



**PRELIMINARY PROJECT AND FINANCE PLAN
AND FEASIBILITY STUDY
TAX INCREMENT REINVESTMENT ZONE NO. 3
TOWN OF PROSPER, TEXAS**

Prepared in Compliance with Chapter 311, Texas Tax Code

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Prepared for: Town of Prosper, Texas

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I. EXECUTIVE SUMMARY

The Town of Prosper, Texas, proposes to establish Tax Increment Reinvestment Zone No. 3 (TIRZ #3) under the authority of Chapter 311 of the Texas Tax Code. This 1,356.20-acre zone encompasses strategic development areas within Collin County, representing a significant opportunity for coordinated infrastructure investment and economic development through a pay-as-you-go reimbursement financing approach.

ZONE OVERVIEW

Zone Designation: Tax Increment Reinvestment Zone No. 3

Total Zone Area: 1,356.20 acres

Governing Municipality: Town of Prosper

Total Project Investment: \$193,100,000

TIRZ Duration: 20 years

Base Year: 2025

Financing Method: Pay-as-You-Go Tax Increment and Developer Reimbursement

FINANCIAL FOUNDATION

The proposed TIRZ encompasses substantial existing property values that provide the foundation for tax increment financing. The Town of Prosper will be the sole participating taxing unit, utilizing its municipal tax increment for project financing:

Base Year Property Values (2025): \$258,946,538 (Net Taxable Value)

Total Base Taxable Value: \$258,946,538

Prosper Municipal Tax Rate: 0.5050%

Town of Prosper Tax Rate Breakdown:

- Maintenance and Operations (M&O): 0.322054 per \$100 valuation (32.2054 cents)
- Debt Service (Interest & Sinking): 0.182946 per \$100 valuation (18.2946 cents)
- Total Municipal Tax Rate: 0.505000 per \$100 valuation (50.5 cents)

TIRZ Revenue Structure:

- Town Contribution to TIRZ #3: 50% of M&O tax increment = 0.161027 per \$100 valuation (16.1027 cents)
- Town Retention: 50% of M&O increment (16.1027 cents) + 100% of Debt Service (18.2946 cents) = 34.3973 cents total

This structure ensures adequate TIRZ funding while maintaining the Town's full debt service capacity and 50% of M&O revenue for essential municipal operations.

PROJECT INVESTMENT CATEGORIES

The comprehensive improvement plan addresses critical infrastructure needs across multiple categories:

Street and Transportation Projects (56.5%): \$100,500,000

- Major grade separation and collector road improvements
- Enhanced connectivity and traffic flow
- Developer reimbursement programs

Parks and Downtown Enhancements (12.0%): \$25,600,000

- Parking improvements and accessibility
- Landscape and streetscape beautification
- Community monumentation

Public Facilities (18.8%): \$40,000,000

- New recreation center development
- Enhanced community services

Utilities Infrastructure (11.7%): \$25,000,000

- Water and wastewater system improvements
- Developer partnership programs

Drainage Infrastructure (0.9%): \$2,000,000

- Regional detention and flood control

PUBLIC PURPOSE AND BENEFITS

The proposed TIRZ serves essential public purposes including:

- Elimination of blighted and underdeveloped conditions
- Enhancement of public safety through improved infrastructure
- Stimulation of economic development and job creation
- Improvement of traffic flow and transportation safety
- Enhancement of community amenities and quality of life
- Coordination of multi-jurisdictional development efforts

II. ZONE DESCRIPTION AND BOUNDARIES

A. GEOGRAPHIC LOCATION AND LEGAL DESCRIPTION

TIRZ #3 is strategically located within the corporate limits and extraterritorial jurisdiction of the Town of Prosper, encompassing 1,356.20 acres of properties in Collin County. The zone boundaries are specifically designed to capture areas with significant development potential while addressing existing infrastructure deficiencies.

