

ORDINANCE 2014-09
(As Amended)

TO BE ENTITLED: "AN ORDINANCE TO AMEND VARIOUS
SECTIONS OF CHAPTER 4 OF TITLE 16 OF THE FRANKLIN
MUNICIPAL CODE CONCERNING ROAD IMPACT FEES."

WHEREAS, the Board of Mayor and Aldermen desires to set road impact fees to assure the provision of adequate arterial road improvements to serve such new development, by requiring the developer to pay the pro rata share of the costs of new road improvements or expansions reasonably attributable to such new development, based upon recent growth in residential and nonresidential development; arterial road improvements actually constructed; changing levels of service and transportation needs; inflation; revised cost estimates for arterial road improvements; and changes in the availability of other funding sources for arterial road improvement; and

WHEREAS, the Board of Mayor and Aldermen commissioned and received a Road Impact Fee Update Study conducted by Duncan Associates and dated March 2014 that indicates a need to increase the Road Impact Fees in order to recover and fund the City's roadway infrastructure improvements more efficiently; and

WHEREAS, the Board of Mayor and Aldermen desires, due to the high cost of the rights-of-way required for the construction of the public arterial road improvements, to include the cost of rights-of-way in the calculations for the Road Impact Fees and associated eligible Off-Sets; and

WHEREAS, the City of Franklin Municipal Charter, art. H, § 1 (38), as amended by Priv. Acts 1987, Ch. 54 and by Priv. Acts 1987, Ch. 117 (HB 1311) confers such power to increase Road Impact Fees.

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR
AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, AS FOLLOWS:**

SECTION 1: That Title 16, Chapter 4, Section 16-405 (1) of the City of Franklin Municipal Code is hereby amended to delete the following text noted with a strikethrough and to add the following text noted in **bold**:

16-405. Definitions. (1) "Arterial Road Improvement" means any capital improvement, including but not limited to new roads, additional lanes, widened lanes, intersection improvements, turn lanes, bridges, traffic signals, Intelligent Transportation System (ITS) improvements, street lighting, and associated

drainage facilities, that expands the capacity of the City's Arterial Road System. The cost of water, wastewater, electricity except as required for the street lighting or natural gas utilities located within the road right-of-way, or the cost of relocating such utilities as necessitated by a road improvement, shall not be included in the definition of Arterial Road Improvement cost. **Providing greater access to a particular Development or promoting safety is not necessarily considered expanding arterial roadway capacity.**

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(22) "Site-Related Improvements" means land dedications or provision of road improvements which are for the exclusive or primary use or benefit of a new Development and/or which are for the exclusive or primary purpose of safe and adequate provision of road facilities to serve the new Development. **Turn lane construction and traffic signalization on the Arterial Road System whose main benefit is to serve a particular Development or to provide ingress and egress to a particular Development shall be considered a Site-Related Improvement.**

SECTION II. That Title 16, Chapter 4, Section 16-410, is hereby amended to delete the following text noted with a ~~strikethrough~~ and to add the following text noted in **bold**:

16-410. Impact Fee Schedule. 1) Every Developer shall pay a Road Impact Fee, computed by Service Area and by proposed land uses, according to New Fee Schedule, Exhibit A, ~~and Implementation of Fee Schedule, Exhibit B¹,~~ attached hereto and incorporated by reference herein, except those paying a fee by an individual assessment of road impacts provided for in § 16-411 or otherwise exempted by this Chapter. The reference in the schedules to square feet refers to Floor Area as defined herein.

* * * *

5) When a change or expansion of a land use or the redevelopment, replacement or modification of an existing Building or structure requires the issuance of a permit ~~or Certificate of Occupancy,~~ the Road Impact Fee shall be based upon the net increase in the Impact Fee for the new use as compared to the previous use. No Impact Fee Credits or refunds will be granted if a net decrease results. The previous use or structure shall be the most recent use of the site within the nine (9) years prior to the application for the Building Permit, provided

that the applicant can provide records to confirm the previous Building size and land use.

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7) Residential Development Projects consisting of single-family or townhouse Dwelling Units whose final plat have been approved prior to the effective date of Ordinance ~~2011-07~~ **2014-09** shall be entitled to pay the fee in effect at the time of final plat approval, for so long as the final plat is valid.

8) Nonresidential Development Projects and Residential Development Projects consisting solely of apartments or condominiums whose site plans have been approved prior to the effective date of Ordinance ~~2011-07~~ **2014-09** shall be entitled to pay the fee in effect at the time of site plan approval, for so long as the site plan is valid and provided all of the buildings and structures associated with the site plan have been issued a valid building permit within three (3) years from the date of the building permit issued for the first building or structure within the site plan.

