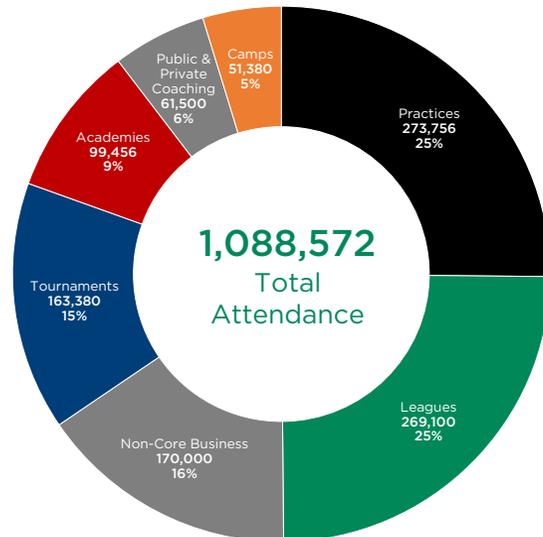
4. COMPETITIVE & COMPARABLE FACILITY ANALYSIS



Children's Health StarCenter | McKinney

Utilization

The chart below displays the annual attendance by event type at the StarCenter in McKinney. As shown, approximately 50 percent of the total utilization comes from practices and league play. The facility hosts eight youth, high school, and adult leagues with 82 total teams. Approximately 170,000 attendees come from non-core business, which includes broomball, curling, birthday parties, and corporate events. Approximately 163,000 attendees are generated from tournaments, which range from 20 to 75 teams in size. In total, there were approximately 600 teams hosted at the facility across 15 annual tournaments. In total, the StarCenter in McKinney has approximately 1.1 million visitors.



Financials

The table below displays financial results from July 2020 to June 2021. It should be noted that results may have been impacted by the COVID-19 pandemic.

As shown, the facility generated approximately \$2.3 million in revenue, primarily driven from \$1.1 million in hockey-ice related revenue (47 percent) including leagues and tournaments, and ice rentals. The facility also incurred approximately \$1.5 million in expenses, primarily driven by cost of the facility and payroll. In total, the StarCenter in McKinney generated a profit of approximately \$789,000.

	2020-2021
Revenue	
Hockey-Ice Related Revenue	\$1,112,000
Ice Rentals	\$628,000
Non-Ice Related Revenue	\$229,000
Figure Skating	\$162,000
Academy-Ice Related Revenues	\$140,000
Public Skating	\$47,000
Total Revenue	\$2,318,000
Expenses	
Facility Cost	\$752,000
Payroll & Benefits	\$390,000
G&A	\$212,000
Hockey and Skating Program	\$171,000
Travel	\$3,000
Total Operating Expenses	\$1,529,000
Net Profit / Loss	\$789,000



OTHER REGIONAL ICE CENTERS



CSL

4. COMPETITIVE & COMPARABLE FACILITY ANALYSIS



NYTEX Sports Centre

Location: Richland Hills, TX
Distance from Northlake: 23 miles
Year Opened: 1999

of Ice Sheets: 2
Square Feet: 140,000



NYTEX Sports Centre is a 2,400-seat multi-purpose arena in North Richland Hills, Texas. The facility was built in 1999 and is home to the Lone Star Brahmas of the North American Hockey League (NAHL), Texas Jr. Brahmas of the North American 3 Hockey League (NA3HL), and the Dallas Derby Devils of the Women's Flat Track Derby Association (WFTDA).

At the time of opening, the facility contained three sheets of ice, including a regulation-sized Olympic sheet. The east rink has since been converted to an indoor, multi-purpose arena used for numerous court sports, community events, and various Special Olympics competitions. The 30,000-square-foot gymnasium is also home to Tejas Volleyball, which is a USA Volleyball Club.

In addition to the ice sheets and multi purpose arena, NYTEX Sports Centre also includes an Italian restaurant, sports shop, various concessions, multiple locker rooms and training rooms, and team offices.

In terms of programming, NYTEX Sports Centre has a robust event schedule including public skate, learn to skate, youth and adult hockey leagues, hockey skills training, and mini-mites, in addition to Brahmas and Jr. Brahmas games. In the multi-purpose arena, the facility hosts a variety of sports including volleyball, roller derby, indoor soccer, indoor lacrosse, wrestling, fencing, and gymnastics.

The facility also hosts a number of birthday parties and private events, many of which can be hosted in the restaurant, which has a capacity of 135.





COMPARABLE ICE CENTERS



CSL

4. COMPETITIVE & COMPARABLE FACILITY ANALYSIS



South Suburban Sports Complex

Location: Highlands Ranch, CO
Year Opened: 2021

of Ice Sheets: 3
Square Feet: 206,000



The South Suburban Sports Complex opened in Highlands Ranch, Colorado, approximately 20 miles north of Denver, in 2021 after the South Suburban Parks and Recreation Department (“SSPRD”) outlined the desire for more indoor recreational amenities in its 2017 Master Plan. The SSPRD serves 160,000 residents in several cities and towns throughout Arapahoe, Douglas, and Jefferson counties.

The 206,000-square-foot complex contains a fieldhouse with two synthetic turf fields, two gymnasiums that can be divided into two full-size basketball courts, four junior basketball courts, four volleyball courts, or eight multiple pickleball courts, three ice rinks, a figure skating room, a pro shop, party rooms and offices, and a restaurant and bar overlooking the ice sheets. The main sheet of ice has seating for 800, which meets the requirement to host national tournaments.

Programming is offered year-round at the complex, offering a variety of sports and events to a wide age range. Along with adult hockey, open skate, learn to skate programs, youth recreational and travel hockey, and figure skating on the ice, the complex also offers both youth and adult basketball and volleyball leagues, indoor soccer leagues, racquetball leagues, and pickleball leagues, along with numerous camps and clinics that are offered throughout the year. Drop-in play is also available in addition to organized leagues. A number of birthday parties and corporate events are also hosted at the complex throughout the year.

In terms of rental rates, full court rental in the gymnasium ranges from \$65 (resident) to \$85 (non-resident) per hour, while half court ranges from \$45 to \$65 per hour. The rental rates for the turf field range from \$120 to \$140 from August to April and \$100 to 115 from May to July for the full turf. Ice rental rates are \$295 per hour.



4. COMPETITIVE & COMPARABLE FACILITY ANALYSIS



SPORT STABLE The Sport Stable

Location: Superior, CO
Year Opened: 2016

of Ice Sheets: 2
Square Feet: 180,000



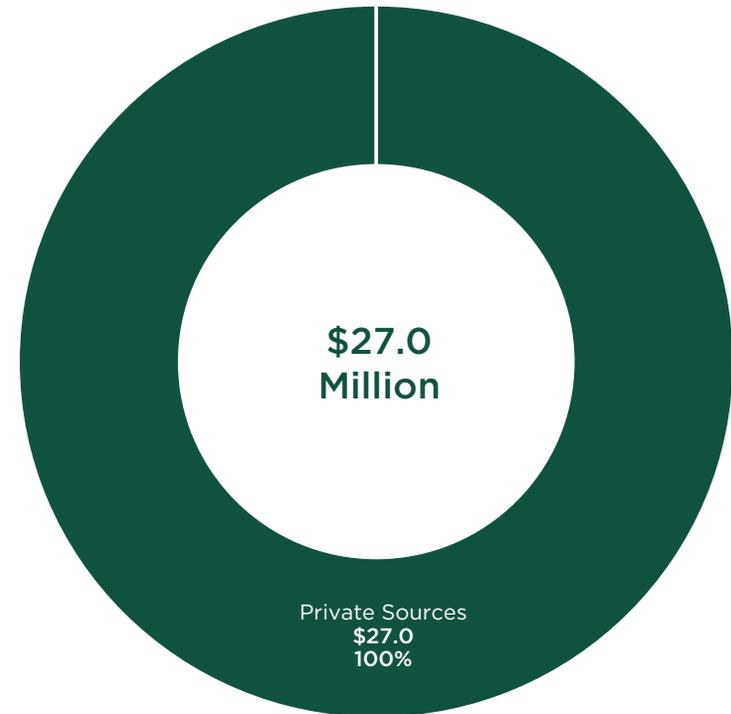
Opened in 2016, The Sport Stable is a 180,000-squarefoot sports complex located in Superior, Colorado approximately 25 miles northwest of Denver. The complex is home to the Monarch Coyotes of the Colorado Prep Hockey League and the Roughriders Sports Club, an organization that is home to athletes across multiple sports looking to advance for advanced training. The facility cost \$27 million to construct and was entirely funded by private sources.

