



Road Impact Fee Discussion
Board of Mayor & Aldermen Work Session
11/22/2016



What are Road Impact Fees?



Road Impact Fee – Fees that are assessed on new development to help pay for the capital facility cost they impose on the community. Essentially, impact fees require that each new residential or commercial project pay its pro-rata share of the cost of new infrastructure facilities required to serve the development.

Legal Framework – courts have gradually developed guidelines for constitutionally valid impact fees, based on a “rational nexus” that must exist between the regulatory fee or exaction and the activity that is being regulated. Generally, impact fee need to meet a two-part test:

- 1) The fee must be proportional to the need for a new facilities created by the new development; and
- 2) The expenditure of impact fee revenues must provide benefit to the fee-paying development.

Road Impact Fees History



In 1987, the city of Franklin sought and obtained authority from the Tennessee legislature to enact road impact fees.

- 6/16/1988 Ordinance 88-13, "AN ORDINANCE TO AMEND ORDINANCE 87-32 AND CHAPTER 4 OF TITLE 12 OF THE FRANKLIN MUNICIPAL CODE, ESTABLISHING A ROAD IMPACT FEE ON NEW DEVELOPMENT TO OFFSET CAPITAL IMPROVEMENTS COSTS FOR RAODS GENERATED BY SUCH DEVELOPMENT."
- 9/12/2000 Ordinance 2000-24, "AN ORDINANCE TO AMEND THE CITY CODE OF ORDINANCES, TITLE 16, CHAPTER 4, ROAD IMPACT FEES"
- 5/10/2005 Ordinance 2005-27, "AN ORDINANCE TO AMEND TITLE 16, CHAPTER 4 OF THE FRANKLIN MUNICIPAL CODE CONCERNING ROAD IMPACT FEES."
- 11/13/2007 Ordinance 2007-104, "AN ORDINANCE TO AMEND CHAPTER 4 OF TITLE 16 OF THE FRANKLIN MUNICIPAL CODE CONCERNING ROAD IMPACT FEES."
- 4/26/2011 Ordinance 2011-07, "AN ORDINACE TO AMEND CHAPTER 4 OF TITLE 16 OF THE FRANKLIN MUNICIPAL CODE CONCERNING ROAD IMPACT FEES."
- 2/8/2014 Ordinance 2014-09, "AN ORDINANCE TO AMEND VARIOUS SECTIONS OF CHAPTER 4 OF TITLE 16 OF THE FRANKLIN MUNICIPAL CODE CONCERNING ROAD IMPACT FEES."

Road Impact Fee History



Ord 88-13	Ord 2000-24	Ord 2005-27	Ord 2007-104	Ord 2011-07	Ord 2014-09	Use of proceeds of Impact Fee Accounts
Yes	Yes	Yes	Yes	Yes	Yes	Professional services associated with updating road impact fee study
Yes	No	No	No	No	No	Construction and engineering cost associated with collector roadways
Yes	Yes	Yes	Yes	Yes	Yes	Construction and engineering cost associated with arterial roadways
Yes	No	No	No	Yes	Yes	Arterial right-of-way cost
Yes	No	No	No	No	No	Collector right-of-way cost
Yes	Yes	Yes	Yes	Yes	Yes	Principal sum and interest and other finance cost on bonds, notes or other obligations issued by or on behalf of the city to finance such road improvements
2	0	0	0	0	0	Benefit districts
No	No	No	No	No	No	Utility relocations cost

