

ORDINANCE 2005-60

TO BE ENTITLED: "AN ORDINANCE TO AMEND TITLE 5, CHAPTER 4 OF THE FRANKLIN MUNICIPAL CODE CONCERNING ADEQUATE FACILITIES TAX."

SECTION I: BE IT ORDAINED by the Board of Mayor and Aldermen of the City of Franklin, Tennessee, that Title 5, Chapter 4, of the Franklin Municipal Code is amended to make the revisions shown on the attached Exhibit A, with material deleted shown by a strikethrough and added material shown as underlined.

SECTION II: BE IT FURTHER ORDAINED that this Ordinance shall be reviewed again no later than two (2) years from date of passage.

SECTION III: BE IT FINALLY ORDAINED that this Ordinance shall take effect on January 1, 2006, the health, safety and welfare of the citizens of Franklin requiring it.

ATTEST:

CITY OF FRANKLIN, TENNESSEE

BY: _____
JAMES R. JOHNSON
City Administrator

BY: _____
THOMAS R. MILLER
Mayor

PASSED FIRST READING: _____
PASSED SECOND READING: _____
PUBLIC HEARING DATE: _____
PASSED THIRD & FINAL READING: _____

Jay Johnson

From: Clancy Mullen [clancy@duncanplan.com]
Sent: Wednesday, June 15, 2005 6:43 PM
To: Jay Johnson
Cc: David Parker; Jim Duncan
Subject: Franklin Ad Fac Tax Study

Jay,

I did not receive any more comments from staff, so I have prepared a revised draft, which is attached. The changes from the first draft are as follows:

1. Split \$2 million cost of municipal service center not attributed to solid waste between fire and police.
2. Allocated 100% of solid waste costs to single-family--this results in a rate for single-family detached that is higher than for other residential.
3. Replaced "sanitation" with "solid waste" in ordinance.

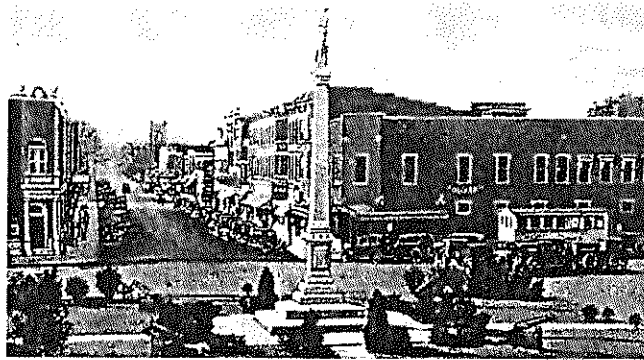
The result is that the single-family tax increase 93%, from \$0.46 to \$0.89 per square foot; other residential increases 54% from \$0.46 to \$0.71, and nonresidential increases 53% from \$0.77 to \$1.18.

Let me know if you have any questions or comments.

Clancy

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ADEQUATE FACILITIES TAX STUDY



CITY OF FRANKLIN TENNESSEE

prepared by

duncan associates

June 2005

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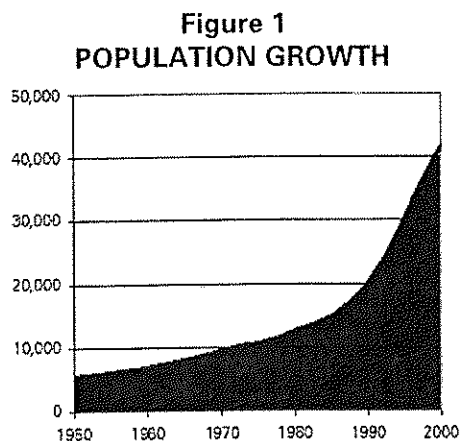
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Introduction

Adequate facilities taxes are levied on new development to help pay for the capital facility costs they impose on the community. While similar to impact fees, they differ in that they are based on the taxing power rather than the police power. Since their primary purpose is to raise revenue, they are not subject to the “dual rational nexus” and “rough proportionality” requirements that have been established by the courts for impact fees and developer exactions.

In 1987, the City of Franklin sought and received authority from the State legislature for both impact fees and adequate facilities tax. In 1988, the City adopted adequate facilities tax rates of \$0.46 per square foot for residential and \$0.77 per square foot for nonresidential. The adequate facilities tax has not been updated since it was adopted 17 years ago. This study is intended to provide the basis for updating the tax rates.

Adequate facilities taxes are most appropriate for communities that are experiencing rapid growth. The City of Franklin more than doubled its population over the last decade, growing from 20,098 inhabitants in 1990 to 41,842 in 2000. The City’s growth rate exceeded ten percent per year, making it the fourth fastest-growing of the 46 Tennessee cities with populations of at least 10,000 during this period.



This strong growth is projected to continue, and to necessitate numerous capacity-expanding improvements to the major road system. The City’s recently-completed *Major Thoroughfare Plan Update* projects that the population of the city and its surrounding growth area will increase from 70,280 in 2000 to 126,565 by 2025. The City’s growth forecasts anticipated that new development will add 4,077 new dwelling units and 4.3 million additional square feet of nonresidential building floor area between 2004 and 2010.¹

New development generates additional demand for capital facilities, including park and recreation, police, fire, solid waste and general government facilities. When growth occurs at a measured pace, traditional funding sources and financing mechanisms may be adequate to meet increased facility needs. When growth is as rapid and dramatic as it has been and is expected to be in Franklin, the need for new facilities far outstrips the ability of traditional funding mechanisms to keep pace.

¹City of Franklin Planning Department, *2004 Planning Report: Land Use Inventory*, December 31, 2004

Legal Framework

In 1987, the City of Franklin sought and obtained authority from the Tennessee legislature to enact an adequate facilities tax. Private Chapter No. 114 (House Bill 1308), authorizing the City to impose an adequate facilities tax, became effective on May 26, 1987. HB 1308 authorizes the City to “impose a tax on new development in the city ... to ensure and require that the persons responsible for new development share in the burdens of growth by paying their fair share for the cost of new and expanded public facilities made necessary by such development.” Engaging in the “act of development” is declared to be a privilege subject to taxation.

These statements clearly empower the City to enact an excise tax rather than a property tax. The tax is to be levied on the developer rather than on the owner of the property. The measure of the tax, which is to be levied per gross square foot of development, is based upon the size of the improvements rather than on the assessed value of the property. Taxes are to be paid prior to the issuance of a building permit or certificate of occupancy. Consequently, unpaid taxes do not become a lien on the property.

The bill provides for two different rates of taxation: \$1.00 per gross square foot of new residential development and \$2.00 per gross square foot of new nonresidential development. Because nonresidential development generally creates a greater impact on public facilities and services than does residential development, there exists a rational basis for the differential tax rate. Exempted from the tax were public buildings and places of worship.

Before imposing the tax, the City is required to “adopt a capital improvements program indicating the need for the cost of public facilities anticipated to be funded, in part, by this tax and [a] finding that the need for such public facilities is related to new development in the city.” The full text of the authorizing legislation is provided in Appendix A.

In sum, HB 1308 requires the City to determine the nature of the improvements needed, determine the proportion of the costs of the facility which will be financed through the tax, and to create separate funds for the proceeds of the tax. Funds collected must be spent only on new improvements that are reasonably attributable to new development.

The use of facilities taxes has several advantages over the use of impact fees in the administration of funds. Although separate accounts must be maintained under the Franklin legislation for both the tax and for the fee, the City has considerably more discretion over decisions as to where and when taxes are spent. Impact fees must be earmarked for expenditure in benefit areas within a reasonable time period after collection, under constitutional standards of proportionality. For some kinds of facilities, this may entail the delineation of multiple benefit areas. This also necessitates the establishment of an accounting system for the refund of fees which are not spent within the specified timeframe for each benefit area.