9) Nonresidential Development Projects and Residential Development Projects consisting solely of apartments or condominiums whose site plans have been submitted prior to July 1, ~~2014~~ **2014** and approved prior to October 1, ~~2014~~ **2014** shall be entitled to pay the fee in effect at the time of submission of the site plan so long as all application and plan review fees have been paid to the City and provided all of the buildings associated with the site plan have been issued a valid building permit within three (3) years from the date of the building permit issued for the first building within the site plan. All Development Projects whose site plans have been submitted after July 1, ~~2014~~ **2014** shall pay fees in accordance with this Chapter and subject to paragraph (10) below.

~~10) Implementation of the fees as indicated in Exhibit A shall occur over a three (3) year period with the fees and effective dates as indicated in Exhibit B attached hereto and incorporated by reference herein.~~

SECTION III. That Title 16, Chapter 4, Section 16-412, is hereby amended to delete the following text noted with a ~~strikethrough~~ and to add the following text noted in **bold**:

16 412. Collection of Impact Fees. (1) The Road Impact Fee for a proposed new Development shall be computed in conjunction with the application for a Building Permit, and shall be collected prior to or simultaneous with the issuance of the Building Permit, unless otherwise provided herein.

~~(2) In the event that a Building Permit is not required for a new Development, the Road Impact Fee for the proposed Development shall be computed in conjunction with the application for a Certificate of Occupancy and shall be collected prior to or simultaneous with the issuance of the Certificate of Occupancy.~~

(32) Payment of all fees due shall be in cash or by check or money order. The Building and Neighborhood Services Department shall transmit to the office of the City Recorder all fees collected and a copy of all related fee transaction documents for recordation. The office of the City Recorder shall be responsible for depositing all collected fees in the appropriate trust fund accounts.

(43) A monthly summary of all fee collection transactions, by Service Area and type of use, shall be prepared by the Building and Neighborhood Services Department and transmitted to the offices of the City Administrator and the Road Impact Fee Administrator.

(54) In its sole discretion, the City Administrator may permit a Developer, upon application for a Building Permit, to defer payment of the Road Impact Fee due for a proposed new Development until time for issuance of a Certificate of Occupancy, provided that the Developer provides security for the full amount of the Road Impact Fee due in a form acceptable to the City and agrees to pay interest at an appropriate rate on the amount of the fees.

SECTION IV. That Title 16, Chapter 4, Section 16-413, is hereby amended to delete the following text noted with a ~~strikethrough~~ and to add the following text noted in **bold**:

16-413. Establishment of Account. (1) The City shall establish a separate, interest-bearing account **for each Service Area** into which each Impact Fee collected **within designated Service Area** shall be deposited.

SECTION V. That Title 16, Chapter 4, Section 16-417, is hereby amended to delete the following text noted with a ~~strikethrough~~ and to add the following text noted in **bold**:

16-417. Offsets. (1) The City shall make no Offsets against Impact Fees due for a Development except pursuant to this Chapter. **In order to obtain consideration of an Offset, an authorized agent of the Development seeking such Offset shall submit a request for consideration to enter into an Offset agreement prior to or in conjunction with the initial submittal of the Development Plan or, when no Development Plan is required, a Site Plan to the City.**

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(5) The Offset value of **Arterial Roadway improvements** **Improvements to be used for the initial Offset agreement** shall be based on **an estimate of the eligible costs of the Arterial Roadway Improvements and shall be used for the application of offsets and/or reimbursements until the Arterial Roadway Improvements have been constructed and accepted by the City.** ~~upon the actual cost of the eligible improvements or reasonable unit values~~

~~at the time the construction occurred as determined by the City Engineer using comparable recent transactions, whichever is less. Upon acceptance of the Arterial Roadway Improvements by the City, the Developer shall submit the following information to the Road Impact Fee Administrator for review and approval: invoices and contracts associated with the arterial roadway improvements, copies of checks to show proof of payment and notarized release of lien. After approval of the constructed costs of the Arterial Roadway Improvements, the initial Offset Agreement shall be amended to reflect the actual eligible Road Impact Fee Offset due the Development Project.~~

(6) Offsets shall be computed and subtracted from Impact Fees due prior to the issuance of any Building Permit ~~or Certificate of Occupancy~~ for the Development, or, in the case of a Development Project, pursuant to an agreement with the City executed pursuant to § 16-418.