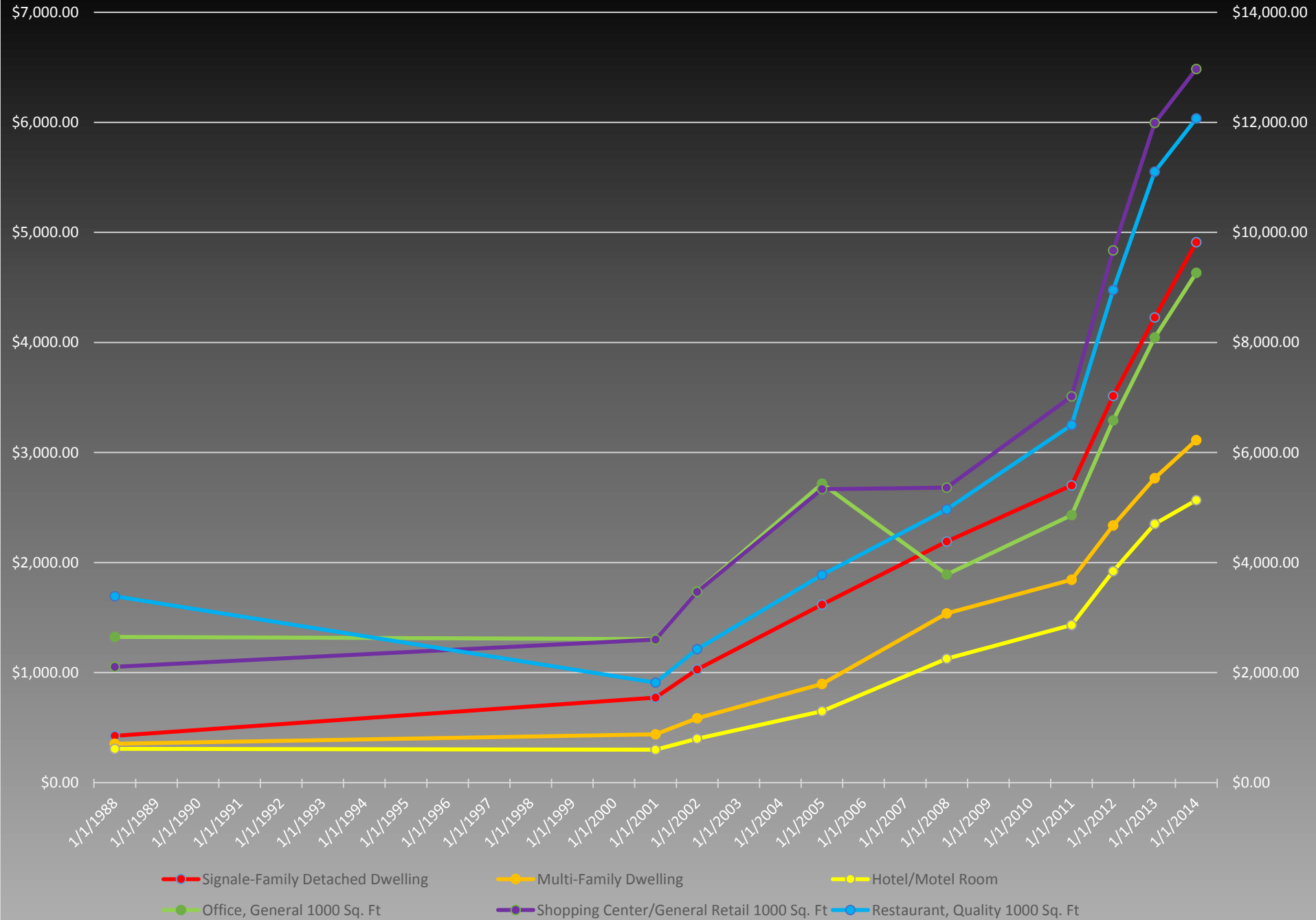
Road Impact Fee History



Effective Date		6/2/1988	1/1/2001	1/1/2002	5/10/2005	1/1/2008	2/1/2011	2/1/2012	2/1/2013	9/1/2014
Single-Family Detached	Dwelling	\$425.00	\$771.60	\$1,028.80	\$1,617.00	\$2,191.00	\$2,700.00	\$3,514.00	\$4,227.00	\$4,911.00
Multi-Family	Dwelling	\$352.00	\$438.00	\$584.00	\$896.00	\$1,537.00	\$1,844.00	\$2,336.00	\$2,766.00	\$3,112.00
Hotel/Motel	Room	\$306.00	\$298.80	\$398.40	\$649.00	\$1,126.00	\$1,432.00	\$1,922.00	\$2,350.00	\$2,567.00
Office, General	1000 Sq. Ft	\$1,323.00	\$1,303.80	\$1,738.40	\$2,716.00	\$1,891.00	\$2,430.00	\$3,291.00	\$4,045.00	\$4,632.00
Restaurant, Quality	1000 Sq. Ft	\$3,386.00	\$1,816.80	\$2,422.40	\$3,773.00	\$4,964.00	\$6,499.00	\$8,955.00	\$11,104.00	\$12,069.00
Shopping Center/General Retail	1000 Sq. Ft	\$1,052.00	\$1,299.60	\$1,732.80	\$2,666.00	\$2,681.00	\$3,510.00	\$4,836.00	\$5,996.00	\$6,484.00



