

Frequently Asked Questions About November 3 Bond Election **(August 27, 2020)**

1. What is a Bond Election?

A bond election is an election where the voters in the Town authorize the issuance of public debt. Generally, cities or other governmental entities (school districts, for example) call for a bond election in order to obtain the authority from the voters to use bonds for the funding of large, one-time projects, such as infrastructure or other large projects. Bond financing spreads the cost of a capital improvement project over its useful life, which allows large, one-time projects to be paid for over time.

2. What is a capital improvement project?

A capital improvement project is any major improvement to Town facilities and/or infrastructure. Capital improvement projects typically include projects such as street construction, reconstruction, or rehabilitation; the construction or renovation of municipal facilities, such as fire and police stations or libraries; and park improvements. All of the proposed projects are referred to collectively as a Capital Improvement Program. Although capital improvement projects can be very different, most require multiple years to complete, are financed over a long period of time, and require a series of work phases to complete, such as planning, design, and construction.

3. What are Bond Propositions?

A bond proposition is a spending category that encompasses a group of similar infrastructure or public amenity projects. A bond election can consist of multiple propositions. Voters cast their vote on each proposition separately – not on the individual projects within any given proposition.

4. How many Bond Propositions will be on the November 3 ballot?

There will be 3 propositions on the November 3 ballot—Proposition A relates to Public Safety Facilities; Proposition B relates to Parks and Recreation capital improvement projects; and Proposition C relates to Streets and Transportation capital improvement projects. Each proposition is described in greater detail below.

5. Why is the bond election split into three separate propositions?

The bond election is split into three separate propositions because state law requires that similar projects be grouped together. By grouping similar projects into propositions, the Town has the ability to adjust projects according to available funding during the implementation phase. For instance, cost-savings in one project could balance cost-overruns in another project within the same proposition.

6. How were the projects selected?

The projects to be voted on in the November 3 bond election were selected by Town Council after receiving recommendations from the Citizens Bond Advisory Committee (CBAC). The CBAC comprised of 14 Prosper residents was established by the Town Council in February 2020. The committee's role was to consider potential projects for inclusion in a proposed 2020 bond program. The CBAC held eight meetings from March 18 through July 1, 2020. On July 14, 2020, the Town Council received the CBAC's unanimous recommendation for a Town bond election and on August 11, 2020, the Town Council called the bond election after considering the CBAC's recommendation.

7. What is included in the Public Safety Facilities Proposition (Proposition A)?

The summary of the proposition is: "The issuance of \$30,000,000 tax bonds by the Town of Prosper, Texas for public safety facilities in the town, consisting of fire stations, an emergency operations center, a public safety training facility and administrative facilities relating thereto." **Add link to summary of projects and maps**

8. What is included in the Parks and Recreation Proposition (Proposition B)?

The summary of the proposition is: "The issuance of \$30,000,000 tax bonds by the Town of Prosper, Texas for equipping parks, trails and recreational facilities in the town and the acquisition of land and interests in land for such purposes." **Add link to summary of projects and maps**

9. What is included in the Streets and Transportation Proposition (Proposition C)?

The summary of the proposition is: "The issuance of \$150,000,000 tax bonds by the Town of Prosper, Texas for constructing, improving, extending, expanding, upgrading and developing streets and roads, bridges and intersections in the town and related drainage improvements, utility relocations, landscaping, curbs and sidewalks, traffic safety and operational improvements, entryway signage and other street and road signage and costs associated with such projects, and interests in land as may be necessary for such purposes." **Add link to summary of projects and maps**

It should be noted that the following projects are planned to be completed through funding from other obligations of the Town and no bond proceeds will be utilized for improvements to Frontier Parkway from the Dallas North Tollway to Preston Road, the Dallas North Tollway Overpass at Highway 380 and Fishtrap Road from Teel Parkway to Stuber Elementary School.

10. If the bonds were approved, when would each project take place?

There is currently not a specific project timeline since the project implementation would be determined based upon results of the bond election and available funding. The Bond Program was designed to be implemented over a 10-year period. Based upon the bond election results, Town staff would work with Town Council to establish a bond project schedule. If approved, a few projects would begin immediately, while other projects would be staggered for throughout the ten-year timeframe of the program.