There is no such limitation on the expenditure of facilities tax funds. Although such fees must be spent on facilities needed to serve new development, the City may pool funds to construct a facility which is relatively distant from the development which paid the fee. Similarly, the City is not required to keep separate accounts for each category of capital improvement to be funded. On the other hand, in order

to establish a valid impact fee, the City must assure that “funds collected by impact fees shall be used for the acquisition, expansion, and development of the capital or public improvements for which they were collected and shall be withdrawn and expended as may be designated by ordinance of the governing body.”

In addition, the City may choose to establish separate impact tax rates on only two general classes of improvements: residential and nonresidential. For impact fees, the usual procedure is to construct a “conversion matrix” for different types of uses, which assesses the fee based on the number of “service units” for a particular public service consumed by the type of development.

In 1988, Duncan Associates prepared an “Impact Fee and Facilities Tax Report.” The study recommended that the adequate facilities tax cover the provision of parks, fire, police and solid waste facilities. The maximum rates calculated in the study were \$0.46 per square foot for residential and \$0.77 per square foot for nonresidential. These rates were adopted by the City with an ordinance passed in June of 1988. The full text of that ordinance, along with recommended revisions to implement the findings of this study, is provided in Appendix B.

Capital Improvement Program

The City has a *Capital Improvement Program* that identifies improvements required to serve anticipated new development over the next five years. Each improvement is identified as either replacement or new. New facilities needed to serve growth over the next five years are estimated to cost \$32.5 million, as summarized in Table 1.

Table 1
FIVE-YEAR CAPITAL IMPROVEMENT PLAN SUMMARY

Department	Description	Funding Source	Amount
Fire	Gas Training Props	Bonds	\$675,000
Fire	Battalion Chief Vehicle	Facilities Tax	\$62,000
Fire	Fire Station	Facilities Tax	\$200,000
Fire	Quint 7	Facilities Tax	\$585,000
Fire	Rescue 7	Facilities Tax	\$260,000
Fire	Station 6	Facilities Tax	\$1,650,000
Fire	Station 7	Facilities Tax	\$1,930,000
Fire	Station 8	Facilities Tax	\$1,930,000
Fire	Station 8 Quint	Facilities Tax	\$585,000
Fire	Tower 6	Facilities Tax	\$585,000
Fire	Automated Ext Defib	General Fund	\$75,000
Parks	Battlefield Park	Bonds	\$2,620,000
Parks	Harlinsdale Park	Bonds	\$3,225,000
Parks	Ball Complex	Facilities Tax	\$1,120,000
Parks	Batting Cages	Facilities Tax	\$75,000
Parks	Liberty Park Ph II	Facilities Tax	\$2,050,000
Parks	Satellite Facility/Liberty	Facilities Tax	\$250,000

Department	Description	Funding Source	Amount
Parks	Westhaven Park	Facilities Tax	\$1,120,000
Parks	Winstead Hill	Facilities Tax	\$92,000
Parks	Bicentennial	General Fund	\$1,200,000
Parks	Fitness Stations	General Fund	\$120,000
Parks	JW Phase V	General Fund	\$200,000
Parks	River Walk	General Fund	\$60,000
Parks	Spencer Creek Bridges	General Fund	\$390,000
Police	Firearms Shoot House	Bonds	\$150,000
Police	Headquarters*	Bonds	\$5,467,493
Police	Substation	Facilities Tax	\$322,500
Police	Vehicles	Facilities Tax	\$2,301,000
Police	Driving Simulator	General Fund	\$95,000
Police	Firearms Simulator	General Fund	\$125,000
Solid Waste	Facility	Bonds	\$900,000
Solid Waste	Equipment Sheds	Facilities Tax	\$300,000
Solid Waste	Hazardous Waste Dropoff	Facilities Tax	\$110,000
Solid Waste	New Containers	Facilities Tax	\$187,500
Solid Waste	Second Scale	Facilities Tax	\$50,000
Solid Waste	Transfer Trailer	Facilities Tax	\$70,000
General Gov't	Equipment Sheds	Bonds	\$155,000
General Gov't	Dozer	General Fund	\$130,000
General Gov't	Dump Truck	General Fund	\$65,000
General Gov't	Landscape Truck	General Fund	\$35,000
General Gov't	Landscape Vehicle	General Fund	\$100,000
General Gov't	Landscape Vehicle	General Fund	\$40,000
General Gov't	Leaf Vacuum	General Fund	\$42,000
General Gov't	Leaf Vacuum Truck	General Fund	\$175,000
General Gov't	Pickup Truck	General Fund	\$35,000
General Gov't	Pickup Truck	General Fund	\$28,000
General Gov't	Platform Lift Truck	General Fund	\$90,000
General Gov't	Rubber Tire Loader	General Fund	\$135,000
General Gov't	Salt Storage Facility	General Fund	\$55,000
General Gov't	Tandem Dump Truck	General Fund	\$100,000
General Gov't	Water Pump	General Fund	\$30,000
General Gov't	Building at Liberty Satellite	General Fund	\$100,000
Total Growth-Related Cost			\$32,452,493

* 41% of police headquarters cost, representing growth share of 40,000 square foot new facility replacing existing 23,618 square feet facility.

Source: City of Franklin, *Proposed Capital Improvement Program Guide, Infrastructure for the Future, Fiscal Years 2006-2010*, March 4, 2005.

Cost Allocation Methodology

In order to determine appropriate residential and nonresidential tax rates, it is necessary to allocate capital costs between the two. In most impact fee and fiscal impact analysis, the need for park and recreation facilities is attributed solely to residential development. While certain types of nonresidential development may spur residential development and thus indirectly create additional park needs, workers may not reside in the community or use its park system. Consequently, park capital costs will be attributed entirely to residential development.

The capital cost of providing the other types of facilities addressed in this study should not be attributed only to new residential development. All new development, residential and nonresidential, increases the demand for fire protection, police protection, solid waste and general government facilities. One approach for estimating the service demands of various land use types is known as “functional population.” To a large extent, the demand for fire protection, police protection, solid waste and general government facilities is proportional to the presence of people. Functional population is analogous to the concept of “full-time equivalent” employees. It represents the number of “full-time equivalent” people present at the site of a land use, and it is used for the purpose of determining the impact of a particular development.

The demand for fire and police services is related to real property itself, regardless of whether it is occupied, as well as to the presence of people. The demand for solid waste and general government services is primarily related to daytime activities. Consequently, the need for these services during the nighttime hours, when most people are at home, should not be attributed solely to residential development. For this reason, the functional population calculations are based on a 16-hour day, rather than on a 24-hour day.

The residential component of functional population is considerably simpler than the nonresidential component. Of the 16-hour day used in the functional population calculations, it is assumed that people spend eight hours, or one-half of their waking hours, at home. The other half of the day spent away from home accounts for working, shopping and other away-from-home activities. This functional population factor for residential development essentially distributes the cost of public safety facilities evenly between residential and nonresidential development. The functional population for single-family and multi-family units, based on Franklin’s population and housing characteristics, is shown in Table 2.

Table 2
RESIDENTIAL FUNCTIONAL POPULATION PER UNIT

Housing Type	Persons/ Unit	Occupancy Factor	Functional Pop/ Unit
Single-Family	2.96	0.50	1.48
Multi-Family	1.93	0.50	0.97
Mobile Home	2.07	0.50	1.03

Source: Average household sizes for City of Franklin from 2000 U.S. Census, Summary File 3 (weighted 1-in-6 sample data); occupancy factor assumed.

