

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN THE CORPORATE LIMITS AND EXTRATERRITORIAL JURISDICTION OF THE TOWN AS REINVESTMENT ZONE NUMBER THREE, TOWN OF PROSPER, TEXAS, PURSUANT TO THE TAX INCREMENT FINANCING ACT, CHAPTER 311, TEXAS TAX CODE, AS AMENDED; ESTABLISHING A BOARD OF DIRECTORS FOR THE ZONE; ESTABLISHING THE TAX INCREMENT BASE FOR THE ZONE; PROVIDING FOR THE EFFECTIVE DATE AND TERM OF THE ZONE; CREATING A TAX INCREMENT FUND FOR THE ZONE; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Prosper, Texas (the "Town") is a home-rule municipality operating under the Constitution and laws of the State of Texas; and

WHEREAS, Chapter 311, Texas Tax Code, as amended (the "Act"), authorizes the governing body of a municipality to designate a contiguous geographic area located within its corporate limits or extraterritorial jurisdiction, or both, as a reinvestment zone for the purpose of promoting development or redevelopment of the area; and

WHEREAS, the Town Council has determined that the creation of a reinvestment zone for a portion of the Town and its extraterritorial jurisdiction would promote development and redevelopment in accordance with the Act; and

WHEREAS, a preliminary project and financing plan for the proposed reinvestment zone has been prepared in accordance with Section 311.003(b) of the Act; and

WHEREAS, notice of a public hearing on the creation of the proposed reinvestment zone was published in a newspaper of general circulation in the Town in accordance with Section 311.003(c) of the Act; and

WHEREAS, the Town Council conducted a public hearing on November 25, 2025, at the Prosper Town Hall, 250 W. First Street, Prosper, Texas, to receive public comment on the creation of the proposed reinvestment zone, the preliminary project and financing plan, and the potential benefits to the Town; and

WHEREAS, a map of the proposed reinvestment zone boundaries and the preliminary project and financing plan were made available for public inspection in accordance with Section 311.003(b) of the Act; and

WHEREAS, property owners within the proposed reinvestment zone were given the opportunity to protest the inclusion of their property in the zone in accordance with Section 311.003(d) of the Act; and

WHEREAS, the Town Council finds that the proposed reinvestment zone meets the criteria for creation set forth in Section 311.005(a)(2) of the Act in that it is a predominantly open or undeveloped area and the obsolete platting, deterioration of structures or site improvements, or other factors substantially impair or arrest the sound growth of the municipality; and

WHEREAS, the Town Council finds that the total appraised value of taxable real property in the proposed reinvestment zone and in existing reinvestment zones does not exceed fifty percent (50%) of the total appraised value of taxable real property in the Town and its extraterritorial jurisdiction, as required by Section 311.006(a)(2)(B) of the Act; and

WHEREAS, the Town Council finds that less than thirty percent (30%) of the property in the proposed reinvestment zone is residential property, as required by Section 311.006(a)(1) of the Act; and

WHEREAS, the Town Council finds that the improvements in the zone will significantly enhance the value of all taxable real property in the zone and will be of general benefit to the Town; and

WHEREAS, the Town Council desires to designate the area described herein as a reinvestment zone pursuant to Chapter 311, Texas Tax Code.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, THAT:

SECTION 1

Findings Incorporated. The above and foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of fact and as part of the operative provisions hereof.

SECTION 2

Creation of Reinvestment Zone. Pursuant to Chapter 311, Texas Tax Code, there is hereby created a reinvestment zone over the area described in Section 3 below. The zone shall be known as "Reinvestment Zone Number Three, Town of Prosper, Texas" ("TIRZ No. 3" or the "Zone").

SECTION 3

Zone Boundaries. The boundaries of the Zone are described by the parcel identification list attached hereto as Exhibit C and depicted on the map attached hereto as Exhibit A, both of which are incorporated herein by reference for all purposes.

SECTION 4

Zone Eligibility Findings. The Town Council hereby makes the following findings with respect to the Zone:

- (a) The Zone meets the criteria for creation set forth in Section 311.005(a)(2) of the Act in that it is a predominantly open or undeveloped area and the obsolete platting, deterioration of structures or site improvements, or other factors substantially impair or arrest the sound growth of the municipality.
- (b) Development and redevelopment of the Zone would not occur solely through private investment in the reasonably foreseeable future without the designation of the Zone.
- (c) The improvements in the Zone will significantly enhance the value of all taxable real property in the Zone and will be of general benefit to the Town.
- (d) Less than thirty percent (30%) of the property in the Zone is residential property as defined by Section 311.006(a)(1) of the Act.
- (e) The total appraised value of taxable real property in the Zone and in existing reinvestment zones does not exceed fifty percent (50%) of the total appraised value of taxable real property in the Town and its extraterritorial jurisdiction as required by Section 311.006(a)(2)(B) of the Act.