11. Can funds approved in one proposition be used to fund projects in another proposition?

Amounts approved for one proposition cannot be assigned to another proposition, even if there are excess funds available. Expenditures must strictly conform to what was approved by voters in the bond election. If voters approve a bond proposition on an election ballot, the Town is authorized to sell bonds up to the amount indicated in the proposition language to fund capital improvement projects that meet the public purpose of that bond proposition.

12. Can I vote for or against an individual project within the propositions?

The bond propositions are organized according to three categories of projects rather than by individual project. As such, voters will vote either for or against each individual proposition and will not be able to vote on any individual project referenced in the proposition.

13. What is the estimated impact to the property tax rate?

The estimated impact to the property tax rate is dependent on several factors, including future property values, interest rates and the amount of bonds sold on an annual basis. If all propositions were approved, the estimated tax rate increase, assuming level issuance of debt over a ten-year period, would be \$0.075. The estimated annual tax increase would be \$75 for each \$100,000 of property value.

14. What is the impact on my property taxes if I am under a property tax freeze due to the over 65 or disabled exemption?

Your Town taxes are frozen at the specific dollar amount of taxes paid to the Town in the first year that a property owner qualifies for an over 65 or disabled property tax exemption. Once the taxes are frozen under this exemption, they can't go any higher than this amount, but they can go below this amount based on changes in property values or tax rates. For example, if the taxes paid by a homeowner to the Town in the first year they qualify for an exemption is \$200.00, the amount paid under the tax freeze can never go above \$200.00. The impact of this bond election will not increase taxes on property under the tax freeze above the maximum amount. If the taxes on property under the freeze are below the maximum amount in any given year,

they may increase up to the freeze amount due to an increase in the Town's property tax rate.

15. What is the exact ballot language of each proposition?

Voters will cast a ballot FOR or AGAINST the following propositions:

Proposition A

THE ISSUANCE OF \$30,000,000 TAX BONDS BY THE TOWN OF PROSPER, TEXAS FOR PUBLIC SAFETY FACILITIES IN THE TOWN, CONSISTING OF FIRE STATIONS, AN EMERGENCY OPERATIONS CENTER, A PUBLIC SAFETY TRAINING FACILITY AND ADMINISTRATIVE FACILITIES RELATING THERETO. TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE IMPOSED.

Proposition B

THE ISSUANCE OF \$30,000,000 TAX BONDS BY THE TOWN OF PROSPER, TEXAS FOR EQUIPPING PARKS, TRAILS AND RECREATIONAL FACILITIES IN THE TOWN AND THE ACQUISITION OF LAND AND INTERESTS IN LAND FOR SUCH PURPOSES. TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE IMPOSED.

Proposition C

THE ISSUANCE OF \$150,000,000 TAX BONDS BY THE TOWN OF PROSPER, TEXAS FOR CONSTRUCTING, IMPROVING, EXTENDING, EXPANDING, UPGRADING AND DEVELOPING STREETS AND ROADS, BRIDGES AND INTERSECTIONS IN THE TOWN AND RELATED DRAINAGE IMPROVEMENTS, UTILITY RELOCATIONS, LANDSCAPING, CURBS AND SIDEWALKS, TRAFFIC SAFETY AND OPERATIONAL IMPROVEMENTS, ENTRYWAY SIGNAGE AND OTHER STREET AND ROAD SIGNAGE AND COSTS ASSOCIATED WITH SUCH PROJECTS, AND INTERESTS IN LAND AS MAY BE NECESSARY FOR SUCH PURPOSES; PROVIDED THAT THE FOLLOWING PROJECTS ARE PLANNED TO BE COMPLETED THROUGH FUNDING FROM OTHER OBLIGATIONS OF THE TOWN AND THEREFORE NO PROCEEDS OF THE BONDS MAY BE USED FOR IMPROVEMENTS TO FRONTIER PARKWAY FROM THE DALLAS NORTH TOLLWAY TO PRESTON ROAD, THE DALLAS NORTH TOLLWAY OVERPASS AT HIGHWAY 380 AND FISHTRAP ROAD FROM TEEL PARKWAY TO STUBER ELEMENTARY SCHOOL. TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE IMPOSED.