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(8) For a Development Project, a Developer may execute an agreement with the City pursuant to § 16-418, which allocates the Offsets among Developments within the same Development Project. Unless a different method of allocating Offsets is agreed upon by the City and Developer and incorporated into an agreement pursuant to § 16-418, the following procedure shall be used for allocating the Offsets to individual Developments within a Development Project: ~~The City shall apply the Offset against the Impact Fee that would otherwise be due for the first application for a Building Permit or Certificate of Occupancy within the project. If the Offsets for the Development Project exceed the Road Impact Fee collected for the Development, the City shall apply the balance of the Offsets to the next application for a Building Permit within the project. This procedure shall continue until there are no more Offsets to be applied within the project. The Road Impact Fee Administrator shall maintain records of the Offsets balance for each Development Project for which Offsets are due.~~

- a) The City shall apply the Offset against the Impact Fee that would otherwise be due for the first application for a Building Permit within the project. If the Offsets for the Development Project exceed the Road Impact Fee collected for the Development, the City shall apply the balance of the Offsets to the next application for a Building Permit within the project. This procedure shall continue until there are no more Offsets to be applied within the project. The Road Impact Fee Administrator shall maintain records of the Offsets balance for each Development Project for which Offsets are due, or
- b) The Developer may provide to the Road Impact Fee

Administrator a letter of assignment for any portion of an eligible Road Impact Fee offset for his Development Project to another Developer within his Development Project prior to such assignment being granted to a successor(s) in interest. Should a successor(s) in interest pay a Road Impact Fee prior to the Road Impact Fee Administrator receiving from the Developer a letter of assignment, there shall be no reimbursement of the paid Road Impact Fee to the intended successor(s) in interest.

(9) A Developer seeking Offsets against Road Impact Fees in accordance with an approved Offset Agreement shall submit an application to the Building and Neighborhood Services Department prior to or in conjunction with an application for a Building Permit or, ~~if a Building Permit is not required, prior to or in conjunction with an application for a Certificate of Occupancy.~~ The application shall describe the improvements and their associated costs and shall provide information demonstrating the eligibility of such improvements for Offsets.

SECTION VI: BE IT FINALLY ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, Tennessee, that this Ordinance shall take effect on September 1, 2014 after its passage on second and final reading, the health, safety, and welfare of the citizens requiring it.

ATTEST:

BY: Eric S. Stuckey
ERIC S. STUCKEY
City Recorder/Administrator

CITY OF FRANKLIN, TENNESSEE

BY: DR. KEN MOORE
Mayor

Approved as to Form

By: Shauna R. Billingsley
Shauna R. Billingsley
City Attorney

PASSED FIRST READING

June 24, 2014

PUBLIC HEARING

July 8, 2014

PASSED SECOND READING

July 8, 2014

EXHIBIT A

New Fee Schedule¹

Land Use Type	Unit	Daily VMT	Cost/VMT	Cost/Unit	Credit/VMT	Credit/Unit	Impact Fee
Single-Family Detached	Dwelling	16.76	\$536	\$8,983	\$243	\$4,073	\$4,911
Multi-Family	Dwelling	10.62	\$536	\$5,692	\$243	\$2,581	\$3,112
Mobile Home Park	Site	7.98	\$536	\$4,277	\$243	\$1,939	\$2,338
Congregate Care Facility	Dwelling	3.73	\$536	\$1,999	\$243	\$906	\$1,093
Hotel/Motel	Room	8.76	\$536	\$4,695	\$243	\$2,129	\$2,567
Retail/Commercial							
Shopping Center/General Retail	1,000 sq.ft.	22.13	\$536	\$11,862	\$243	\$5,378	\$6,484
Restaurant, Quality	1,000 sq.ft.	41.19	\$536	\$22,078	\$243	\$10,009	\$12,069
Restaurant, Fast Food	1,000 sq.ft.	59.53	\$536	\$31,908	\$243	\$14,466	\$17,442
Office/Institutional							
Office	1,000 sq.ft.	15.81	\$536	\$8,474	\$243	\$3,842	\$4,632
Hospital	1,000 sq.ft.	18.29	\$536	\$9,803	\$243	\$4,444	\$5,359
Nursing Home	1,000 sq.ft.	10.52	\$536	\$5,639	\$243	\$2,556	\$3,082
Church	1,000 sq.ft.	11.12	\$536	\$5,960	\$243	\$2,702	\$3,258
Elementary/Sec. School	1,000 sq.ft.	5.48	\$536	\$2,937	\$243	\$1,332	\$1,606
Industrial							
Manufacturing	1,000 sq.ft.	6.93	\$536	\$3,714	\$243	\$1,684	\$2,030
Industrial Park	1,000 sq.ft.	12.41	\$536	\$6,652	\$243	\$3,016	\$3,636
Business Park	1,000 sq.ft.	22.57	\$536	\$12,098	\$243	\$5,485	\$6,613
Warehouse	1,000 sq.ft.	6.46	\$536	\$3,463	\$243	\$1,570	\$1,893
Mini-Warehouse	1,000 sq.ft.	3.02	\$536	\$1,619	\$243	\$734	\$885

(1) This new fee schedule is based on the needs as established by the March 2014 Road Impact Fee Update Study as prepared by Duncan Associates using those fees required to cover the cost of arterial streets as identified in the Franklin Major Thoroughfare