The complex houses two NHL-sized ice rinks, a fieldhouse, a health and wellness center that offers a fitness center, physical therapy, Crossfit and other therapeutic services, a restaurant, the Little Riders Academy, which is a private preschool, and TPH Colorado, which is an academy-style, focused environment for student-athletes that combines an academic learning program with hands-on, sport-specific training and instruction.

The Sport Stable offers a variety of programming on the ice and in the fieldhouse. Across both rinks, the complex offers learn to curling, skate programs, adult and middle school hockey leagues, figure skating, private lessons, public skate, and various camps and clinics. In the fieldhouse, Sport Stable offers camps and clinics and rec leagues for baseball, basketball, and volleyball. The complex also hosts a number of birthday parties and other private events throughout the year.

It is estimated the Sport Stable has approximately 1.6 million annual visitors.

2016 Construction Funding



4. COMPETITIVE & COMPARABLE FACILITY ANALYSIS



MidAmerican Energy Company RecPlex

Location: West Des Moines, IA
Year Opened: 2021

of Ice Sheets: 2
Square Feet: 300,000



The MidAmerican Energy Company RecPlex is a 300,000-squarefoot, City-owned facility in West Des Moines, Iowa, youth-focused athletic venue. Construction of the complex totaled \$59.8 million, including \$16.5 million (28 percent) in City bonds backed by future local option sales tax revenue, \$16.4 million (27 percent) in City bonds backed by future hotel-motel tax revenue, \$12.4 million (21 percent) in corporate and individual donations and pledges, \$5 million (eight percent), in naming rights from MidAmerican Energy Company, \$3.5 million (six percent) in utility funds, \$1.5 million (three percent) in grants, and \$4.5 million (seven percent) in private loans.

The complex houses four basketball courts, three pickleball courts, full-sized indoor soccer field, an esports center, and two ice rinks. Additionally, nearly every surface can be repurposed for different activities. The main hockey arena also has a seating capacity of 1,500 and hosts 10 hockey tournaments on an annual basis.

Due to its multi-purpose nature, the complex is capable of hosting hockey and skating, curling, broomball, basketball, soccer, volleyball, baseball and softball, ultimate frisbee, lacrosse, pickleball, football, and rugby.

Rental rates for various activities and sports are displayed to the right. As shown, the rental rate for an ice sheet ranges from \$250 in the off-season (April to September) to \$275 for in-season (October to March). Indoor turf rentals range from \$125 in the off-season to \$400 during their prime time for the full field, and \$50 to \$160 for a third of the field. Rentals of the eSports facility, which includes all gaming advices, is \$150 per hour.

Activity	2022 Rate (per hour)
Ice Rental	
Ice Rental - In-season (October to March)	\$275
Ice Rental - Off-season (April to September)	\$250
Court Rental	
Full Court Rental - 1 BB/2 VB	\$45
Indoor Turf Rental	
Indoor Turf - Prime Time - Full Field	\$400
Indoor Turf - Prime Time - 1/3 Field	\$160
Indoor Turf - 2nd Tier - Full Field	\$340
Indoor Turf - 2nd Tier - 1/3 Field	\$140
Indoor Turf - 3rd Tier - Full Field	\$250
Indoor Turf - 3rd Tier - 1/3 Field	\$110
Indoor Turf - Off-season (April to November)	\$125
Indoor Turf - Off-season - 1/3 field	\$50
Pickleball Courts	
Court Rental	\$15
Multi-Purpose / Batting Cage Area	
Warmup/Batting Cage Area - all cages up	\$100
Warmup/Batting Cage Area - any or all cages down	\$125
Batting Cages	
Per Tunnel	\$25
Multi-Purpose Rooms	
Activities Room	\$25
Kum & Go Rooms	\$45
Overlook Room	\$35
eSports Room	
Full room rental including all devices	\$150

4. COMPETITIVE & COMPARABLE FACILITY ANALYSIS



Key Takeaways

The following are key takeaways from an analysis of competitive ice centers in Dallas-Fort Worth as well as the operations of comparable facilities in the U.S.



Diverse Programming Schedule

Competitive and comparable facilities, including other StarCenters in Dallas-Fort Worth, all offer a variety of programs including public skate, free skate, private lessons, camps and clinics, and host hockey league play and numerous tournaments to appeal to a wide demographic.



Multiple Sheets Of Ice

A majority of identified facilities have multiple ice sheets, which gives the facility the opportunity to provide additional programming and maximize overall usage and exposure.



Facilities Generate A Profit

Of the two StarCenters where data is available (Frisco and McKinney), the facilities generated an average of \$2.2 million in revenue and \$1.3 million in expenses for a net profit of approximately \$900,000.



High Utilization

Of the two StarCenters (Farmers Branch and McKinney) and the one comparable ice center (The Sport Stable) where data is available, the facilities had an average utilization of approximately 1.2 million including participants, staff, and spectators.



Private Events

Each identified competitive and comparable facility hosts a robust number of private events such as birthday parties and corporate events, as well as private ice rentals.



5

ESTIMATED
UTILIZATION



CSL

5. ESTIMATED UTILIZATION



Introduction

A central component in understanding the market demand for the proposed Northlake Sports Center is gauging the level of interest among various sports organizations that could utilize ice sheets and courts at the facility for tournaments, camps, league play, practices, and other such usages.

To obtain feedback, interviews were conducted with a sampling of sports organizations throughout the Dallas-Fort Worth area representing key potential user segments, including the Dallas Stars, local youth basketball, volleyball, and pickleball league organizers, and tournament organizers for hockey, basketball, and volleyball, as shown in the graphic to the right.

The remainder of this section provides a summary of discussions with select organizations as well as estimated event and attendance utilization for the proposed Northlake Sports Center grouped according to the following primary uses:

- Ice Sports;
- Basketball;
- Volleyball;
- Pickleball; and,
- Total Utilization.

Ice Sports



Pickleball



Basketball



Volleyball



5. ESTIMATED UTILIZATION



Ice Sports

It is anticipated that the Dallas Stars, as the likely operator of the venue, would host the majority of ice sport activities at the proposed facility. These programs are anticipated to include tournaments, leagues, camps, practices, academies, individual coaching sessions, and public skates.

Because the proposed Northlake Sports Center will be designed similarly to existing facilities currently operated by the Stars in the Dallas-Fort Worth area, a review of event activity hosted at these facilities was conducted to understand the potential utilization of the proposed facility. Based on the estimated event utilization provided by the Dallas Stars, as well as a comparison of the demographic and socioeconomic conditions of the primary market for the proposed facility, utilization of ice time for ice sport programming is estimated in the remainder of this section.

Tournaments

Utilization of the proposed facility for tournaments is shown in the chart below. It is anticipated that the facility could host 15 tournaments annually, including eight small-sized tournaments (less than 70 teams), five medium-sized tournaments (between 70 and 120 teams), and two large-sized tournaments (120 teams or more). On average, each team will have 24 players and staff members and will attract approximately 2.5 spectators per member. With tournaments typically spanning three days, it is estimated that ice sport tournaments could attract approximately 292,000 participants and spectators annually.

Ice Sport Tournaments	
Events	
# Tournaments	
Small (< 70 teams)	8
Medium (between 70 and 120 teams)	4
Large (120 teams or more)	3
Average # Teams Per Tournament	
Small (< 70 teams)	40
Medium (between 70 and 120 teams)	90
Large (120 teams or more)	160
Average # Event Days per Tournament	3
Attendees	
Average # Players and Staff per Team	24
Average # Spectators per Player, per Day	2.5
TOTAL ATTENDANCE - ICE SPORT TOURNAMENTS	292,320

5. ESTIMATED UTILIZATION



Ice Sports

Leagues

The chart to the right provides an overview of the estimated utilization of the proposed Northlake Sports Center for league play. It is anticipated that the Stars would host leagues across eight levels, including 20 teams at the youth level, nine teams designated as travel hockey clubs, two teams at the high school level, and five divisions of adult leagues with an average of five teams per division. Youth teams play 22 games annually, while high school teams play 25 games, travel hockey teams play 35 games, and adult league teams play 48 games.

Generally, youth and adult leagues have approximately 15 players and staff members per team while travel and high school teams have 24 players and staff members. Based on discussions with operators of ice facilities across the country, league games attract an average of approximately 2.5 spectators per participant annually for games at the youth, travel hockey, and high school levels while adult league games will attract approximately 0.5 spectators per participant. It is estimated that ice sport leagues will attract approximately 82,000 participants and spectators annually.