Zone Characteristics:

Total Area: 1,356.20 acres

Primary Corridor: North Dallas Parkway development corridor

Key Boundaries:

North: Approximately Frontier Parkway

South: Approximately US Highway 380

East: Approximately N Coleman Street

West: Approximately N Dallas Parkway

Geographic Features: Mixed-use development area including commercial, residential, and undeveloped properties

B. CURRENT PROPERTY VALUES AND TAX BASE

Based on 2025 certified tax rolls from Collin Central Appraisal District, the zone encompasses substantial existing property values:

Base Year Property Values (2025):

Net Taxable Value: \$258,946,538

Total Base Taxable Value: \$258,946,538

C. ZONE BOUNDARY

The zone spans 1,356.20 acres across municipal boundaries and includes strategic development corridors connecting major transportation arteries.

Zone Configuration:

- Primary development area along North Dallas Parkway corridor
- Development area located north of US Highway 380, extending northward to Frontier Avenue
- Incorporation of existing commercial and mixed-use areas
- Strategic undeveloped properties with infrastructure needs
- Located entirely within Collin County

III. PUBLIC PURPOSE AND NECESSITY FINDINGS

A. STATUTORY REQUIREMENTS UNDER §311.005

Texas Tax Code §311.005 requires specific findings to establish public purpose and necessity. TIRZ #3 satisfies these requirements through the following determinations:

1. Elimination of Blighted Conditions

The zone contains areas that exhibit characteristics of blight and deterioration including:

- Inadequate street and transportation infrastructure
- Insufficient parking and accessibility features
- Outdated or insufficient drainage systems
- Lack of adequate public facilities and amenities
- Underutilized properties with development constraints

2. Promotion of Sound Community Development

The proposed improvements will:

- Coordinate development across jurisdictional boundaries
- Implement comprehensive transportation solutions
- Provide essential public infrastructure in advance of development needs
- Establish design standards and quality improvements

3. Enhancement of Property Values

Infrastructure investments will directly enhance property values through:

- Improved accessibility and transportation connectivity
- Enhanced aesthetic appeal through landscaping and monumentation
- Provision of recreational and community facilities
- Upgraded utility and drainage infrastructure

B. BLIGHT STUDY AND CONDITIONS ASSESSMENT

Current Deficiencies Identified:

- Transportation Infrastructure: Existing roadway network inadequate for current and projected traffic volumes
- Grade Separation Needs: Railroad crossings create safety hazards and traffic congestion
- Parking Deficiencies: Insufficient parking infrastructure in commercial and mixed-use areas
- Drainage Issues: Inadequate stormwater management infrastructure
- Recreational Facilities: Limited public recreational amenities
- Utility Infrastructure: Need for upgraded water and wastewater systems

C. HEALTH, SAFETY, AND WELFARE BENEFITS

The proposed TIRZ improvements will provide substantial benefits to public health, safety, and welfare:

Safety Improvements:

- Grade separation eliminates railroad crossing hazards
- Improved traffic flow reduces accident potential
- Enhanced emergency vehicle access
- Better pedestrian and bicycle safety infrastructure

VI. FEASIBILITY STUDY

A. ECONOMIC AND FINANCIAL ANALYSIS

Current Economic Foundation:

The TIRZ #3 area demonstrates strong economic fundamentals supporting tax increment financing feasibility:

Existing Tax Base Strength:

- Combined taxable value of \$258.95 million provides substantial foundation
- Diverse property mix including residential, commercial, and business personal property
- Strategic location within high-growth Collin County markets
- Proximity to Dallas-Fort Worth metropolitan employment centers

B. TAX BASE GROWTH PROJECTIONS

Growth Scenario Analysis:

Three growth scenarios have been modeled to project tax increment revenue over the 20-year TIRZ term. These projections are based on the established base value of \$258,946,538 and assume varying annual compound growth rates:

Conservative Scenario (3% Annual Growth):

- Year 10 Taxable Value: \$347,911,862
- Annual Tax Increment (Year 10): \$143,252
- Cumulative 20-Year Increment: \$3,200,894

Moderate Scenario (5% Annual Growth):