The functional population methodology for nonresidential uses is based on national trip generation data compiled by the Institute of Transportation Engineers (ITE). Functional population per 1,000 square feet is derived by dividing the total number of hours spent by employees and visitors during a day by 16 hours. Employees are assumed to spend eight hours a day at their place of employment. Visitors are assumed to spend one hour per visit. The formula used to derive the nonresidential functional population estimates is summarized in Figure 2.

**Figure 2
FUNCTIONAL POPULATION FORMULA**

Functional population/1000 sf = workweek + weekend functional population/1000 sf
Where:
Workweek functional population/1000 sf = (weekday employee + visitor hours) x 5 days ÷ 112 hours/week
Weekend functional population/1000 sf = weekend ADT + weekday ADT x (weekday employee + visitor hours) x 2 days ÷ 112 hours/week
Weekday ADT/1000 sf = one-way average daily trips (total trip ends ÷ 2)
Weekend ADT/1000 sf = average of Saturday and Sunday ADT/1000 sf
Weekday employees/1000 sf = weekday ADT/1000 ÷ weekday ADT/employee
Weekday visitors/1000 sf = weekday ADT/1000 sf x avg. vehicle occupancy - employees/1000 sf
Weekday employee hours/1000 sf = weekday employees/1000 sf x 8 hrs/day
Weekday visitor hours/1000 sf = weekday visitors/1000 sf x 1 hour/visit

Using this formula and information on trip generation rates from the ITE *Trip Generation* manual, nonresidential functional population estimates per 1,000 square feet of gross floor area were calculated, as shown in Table 3.

**Table 3
NONRESIDENTIAL FUNCTIONAL POPULATION**

Land Use	Unit	Weekday Trip Rate	Weekend Trip Rate	Persons/ Trip	Employees/ Unit	Visitors/ Unit	Func. Pop./ Unit
Retail/Commercial	1000 sq. ft.	21.47	18.80	1.80	1.96	36.69	3.16
Office	1000 sq. ft.	5.51	0.84	1.14	3.32	2.96	1.40
Industrial	1000 sq. ft.	3.48	0.81	1.14	2.08	1.89	0.90
Warehouse	1000 sq. ft.	2.48	0.50	1.14	1.28	1.55	0.57
Average, Ind./Whse	1000 sq. ft.						0.74

Source: Trip rate is ½ average daily trips from Institute of Transportation Engineers (ITE) *Trip Generation* manual, 7th Edition, 2003; persons per trip from US. Department of Transportation, *National Household Travel Survey*, 2001 for following trip purposes: "shopping" for retail uses, "to work" for office, industrial and warehouse; employees per 1,000 sq. ft. derived from trip rates per employee from ITE manual (retail/commercial employees/unit from National Association of Office and Industrial Parks, *America's Future Office Space Needs*, 1990 p. 22); visitors/unit and functional population calculated based on formula in Figure 2.

Total functional population for the City of Franklin can be determined by multiplying the existing number of dwelling units and existing nonresidential square footage by the functional population multipliers calculated above. These calculations are shown in Table 4. Based on the functional population methodology, 41.3 percent of the cost of fire, police, solid waste and general government facilities can be attributed to residential development.

**Table 4
FUNCTIONAL POPULATION, 2005**

Land Use	Unit	2005 Units	Func. Pop./ Unit	2005 Func. Pop.	Percent
Single-Family Detached	Dwelling	13,026	1.48	19,278	29.9%
Multi-Family	Dwelling	7,135	0.97	6,921	10.7%
Mobile Home	Dwelling	432	1.03	445	0.7%
Subtotal, Residential		20,593		26,644	41.3%
Retail/Commercial	1,000 sq. ft.	6,363	3.16	20,107	31.2%
Office/Institutional	1,000 sq. ft.	4,546	1.40	6,364	9.9%
Industrial/Warehouse	1,000 sq. ft.	5,184	0.74	3,836	6.0%
Mixed Nonresidential	1,000 sq. ft.	4,238	1.77	7,501	11.6%
Subtotal, Nonresidential		20,331		37,808	58.7%
Total				64,452	100.0%

Source: Estimate of existing residential units based on 2000 census counts plus building permits issued in 2000 through 2004 from Franklin Planning and Codes Departments; estimates of nonresidential square footage as of December 31, 2004 from Franklin Planning and Codes Departments; functional population per unit/1,000 sq. ft. from Tables 2 and 3.

Existing Capital Costs

The adequate facilities tax rates will be based on the cost to maintain the current level of service. This will be measured as the ratio of the replacement cost of existing facilities to existing square feet of development. In this section, the cost of existing capital facilities is determined.

Parks

The cost per acre for parkland acquisition is based on recent purchases, adjusted to current dollars. As shown in Table 5, the park land acquired by the City has been averaging about \$20,000 per acre in current dollars.

**Table 5
PARK LAND COST PER ACRE**

Park	Acres	Year	Original Amount	Inflation Factor	Current Cost	Cost/Acre
Liberty Park	85	1998	\$1,244,692	1.194	\$1,486,162	\$17,484
Winstead Hill	61	1994	\$910,673	1.313	\$1,195,714	\$19,602
Fieldstone	37	1989	\$542,350	1.569	\$850,947	\$22,999
Liberty Pike	17	1990	\$267,423	1.489	\$398,192	\$23,423
Total	200				\$3,931,015	\$19,655

Source: Franklin Parks Department, May 20, 2004; inflation factor based on ratio of Consumer Price Index, US City Average for April 2005 to average CPI for year of purchase.

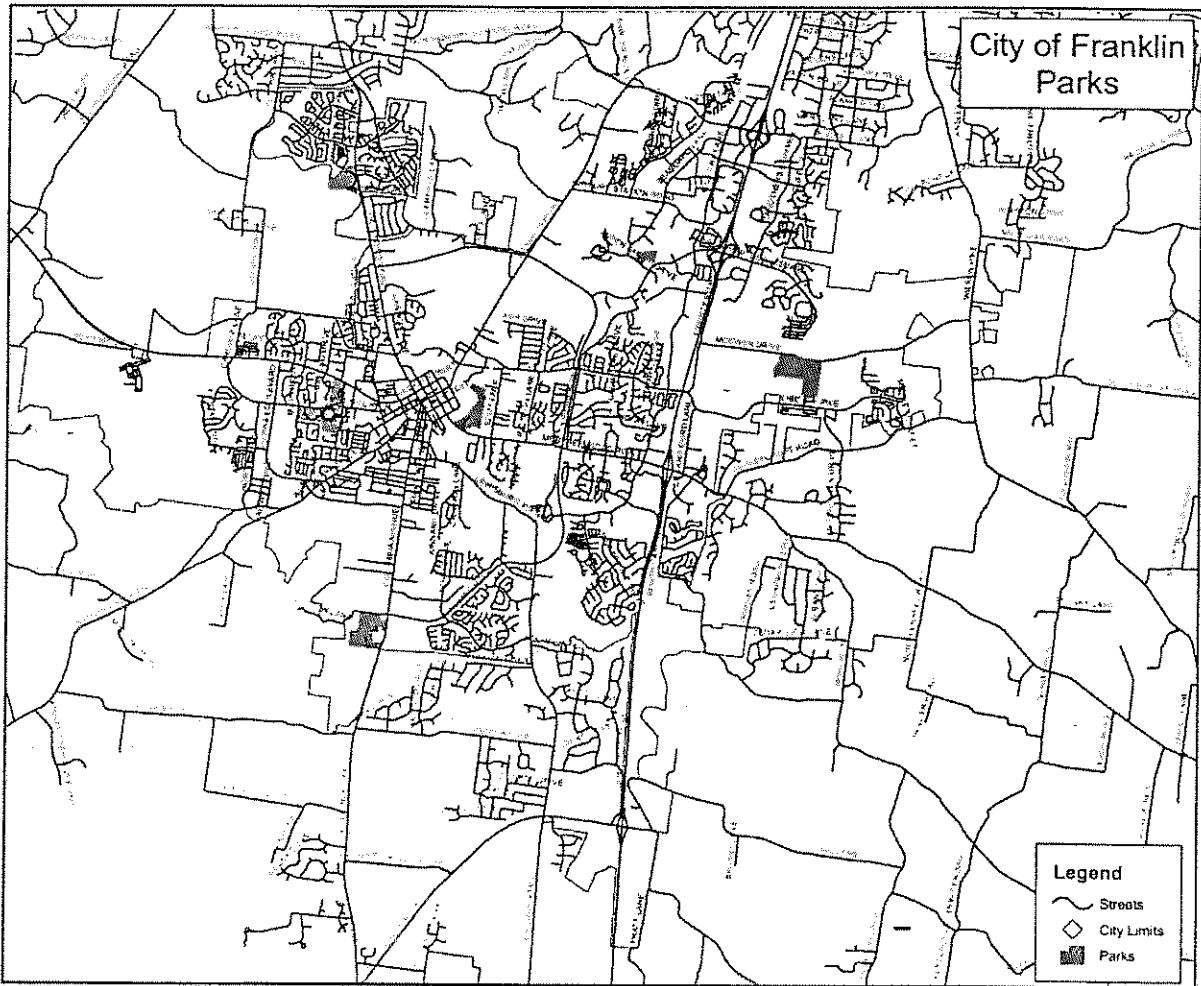
Based on the recent acquisition cost for the park or on the average cost per acre, inflated to current dollars, the replacement value of the City's existing park land is about \$5.9 million, as shown in Table 6.