Camps

The proposed Northlake Sports Center is expected to host five camps annually with an average of 36 sessions per camp. Each session is anticipated to attract an average of 50 skaters. Because camps are most often hosted throughout the summer during the day, it is estimated that camp attendees could attract approximately 1.0 spectators per skater. It is estimated that ice sport camps will attract approximately 18,000 participants and spectators annually.

Ice Sport Leagues	
Teams	
# Teams by League	
Youth	20
Travel Hockey	9
High School	2
Adult	26
Attendees	
# Annual Game Days by League	
Youth	22
Travel Hockey	35
High School	25
Adult	48
Average # Players and Staff per Team	
Youth	15
Travel Hockey	24
High School	24
Adult	15
Average # Spectators per Player, per Day	
Youth	2.5
Travel Hockey	2.5
High School	2.5
Adult	0.5
TOTAL ATTENDANCE - ICE SPORT LEAGUES	81,840

Ice Sport Camps	
# of Weeks per Ice Sheet Annually	27
# of Ice Sheets	2
Total Camps Per Year	5
Average # of Sessions per Camp	36
Average # Participants per Session	50
Average # Spectators per Player, per Day	1.0
TOTAL ATTENDANCE - ICE SPORT CAMPS	18,180

5. ESTIMATED UTILIZATION



Ice Sports

Practices

The chart to the right provides an overview of the estimated utilization of the proposed facility for practices. Youth, travel hockey, and high school league teams will host practices in addition to games each season, with youth teams practicing four times a week for 25 weeks and travel hockey and high school teams practicing twice a week for 34 weeks each year.

Based on discussions with operators of ice facilities across the country, practices attract an average of approximately 1.0 spectators per participant. It is estimated that ice sport practices will attract approximately 96,000 participants and spectators annually.

Academies

The Stars host academies each year designed to teach participants how to skate and play the game of hockey. As shown in the chart to the right, these sessions run 48 weeks of the year for both hockey and figure skating. The hockey academy has two sessions per week while the figure skating academy hosts four sessions per week. On average, the hockey academy will have 45 participants while figure skating has 60 participants.

Based on discussions with operators of ice facilities across the country, these learn-to-play style activities attract an average of approximately 1.0 spectators per participant. It is estimated that ice sport academies will attract approximately 32,000 participants and spectators annually.

Ice Sport Practices	
Teams	
# Teams by League	
Youth	20
Travel Hockey	9
High School	2
Average # Players and Staff per Team	
Youth	15
Travel Hockey	24
High School	24
Practices	
# Practices per Week	
Youth	4
Travel Hockey	2
High School	2
# Weeks of Practice	
Youth	25
Travel Hockey	34
High School	34
Attendees	
Average # Spectators per Player, per Day	
Youth	1.0
Travel Hockey	1.0
High School	1.0
TOTAL ATTENDANCE - ICE SPORT PRACTICES	95,904

Ice Sport Academies	
Hockey Academy	
# of Weeks Annually	48
# of Sessions per Week	2
Average # Participants per Session	45
Average # Spectators per Skater, per Session	1.0
Figure Skating Academy	
# of Weeks Annually	48
# of Sessions per Week	4
Average # Participants per Session	60
Average # Spectators per Skater, per Session	1.0
TOTAL ATTENDANCE - ICE SPORT ACADEMIES	31,680

5. ESTIMATED UTILIZATION



Ice Sports

Individual Coaching Sessions

Available ice time could be rented to individual coaches to provide participants with one-on-one skills training for both hockey and skating. As shown in the table to the right, it is assumed that the ice could be available 50 weeks out of the year for such rentals, with hockey hosting 15 sessions per week and skating coaches holding 80 sessions per week. Based on discussions with operators of ice facilities across the country, individual coaching sessions have an average of 30 participants for hockey coaching and 12 participants for skating instruction. On average, individual coaching sessions attract approximately 0.5 spectators per participant. It is estimated that individual coaching sessions will attract approximately 106,000 participants and spectators annually.

Public Skates

Public skate sessions are important to the Stars to grow interest in the sport at the grassroots level throughout the region. As shown in the table to the right, it is assumed that the ice would be available to host public skate sessions seven times a week for 50 weeks out of the year. On average, public skate sessions at other StarCenters throughout the region attract approximately 20 skaters per session. It is estimated that public skates will attract approximately 7,000 participants and spectators annually.

Ice Sport Individual Coaching Sessions	
Hockey Coach	
# of Weeks Annually	50
# of Sessions per Week	15
Average # Participants per Session	30
Average # Spectators per Skater, per Session	0.5
Skating Coach	
# of Weeks Annually	50
# of Sessions per Week	80
Average # Participants per Session	12
Average # Spectators per Skater, per Session	0.5
TOTAL ATTENDANCE - ICE SPORT INDIVIDUAL COACHING SESSIONS	105,750

Ice Sport Public Skates	
# of Weeks Annually	50
# Sessions per Week	7
Average # Participants per Session	20
TOTAL ATTENDANCE - ICE SPORT PUBLIC SKATES	7,000

5. ESTIMATED UTILIZATION



Ice Sports

Summary of Ice Sport Utilization

The table below summarizes the anticipated utilization of the ice sheets at the proposed Northlake Sports Center. As shown, it is estimated that ice sports could attract approximately 633,000 participants and spectators annually across tournaments, leagues, camps, practices, academies, individual coaching sessions, and public skates.

Annual Attendance - Ice Sports	
Tournaments	292,000
Leagues	82,000
Camps	18,000
Practices	96,000
Academies	32,000
Individual Coaching Sessions	106,000
Public Skates	7,000
TOTAL ANNUAL ATTENDANCE - ICE SPORTS	633,000

5. ESTIMATED UTILIZATION



Basketball

Interviews were conducted with key basketball organizations in order to assess their interest in utilizing courts at the proposed Northlake Sports Center and gain insight into the state of the sport in the Dallas-Fort Worth area. The following summarizes key feedback from basketball representatives, including their interest in utilizing the proposed facility.

- The peak basketball season for league play and tournaments is between March and July each year.
- Within the Dallas-Fort Worth area, basketball representatives indicated that there is a need for court time, particularly during peak demand hours (between 5:00 PM and 10:00 PM during the week).
- Having only six courts will limit the size of tournament that can be run at the facility, assuming an organization does not rent courts at multiple facilities. The maximum number of teams that can be hosted at a basketball tournament with just six courts is 80 teams, assuming each team plays three to four games per tournament.
- Generally, tournament organizers pay a per-hour court rental fee and retain all ticket fees and admissions fees charged for spectators. The facility retains all revenues related to concessions.
- Because so many existing facilities in the area do not currently charge participants and spectators for parking at tournaments, organizers indicated that not charging for parking would be a key factor in success for the StarCenter in Northlake.

Annual Events & Attendance - Basketball	
Practices	
# Teams	80
Average # Players and Staff per Team	14
# Practices per Week	2
# Weeks of Practice	28
Average # Spectators per Player	1.0
Total Attendance - Practice	125,440
League Games	
# Teams	72
Average # Players and Staff per Team	14
# of Games Per Team	28
Average # Spectators per Player	2.5
Total Attendance - League Games	98,784
Tournaments	
# Tournaments	16
Teams per Tournament	72
Average # Players and Staff per Team	14
Days per Tournament	2
Average # Spectators per Player	3.0
Total Attendance - Tournaments	129,024
TOTAL ANNUAL ATTENDANCE - BASKETBALL	353,000

The table above provides an overview of the estimated event utilization and attendance levels for basketball programming at the proposed facility. As shown, it is estimated that 16 basketball tournaments hosted at the facility in addition to league play and practices could attract a total of approximately 353,000 participants and spectators annually.

5. ESTIMATED UTILIZATION



Volleyball

The following summarizes key feedback from volleyball representatives who were interviewed to assess their interest in utilizing courts at the proposed Northlake Sports Center and gain insight into the state of the sport in the Dallas-Fort Worth area.

- The peak volleyball season for league play and tournaments is between January and May each year.
- Volleyball representatives indicated that there is a need for court time, particularly during peak demand hours (between 5:00 PM and 10:00 PM during the week), as they have to share court facilities with basketball organizations.
- It is important that each court have the ability for parents to sit around each court during tournaments. Additionally, volleyball tournament organizers noted that some facilities do not have enough changing space and locker room areas for girls to accommodate their participants.
- Generally, participants felt that having the facility as part of a larger mixed-use development will be attractive when organizers are assessing tournament facilities. Having the ability to eat at restaurants nearby during tournament days and other entertainment options in the area for the whole family will enhance the tournament experience.