(f) No persons will be displaced as a result of implementing the project plan for the Zone; therefore, no method of relocating displaced persons is required pursuant to Section 311.011(b)(4) of the Act.

SECTION 5

Tax Increment Base. The tax increment base for the Zone is hereby established as Two Hundred Fifty-Eight Million Nine Hundred Forty-Six Thousand Five Hundred Thirty-Eight Dollars (\$258,946,538), which is the total appraised value of all taxable real property in the Zone as of January 1, 2024, as certified by the Collin Central Appraisal District and Denton Central Appraisal District.

SECTION 6

Effective Date and Term of Zone. The Zone shall take effect immediately upon passage of this Ordinance and shall terminate on December 31, 2045, unless extended or terminated earlier by action of the Town Council in accordance with the Act. The Zone shall be in existence for a period not to exceed twenty (20) years from its effective date.

SECTION 7

Tax Increment Fund. There is hereby created a tax increment fund for the Zone, which shall be known as the "Tax Increment Fund – Reinvestment Zone Number Three, Town of Prosper, Texas" (the "Fund"). All tax increments, revenue from the sale of tax increment bonds or notes, revenue from the sale of property acquired as part of the tax increment financing plan, and other revenues to be dedicated to the Zone shall be deposited in the Fund. The Fund shall be maintained in accordance with Section 311.014 of the Act.

SECTION 8

Town's Tax Increment Participation. The Town shall participate in the Zone by contributing fifty percent (50%) of the tax increment produced by the Town's maintenance and operations tax rate on property within the Zone to the Fund. The Town shall retain one hundred percent (100%) of the tax increment produced by the Town's interest and sinking (debt service) tax rate. The Town's participation in the Zone is subject to annual appropriation by the Town Council.

SECTION 9

Board of Directors. A Board of Directors (the "Board") is hereby created for the Zone. The Board shall consist of seven (7) members as follows: the Mayor of the Town, who shall serve as Chairman of the Board, and the six (6) members of the Town Council, each serving by virtue of their elected office. Members shall serve on the Board for the duration of their respective terms on the Town Council, and their successors in office shall automatically become members of the Board. The Board shall make recommendations to the Town Council concerning the administration, operation, and financing of the Zone. Other taxing units that levy taxes on property within the Zone may appoint additional members to the Board in accordance with Section 311.009(a) of the Act.

SECTION 10

Project and Financing Plans. The Board shall prepare and submit to the Town Council for approval a project plan and a reinvestment zone financing plan for the Zone in accordance with Section 311.011 of the Act. The preliminary project and financing plan attached hereto as Exhibit B is hereby adopted as the basis for the final project and financing plans to be prepared by the Board. No expenditure of Zone funds shall be made and no costs shall be

reimbursed from Zone funds until the Town Council has approved the final project and financing plans.

SECTION 11

Participation by Other Taxing Units. Other taxing units that levy taxes on property within the Zone are hereby invited to participate in the Zone by dedicating all or a portion of their tax increment to the Fund in accordance with Section 311.013(f) of the Act. The Town Manager or designee is authorized to negotiate participation agreements with other taxing units on behalf of the Town, subject to approval by the Town Council.

SECTION 12

Severability. If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application, and to this end, the provisions of this Ordinance are declared severable.

SECTION 13

Open Meetings. It is hereby found and determined that the meeting at which this Ordinance was considered was open to the public as required by law and that public notice of the time, place, and purpose of said meeting was given as required by Chapter 551, Texas Government Code.

SECTION 14

Effective Date. This Ordinance shall take effect immediately upon its passage as provided by Section 311.004(a)(3) of the Act.

DULY PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS, ON THIS 9TH DAY OF DECEMBER, 2025.

David F. Bristol, Mayor

ATTEST:

Michelle Lewis Sirianni, Town Secretary

APPROVED AS TO FORM:

Terrence S. Welch, Town Attorney

EXHIBIT A

ZONE BOUNDARY MAP

The following map depicts the boundaries of Reinvestment Zone Number Three, Town of Prosper, Texas. The Zone boundary map is the same map included in the Preliminary Project and Financing Plan for TIRZ No. 3.

Total Zone Area: Approximately 1,356.20 acres

The Zone boundary map is on file with the Town Secretary at Prosper Town Hall, 250 W. First Street, Prosper, Texas, and is incorporated by reference from the Preliminary Project and Financing Plan.

Map References: The Zone is generally bounded by:

North: Frontier Avenue and the Collin County line

South: US Highway 380

East: N Preston Road corridor

West: N Dallas Parkway corridor

Major roadways within or adjacent to the Zone include E. 1st Street, W. Prosper Trail, E. Prosper Trail, and the Town corporate limits.

