



MEMORANDUM

June 14, 2013

TO: Board of Mayor and Alderman

FROM: Eric Stuckey, City Administrator
Lisa R. Clayton, Parks Director
Kevin Lindsey, Parks Facility Superintendent
Vernon Gerth, ACA Community & Economic Development

SUBJECT: Parkland Dedication Ordinance Discussion

Purpose

The purpose of this memorandum is to provide the Board of Mayor and Aldermen (BOMA) with an overview and discussion of why the parkland dedication ordinance is important and to highlight potential upcoming changes to be considered to the current zoning ordinance.

Background

Parkland dedication is a local government requirement of residential developers, mandating that they dedicate land for a park and/or pay a fee to be used by the City to acquire and develop park facilities. These dedications are a means of providing park facilities in newly developed areas of a jurisdiction without burdening existing city residents. They may be conceptualized as a type of user fee because the intent is that the landowner, developer, or new homeowners, who are responsible for creating the demand for the new park facilities, should pay for the cost of new parks.

The philosophy is that because new development generates a need for additional park amenities, the people responsible for creating that need should bear the cost of providing the new amenities. An appealing feature of parkland dedication is that it is responsive to market conditions. If fewer new people come to the city than predicted, then less money is forthcoming, so fewer parks are built. Similarly, as costs for acquisition and development of parks increase (or decrease), then parkland dedication requirements can be increased (or decreased) accordingly.

“From the perspective of elected officials, who are the key decision makers on this issue, parkland dedication enables them to protect the interests of current residents and to manage growth. A basic and long-held principle of growth management is that development must be supported by adequate public facilities and services and that private and public investment must be coordinated to achieve that objective. Parkland dedication ordinances are intended to ensure that park facilities are available when homeowners purchase their new homes, and to avoid authorizing development without ensuring that the park infrastructure necessary to support the new demands is available.” (Author, John Crompton).

Currently, the *Dedication of Public Land for Parks and Greenways/Blueways* is located within the Zoning Ordinance under subsection 5.5.4. Parkland dedication was established as a component of the Zoning Ordinance adopted by the Board of Mayor and Aldermen in 2008. There is sometimes confusion between parkland dedication fees and impact fees. A Parkland dedication derives from the “police powers” of Tennessee municipalities, which enable cities to take actions that promote the health, safety, and welfare of their residents. In contrast, impact fees require state legislative statutory enabling authority before they can be imposed. It is very important to recognize and acknowledge the innate differences of the two fees for citizens and design professionals from surrounding states that decide to bring forth new development into the City of Franklin. Related to this subject of development fees, State law does allow municipalities to collect a Facilities Tax for



capital improvements and equipment associated with Police, Fire, Solid Waste, and Parks. However, this fee is capped by state legislation and in recent years Franklin has decided to dedicate these fees to Police, Fire, and Solid Waste capital equipment and facility needs.

Financial Impact

The concerns City staff and the development community have expressed is the existing language within subsection 5.5.4. The calculation of the amount of parkland dedication requirement has developed some scrutiny regarding the payment in-lieu of dedication feature due to the vast difference of fair market land values tied to the location of a development within the city. The zoning ordinance subsection 5.5.4 states that once a development (residential or mixed-use) has ten (10) or more dwelling units, land shall be set aside for the use of parks or greenways/blueways. Developments shall dedicate land based on the required 1,200 square feet per dwelling for the first 35 principal dwelling units and 600 square feet for each additional principal unit beyond the first 35. Because a specific fee is not a set fee per dwelling unit but tied to land values, when there is an increase in density, the amount of dedicated parkland acreage increase which is a direct correlation to the inflated cost a development must pay to the city if they desire density over parkland dedication. The I-65 corridor is the most expensive in the state of Tennessee. Design professional are supportive of the program, but cost is derailing a positive program into something that can be construed as a “deal breaker.”

Recommendation

Parkland dedication is a way to fund capital projects within a growing community such as the City of Franklin. Over the next couple of months, it is our recommendation to engage a variety of parties to partner and provide a new version of what’s existing in the zoning ordinance. The following will be a few recommendations to come:

- Remove subsection 5.5.4 from the zoning ordinance and relocate it to a new chapter coming soon in the municipal code title, “Parks”. This new title will codify the various policies and procedures associated with the use of our park facilities.
- Identify and define the three types of park development fee amounts within the City of Franklin: Neighborhood Park (pocket), Passive Park, and Active Community Park. This development fee will be based on formula that identifies the density (residents) generated by a particular development which correlates to a fee derived from the capital cost and usable capacity of the various types of Parks. This model is used in other communities.
- Time Limitations for Expending the Fees-in-Lieu
- Calculating the Amount of a Park Dedication Requirement on either a per unit or per bedroom basis which can be adjusted periodically as the capital cost for park land and equipment changes.
- Timeline: Provide a draft ordinance to the Design Professional work group at their July 10th meeting and submit a draft ordinance to the joint workshop for BOMA & Planning Commission in July 25, 2013. The July Budget and Finance Committee meeting scheduled for July 24th could also be used for review and discussion of the draft ordinance.