The table to the right provides an overview of the estimated event utilization and attendance levels for volleyball programming at the proposed facility. As shown, it is estimated that 12 volleyball tournaments hosted at the facility in addition to league play and practices could attract a total of approximately 313,000 participants and spectators annually.

Annual Events & Attendance - Volleyball	
Practices	
# Teams	90
Average # Players and Staff per Team	14
# Practices per Week	2
# Weeks of Practice	28
Average # Spectators per Player	1.0
Total Attendance - Practice	141,120
League Games	
# Teams	90
Average # Players and Staff per Team	14
# of Games Per Team	28
Average # Spectators per Player	2.5
Total Attendance - League Games	123,480
Tournaments	
# Tournaments	12
Teams per Tournament	36
Average # Players and Staff per Team	14
Days per Tournament	2
Average # Spectators per Player	3.0
Total Attendance - Tournaments	48,384
TOTAL ANNUAL ATTENDANCE - VOLLEYBALL	313,000

5. ESTIMATED UTILIZATION



Pickleball

Representatives from pickleball organizations were interviewed to understand the popularity of the sport within Dallas-Fort Worth and the potential of the proposed facility to provide dedicated space for this type of programming. The following summarizes the key findings from these discussions.

- There are not many organized pickleball leagues in the Dallas-Fort Worth area currently as this is primarily a newly popular game relative to more established activities like basketball and volleyball.
- Pickleball is one of the fastest growing sports in the area and appeals to participants of all ages as it is not overly physically taxing and has a relatively low cost of participation relative to other organized sports.
- Most pickleball games and tournaments currently hosted in the region are on tennis courts that are underutilized. Due to these facilities being outdoors, pickleball organizers indicated that an indoor facility with dedicated lines for pickleball would be very appealing and could spur the creation of a new league.
- Pickleball participants often like to eat and drink as part of their league games and tournaments as the sport is social in nature. Therefore, having a bar upstairs from the court area or restaurants within the mixed-use development would be very appealing to these organizations.

The table to the right provides an overview of the estimated event utilization and attendance levels for pickleball programming at the proposed Northlake Sports Center. As shown, it is estimated that eight pickleball tournaments hosted at the facility in addition to league play and practices could attract a total of approximately 16,000 participants and spectators annually.

Annual Events & Attendance - Pickleball	
Practices	
# Teams	20
Average # Players and Staff per Practice	4
# Practices per Week	2
# Weeks of Practice	40
Average # Spectators per Player	0.0
Total Attendance - Practice	6,400
League Games	
# Teams	20
Average # Players and Staff per Team	2
# of Games Per Team	40
Average # Spectators per Player	0.5
Total Attendance - League Games	2,400
Tournaments	
# Tournaments	8
Teams per Tournament	120
Average # Players and Staff per Team	2
Days per Tournament	2
Average # Spectators per Player	1.0
Total Attendance - Tournaments	7,680
TOTAL ANNUAL ATTENDANCE - PICKLEBALL	16,000

5. ESTIMATED UTILIZATION

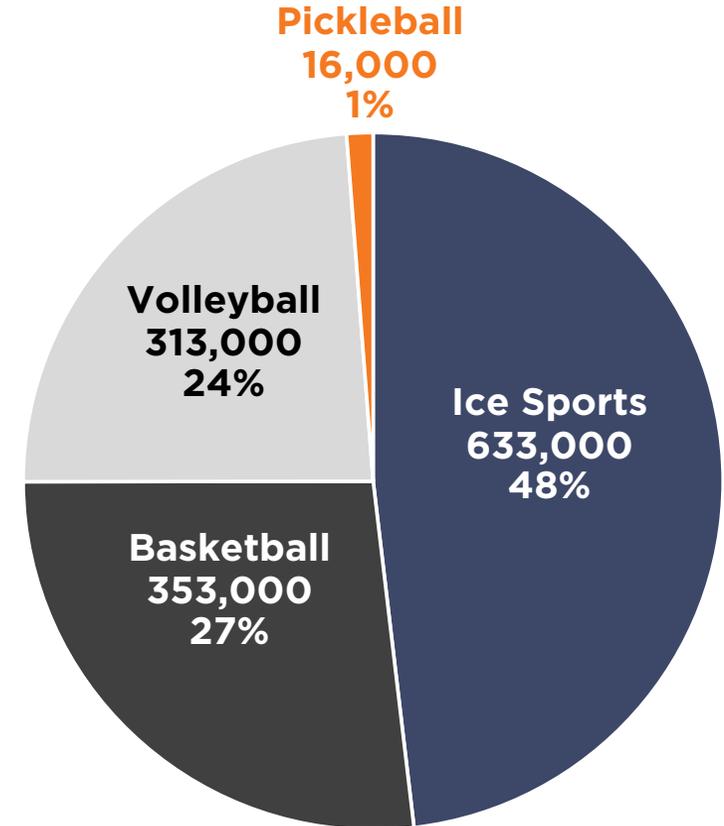


Total Utilization

Based on the results of discussions with the Stars and other local sports organizations and tournament organizers, a review of local market conditions, a review of StarCenter operations in the Dallas-Fort Worth area, and utilization at comparable facilities, it is estimated that the proposed Northlake Sports Center could attract approximately 1.3 million participants and spectators across ice sports, basketball, volleyball, and pickleball leagues, practices, tournaments, and other such programming, as shown in the chart to the right.

Estimated utilization is considered along with the demographic and socioeconomic characteristics of the local market, a review of StarCenter operations in the Dallas-Fort Worth area, and utilization at comparable facilities within the proposed building program to estimate the financial operations of the proposed facility.

Total Estimated Attendance



1,315,000
TOTAL ANNUAL
ATTENDANCE



6

PROJECT COST ANALYSIS



CSL

6. PROJECT COST ANALYSIS



To understand the potential cost of the proposed Northlake Sports Center, it is helpful to understand the costs of other facilities. The chart below displays construction costs for comparable facilities, including adjusting the cost to 2025 dollars in Northlake, the square footage of the facility, and the cost per square foot.

Facility	Location	Year Opened	Square Footage	Project Cost	Cost per Square Foot	Adjusted Project Cost (2025 Dollars in Northlake)	Adjusted Cost per Square Foot
StarCenters							
StarCenter Duncanville	Duncanville, TX	2000	105,000	\$9.7 M	\$92	\$23.4 M	\$223
StarCenter Frisco	Frisco, TX	2003	208,000	\$20.0 M	\$96	\$44.2 M	\$213
StarCenter McKinney	McKinney, TX	2009	131,000	\$11.5 M	\$88	\$18.6 M	\$142
StarCenter Mansfield	Mansfield, TX	2018	78,000	\$15.6 M	\$200	\$25.3 M	\$324
StarCenters Average		2008	130,500	\$14.2 M	\$119	\$27.9 M	\$226
Comparable Facilities							
The Sport Stable	Superior, CO	2016	180,000	\$27.0 M	\$150	\$33.9 M	\$188
South Suburban Sports Complex	Highlands Ranch, CO	2021	206,000	\$63.0 M	\$306	\$63.7 M	\$309
Comparable Facility Average		2019	193,000	\$45.0 M	\$228	\$48.8 M	\$249
Average		2011	151,333	\$24.5 M	\$155	\$34.9 M	\$233

Note: Duncanville facility closed in 2009.

As shown, the average comparable facility opened in 2011 and cost \$24.5 million (\$34.9 million adjusted to 2025 dollars in Northlake), with a cost per square foot of approximately \$155 (\$233 adjusted). The four StarCenters themselves cost approximately \$14.2 million (\$27.9 million adjusted) with an average cost per square foot of \$119 (\$226 adjusted).

The proposed Northlake Sports Center is estimated to be a 165,500 square foot facility and cost approximately \$41.3 million (\$250 per square foot). While on the higher end, these numbers fall within the range of the comparable facilities analyzed herein and can be deemed reasonable.



7

**ESTIMATED
FINANCIAL
OPERATIONS**



CSL

7. ESTIMATED FINANCIAL OPERATIONS



Introduction

The purpose of this analysis is to present estimated operating revenues and expenses for the proposed Northlake Sports Center, providing context to project stakeholders related to the long-term viability of facility operations. The assumptions used in this analysis, as determined by CSL, are based on industry trends, knowledge of the marketplace, and financial results from comparable venues, as shown in the graphic to the right.