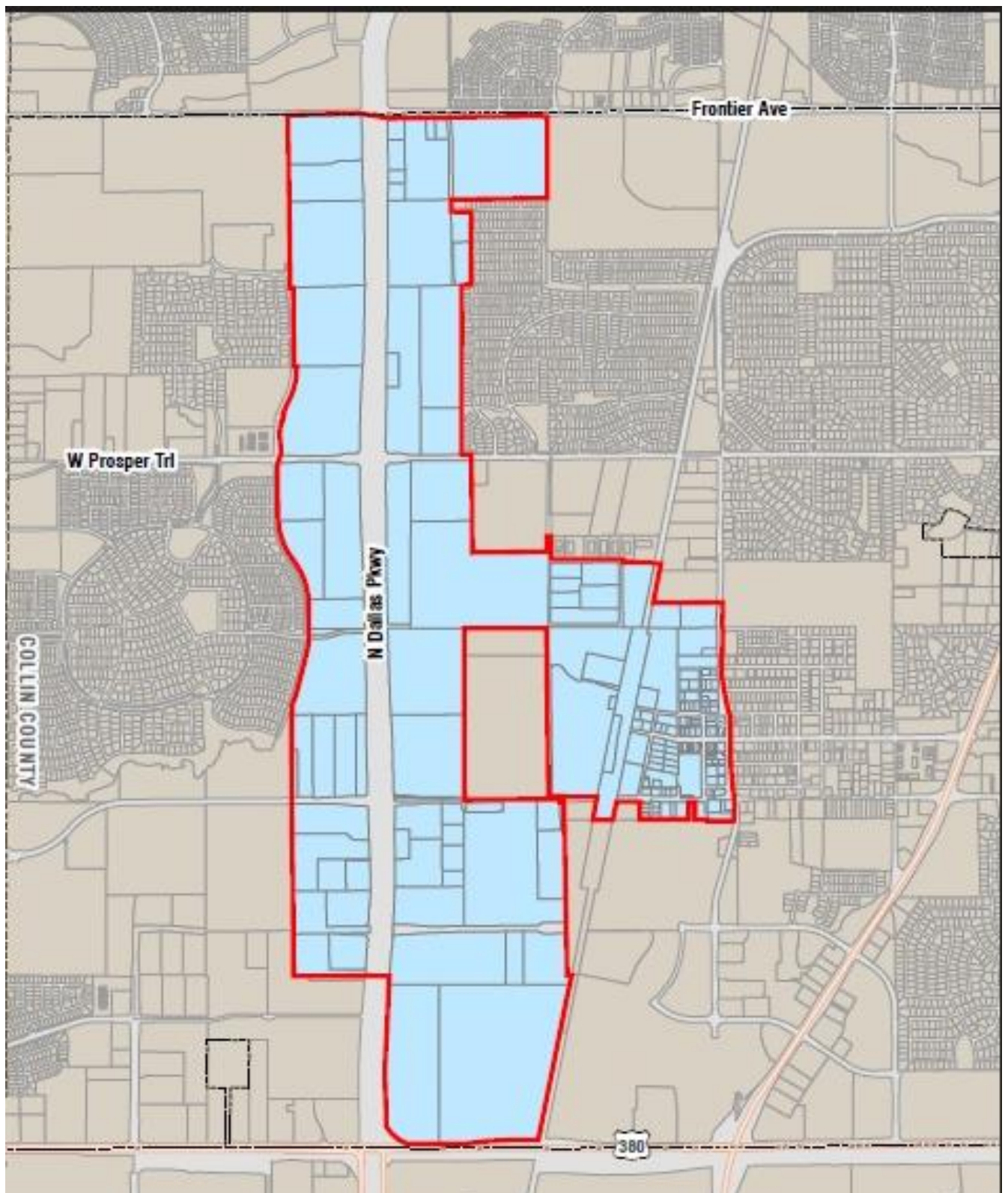


EXHIBIT B

PRELIMINARY PROJECT AND FINANCING PLAN

The following summarizes the key elements of the Preliminary Project and Financing Plan for Reinvestment Zone Number Three, Town of Prosper, Texas. The complete Preliminary Project and Financing Plan is on file with the Town Secretary at Prosper Town Hall, 250 W. First Street, Prosper, Texas.

