

NEWS RELEASE

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April 22, 2014

Empowerment zones attracting developer attention

PROSPER (April 22, 2014) The promise of extensive commercial and office construction as well as a significant uptick in residential activity for Prosper's downtown district is the direct result of the recent passage of the district's second Neighborhood Empowerment Zone, says Town Manager Harlan Jefferson.

"The two downtown zones are designed to generate interest on the part of developers through the use of economic development incentives," he said. "Offering these incentives is a way for the Town to attract high-quality office and residential projects to locations that might not otherwise be under consideration by these developers."

Indeed, the two downtown Neighborhood Empowerment Zones (NEZ) cover areas that are not generally seen as overly attractive to developers because of access issues and the conventional wisdom that older parts of cities require more extensive infrastructure retrofitting.

"The reconstruction of Preston Road will provide much improved access to the downtown area, and the Town is aggressively moving forward with water and wastewater improvement projects that will increase the Town's capacity to provide service," he added.

Results are already evident as five major commercial office buildings, representing some 50,000 square feet of usable office space are either under construction, in the planning stages or finalizing their financing plans.

Additionally, zoning changes that will encourage downtown-area residential development and retail establishments have been completed, clearing the way for developers to work with landowners and real estate brokers.

The second NEZ in the downtown area, approved by the Town Council in early 2014 is generally bounded by Coleman Street to the west, First Street to the south, Craig Street to the east, and Eighth Street to the north. It abuts the first downtown NEZ, approved in late 2009. That one is generally bounded by Coleman Street to the east, First Street to the south, BNSF Railroad to the west, and Gorgeous Road to the north.

"In combination, the two zones form a prevailing incentive for developers to look at the downtown area and begin to see how it can be transformed into a thriving center for business, office and residential," said Jefferson. "These zones are designed to offer time-specific breaks on taxes, impact fees and permit fees to developers in exchange for construction activity. It's clearly a win-win."

Both NEZ 1 and 2 offer a ten-year waiving of 75 percent of permit and inspection fees and 75 percent of water, wastewater and roadway impact fees. The Town may also refund up to 60 percent of municipal sales tax on sales resulting from new development or redevelopment, and may abate up to 100 percent of municipal property taxes on property resulting from new development or redevelopment. At the Town's discretion, the incentives may be extended beyond the initial ten-year period.

"This is yet another tool in bringing new development to Prosper," said Jefferson. "Using these tools and instruments wisely and judiciously can mean a significant boost in the kind of development we're looking for to transform the downtown area."

More information on the two Neighborhood Empowerment Zones can be obtained from the Town's Development Services Department at (972) 346-3502.

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ABOUT THE TOWN OF PROSPER – The Town of Prosper is a fast-growing suburb with small town charm, located 30 miles north of Dallas at the crossroads of U.S. 380, Preston Road and the Dallas North Tollway in Collin and Denton Counties. Prosper sits on 27 square miles and is home to more than 15,000 people. A home-rule municipality, governed by a council-manager form of government, the town has full-time fire and police departments, including its own dispatch service. As the Town grows to its projected build-out population of 70,000 residents, Prosper's vision is to remain a "Place Where Everyone Matters."