This analysis is designed to assist project representatives in estimating the financial attributes of the proposed facility and cannot be considered to be a presentation of expected future results. Accordingly, this analysis may not be useful for any other purpose. The assumptions disclosed herein are not all inclusive, but are those deemed to be significant; however, there will be differences between estimated and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material.

Key Assumptions



The proposed Northlake Sports Center will have two ice sheets, six indoor basketball courts, which can be converted to 12 volleyball or pickleball courts, and six dedicated outdoor pickleball courts.



Concessions will only be open for major events such as tournaments and league play.



There will be no material change in the supply or quality of existing venues in the marketplace or new preferred or exclusive booking agreements at competitive venues.



Projections herein assume 100 percent of capacity is available to be utilized and assumes no restrictions for COVID-19 will be required.



The proposed facility will be developed as a quality venue to accommodate the needs of various users and will be managed by a competent, professional management team.



There will be no significant or material changes to current trends in the youth and live sport industries, and unknown future economic conditions will not adversely affect the market and its response to facility events (e.g., population levels, employment levels, etc.)

7. ESTIMATED FINANCIAL OPERATIONS



Operating Revenues

Tournament Revenues

The table to the right details revenue expected to be generated directly via tournaments hosted at the proposed Northlake Sports Center. The facility is expected to host a total of 51 tournaments a year, 41 of which will be external tournaments. It is expected the facility will only put on hockey programming internally. For internal hockey tournaments, the facility is expected to be able to generate revenue based off of a per-team entry fee. For the external tournaments, revenues will be generated from a court and rink rental fee. It is anticipated that overall, tournaments hosted at the facility will produce approximately \$1.2 million in activity revenue for the proposed facility.

Tournament Revenue				
Type	Number Per Year	Average Teams Per Tournament	Average Facility Revenue Per Tournament	Annual Facility Revenue
Internal Hockey	10	54	\$81,000	\$810,000
External Hockey	5	125	\$11,000	\$55,000
Basketball	16	72	\$10,000	\$160,000
Volleyball	12	36	\$10,000	\$120,000
Pickleball	8	120	\$5,000	\$40,000
TOTAL	51	--	--	\$1,185,000

Tournament Concession Revenues

The table to the right details the concession revenue the proposed facility is expected to generate from tournament attendance. Tournaments are expected to bring in approximately 482,000 visits annually. These visits on tournament days are expected to produce approximately \$1.1 million in net concession revenue.

Tournament Concession Revenue						
Type	Number per Year	Total Attendance	Per Cap	Gross Annual Concession Revenue	COGS	Net Annual Concession Revenue
Internal Hockey	10	136,000	\$5.00	\$680,000	55%	\$306,000
External Hockey	5	161,000	\$5.00	\$806,000	55%	\$363,000
Basketball	16	129,000	\$5.00	\$645,000	55%	\$290,000
Volleyball	12	48,000	\$5.00	\$242,000	55%	\$109,000
Pickleball	8	8,000	\$3.50	\$27,000	55%	\$12,000
TOTAL	51	482,000	--	\$2,400,000	55%	\$1,080,000

7. ESTIMATED FINANCIAL OPERATIONS



Operating Revenues

Hockey League Revenues

The table to the top right details the revenue expected to be generated via hockey leagues. The proposed facility is expected to run hockey leagues internally, and, therefore, generate revenue from a per-player registration fee. Hockey leagues are expected to generate approximately \$382,000 in annual revenue.

Hockey Leagues			
Teams Per Year	Players Per Team	Registration Fees Per Player	Annual Registration Revenue
57	17	\$400	\$382,000

Hardcourt Sport League Revenues

Other sports leagues played at the proposed Northlake Sports Center are not expected to be run internally, thus revenues generated from these activities are expected to be generated via court rentals. The table to the right details the revenue expected to be generated via court rentals to non-hockey leagues. It is anticipated that 72 basketball teams will play approximately 1,000 games across several leagues during a year, generating approximately \$81,000 in rental revenue, while 90 volleyball teams are expected to play 1,260 matches a year, generating \$50,000 in annual rental revenue, and 20 pickleball teams are expected to play 400 games a year, generating approximately \$10,000 in rental revenue. In total, hardcourt sport league revenue is estimated at approximately \$141,000 annually.

Hardcourt Sport League Revenue				
Type	Teams Per Year	Games Per Year	Rent Per Game	Total League Rental Revenue
Basketball	72	1,008	\$80	\$81,000
Volleyball	90	1,260	\$40	\$50,000
Pickleball	20	400	\$25	\$10,000
TOTAL	182	2,668	--	\$141,000

League Concession Revenues

Concessions are expected to be open for league play. The table to the right details the expected concession revenue generated from league play. Overall, league play is expected to attract approximately 306,000 visits. These visitors are expected to generate a total of approximately \$207,000 in net annual concession revenue.

League Concession Revenue						
Type	Games Per Year	Total Attendance	Per Cap	Gross Annual Concession Revenue	COGS	Net Annual Concession Revenue
Hockey	1,027	82,000	\$1.50	\$123,000	55%	\$55,000
Basketball	1,008	99,000	\$1.50	\$148,000	55%	\$67,000
Volleyball	1,260	123,000	\$1.50	\$185,000	55%	\$83,000
Pickleball	400	2,000	\$1.50	\$4,000	55%	\$2,000
TOTAL	2,668	306,000	--	\$460,000	55%	\$207,000

7. ESTIMATED FINANCIAL OPERATIONS



Operating Revenues

Practice Rental Revenues

It is expected that teams will schedule practice time usage of the courts and ice sheets at the proposed Northlake Sports Center. A total of 221 teams are expected to schedule 13,800 practice sessions a year. These practices are expected to bring in a total of approximately \$1.01 million in rental revenue. The table to the left details the breakdown of practice rental revenues.

Practice Revenue				
Type	Teams	Total Practice Sessions	Rental Fee Per Practice	Annual Rental Revenue
Hockey	31	2,700	\$150	\$412,000
Basketball	80	4,500	\$80	\$358,000
Volleyball	90	5,000	\$40	\$202,000
Pickleball	20	1,600	\$25	\$40,000
TOTAL	221	13,800	--	\$1,012,000

Public Skate and Private Coaching Revenues

The proposed facility will offer both public skate sessions as well as hockey and skating coaching sessions. The table to the right details the breakdown in revenue generated via public skate and private coaching sessions. It is estimated that a total of approximately 5,100 sessions per year will be hosted. While the public skate revenue is expected to be exclusively retained by the facility, the hockey and skate coaching revenue is expected to be split between the coach, who receives 70 percent of the fees paid by participants, and the facility, which retains 30 percent of the fees. In total, public skate sessions and private coaching are anticipated to generate approximately \$405,000 annually for the proposed Northlake Sports Center.

Public Skate & Private Coaching					
Type	Sessions Per Year	Attendance Per Session	Participation Fee	Facility's Share of Revenue	Total Fee Revenue
Public Skate	350	20	\$13	100%	\$88,000
Hockey Coaching	750	30	\$15	30%	\$101,000
Skate Coaching	4,000	12	\$15	30%	\$216,000
TOTAL	5,100	--	--	--	\$405,000

Concessions are not expected to be opened during practices, public skate, or private coaching sessions; thus, concession revenue is not projected for these activities.

7. ESTIMATED FINANCIAL OPERATIONS



Operating Revenues

Academy Revenues

Hockey and figure skating academies are expected to be hosted by the proposed facility throughout the year. It is anticipated that approximately 150 total participants will register for these academies, generating approximately \$289,000 in annual registration revenue. The table to the right details the breakdown in revenue generated via hockey and figure skating academies. Concessions are not expected to be opened during academies; thus, concession revenue is not projected for these activities.

Academies			
Type	Participants	Registration per Participant	Total Revenue
Hockey	45	\$1,750	\$79,000
Figure Skating	60	\$3,500	\$210,000
TOTAL	105	--	\$289,000

Skill Camp Revenues

The proposed facility is expected to put on five hockey skill camps across the year, each varying in the skill of the participants and the number of sessions per camp. The table to the right details the breakdown in revenue generated via hockey camps hosted at the proposed Northlake Sports Center. These camps are expected to have 285 total participants and bring in approximately \$93,000 in annual revenue. Concessions are not expected to be opened during camps; thus, concession revenue is not projected for these activities.