- Year 10 Taxable Value: \$421,659,091
- Annual Tax Increment (Year 10): \$262,013
- Cumulative 20-Year Increment: \$6,137,543

Optimistic Scenario (7% Annual Growth):

- Year 10 Taxable Value: \$509,299,918
- Annual Tax Increment (Year 10): \$403,217
- Cumulative 20-Year Increment: \$9,951,154

C. 20-YEAR REVENUE PROJECTIONS

The following tables provide detailed year-by-year projections for each growth scenario. All calculations are based on:

- Base Year Value: \$258,946,538
- TIRZ Contribution Rate: 0.161027% (50% of M&O tax rate)
- Annual compound growth at specified rates

CONSERVATIVE SCENARIO - 3% Annual Growth

Year	Total Value	Increment	Annual TIRZ	Cumulative
1	\$266,714,934	\$7,768,396	\$12,509	\$12,509
2	\$274,716,382	\$15,769,844	\$25,394	\$37,903
3	\$282,957,874	\$24,011,336	\$38,665	\$76,568
4	\$291,446,610	\$32,500,072	\$52,334	\$128,902
5	\$300,190,008	\$41,243,470	\$66,413	\$195,315

6	\$309,195,708	\$50,249,170	\$80,915	\$276,230
7	\$318,471,580	\$59,525,042	\$95,851	\$372,081
8	\$328,025,727	\$69,079,189	\$111,236	\$483,317
9	\$337,866,499	\$78,919,961	\$127,082	\$610,399
10	\$348,002,494	\$89,055,956	\$143,404	\$753,803
11	\$358,442,569	\$99,496,031	\$160,215	\$914,018
12	\$369,195,846	\$110,249,308	\$177,531	\$1,091,549
13	\$380,271,721	\$121,325,183	\$195,366	\$1,286,915
14	\$391,679,873	\$132,733,335	\$213,737	\$1,500,652
15	\$403,430,269	\$144,483,731	\$232,658	\$1,733,310
16	\$415,533,177	\$156,586,639	\$252,147	\$1,985,457
17	\$427,999,172	\$169,052,634	\$272,220	\$2,257,677
18	\$440,839,147	\$181,892,609	\$292,896	\$2,550,573
19	\$454,064,322	\$195,117,784	\$314,192	\$2,864,765
20	\$467,686,251	\$208,739,713	\$336,127	\$3,200,892

MODERATE SCENARIO - 5% Annual Growth

Year	Total Value	Increment	Annual TIRZ	Cumulative
1	\$271,893,865	\$12,947,327	\$20,849	\$20,849
2	\$285,488,558	\$26,542,020	\$42,740	\$63,589
3	\$299,762,986	\$40,816,448	\$65,726	\$129,315
4	\$314,751,135	\$55,804,597	\$89,860	\$219,175
5	\$330,488,692	\$71,542,154	\$115,202	\$334,377
6	\$347,013,127	\$88,066,589	\$141,811	\$476,188
7	\$364,363,783	\$105,417,245	\$169,750	\$645,938
8	\$382,581,972	\$123,635,434	\$199,086	\$845,024
9	\$401,711,071	\$142,764,533	\$229,889	\$1,074,913
10	\$421,796,624	\$162,850,086	\$262,233	\$1,337,146
11	\$442,886,456	\$183,939,918	\$296,193	\$1,633,339
12	\$465,030,778	\$206,084,240	\$331,851	\$1,965,190
13	\$488,282,317	\$229,335,779	\$369,293	\$2,334,483
14	\$512,696,433	\$253,749,895	\$408,606	\$2,743,089
15	\$538,331,255	\$279,384,717	\$449,885	\$3,192,974
16	\$565,247,818	\$306,301,280	\$493,228	\$3,686,202
17	\$593,510,208	\$334,563,670	\$538,738	\$4,224,940
18	\$623,185,719	\$364,239,181	\$586,523	\$4,811,463
19	\$654,345,005	\$395,398,467	\$636,698	\$5,448,161
20	\$687,062,255	\$428,115,717	\$689,382	\$6,137,543