**Table 6
EXISTING PARK LAND COST**

Park Name	Acres	Land Cost
Winstead Hill Park	61.0	\$1,195,714
Jim Warren Park	58.0	\$1,139,994
Pinkerton Park	34.0	\$668,273
Fort Granger	13.0	\$255,516
Fieldstone Park	37.0	\$850,947
Aspen Grove Park	14.0	\$275,171
Del Rio Park	1.2	\$23,586
Liberty Park	85.0	\$1,486,162
Total Land Cost	303.2	\$5,895,363

Source: Park acres from Franklin Parks Department, July 27, 2004; land costs based on actual cost or average cost per acre in current dollars from Table 5.

Figure 3
EXISTING PARKS



The replacement value of park improvements, buildings and maintenance equipment is derived from the City's fixed asset listings. The original costs are adjusted to current dollars based on the change in the Consumer Price Index since the year of construction or acquisition. The total replacement value of both land and improvements for the City's existing park facilities is summarized in Table 7.

**Table 7
EXISTING PARK COST SUMMARY**

Park Land	\$5,895,363
Improvements	\$14,251,728
Buildings	\$555,653
Equipment	\$590,388
Total	\$21,293,132

Source: Park land cost from Table 6; other costs from fixed asset listings, adjusted to current dollars based on ratio of Consumer Price Index, US City Average for April 2005 to average CPI for year of purchase.

Fire Protection

The most recently-constructed fire station provides a reasonable estimate of the replacement cost for existing fire stations. Fire Station 5 was built for a cost of \$163 per square foot. Based on this cost, Fire Station 4, which is significantly smaller, would cost \$1.1 million, as shown in Table 8.

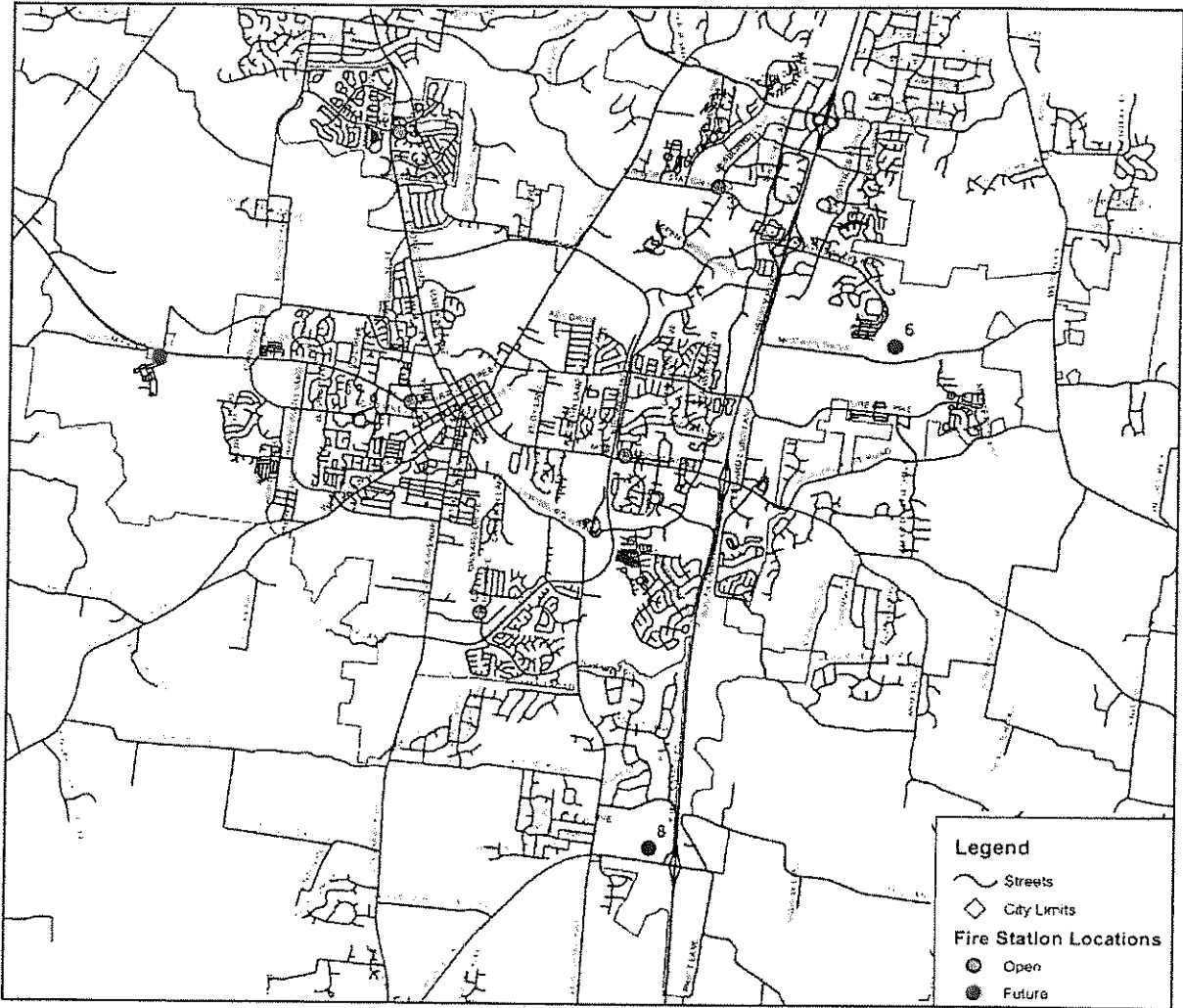
**Table 8
EXISTING FIRE STATION COST**

Construction Cost, Station 5	\$1,650,000
Station 5 Square Feet	10,100
Cost per Square Foot	\$163
Station 4 Square Feet	6,750
Cost for Station 4	\$1,100,250

Source: Cost for Station 5 and square feet for stations 4 and 5 from Franklin Fire Department, August 3, 2004.