Impact Fee History



Road Impact Fee Update



			Study Updated January 23, 2014				Study Update August 2016
			Arterials and Collectors ^{NOTE 1}				Arterials and Major Collectors
Land Use Type	Unit	Current Fee	100% Arterial Fee 100% Collector Fee	100% Arterial Fee 75% Collector Fee	100% Arterial Fee 50% Collector Fee	100% Arterial Fee 25% Collector Fee	100% Arterial Fee 100% Major Collector Fee
Single-Family Detached	Dwelling	\$4,911.00	\$8,251.00	\$7,416.00	\$6,581.00	\$5,746.00	\$6,327.00
Multi-Family	Dwelling	\$3,112.00	\$5,233.00	\$4,702.75	\$4,172.50	\$3,642.25	\$4,011.00
Mobile Home Park	Site	\$2,338.00	\$3,930.00	\$3,532.00	\$3,134.00	\$2,736.00	\$3,010.00
Congregate Care Facility	Dwelling	\$1,093.00	\$1,836.00	\$1,650.25	\$1,464.50	\$1,278.75	\$1,408.00
Hotel/Motel	Room	\$2,567.00	\$4,317.00	\$3,879.50	\$3,442.00	\$3,004.50	\$3,313.00
Retail/Commercial							
Shopping Center / Gen. Retail	1,000 SQ. FT.	\$6,484.00	\$10,878.00	\$14,173.50	\$8,681.00	\$7,582.50	\$8,366.00
Restaurant, Quality	1,000 SQ. FT.	\$12,069.00	\$20,255.00	\$26,394.50	\$16,162.00	\$14,115.50	\$15,578.00
Restaurant, Fast Food	1,000 SQ. FT.	\$17,442.00	\$29,304.00	\$38,200.50	\$23,373.00	\$20,407.50	\$22,523.00
Office/Institutional							
Office, General	1,000 SQ. FT.	\$4,632.00	\$7,802.00	\$7,009.50	\$6,217.00	\$5,424.50	\$5,978.00
Hospital	1,000 SQ. FT.	\$5,359.00	\$9,012.00	\$11,751.75	\$7,185.50	\$6,272.25	\$6,916.00
Nursing Home	1,000 SQ. FT.	\$3,082.00	\$5,181.00	\$6,755.25	\$4,131.50	\$3,606.75	\$3,974.00
Church	1,000 SQ. FT.	\$3,258.00	\$5,476.00	\$7,139.50	\$4,367.00	\$3,812.50	\$4,208.00
Elementary / Sec. School	1,000 SQ. FT.	\$1,606.00	\$2,697.00	\$3,515.25	\$2,151.50	\$1,878.75	\$2,073.00
Industrial							
Manufacturing	1,000 SQ. FT.	\$2,030.00	\$3,419.00	\$3,071.75	\$2,724.50	\$2,377.25	\$2,622.00
Industrial Park	1,000 SQ. FT.	\$3,636.00	\$6,120.00	\$5,499.00	\$4,878.00	\$4,257.00	\$4,692.00
Business Park	1,000 SQ. FT.	\$6,613.00	\$11,132.00	\$10,002.25	\$8,872.50	\$7,742.75	\$8,534.00
Warehouse	1,000 SQ. FT.	\$1,893.00	\$3,187.00	\$2,863.50	\$2,540.00	\$2,216.50	\$2,441.00
Mini-Warehouse	1,000 SQ. FT.	\$885.00	\$1,487.00	\$1,336.50	\$1,186.00	\$1,035.50	\$1,142.00

NOTE 1 - Collector Impact fees shall be spent in the same benefit district in which it was paid.

NOTE 2 - Revision to the Cities MTP resulted in a negligible decrease in Arterial Road Impact Fees.

Collector Impact Fee Summary



- Collector impact fees should be established based on the approved Major Thoroughfare Plan.
- Collector impact fees can pay for the engineering, right-of-way and construction cost associated with collector roadways. Collector roadways would need to be designed to meet City of Franklin Street Standards. (Ex: right-of-way width, access management, width, design speed, etc.)
- Collector impact fees can provide compensation for right-of-way dedications associated with development.
- Benefit districts would be recommended if impact fees include both Major and Minor Collectors. Benefit districts would not be recommended for impact fees that include Major Collectors only.
- Impact fees would not pay for utility relocations.
- In no event may the city apply an offset which is greater than the applicable impact fees due from the development project.

Collector Roads



Major Collector

- 4 -5 Lane Roadway.
- No on street parking allowed.
- Limited Driveway & Street Access.
- Design Speed = 40MPH
- Posted Speed = 30-35 MPH
- Design Vehicle = WB-50 must be able to physically travers the street and remain in the correct lane for each street.

