

Legislation Details (With Text)

File #: 18-0223 **Version:** 1 **Name:** Sanitary Sewer Capacity Fee Model
Type: Resolution **Status:** Passed
File created: 3/5/2018 **In control:** Work Session
On agenda: 6/12/2018 **Final action:** 6/12/2018

Title: *Consideration of Resolution 2018-34, A Resolution Authorizing The City Of Franklin To Assign Capacity Fees To Five Parcels That Will Benefit From An Unplanned Capital Improvement To The City's Public Wastewater System For The Purpose Of Recapturing The City' Of Franklin's Monetary Contribution Toward Upsizing Of Sanitary Sewer Infrastructure In The Area Of Boyd's Mill. (Ward's Mill) (03/13/18 WS, 04/10/18 WS, Deferred from 05/08/18 7-0 to 6/12 Work Session and Old Business)

Sponsors: Eric Stuckey, Vernon Gerth, Mark Hilty, Michelle Hatcher, Jimmy Wiseman

Indexes:

Code sections:

Attachments: 1. Wards Mill Development Fee-Revised 03-13.pdf, 2. Resolution 2018-34 Wards Mill Capacity Fee_with Exhibit A.Law Approved, 3. Citizen letter.pdf, 4. Wards Mill - Utility Plan Sheet

Date	Ver.	Action By	Action	Result
6/12/2018	1	Work Session	acknowledged	
6/12/2018	1	Board of Mayor & Aldermen	approved	Pass
5/8/2018	1	Board of Mayor & Aldermen	referred	Pass
4/10/2018	1	Work Session	referred	
3/13/2018	1	Work Session	referred	

DATE: March 14, 2018

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Vernon Gerth, Assistant City Administrator
Mark Hilty, Assistant City Administrator
Michelle Hatcher, Water Management Department Director

SUBJECT:

*Consideration of Resolution 2018-34, A Resolution Authorizing The City Of Franklin To Assign Capacity Fees To Five Parcels That Will Benefit From An Unplanned Capital Improvement To The City's Public Wastewater System For The Purpose Of Recapturing The City' Of Franklin's Monetary Contribution Toward Upsizing Of Sanitary Sewer Infrastructure In The Area Of Boyd's Mill. (Ward's Mill) (03/13/18 WS, 04/10/18 WS, Deferred from 05/08/18 7-0 to 6/12 Work Session and Old Business)

Purpose

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the opportunity to recapture funds used to upsize sanitary sewer infrastructure in the area of Downs Blvd. and Boyd Mill Pike, using a Capacity Fee Model applied to parcels that eventually benefit from the upsized sanitary sewer. The parcels would only be subject to the Capacity Fee at such time these parcels are developed or redeveloped and contribute additional flows to this infrastructure.

Background

In October of 2017, a Development Plan for the Wards Mill PUD Subdivision was submitted for review. During the review of this submittal, City staff noted that the sewer in this area may be reaching capacity and requested a sanitary sewer study of this area. The study showed the existing sanitary sewer system in this tributary drainage area is at the 80% capacity benchmark and needs to be upsized to convey the combined sanitary sewer flows from existing development and future development including the proposed Wards Mill development which consists of eighteen detached, single-family dwellings. The study and staff determined approximately 640 +/- linear feet of sanitary sewer would need to be upsized from 8-inches in diameter to 15-inches in diameter. This improvement will also benefit other parcels in this tributary area should they decide to develop or re-develop their property in the future. It is estimated this sanitary sewer upgrade will cost \$350,000. Due to the proposed Wards Mill Subdivision only requiring a small percentage of the additional capacity the upgraded sanitary sewer will provide, the developer has offered to contribute \$100,000 and install this improvement (more than their proportionate share). A sanitary sewer reimbursement development agreement has been drafted, with staff recommending the City contribute up to \$ 250,000 to the estimated \$350,000 in upgrades. This development agreement is also on the March 13th work session and BOMA voting meeting.

Future Development in Area:

Four parcels are identified as having the potential to develop or re-develop in the future and benefit, proportionately, from additional capacity of this proposed sanitary sewer improvement. Of these four parcels:

- Two are zoned for residential
- Two are zoned for a mixture of residential and commercial

The Water Management Department has performed calculations based on the additional capacity of the upsized pipe and the development (density) potential of these parcels to determine the usage relationship between the commercial and residential parcels, their potential use, and respective Capacity Fee.

Financial Impact

This section of sanitary sewer does need to be upsized and the \$100,000 contribution from the developer of the proposed Wards Mill Subdivision offers this opportunity for the City to mitigate the cost of this improvement. The proposed Capacity Fee assigned to the four parcels contributing to and benefiting from this sanitary sewer improvement provides the mechanism for the City to re-capture its \$250,000 contribution toward the upsizing of this section of sanitary sewer. A Capacity Fee of \$452 per residential dwelling unit and a capacity fee of \$84 per 100 square feet of commercial space would need to be applied to the four parcels when development or re-develop occurs. There would be no impact or obligation on current property owners until they choose to develop or re-develop their they subdivide their lots. This capacity fee would be charged on each new residential unit or commercial space as it is created. Equally important, there is no assurance of the timing or, guarantee these four parcels will develop which means the City may not re-capture any or only a portion of the City's \$250,000 portion.

Recommendation

Based on previous discussions with the aldermen a Resolution 2018-34 is presented for consideration.