Assuming that the three older stations are similar in size to Station 4, the replacement cost of the five existing fire stations is estimated to be about \$6 million. The value of land used for fire station sites, vehicles and equipment and the training tower is derived from the City's fixed asset listings. The original costs are adjusted to current dollars based on the change in the Consumer Price Index since the year of construction or acquisition. The total replacement value of both land and improvements for the City's existing fire protection facilities is summarized in Table 9.

Figure 4
EXISTING AND PLANNED FIRE STATIONS



Police Protection

The Police Department's fleet of vehicles has a current replacement value of about \$3.4 million, as summarized in Table 10.

**Table 10
EXISTING POLICE VEHICLES**

Vehicle Type	Number	Unit Cost	Total Cost
Marked Patrol Units	86	\$29,856	\$2,567,616
Unmarked Vehicles	28	\$19,296	\$540,288
20' Cargo Trailer	1	\$6,500	\$6,500
SRT Van	1	\$26,000	\$26,000
Smart Machine	1	\$10,000	\$10,000
Command Vehicle	1	\$233,000	\$233,000
C.I.D. Trailer	1	\$1,500	\$1,500
Total			\$3,384,904

Source: Franklin Police Department, June 11, 2004.

The police headquarters at 109 Second Avenue South is 23,618 square feet of building on two acres of land. Based on the recent construction cost per square foot and land cost per acre for Fire Station 5, the headquarters has an estimated replacement cost of about \$3.9 million for the building and \$243,484 for the land. The value of the firing range and capital equipment is derived from the City's fixed asset listings. The original costs are adjusted to current dollars based on the change in the Consumer Price Index since the year of construction or acquisition. The total replacement value of the City's existing police protection facilities is summarized in Table 11.

**Table 11
EXISTING POLICE CAPITAL COST SUMMARY**

Police Headquarters	\$3,858,386
Municipal Operations Center (partial)*	\$978,687
Land	\$243,484
Firing Range	\$692,945
Equipment	\$1,336,351
Vehicles	\$3,384,904
Total	\$10,494,757

* portion not attributable to solid waste split evenly between fire and police
 Source: Cost for police HQ is 23,618 square feet times fire station cost per square foot from Table 8; land cost is 2 acres times cost per acre for Fire Station 5 site from Franklin Fire Department, August 3, 2004; firing range and equipment costs from fixed asset listings, adjusted to current dollars based on ratio of Consumer Price Index, US City Average for April 2005 to average CPI for year of purchase; vehicle cost from Table 10.

Solid Waste

Tax-supported City solid waste service is provided primarily to single-family detached dwelling units. The capital facilities required to support the City's solid waste services include an operations center, transfer station, incinerator, vehicles and equipment. The replacement value of the City's existing solid waste capital facilities and equipment is derived from the City's fixed asset listings. The original costs are adjusted to current dollars based on the change in the Consumer Price Index since the year of construction or acquisition. The total replacement value of the City's existing solid waste facilities is \$13.9 million, as summarized in Table 12. However, these facilities are not completely paid for. Since new development will be helping to pay off the outstanding debt along with existing development, the existing level of service should be based on the net capital cost, which is the total capital cost less the outstanding debt. The net capital cost of existing solid waste facilities is \$6.9 million.

Table 12
EXISTING SOLID WASTE CAPITAL COST

Operations Center	\$1,613,755
Transfer Station	\$6,254,052
Incinerator	\$70,690
Vehicles	\$5,022,828
Equipment	\$60,279
Land (Century Court Property)	\$873,720
Total Capital Cost	\$13,895,324
Outstanding Debt	\$7,000,000
Net Capital Cost	\$6,895,324

Source: Costs from fixed asset listings, adjusted to current dollars based on ratio of Consumer Price Index, US City Average for April 2005 to average CPI for year of acquisition; outstanding debt as of April 30, 2004 from Franklin Finance Department, December 2, 2004.

General Government

General government facilities include those facilities that do not belong to enterprise funds and which are not separately classified herein as park, police, fire or solid waste facilities. The replacement value of the City's existing general government facilities and equipment is derived from the City's fixed asset listings. The original costs are adjusted to current dollars based on the change in the Consumer Price Index since the year of construction or acquisition. The total replacement value of the City's existing general government facilities is \$15.6 million, as summarized in Table 13.

Table 13
EXISTING GENERAL GOVERNMENT CAPITAL COSTS

City Hall	\$4,691,242
Streets Department Building	\$197,797
Land	\$2,707,042
Vehicles and Equipment	
Planning and Codes	\$319,461
Streets and Stormwater	\$2,767,823
Traffic Operations	\$1,743,142
Administration and Finance	\$250,343
Municipal Information Technology	\$1,439,633
General	\$1,152,392
Engineering	\$372,753
Total	\$15,641,628

Source: Costs from fixed asset listings, adjusted to current dollars based on ratio of Consumer Price Index, US City Average for April 2005 to average CPI for year of acquisition.

Revised Tax Rates

As noted earlier, the revised adequate facilities tax rates will be based on the cost to maintain the level of service that is currently being provided for existing development. The existing level of service is quantified as the ratio of the net cost of existing facilities (replacement cost less outstanding debt) to existing square feet of residential and nonresidential development. The first step in determining the existing level of service is to allocate existing net capital costs between residential and nonresidential land uses. As noted above, park and solid waste costs are allocated solely to residential development, while the costs of other facilities are allocated based on where people spend their time. Based on the functional population calculations in the preceding section, 41.3 percent of the costs of fire, police and general government facilities can be attributed to residential development. The costs attributable to residential and nonresidential development are summarized in Table 14.

Table 14
RESIDENTIAL/NONRESIDENTIAL ALLOCATION

Facility	Net Cost	Percent Residential		
		Residential	Residential	Nonresidential
Parks	\$21,293,132	100.0%	\$21,293,132	\$0
Fire	\$14,866,760	41.3%	\$6,139,972	\$8,726,788
Police	\$10,494,757	41.3%	\$4,334,335	\$6,160,422
Solid Waste	\$6,895,324	100.0%	\$6,895,324	\$0
General Government	\$15,641,628	41.3%	\$6,459,992	\$9,181,636
Total	\$69,191,601		\$45,122,755	\$24,068,846

Source: Net costs from Tables 7, 9, 11, 12 and 13; percent residential for parks and solid waste assumed, percent residential for others from Table 4.

The second step is to allocate the residential net capital costs between single-family detached development, which is the primary beneficiary of solid waste services, and other residential development. This is shown in Table 15.

Table 15
SINGLE-FAMILY/OTHER RESIDENTIAL ALLOCATION

Facility	Residential Net Cost	Percent Single-Family		
		Single-Family	Single-Family	Other Residential
Parks	\$21,293,132	71.1%	\$15,139,417	\$6,153,715
Fire	\$6,139,972	71.1%	\$4,365,520	\$1,774,452
Police	\$4,334,335	71.1%	\$3,081,712	\$1,252,623
Solid Waste	\$6,895,324	100.0%	\$6,895,324	\$0
General Government	\$6,459,992	71.1%	\$4,593,054	\$1,866,938
Total	\$45,122,755		\$34,075,027	\$11,047,728

Source: Residential net costs from Table 14; percent single-family based on share of total residential square footage from Table 16 except for solid waste, which is attributed solely to single-family.

