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NEWS RELEASE

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Neighborhood Empowerment Zone offers financial incentives *Development of downtown tracts can mean significant savings*

PROSPER (June 7, 2010) A quick, easy and financially favorable way for developers and property owners to establish new, non-residential development or redevelopment in a large portion of the downtown area in Prosper has been created by the Town of Prosper and supported by the Prosper Economic Development Corporation, according to Mike Land, Town Manager.

“The Town Council approved the establishment of the Town’s first Neighborhood Empowerment Zone for the greater downtown area. The savings to anyone developing a piece of the Empowerment Zone are considerable,” he said.

Neighborhood Empowerment Zones (NEZ), economic development tools that allow developers and property owners to take advantage of lowered or eliminated fees and taxes, were created by the state legislature in 1999 as a way for towns and cities to attract and expand businesses in certain geographic areas.

In Prosper, the approved NEZ, called NEZ No. 1, is bounded by Coleman Street on the east, First Street on the south, the railroad line on the west, and Prairie Vista Drive on the north. Those boundaries essentially encompass the entire downtown area.

Developers and property owners who build or expand non-residential developments within the NEZ stand to gain in a number of highly profitable ways.

The resolution passed by the Town Council which created the NEZ provides for the potential elimination of 75 percent of most fees, including building permit fees, building inspection fees, construction inspection fees, demolition permit fees, electrical permit fees, plumbing permit fees, mechanical permit fees, certificate of occupancy fees, and any other fees that the Town determines. In addition, the Town may waive 75 percent of most impact fees, including water, wastewater and roadway for eligible projects.

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Moreover, developers and property owners who build or expand within the NEZ can see hefty property tax reductions from the Town. For example, the Town of Prosper, on a case by case basis, may approve significant sales tax rebates and may even authorize an abatement of property taxes.

In some cases, the Town can refund up to 60 percent of the municipal portion of sales taxes collected for any sales within the NEZ for any new or redeveloped property. In addition, some projects may be eligible for an abatement of some or all municipal property taxes for any new development or redeveloped property within the NEZ.

The NEZ was created for an initial 10-year period and can be renewed by the Council. However, the sales tax or property tax incentives may be granted to a specific business or property for a period of no more than ten years.

“This action by the Council clearly demonstrates that the Town is serious about economic development and is abundantly willing to express that seriousness by partnering with businesses. Of course, the payback for the Town on such development can be significant in terms of diversifying our tax base and increasing interest in making Prosper a center for economic activity,” said Land.

The expansion of the Dallas North Tollway into Prosper and the reconstruction of SH 289 (Preston Road) up to and beyond SH 380 are opportunities that the Town must seize in order to progress both economically and from a quality of life perspective.

“Our window is opening, and the NEZ in downtown is a way that we can encourage business development, economic vitality, job creation and increase our attractiveness to businesses and residents,” concluded Land.

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CUTLINE FOR ATTACHED GRAPHIC: Virtually the entire Prosper downtown is included in the recently designated Neighborhood Empowerment Zone, Number 1, in which developers and property owners can take advantage of favorable financial incentives such as reduced fees and either rebates or abatement of taxes.

Note: Graphic is included as JPG file.

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 9,000 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 90,000 residents, Prosper’s vision is to remain a “Place Where Everyone Matters.”