Zone Name	Reinvestment Zone Number Three, Town of Prosper, Texas
Tax Increment Base Value (2024)	\$258,946,538
Zone Term	20 Years (through December 31, 2045)
Town Participation Rate	50% of M&O Tax Increment; 0% of I&S
Estimated Project Costs	\$215,800,000
Primary Project Categories	Streets/Roads, Parks/Recreation, Public Facilities, Utilities, Drainage, Public Safety

EXHIBIT C

ZONE BOUNDARY DESCRIPTION / PARCEL LIST

The following parcels comprise Reinvestment Zone Number Three, Town of Prosper, Texas:

Total Zone Area	1,356.20 acres
Total Parcels	200
Tax Increment Base Value	\$258,946,538
Appraisal District	Collin Central Appraisal District

PARCEL IDENTIFICATION LIST

PROP_ID	GEO_ID
960552	R-0972-001-0010-1
960561	R-0972-001-0050-1
960570	R-0972-001-0070-1
960589	R-0972-001-0080-1
960598	R-0972-001-0100-1
960605	R-0972-001-0120-1
960632	R-0972-001-0150-1
960669	R-0972-001-018A-1
960678	R-0972-001-018B-1
960687	R-0972-001-0210-1
960696	R-0972-001-0230-1
960703	R-0972-002-0010-1
960721	R-0972-002-0030-1
960730	R-0972-002-006A-1
960749	R-0972-002-006B-1
960767	R-0972-002-0140-1
960776	R-0972-002-0170-1
960785	R-0972-002-0180-1
960794	R-0972-002-0220-1
960801	R-0972-003-0010-1
960829	R-0972-003-0030-1
960838	R-0972-003-0050-1
960847	R-0972-003-0060-1
960856	R-0972-003-0070-1
960927	R-0972-004-0010-1
960936	R-0972-004-0020-1
960945	R-0972-004-0040-1
960954	R-0972-004-0060-1
960963	R-0972-004-0001-1
961007	R-0972-004-014B-1
961025	R-0972-004-0190-1
961034	R-0972-004-0200-1
961043	R-0972-004-0210-1
961114	R-0972-006-0180-1
961150	R-0972-008-0010-1
961178	R-0972-008-0030-1
961187	R-0972-008-0050-1
967564	R-6147-004-0070-1

PROP_ID	GEO_ID
967573	R-6147-004-0080-1
967591	R-6147-004-0100-1
967644	R-6147-005-0140-1
967662	R-6147-005-0160-1
967699	R-6147-004-0190-1
968368	R-6147-007-0470-1
968581	R-6147-007-0690-1
968787	R-6147-007-0890-1
968858	R-6147-007-0960-1
968867	R-6147-007-0970-1
968876	R-6147-007-0980-1
968885	R-6147-007-0990-1
968894	R-6147-007-1000-1
968901	R-6147-007-1010-1
968910	R-6147-007-1020-1
968929	R-6147-007-1030-1
968983	R-6147-007-1080-1
968992	R-6147-007-1090-1
969009	R-6147-007-1100-1
969018	R-6147-007-1110-1
969027	R-6147-007-1120-1
969036	R-6147-007-1130-1
969045	R-6147-007-1140-1
969296	R-6147-007-1390-1
969376	R-6147-007-1470-1
969385	R-6147-007-1480-1
972594	R-1114-026-0010-1
972601	R-1114-027-0010-1
976420	R-0976-003-003A-1
977081	R-0976-001-001A-1
977090	R-0976-001-001B-1
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977152	R-0976-002-002E-1
977189	R-0976-002-002H-1
977198	R-0976-003-003B-1
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977269	R-0976-005-0010-1
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999138	R-0976-004-004A-1
1368111	R-1114-028-0010-1
1368148	R-1114-029-0010-1
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1516452	R-6147-007-1570-1
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1529108	R-6147-007-1640-1
1622408	R-6147-002-0640-1
1633584	R-6147-005-0310-1
1876027	R-2050-001-00A0-1
1876036	R-2050-001-00B0-1
1876045	R-2050-001-00C0-1
1876054	R-2050-001-00D0-1
1905095	R-0976-003-003E-1
1905102	R-0976-003-003F-1
1970714	R-6147-002-0680-1
1995999	R-0976-001-001C-1
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2012817	R-2983-000-0030-1
2012818	R-2983-000-0040-1
2012819	R-2983-000-0050-1
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2012821	R-2983-000-0070-1
2012822	R-2983-000-0080-1
2012824	R-2983-000-0100-1
2018118	R-6147-001-0630-1
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2562827	R-6147-001-0350-1
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2571152	R-6147-004-0060-1
2575645	R-6147-001-0410-1
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2619056	R-6147-005-1790-1
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2648818	R-9685-00A-0040-1
2656402	R-9772-00A-0010-1
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2734310	R-2983-00A-0090-1
2740794	R-2050-002-0020-1
2740865	R-0976-002-001R-1
2740866	R-0976-002-002R-1
2740868	R-0976-002-003R-1
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2749343	R-0972-003-012B-1
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