OPTIMISTIC SCENARIO - 7% Annual Growth

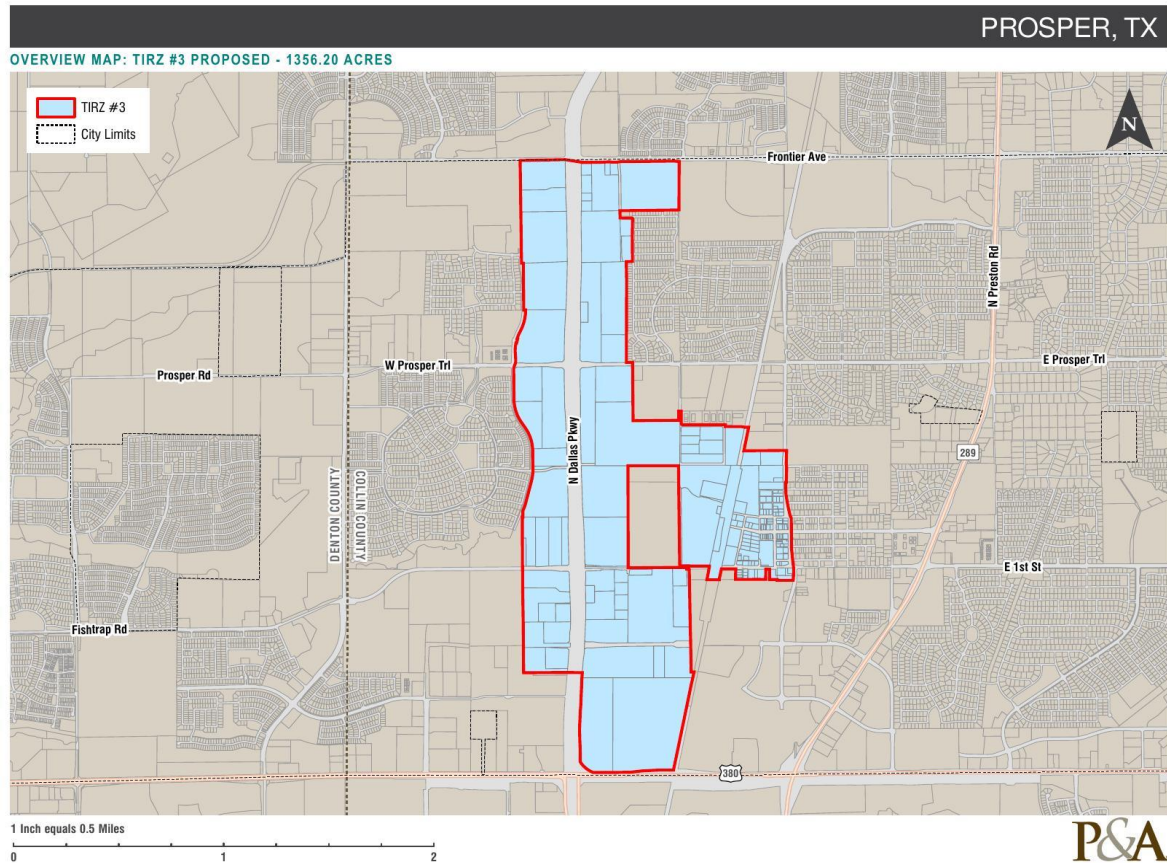
Year	Total Value	Increment	Annual TIRZ	Cumulative
1	\$277,072,796	\$18,126,258	\$29,188	\$29,188
2	\$296,467,891	\$37,521,353	\$60,420	\$89,608
3	\$317,220,644	\$58,274,106	\$93,837	\$183,445
4	\$339,426,089	\$80,479,551	\$129,594	\$313,039
5	\$363,185,915	\$104,239,377	\$167,854	\$480,893
6	\$388,608,929	\$129,662,391	\$208,791	\$689,684
7	\$415,811,554	\$156,865,016	\$252,595	\$942,279
8	\$444,918,363	\$185,971,825	\$299,465	\$1,241,744
9	\$476,062,648	\$217,116,110	\$349,616	\$1,591,360
10	\$509,387,034	\$250,440,496	\$403,277	\$1,994,637
11	\$545,044,126	\$286,097,588	\$460,694	\$2,455,331
12	\$583,197,215	\$324,250,677	\$522,131	\$2,977,462
13	\$624,021,020	\$365,074,482	\$587,868	\$3,565,330
14	\$667,702,491	\$408,755,953	\$658,207	\$4,223,537
15	\$714,441,666	\$455,495,128	\$733,470	\$4,957,007
16	\$764,452,582	\$505,506,044	\$814,001	\$5,771,008
17	\$817,964,263	\$559,017,725	\$900,169	\$6,671,177
18	\$875,221,761	\$616,275,223	\$992,370	\$7,663,547
19	\$936,487,285	\$677,540,747	\$1,091,024	\$8,754,571
20	\$1,002,041,395	\$743,094,857	\$1,196,583	\$9,951,154