The appropriate revised tax rates are derived by dividing the net capital cost attributable to single-family detached, other residential and nonresidential land uses by the existing building square footage of each kind of development. As shown in Table 16, the adequate facilities tax for single-family could be increased from \$0.46 to \$0.89 per square foot, an increase of 93 percent, while the tax for other residential could be increased to \$0.71 per square foot, an increase of 54 percent. The nonresidential adequate facilities tax could be increased from \$0.77 to \$1.18 per square foot, an increase of 53 percent.

Table 16
REVISED TAX RATES PER SQUARE FOOT

Facility	Single-Family Detached	Other Residential	Nonresidential
Total Net Capital Cost	\$34,075,027	\$11,047,728	\$24,068,846
Square Feet	38,101,000	15,455,000	20,331,000
Revised Tax per Sq. Foot	\$0.89	\$0.71	\$1.18
Current Tax per Sq. Foot	\$0.46	\$0.46	\$0.77
Percent Increase	93%	54%	53%

Source: Total net capital costs from Tables 14 and 15; residential square feet based on median size of single-family, multi-family and mobile home units listed for sale or rent in Franklin on www.realtor.com on May 20, 2005 and number of units from Table 4; nonresidential square feet from Table 4.

Appendix A: Authorizing Legislation

CHAPTER NO. 114
HOUSE BILL NO. 1308
By Frensley, Hobbs
Substituted for: Senate Bill No. 1320
By Richardson

AN ACT to authorize the city of Franklin to levy and collect a privilege tax on new development in the city in order to provide that new development contribute its fair share of the cost of providing public facilities and services made necessary by such new development.

WHEREAS, Williamson County, Tennessee, where Franklin is the county seat has been the fastest growing county in the state for the past fifteen (15) years, having been impacted by the rapid growth in the standard metropolitan area of Nashville; and

WHEREAS, anticipated continued growth from the expansion of Nashville is expected to accelerate due to the location of the hub of American - Airlines in the Nashville area and from other factors; and

WHEREAS, after an intense national competition, the state of Tennessee successfully negotiated with the General Motors Corporation to locate its Saturn plant in Tennessee; and

WHEREAS, General Motors Corporation selected and is presently constructing the Saturn automotive assembly plant in an unincorporated area of Maury County just south of the Williamson County line at Spring Hill; and

WHEREAS, the investment in said plant is anticipated to be approximately \$3.5 billion when the plant is complete; and

WHEREAS, Maury County has negotiated a Payment in Lieu of Tax (PILOT) Agreement with General Motors whereby the Saturn plant will make payments in lieu of property tax in the amount of \$43.430 million over the next fifteen (15) years, but the city of Franklin, lying within a few miles of the plant has no such agreement, and will receive no such benefit; and

WHEREAS, the Saturn plant is anticipated to stimulate commercial, office, industrial and warehouse development in Franklin in the vicinity of the Saturn plant; and

WHEREAS, the projected non-residential development and the availability of jobs is anticipated to stimulate a significant demand for new dwelling units in Franklin; and

WHEREAS, current projections show that:

(1) County population will be 129,000 persons in year 2005, an increase of 122% from 1980 to 2005; there will be a demand for approximately 22,000 additional dwelling units between 1980 and 2005;

and new residential and non-residential development shall consume an additional 14,000 acres of land in Williamson County;

(2) projected growth and land use development will cause a demand for county provided capital facilities (schools, roads, jails, parks, etc.) in an amount well in excess of \$50 million over the next fifteen (15) years;

(3) the city's present revenue raising authority is limited and relies heavily on intergovernmental transfers which are not subject to city control and on property taxes, which would impose the costs of new growth on existing residents rather than on new residents and businesses who create the demand for the additional expenditures; and

WHEREAS, Franklin is committed to both present and future county residents in maintaining a level of public facilities and services commensurate with those presently provided; and .

WHEREAS, Franklin is prepared to impose a fair, equitable and reasonable share of the costs of providing the necessary public facilities and services on existing residents of the county; and

WHEREAS, the city's present population employment base, tax base and budget cannot alone support the additional revenues needed to supply facilities to serve new growth without a substantial increase in the property tax rate on existing development; and

WHEREAS, the introduction of the Saturn plant in Maury County, the American Airlines Hub in Davidson County, and the continued expansion of the Nashville Metropolitan area represent both an extraordinary economic opportunity for the state of Tennessee as well as a potential economic burden on the existing residents of Franklin; and

WHEREAS, due to these unique circumstances, it is necessary and appropriate that Franklin be given authorization to extend its taxing power to enable the city to impose a fair and reasonable share of the costs of public facilities necessitated by new development on that development so as not to create an unfair and inequitable burden on existing city residents; and

WHEREAS, there is precedent in the state of Tennessee for such additional tax measures to impose costs on those who benefit from improvements and where the result would otherwise be to impose an unfair burden on existing residents; and

WHEREAS, the most logical and effective mechanism to accomplish the intended result would be the imposition of a new privilege tax on new development in Franklin; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known and cited as the Franklin Adequate Facilities Tax.

SECTION 2. As used in this Act, unless a different meaning appears from the context:

(a) "Building" means any structure built for the support shelter, or enclosure of persons, chattels, or movable property of any kind; the term includes a mobile home. This will not pertain to buildings used for agricultural purposes.

(b) "Building Permit" means a permit for development issued in Franklin.

(c) "Capital Improvement Program" means a proposed schedule of future projects, listed in order of construction priority, together with cost estimates and the anticipated means of financing each project. All major projects requiring the expenditure of public funds, over and above the annual local government operating expenses, for the purchase, construction, or replacement of the physical assets of the community are included.

(d) "Certificate of Occupancy" means a license for occupancy of a building or structure issued in Franklin.

(e) "Development" means the construction, building, reconstruction, erection, extension, betterment, or improvement of land providing a building or structure or the addition to any building or structure, or any part thereof, which provides, adds to or increases the floor area of a residential or non-residential use.

(f) "Dwelling Unit" means a room, or rooms connected together constituting a separate, independent housekeeping establishment for owner occupancy, rental or lease on a daily, weekly, monthly, or longer basis; physically separated from any other room(s) or dwelling units which may be in the same structure; and containing independent cooking and sleeping facilities.

(g) "Floor Area" means the total of the gross horizontal area of all floors, including usable basements and cellars, below the roof and within the outer surface of the main walls of principal or accessory buildings or the center lines of party walls separating such buildings or portions thereof, or within lines drawn parallel to and two (2) feet within the roof line of any building or portions thereof without walls, but excluding in the case of nonresidential facilities: arcades, porticoes, and similar open areas which are accessible to the general public, and which are not designed or used as sales, display, storage, service, or production areas.

(h) "General Plan" means the official statement of the planning commission which sets forth major policies concerning future development of the jurisdictional area and meeting the provisions set forth in Tennessee Code Annotated, Sections 13-3-301, 13-3-302, and 13-4-102. For purposes of this Act only, a general plan may consist solely of the land development plan element which sets out a plan or scheme of future land usage.

(i) "Governing Body" means the municipal legislative body of Franklin, Tennessee.

(j) "Major Street or Road Plan" means the plan adopted by the planning commission, pursuant to Tennessee Code Annotated, Sections 13-3-402 and 13-4-302, showing, among other things, "the general location, character, and extent of public ways (and) the removal, relocation, extension, widening, narrowing, vacating, abandonment or change of use of existing public ways...".

(k) "Non-Residential" means the development of any property for any use other than residential use, except as may be exempt by this Act.

(l) "Person" means an individual, firm; co-partnership; joint venture, association, corporation, estate, trust, business trust, receiver, syndicate, or other group or combination acting as a unit, and the plural as well as the singular number.

