



Legislation Text

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TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
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SUBJECT:

PUBLIC HEARING: Consideration of Ordinance 2017-02, "An Ordinance to Amend Various Sections of Chapter 4 of Title 16 and Chapter 16 of Appendix A of the Franklin Municipal Code Concerning Road Impact Fees. (1-24-17, 2-14-17 WS, 3-28-17 WS, 04/11/17 BOMA 1st Reading 7-1) SECOND AND FINAL READING

Purpose

The purpose of this memorandum is to provide information to the Board of Mayor and Aldermen (BOMA) concerning a Road Impact Fee Study completed by Duncan and Associates.

Background

Road Impact Fees are fees that are assessed on new development to help pay for the capital facility cost for roadways 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.

On February 8, 2014 the Board of Mayor and Aldermen approved Ordinance 2014-09, "An Ordinance to Amend Various Sections of Chapter 4 of Title 16 of the Franklin Municipal Code concerning Road Impact Fees." This Ordinance updated the arterial road impact fees included in Municipal Code and did not include collector roadways. Over the past year, City staff has been working with Duncan Associates to evaluate the possible inclusion of collector roads in the impact fee structure.

Impact fee case law states that impact fees must be spent so as to provide a reasonable benefit to the fee-paying development. One way of ensuring reasonable benefit is to create multiple benefit districts to ensure that the development fees paid by a development are spent closer to the development than would be the case under a single jurisdiction-wide benefit district. In the event the Board decides to expand the road impact fee to cover collector roads, benefit districts should be established. These benefit districts would earmark the collector portion of the fee to be spent in the same area of the city in which they were collected, while the arterial portion of the fee could still be spent city-wide. The approved roadway classification map, from the Comprehensive Transportation Network Plan, would be the guiding document to determine what roadways qualify for arterial and collector impact revenues.

The road impact fee is the most equitable way to ensure each new residential or commercial project pay its pro rata

share of the cost of new infrastructure required to serve development. As proposed, the new fee would take effect on July 1, 2017. Residential development projects consisting of single-family or townhouse dwelling units whose final plat have been approved prior to the effective date of Ordinance No. 2017-02 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. 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 No. 2017-02 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 years from the date of the building permit issued for the first building or structure within the site plan. Nonresidential development projects and residential development projects consisting solely of apartments or condominiums whose site plans have been submitted prior to July 1, 2017, and approved prior to October 1, 2017, 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 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, 2017, shall pay fees in accordance with this chapter.

Financial Impact

Staff is proposing to adopt 50% of the calculated collector impact fee. The implementation of a collector impact fees will help provide a dedicated funding source for collector roadways. It should be noted that the collector impact fee will only replace the capacity consumed so that a 1:1 ratio of capacity to demand is maintained system-wide. Additional dedicated funding will be required to help improve our collector roadway system.

Recommendation

Road Impact Fees for both arterial and collector roadways seems to be best and fairest approach to charge new development for the transportation capital cost they impose on the community. Based on feedback from the Board, staff is recommending including 100% of the calculated collector road impact fee into the existing model.