IX. APPENDICES

A. ZONE BOUNDARY MAP

Total Zone Area: 1,356.20 acres

TIRZ #3 OVERVIEW MAP:



Map Features:

- Total Zone Area: 1,356.20 acres
- TIRZ #3 boundary shown in red outline with blue fill
- City limits shown with dashed black line
- Major corridors: N Dallas Parkway, US Highway 380, Frontier Avenue
- Scale: 1 inch equals 0.5 miles

B. DETAILED PROJECT COST ESTIMATES

STREET PROJECTS DETAIL

Project	Cost	Phase
DNT Parallel Collector (First St to US 380)	\$15,000,000	1
DNT Parallel Collector (Frontier to Prosper Trail)	\$15,000,000	1
Fifth Street Quiet Zone	\$500,000	1
Shawnee Trail Connections	\$20,000,000	2
Developer Reimbursements - Streets	\$50,000,000	1-3

SUBTOTAL - STREET PROJECTS	\$100,500,000	
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OTHER PROJECTS DETAIL

Category	Project	Cost	Phase
Parks	Parking Improvements	\$21,000,000	1
Parks	Monumentation	\$1,600,000	2
Parks	Landscape/Streetscape	\$3,000,000	2
Drainage	Regional Detention Pond	\$2,000,000	1
Facilities	Recreation Center	\$40,000,000	2
Utilities	Water/Wastewater Improvements	\$25,000,000	1-3
	SUBTOTAL - OTHER PROJECTS	\$92,600,000	
	TOTAL ALL PROJECTS	\$193,100,000	

C. LEGAL REQUIREMENTS SUMMARY

Texas Tax Code Chapter 311 Key Provisions:

- §311.003: Public hearing requirements
- §311.005: Public purpose findings
- §311.011: Feasibility requirements
- §311.013: Taxing unit participation
- §311.014: Project plan requirements
- §311.016: Financing plan requirements

D. CERTIFICATION

This Preliminary Project and Finance Plan and Feasibility Study for Tax Increment Reinvestment Zone No. 3 has been prepared in compliance with Chapter 311 of the Texas Tax Code and applicable provisions of Texas law. The analysis and projections contained herein are based on current market conditions, available data, and reasonable assumptions regarding future economic growth and development.

Prepared By: Petty & Associates, Inc.



Date: November 2025

Document Status: Preliminary - Subject to Public Review and Approval

This document represents a preliminary analysis for public review and comment. Final establishment of TIRZ #3 requires completion of the public hearing process and formal adoption by the Town of Prosper.

E. PARCEL DESCRIPTIONS

Detailed parcel descriptions and legal property descriptions for all properties within TIRZ #3 boundaries are maintained by Collin Central Appraisal District and are available upon request. The TIRZ encompasses approximately 1,356.20 acres of property identified in the official boundary map included in Appendix A.

Total Properties in TIRZ #3: 200 parcels (based on 2025 Collin CAD certified rolls).