(m) "Place of Worship" means that portion of a building, owned by a religious institution which has tax-exempt status, which is used for worship services and related functions; provided, however, that a place of worship does not include buildings or portions of buildings which are used for purposes other than for worship and related functions or which are or are intended to be leased, rented or used by persons who do not have tax-exempt status.

(n) "Public Buildings" means a building owned by the state of Tennessee or any agency, thereof, a political subdivision of the state of Tennessee, including but not necessarily limited to counties, Cities, school districts and special districts, or the federal government or any agency thereof.

(o) "Public Facility or Facilities" means a physical improvement undertaken by the county or city, including, but not limited to the following: roads and bridges, parks and recreational facilities, jails and law enforcement facilities, schools, libraries, government buildings, fire stations, sanitary landfills, water, wastewater and drainage projects, airport facilities and other governmental capital improvements benefitting the citizens of the county and/or city.

(p) "Residential" means the development of any property for a dwelling unit or units.

SECTION 3. It is the intent and purpose of this Act to authorize Franklin to impose a tax on new development in the city payable at the time of issuance of a building permit or certificate of occupancy so as to ensure and require that the persons responsible for new development share in the burdens of growth by paying their fair share for the cost of new and expanded public facilities made necessary by such development

SECTION 4. Engaging in the act of development within Franklin, except as provided in Section 6 herein, is declared to be a privilege upon which Franklin may, by ordinance of the governing body, levy a tax in an amount not to exceed the rate set forth in Section 7.

SECTION 5. The governing body shall impose the tax authorized herein by resolution after adopting a capital improvements program indicating the need for the cost of public facilities anticipated to be funded, in part, by this tax and after finding that the need for such public facilities is related to new development in the city. The ordinance of the governing body imposing this tax shall state the rate of tax on new residential and non-residential development. The governing body shall, by ordinance, adopt administrative guidelines, procedures, regulations and forms necessary to properly implement, administer and enforce the provisions of this Act.

SECTION 6. This Act shall not apply to development of:

(a) Public buildings.

(b) Places of worship.

SECTION 7. For the exercise of the privilege described herein, Franklin may impose a tax on new development not to exceed

(a) one dollar (\$1.00) per gross square foot of new residential development.

(b) two dollars (\$2.00) per gross square foot of new non-residential development. .

The city may develop a tax rate schedule by which residential and non-residential uses are classified by type for the purpose of imposition of the tax authorized herein.

SECTION 8. The tax established in this Act shall be collected at the time of application for a building permit for development as herein defined or, if a building permit is not required, at the time of application for a certificate of occupancy by the city official duly authorized in such jurisdiction to issue building permits or certificates of occupancy. The city shall, before issuance of the building permit or certificate of occupancy, receive payment in cash or by a negotiable instrument payable to the city. No building permit for development as herein defined, or certificate of occupancy if no building permit is required, shall be issued in Franklin unless the tax has been paid in full or a negotiable instrument payable to the city has been received.

SECTION 9. All tax funds collected shall be used for the purpose of providing public facilities, the need for which is reasonably related to new development.

SECTION 10. The authority to impose this privilege tax on new development in Franklin County is in addition to all other authority to impose taxes, fees, assessments, or other revenue raising or land development regulatory measures granted either by the private or public acts of the state of Tennessee and the imposition of such tax, in addition to any other authorized tax, fee, assessment or charge, shall not be deemed to constitute double taxation.

SECTION 11. The provisions of this Act shall in no manner repeal, modify, or interfere with the authority granted by any other public or private law applicable to Franklin. This Act shall be deemed to create an additional and alternative method for Franklin to impose and collect taxes for the purpose of providing public facilities made necessary by new development in the city.

SECTION 12. If any provisions of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this Act are declared to be severable.

SECTION 13. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the municipal legislative body of Franklin before October 1, 1987. Its approval or non-approval shall

be proclaimed by the presiding officer of the municipal legislative body and certified by him to the Secretary of State.

SECTION 14. For the purpose of approving or rejecting the provisions of this Act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes it shall become effective upon being approved as provided in Section 13.

PASSED: May 7, 1987

s/Ed Murphy
SPEAKER OF THE HOUSE OF REPRESENTATIVES

s/John S. Wilder
SPEAKER OF THE SENATE

House Bill No. 1308 was received by the Governor on May 4, 1987, and was transmitted to the Secretary of State's office without his signature on May 26, 1987. The effective date of Private Chapter No. 114 (HB 1308) is May 27, 1987.

Appendix B: Adequate Facilities Tax Ordinance

[Text to be added indicated by underline; text to be deleted shown as strike-out.]

CHAPTER 4 ADEQUATE FACILITIES TAX

SECTION

- 5-401. Short title.
- 5-402. Purpose.
- 5-403. Findings.
- 5-404. Authority.
- 5-405. Definitions.
- 5-406. Capital improvements plan.
- 5-407. Tax levy.
- 5-408. Prohibition on issuance of building permit or certificate of occupancy.
- 5-409. Collection of tax.
- 5-410. Use and segregation of tax funds.
- 5-411. New tax levy.
- 5-412. Exemptions from tax.
- 5-413. Protest of tax.
- 5-414. Additional authority.
- 5-415. Non-repealer.

5-401. Short title. This chapter shall be known and cited as the Franklin Adequate Facilities Tax.

5-402. Purpose. This chapter is intended to assure the provision of adequate park, police, fire safety, general government and sanitation solid waste facilities to serve new development in the city by requiring each new development to pay a tax proportionate to the need for new facilities created by such development, the proceeds of which shall be used exclusively to fund capital improvements made necessary by new growth.

5-403. Findings. The board of mayor and aldermen (hereinafter "board") hereby finds and declares that:

(1) Williamson County, a suburban County of metropolitan Nashville, of which the City of Franklin is the county seat, is the second fastest growing county in the State of Tennessee based on population growth from 2000 to 2003.

(2) The county is experiencing rapid population and employment growth, in part as a result of the location of regional employment facilities; ~~such as the American Airlines hub and the General Motors Corporation's Saturn plant.~~

(3) The City of Franklin will experience an increase of 4,077 ~~2155~~ residential dwelling units and 4.3 ~~4.4~~ million square feet of nonresidential development ~~by the year 1993~~ between 2004 and 2010.

(4) The anticipated population and employment growth in Franklin creates the demand for additional park and recreational facilities, police and fire safety facilities, general government and sanitation solid waste facilities.

(5) The city is responsible for and committed to the provision of such public facilities and services at levels of service necessary to support anticipated residential and employment growth.

(6) The city has prepared a 5-year capital improvements plan which identifies such facilities and service levels, and which designates the sources of funding the same.

(7) The capital improvements costs of providing additional park and recreational facilities, police and fire safety facilities, general government and sanitation solid waste facilities to serve new growth for the next ~~20~~ 5 years will be approximately \$~~17.5~~ \$32.5 million.

(8) The city's capital improvements plan apportions the costs of providing additional public facilities and services among existing and future users of such facilities in proportion to the demands for these facilities generated by such users.

(9) The demand for additional parks and recreational facilities, police and fire safety facilities, general government and sanitation solid waste facilities to serve new growth in Franklin is generated in part by residential development and in part by non-residential development; taking into consideration factors such as usage of public facilities by employees residing outside of the city and demand for specialized services necessitated by non-residential development, the ratio of the impact on public facilities and services attributable to new residential development and new non-residential development is approximately 2: 1.

(10) The Legislature of the State of Tennessee has authorized the City of Franklin to impose an adequate facilities tax on the privilege of engaging in the business of development.