Camps			
Type	Participants per Camp	Registration per Participant	Total Revenue
Summer Camp	60	\$350	\$21,000
Holiday Camp	60	\$75	\$4,500
Enhancement Camp	50	\$350	\$18,000
Rookies Camp	75	\$250	\$19,000
Travel Spring Camp	40	\$750	\$30,000
TOTAL	285	--	\$92,500

7. ESTIMATED FINANCIAL OPERATIONS



Operating Revenues

Total Revenues

The table to the right details the revenue expectations for the first three years of operations of the proposed Northlake Sports Center. Activities are expected to bring in approximately \$3.5 million in registration and rental revenues in the first year of operations. Concessions are expected to bring in approximately \$1.3 million in net revenues.

In addition to sport activity and concession revenue, the proposed facility is expected to generate both naming rights, sponsorship and advertising revenue around the facility, amounting to approximately \$125,000 a year. Additionally, the sale of Dallas Stars merchandise is expected to produce an additional approximately \$99,000 annually in net merchandise revenue.

In the first year of operations, total annual revenue is estimated to be approximately \$5.0 million, which is estimated to increase to approximately \$5.3 million in year three.

Revenue Summary			
Type	Revenue Year One	Revenue Year Two	Revenue Year Three
Activity Revenues:			
Rink	\$2,444,000	\$2,523,000	\$2,596,000
Basketball	\$599,000	\$617,000	\$636,000
Volleyball	\$372,000	\$383,000	\$395,000
Pickleball	\$90,000	\$93,000	\$95,000
Sub Total:	\$3,505,000	\$3,616,000	\$3,722,000
Other Revenues:			
Concessions, Net	\$1,287,000	\$1,326,000	\$1,366,000
Naming Rights	\$125,000	\$129,000	\$133,000
Merchandise, Net	\$99,000	\$102,000	\$105,000
Sub Total:	\$1,511,000	\$1,557,000	\$1,604,000
TOTAL ANNUAL REVENUE	\$5,017,000	\$5,172,000	\$5,324,000

7. ESTIMATED FINANCIAL OPERATIONS



Operating Expenses

The table to the right details the expected operating expenses for the proposed Northlake Sports Center over the first three years of operations.

Staffing Expenses

It is expected that in the first year of operations, the proposed facility will spend approximately \$760,000 on full time staff salaries with an additional \$228,000 for benefits for the full-time staff. This will be in addition to an expected \$250,000 spend on hourly workers.

Overhead Expenses

The proposed facility will have to pay a variety of overhead expenses including utilities, maintenance, and insurance. Based off the plans of an approximately 165,000 square foot facility, it is expected that the proposed Northlake Sports Center will pay approximately \$828,000 in annual utilities expenses, \$83,000 in annual maintenance expenses, and \$207,000 in annual insurance expenses, totaling to approximately \$1.1 million in overhead expenses.

Other Expenses

The sports facility will have to pay a variety of other expenses during its operations. General and administrative expenses are expected to amount to approximately \$250,000 in the first year. Additionally, it is expected that the facility will have to pay an estimated \$1.5 million a year in rent.

Overall, the proposed Northlake Sports Center is expected to generate approximately \$4.1 million in expenses in the first year of operations, which will increase to approximately \$4.4 million by year three.

Expenses Summary			
Type	Expenses Year One	Expenses Year Two	Expenses Year Three
Staffing Expenses:			
Full Time Salary	\$760,000	\$783,000	\$806,000
Full Time Benefits	\$228,000	\$235,000	\$242,000
Hourly Pay	\$250,000	\$258,000	\$265,000
Sub Total:	\$1,238,000	\$1,276,000	\$1,313,000
Overhead Expenses:			
Utilities	\$828,000	\$852,000	\$878,000
Maintenance	\$83,000	\$85,000	\$88,000
Insurance	\$207,000	\$213,000	\$219,000
Sub Total:	\$1,118,000	\$1,150,000	\$1,185,000
Other Expenses			
G&A	\$250,000	\$258,000	\$265,000
Rent	\$1,500,000	\$1,545,000	\$1,591,000
Sub Total:	\$1,750,000	\$1,803,000	\$1,856,000
TOTAL ANNUAL EXPENSES	\$4,105,000	\$4,228,000	\$4,355,000

7. ESTIMATED FINANCIAL OPERATIONS



Pro Forma

The table to the right summarizes the expected operating revenues and expenses for the proposed Northlake Sports Center over the first five years of operations.

As shown, in the first year of operations, the facility is expected to generate approximately \$5.0 million in revenue and incur approximately \$4.1 million in expenses, for a net operating income of \$911,000, which is expected to increase to \$1.0 million by year five.

Sports Center Pro Forma					
	Year One	Year Two	Year Three	Year Four	Year Five
Revenues					
Registration And Rental	\$3,505,000	\$3,616,000	\$3,721,000	\$3,830,000	\$3,942,000
Concessions, Net	\$1,287,000	\$1,326,000	\$1,366,000	\$1,406,000	\$1,449,000
Naming Rights and Advertising	\$125,000	\$129,000	\$133,000	\$137,000	\$141,000
Merchandise, Net	\$99,000	\$102,000	\$105,000	\$108,000	\$111,000
Total Revenues	\$5,017,000	\$5,172,000	\$5,324,000	\$5,481,000	\$5,643,000
Expenses					
Staffing	\$1,238,000	\$1,275,000	\$1,313,000	\$1,353,000	\$1,393,000
Utilities	\$828,000	\$852,000	\$878,000	\$904,000	\$931,000
Maintenance	\$83,000	\$85,000	\$88,000	\$90,000	\$93,000
Insurance	\$207,000	\$213,000	\$219,000	\$226,000	\$233,000
G&A	\$250,000	\$258,000	\$265,000	\$273,000	\$281,000
Rent	\$1,500,000	\$1,545,000	\$1,591,350	\$1,639,091	\$1,688,263
Total Expenses	\$4,105,000	\$4,228,000	\$4,355,000	\$4,486,000	\$4,620,000
ANNUAL OPERATING INCOME	\$911,000	\$944,000	\$969,000	\$995,000	\$1,022,000



8

ECONOMIC & FISCAL IMPACTS



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8. ECONOMIC & FISCAL IMPACTS



Overview

In addition to the annual financial operating results of the proposed Northlake Sports Center, it is important to understand the anticipated economic and fiscal impacts derived from operations. While many of the perceived benefits of the proposed facility are considered intangible, including providing additional recreational opportunities for local residents, a more diversified visitor infrastructure, more local exposure, and enhanced community pride, the construction and operation of the proposed Northlake Sports Center will provide quantifiable benefits to the local economy as well. Quantifiable measurements of the effects that the proposed Northlake Sports Center could have on the local economy include economic and fiscal impacts are summarized over the following pages.

DIRECT SPENDING

Direct spending represents the initial primary spending that would occur as a result of the construction and operations of the proposed Northlake Sports Center. Direct spending occurs in the following ways:

- **CONSTRUCTION SPENDING** - Construction materials, supplies, labor, professional fees and other soft cost spending will be generated during the planning and construction of the proposed facility.
- **FACILITY OPERATIONS SPENDING** - Direct spending will be generated by registration and rental fees, concessions, and merchandise sales by patrons utilizing the facility. The operations of the proposed Northlake Sports Center will also generate direct spending through, sponsorships and advertising, operations of the management company, spending on salaries, wages, and benefits, marketing, and other such sources.
- **ANCILLARY COMMUNITY SPENDING** - Direct spending will also be generated off-site but within the local area by facility patrons, event personnel, and others. Ancillary community spending will likely include spending on lodging, food and beverage, retail, entertainment, transportation and other items in connection with events hosted at the proposed Northlake Sports Center.

The graphic on the following page illustrates the primary sources of direct spending anticipated to be associated with the construction and operations of the proposed facility.

