



HISTORIC
FRANKLIN
TENNESSEE

ITEM #12
WRK S 02/09/10

MEMORANDUM

January 16, 2010

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator ^{ESS}
Vernon Gerth, ACA - Community and Economic Development

SUBJECT: Discussion of the merits of waiving building permit fees for public schools and selected not-for-profit agencies.

Purpose

The purpose of this memorandum is to initiate discussion on the merits of the BOMA waiving building permit fees associated with new buildings and improvements to public schools and not-for-profit entities that provide supporting services to the City.

Background

Occasionally, staff and elected officials receive requests from the County, school district and local not-for-profit agencies to waive certain building permit fees. Mayor Schroer recently received a request from My Friend's House who is planning to construct a new facility on Eastview Drive. Mayor Schroer requested the issue of waiving building permit fees for public schools and not-for profit entities who offer supporting services to our community be discussed with BOMA.

Cooperating with inter-governmental and not-for-profit agencies is an important element in providing the community with needed services. City of Franklin property owners already support our public school system through a variety of revenue sources, including property taxes. Not-for-profit agencies rely heavily on fundraisers and outreach in anticipation of receiving much-needed donations.

Financial Impact

With the exception of smaller residential building improvements, the majority of permit fees collected by the City cover the cost associated with staff reviewing plans, issuing permits, and performing on-site inspections. Waiving fees for public schools and selected not-for-profit agencies would reduce the City's revenue from building permits.

Options

Option 1 – Request staff to draft an Ordinance that defines the agencies and types of projects subject to full building permit fee waivers.

Option 2 – Request staff to draft an Ordinance that defines the agencies and types of projects subject to a 50% permit fee waivers or other percentage.

Option 3 – Do nothing and continue to assess building permit fees to all permit applicants, equitably.



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Recommendation

Direction and feedback from BOMA is sought. While there are varying opinions on this issue among staff, the City Administrator would recommend continuing the practice of charging all entities equally for building permit services. This is based on financial considerations and the principle that our building services are of value and customers, regardless of the nature of their business, should pay for those services.