Minor Collector

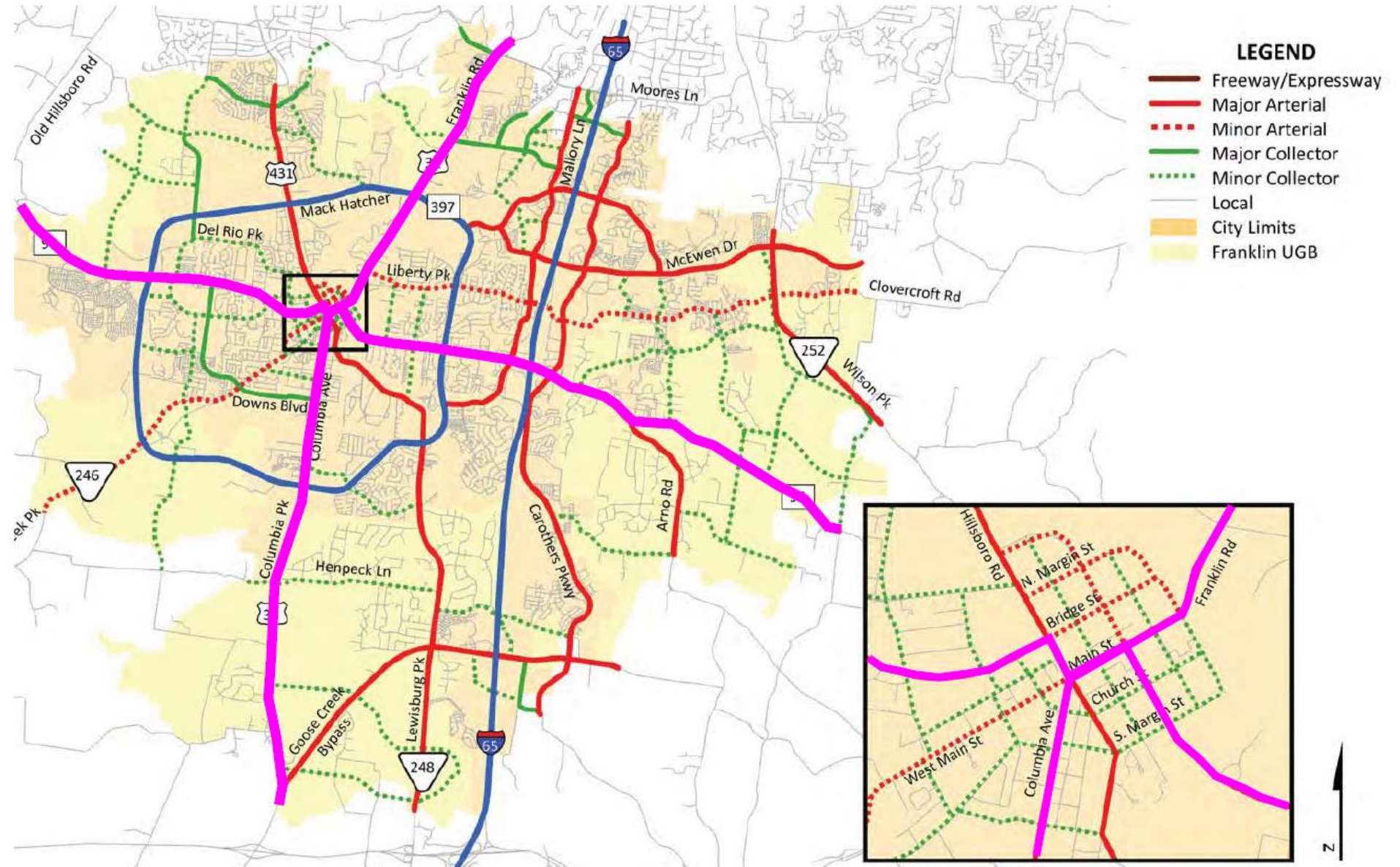
- 2-3 lane Roadway.
- on street parking allowed.
- Frequent Driveway & Street Access.
- Design Speed = 35 MPH
- Posted Speed = 25-30 MPH
- Design Vehicle = WB-50 must be able to physically travers the street by using the full width of the traveled way if necessary.

Collector Benefit Districts



LEGEND

- Freeway/Expressway
- Major Arterial
- Minor Arterial
- Major Collector
- Minor Collector
- Local
- City Limits
- Franklin UGB







Jordan Rd

Access

100 m
400 ft

City of Franklin, N.J. GIS DE