8. ECONOMIC & FISCAL IMPACTS



Direct Spending Adjustments

Direct Spending Sources



Construction Spending

Construction Spending:

- Materials
- Supplies
- Labor
- Professional Fees



Operations Spending

Sports Center Spending:

- Registration Fees
- Court/Rink Rental Fees
- Concessions
- Merchandise
- Sponsorship
- Other



Ancillary Community Spending:

- Lodging
- Bars
- Service
- Retail
- Entertainment
- Transit
- Other

Gross direct spending will flow to various economic entities, including the proposed Northlake Sports Center, service providers, restaurants, hotel operators, retail businesses and other such entities. However, some of the spending that occurs in connection with the construction and ongoing operations of the facility will not fully impact the local economy. As such, reductions must be made to gross direct spending to reflect the amount of direct spending associated with the venue that is considered net new to the economy. These adjustments include:

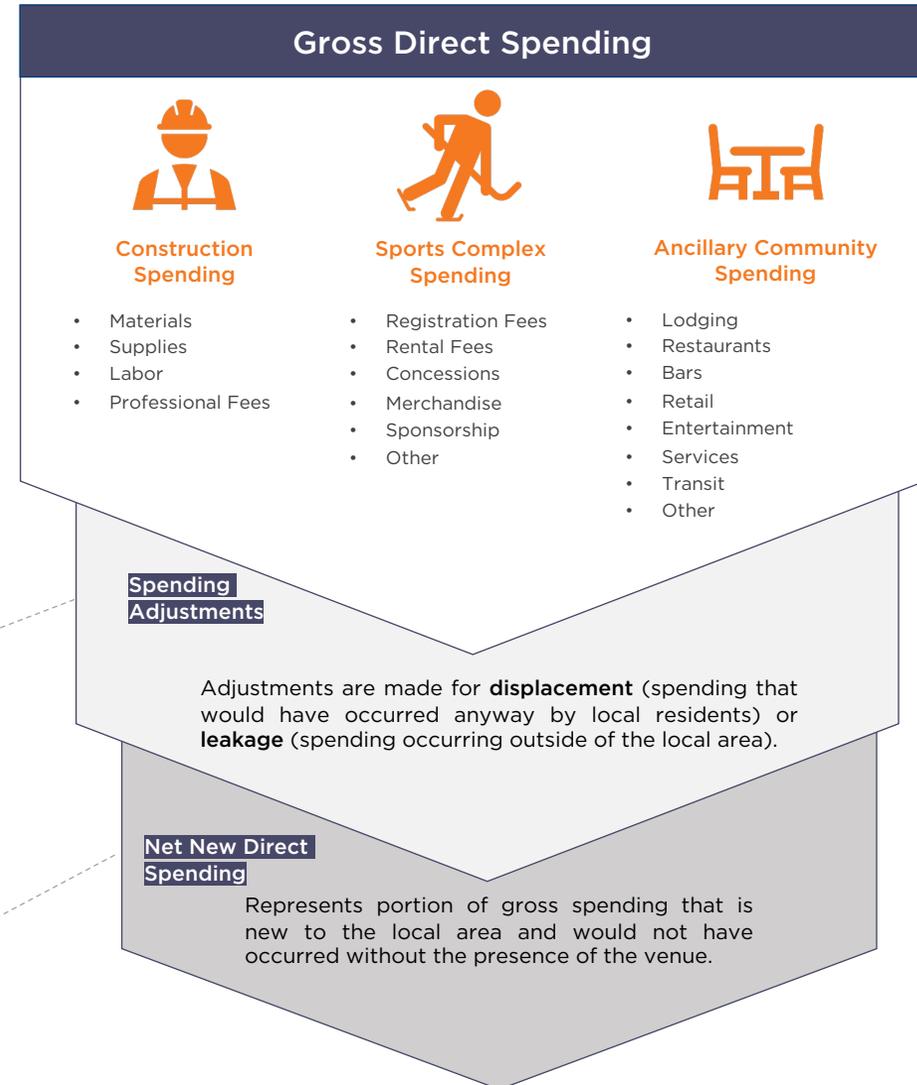
- **Leakage** - Leakage represents the portion of gross spending estimated to occur outside the measured economy (i.e., Town of Northlake, Denton County). Immediate leakage occurs when initial direct expenditures occur outside the local area, such as an out-of-town attendee who patronizes a hotel or restaurant located outside the measured economy's boundaries. Leakage also occurs when initial local spending is used immediately to pay for non-local goods, services, etc. Examples of this type of secondary leakage include construction materials allocated non-local suppliers, or concessionaire profits retained by companies based outside of the local area.
- **Displacement** - Displacement refers to spending that would have likely occurred anyway in the local market without the presence of the proposed Northlake Sports Complex. Examples of displaced spending would include spending by local residents in connection with their attendance at the facility that would have been spent within the local area anyway on other items (movies, restaurants, shopping, etc.) if they did not patronize the proposed Northlake Sports Center. This concept of displacement is oftentimes referred to as the substitution effect.

8. ECONOMIC & FISCAL IMPACTS



Direct Spending Adjustments

As illustrated in the graphic on the right, the flow of gross direct spending is adjusted to reflect only the spending that is considered net new to the local economy. The resulting spending after all adjustments, as previously discussed, is referred to throughout the remainder of this analysis as *net new direct spending*.



Gross Direct Spending is adjusted:

in order to estimate the **incremental** economic impact benefits generated to the local economy

“Net New” Direct Spending is:

calculated by applying spending adjustments for displacement and leakage to gross direct spending

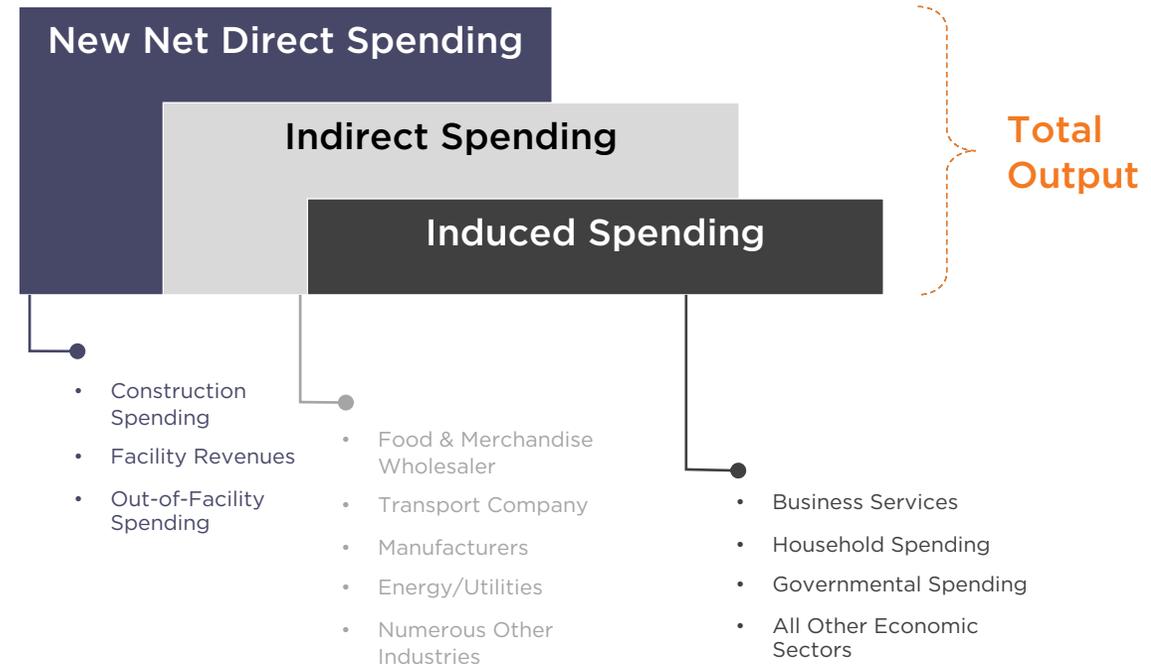
8. ECONOMIC & FISCAL IMPACTS



Multiplier Effect

Economic impacts are further increased through re-spending of direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with direct spending and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy, as follows:

- **Indirect effects** consist of the re-spending of the initial or direct expenditures. These indirect impacts extend further as the dollars constituting the direct expenditures continue to change hands. This process, in principle, could continue indefinitely. However, recipients of these expenditures may spend all or part of it on goods and services outside the market area, put part of these earnings into savings, or pay taxes. This spending halts the process of subsequent expenditure flows and does not generate additional spending or impact within the community after a period of time. Indirect impacts occur in a number of industries, including the following:
 - the wholesale industry, as purchases of food and merchandise products are made;
 - the transportation industry, as products are shipped from purchaser to buyer;
 - the manufacturing industry, as products used to service the venue, vendors and others are produced;
 - the utility industry, as the power to produce goods and services is consumed; and,
 - other such industries.
- **Induced effects** consist of the positive changes in spending, employment, earnings and tax collections generated by personal income associated with the operations of the proposed Northlake Sports Complex. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment is generated, and spending occurs in virtually all business sectors. This represents the induced spending impacts generated by direct expenditures.