(11) The tax herein imposed is within the statutory limits established by the legislature and is otherwise reasonable and equitable. (1976 Code, § 6-203)

5-404. Authority. This chapter is imposed under the charter powers of the City of Franklin, Tennessee, and under the authority conferred on the city to levy an adequate facilities tax on the privilege of engaging in development by Tennessee Priv. Acts 1987, ch. 114 (HB 1308).

5-405. Definitions. As used in this chapter, unless a different meaning appears from the context:

(1) "Building" means any structure built for the support, shelter, or enclosure of persons, chattels, or movable property of any kind, including a mobile home, but excluding buildings used for agricultural purposes and residential accessory structures.

- (2) "Building permit" means a permit issued by the building official authorizing performance of a specified activity in or on a structure or building.
- (3) "Capital improvement" means a park or recreational facility; police facility; fire safety facility; general government facility; or sanitation solid waste facility, with a life expectancy of three or more years, owned and operated by or on behalf of the city.
- (4) "Capital improvements costs" means the cost of land acquisition, planning, design or construction for a capital improvement.
- (5) "Capital improvements plan" means the proposed schedule of future capital improvements, listed in order of construction priority over a 5-year period, the associated capital improvements costs and the anticipated funding sources for each project ~~together with the list of projected long-range capital improvements and capital improvements costs for the next 20 years.~~
- (6) "Certificate of occupancy" means a license for occupancy of a building or structure after the building or structure has been inspected to determine that construction has been undertaken in compliance with the building permit application and in conformity with the zoning ordinance and other pertinent ordinances or codes.
- (7) "City" means the City of Franklin, Tennessee.
- (8) "Development" means new construction, building, reconstruction, erection, extension, betterment or improvement of land providing a building or structure or the addition to any building or structure, or any part thereof, which provides, adds to or increases the floor area of a residential or nonresidential use, but does not mean renovation of an existing structure where there is no increase in the number of residential units, nonresidential square feet or intensity of the use.
- (9) "Dwelling unit" means a room, or rooms connected together constituting a separate, independent housekeeping establishment for owner occupancy, rental or lease on a daily, weekly, monthly, or longer basis; physically separated from any other room(s) or dwelling units which may be in the same structure; and containing independent cooking and sleeping facilities.
- (10) "Floor area" means the total of the gross horizontal area of all floors, including usable basements and cellars, below the roof and within the outer surface of the main walls of principal or accessory buildings or the center lines of a party wall separating such buildings or portions thereof, or within lines drawn parallel to and two (2) feet within the roof line of any building or portions thereof without walls, but excluding in the case of non-residential facilities: arcades, porticoes and similar open areas which are accessible to the general public, and which are not designed or used as sales, display, storage, service or production areas, and further excluding in the case of residential development, the first five hundred (500) square feet of each dwelling unit.
- (11) "Nonresidential" means the development of any property for any use other than residential use, except as may be exempted by this chapter.

(12) "Nonresidential accessory structure" means an enclosed storage shed which lacks heating and plumbing facilities and is used primarily for the storage of equipment, tools, heavy machinery, and so forth, which are not for sale, retail or wholesale, to the general public; or an attached open perimeter shelter which may be open on one or more sides, which lacks heating and plumbing facilities and which may be used for the storage of materials available for sale, retail or wholesale, to the general public.

(13) "Person" means any individual, firm, co-partnership, joint venture, association, corporation, estate, trust, business trust, receiver, syndicate, or other group or combination acting as a unit, and the plural as well as the singular number.

(14) "Place of worship" means that portion of a building, owned by a religious institution which has tax-exempt status, which is used for worship services and related functions, but does not include buildings or portions of buildings which are used for purposes other than for worship and related functions or which are or are intended to be leased, rented or used by persons who do not have tax-exempt status.

(15) "Public buildings" means a building owned by the State of Tennessee or any agency thereof, a political subdivision of the State of Tennessee, including but not necessarily limited to counties, cities, school districts and special districts, or the federal government or any agency thereof.

(16) "Replacement" means the number of residential units or nonresidential square feet within a removed or demolished structure, provided, however, that such existing structure was removed or demolished within nine (9) years prior to the application for a new building permit and that official city records exist to confirm its previous existence, size and use.

(17) "Residential" means the development of any property for dwelling unit or units.

(18) "Residential accessory structure" means a storage shed, detached carport or garage and other out buildings which are for accessory residential uses.

(19) "Structure" means anything which is constructed or erected, and the use of which requires more or less permanent location on ground or attachment to something having permanent location on ground, not, however, including wheels; an edifice of any kind; any production or piece of work, artificially built up or composed of parts and joined together in some definite manner.

5-406. Capital improvements plan. There is hereby adopted the capital improvements plan for the city for the years ~~1988-1993~~ 2006-2010 or as it may be amended by ordinance from time to time, a copy of which is attached hereto as Exhibit A and incorporated by reference herein. The fact that the capital improvements plan also identifies the capital costs of public facilities and services other than capital improvements as defined in this chapter has no effect on the computation or assessment of taxes herein established.

5-407. Tax levy. There is hereby levied a tax on each person engaging in the business of development in the city, which tax is to be paid at the time of issuance of a building permit or certificate of occupancy, as provided in § 5-409, as follows: (1) ~~\$.46~~ \$0.82 per gross square foot of new residential

single-family detached development. (2) \$0.71 per gross square foot of other residential new development. (3) ~~\$.77~~ \$1.18 per gross square foot of new non-residential development.

5-408. Prohibition on issuance of building permit or certificate of occupancy. No building permit nor certificate of occupancy for new development in the city shall be issued unless and until the tax herein imposed has been paid in full by the person engaging in such new development, as provided in § 5-409.

5-409. Collection of tax. (1) Each applicant for a building permit for new development shall state, on a form provided by the city, the amount of gross square footage contained in the development for which the permit is sought. (2) The city building official shall calculate the tax due on the development and collect such tax in cash prior to acceptance of the application for the permit. (3) In the event that a building permit is not required for the new development, the applicant for a certificate of occupancy shall state the amount of gross square footage contained in the development for which the certificate is sought, and the city building official shall calculate the tax due on the development and collect such tax in cash prior to acceptance of the application for the certificate. (4) In its sole discretion, the city may permit a person engaging in the business of development, upon application for a building permit for a development, to defer payment of the tax due until the time for issuance of the certificate of occupancy for such development, provided that such person provides security for the full amount of the tax due in a form acceptable to the city.

5-410. Use and segregation of tax funds. All taxes on new development collected pursuant to this chapter shall be deposited in a separate account. Funds of the account shall be expended solely for those capital improvements identified in the city's capital improvements plan.

5-411. New tax levy. The board may, from time to time, amend the tax herein imposed on new development, based upon adoption of a revised capital improvements plan, which identifies new capital improvements costs reasonably attributable to the new development. Such tax shall be collected prospectively only.

5-412. Exemptions from tax. No tax shall be assessed or collected for the development of: (1) Public buildings; (2) Places of worship; or (3) Replacement structures. (4) Non-residential accessory structures.

5-413. Protest of tax. Any person aggrieved by the assessment of the tax herein authorized may protest such assessment in the manner provided by the laws of the State of Tennessee.

5-414. Additional authority. The Franklin Adequate Facilities Tax on new development is in addition to all other authority the city may exercise to impose taxes, fees, assessments, or other revenue raising or land development regulatory measures granted either by private or public acts of the State of Tennessee and the imposition of such tax, in addition to any other authorized tax, fee, assessment or charge, shall not be deemed to constitute double taxation.

5-415. Non-repealer. The provisions of this chapter shall in no manner repeal, modify or interfere with the authority granted by any other public or private law applicable to the city.