The graphic to the right illustrates the flow of direct spending through the successive rounds of re-spending, including the indirect and induced effects.

8. ECONOMIC & FISCAL IMPACTS



Multiplier Effect

Indirect and induced effects are calculated by applying the appropriate multipliers to the net new direct spending estimates. The appropriate multipliers to be used are dependent upon certain regional characteristics and also the nature of the expenditure. Generally, an area which is capable of producing a wide range of goods and services within its borders will have high multipliers, a positive correlation existing between the self-sufficiency of an area's economy and the higher probability of re-spending occurring within the region. If a high proportion of the expenditures must be imported from another geographical region, lower multipliers will result.

The multiplier estimates used in this analysis are based on the RIMS II system, which is a regional economic model developed by the Bureau of Economic Analysis that is used by investors, planners, and elected officials across the country to accurately assess economic impact and are specific to Denton County. The specific multipliers used in this analysis are shown in the chart below.

Multipliers are applied to direct spending to calculate the following measures of economic impact:

- **Total Output** represents the total direct, indirect and induced spending effects generated by the proposed Northlake Sports Center. Total output is calculated by multiplying the appropriate total output multiplier by the estimated direct spending within each industry.
- **Employment** is expressed in terms of total full-time equivalent (FTE) jobs and includes both full- and part-time jobs. Employment is calculated by dividing the appropriate employment multiplier by one million, and then multiplying by the estimated direct spending within each industry.
- **Personal Earnings** represent the wages and salaries earned by employees of businesses impacted by the proposed facility. Personal earnings are calculated by multiplying the appropriate personal earnings multiplier by the estimated direct spending within each industry.

Economic Multipliers (Denton County)			
	Total Output	Employment (FTE)	Personal Earnings
Commercial Sports	2.28	0.96	28.36
Construction	2.28	0.87	17.85
Entertainment	2.17	0.68	24.85
Food and Beverage	2.23	0.83	27.95
Hotel	2.03	0.60	16.43
Lodging	2.03	0.60	16.43
Other	2.21	0.88	34.17
Retail	2.20	0.76	21.20
Transportation	2.06	0.65	31.54

8. ECONOMIC & FISCAL IMPACTS



Total Economic Impacts

The table to the right summarizes the net new economic impacts of the proposed Northlake Sports Center to the Town of Northlake, Denton County, and the State of Texas.

As shown, over a period of construction and 30 years of operations, it is estimated that the project will generate approximately \$375.8 million in net new direct spending that will generate \$810.2 million in total output, 387 total jobs, and \$281.5 million in personal earnings to the Town of Northlake.

Additionally, it is estimated that the project will generate approximately \$297.6 million in net new direct spending that will generate \$639.4 million in total output, 294 total jobs, and \$218.5 million in personal earnings to Denton County over the same time period.

Moreover, over the same period, it is estimated that the project will generate approximately \$210.8 million in net new direct spending that will generate \$453.4 million in total output, 200 total jobs, and \$155.0 million in personal earnings to the State of Texas.

It should be noted that economic impacts for operations of the venue are necessarily higher for smaller measured economies. For example, the Town has higher operational economic impacts than the State because some spending can be considered “net new” to the Town but not “net new” to the State. For example, if someone, who was looking to spend money on entertainment/sports, living in the State but outside of the Town attends an event and spends money on registration and concessions, that revenue is “net new” to the Town but not “net new” to the State. It should also be noted that economic impacts, for this reason, are not additive across catchment areas.

Economic Impact Summary

Northlake Sports Center

Net New Construction Impacts

	<u>Town</u>	<u>County</u>	<u>State</u>
Direct Spending	\$7,537,000	\$17,346,000	\$21,683,000
Total Output	\$17,208,000	\$39,601,000	\$49,501,000
Jobs (FTEs)	60	140	175
Earnings	\$6,522,000	\$15,009,000	\$18,762,000

Net New Annual Operations Impacts (2025)

	<u>Town</u>	<u>County</u>	<u>State</u>
Direct Spending	\$17,168,000	\$13,095,000	\$8,865,000
Total Output	\$36,975,000	\$28,034,000	\$18,945,000
Jobs (FTEs)	385	290	195
Earnings	\$12,826,000	\$9,518,000	\$6,394,000

32-Year NPV Construction & Operations Impacts

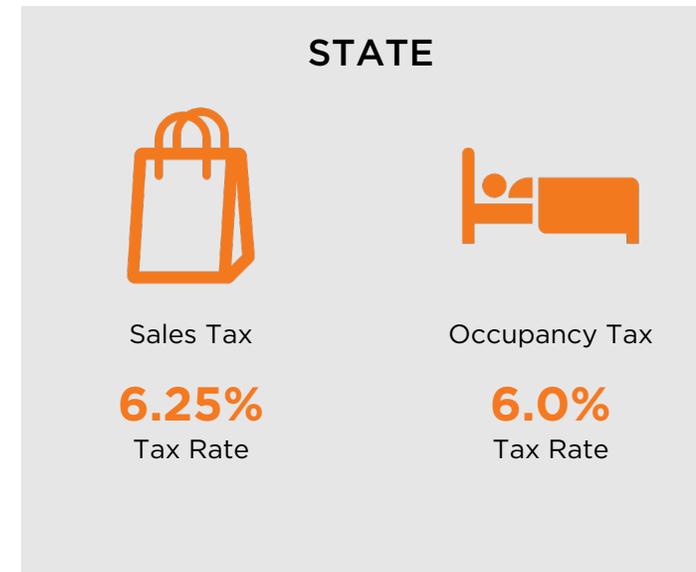
	<u>Town</u>	<u>County</u>	<u>State</u>
Direct Spending	\$375,765,000	\$297,578,000	\$210,761,000
Total Output	\$810,181,000	\$639,371,000	\$453,385,000
Jobs (FTEs)	387	294	200
Earnings	\$281,533,000	\$218,541,000	\$154,950,000

8. ECONOMIC & FISCAL IMPACTS



Applicable Taxes

In addition to the economic impacts expected to be generated by the construction and operations of the proposed Northlake Sports Center, the public sector will also benefit from increased tax revenues. In preparing estimates of fiscal impacts, tax revenues attributable to the net new direct, indirect, and induced spending generated by the proposed Northlake Sports Center were estimated. Tax Revenues are based on the current applicable tax rates so future changes in these rates would have an impact on the resulting tax collections. Taxes specific to the Town of Northlake, Denton County, and State of Texas are considered in this analysis and are shown below. It should be noted that no Denton County taxes are applicable to the Northlake Sports Center project.



8. ECONOMIC & FISCAL IMPACTS



Fiscal Impact Summary

The table to the right depicts the estimated net new fiscal impacts of the proposed Northlake Sports Center to the Town of Northlake and State of Texas.

As shown, it is estimated that the proposed Northlake Sports Center, over a period of construction and 32 years of operations, could generate \$9.1 million in sales tax and \$11.8 million in occupancy tax to the Town of Northlake, for a combined \$20.9 million in net new tax revenues.

Additionally, the proposed Northlake Sport Center, over the same period, could generated \$16.7 million in sales tax and \$6.0 million in occupancy tax to the State of Texas, resulting in a combined \$22.6 million in net new taxes.

FISCAL IMPACT SUMMARY

Net New Construction Impacts

	<i>Town</i>	<i>State</i>
Sales Tax	\$138,000	\$1,188,000
TOTAL	\$138,000	\$1,188,000

Net New Annual Operations Impacts (2025)

	<i>Town</i>	<i>State</i>
Sales Tax	\$418,000	\$724,000
Occupancy Tax	\$548,000	\$279,000
TOTAL	\$966,000	\$1,003,000

32-Year NPV Construction & Operations Impacts

	<i>Town</i>	<i>State</i>
Sales Tax	\$9,116,000	\$16,657,000
Occupancy Tax	\$11,765,000	\$5,988,000
TOTAL	\$20,881,000	\$22,645,000

8. ECONOMIC & FISCAL IMPACTS



Non-Quantifiable Benefits

In addition to the quantifiable benefits generated from the construction and operations of the proposed Northlake Sports Center, some benefits cannot be quantitatively measured. Potential qualitative benefits, among others, for the local area include:



Expanding Northlake's ability to accommodate and attract various youth sports events.



Enhancing community pride, self-image, exposure and reputation.



New Advertising opportunities for local businesses.



Increased physical and mental health of the participants.



Community and relationships created between participants.



The values of teaching sportsmanship, perseverance, and cooperation to youth participants