



# MEMORANDUM

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June 2, 2010

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator  
Vernon Gerth, Assistant City Administrator for Community and Economic Development  
Catherine Powers, Planning and Sustainability Director

SUBJECT: Ordinance 2010-40, Amend Section 14-202 of Chapter 2, Title 14 of the Franklin Municipal Code to Revise Fees for the Planning Review Process

## **Purpose**

The purpose of this memorandum is to provide the Board of Mayor and Aldermen (BOMA) with information regarding an amendment to the Municipal Code for fees related to the Plan Review Process. (Ordinance 2010-40)

## **Background**

This *Municipal Code* amendment relates to a revision of the Fee Schedule for Plan Review. In the summer of 2009, the Planning and Sustainability staff undertook a survey of similar cities to ascertain Franklin's position related to fees charged for development projects. This survey was undertaken because the City of Franklin has not increased Planning fees in several years. Additionally, staff noted a trend of applicants for variances submitting a request, even when they met none of the thresholds for obtaining a variance, as established under state law and city requirements. Staff surmised that, since the variance fee is only \$50.00, applicants felt they could simply "try their luck." The majority of these variances are not granted by the Board of Zoning Appeals. The fee survey did illustrate that, particularly in the areas of fees for the BZA, the City is very low, compared to other jurisdictions.

The comparison cities used in the fee survey were chosen based upon their status as upscale communities of similar size and position to Franklin near a major metropolitan city.

The fees included within the comparison cover a broad spectrum of review and planning services, including site plan review, preliminary plats, final plats, appeals of administrative decisions (BZA), and variances.

In every instance, the City of Franklin fees are less than those charged by similar communities.

Exhibit 1 includes a chart depicting the base charges for each community and comparisons for the averages for each category for the most common planning services. For informational purposes only, the chart also includes (in gray) additional fees charged by some cities based on number of lots, square footage, or acres developed. These measures are not included in the averages. Exhibit 1 also contains a chart showing a fee comparison of proposed and actual development review fees and BZA fees.



Staff realizes that, although current fees in Franklin are lower in comparison, an increase to meet the depicted averages could create a negative impact on developers, when looking at the Plan Review Fees in connection with impact fees and tap fees. A review of impact fees, tap fees, and other development related fees from several other Mid-state municipalities is included within Exhibit 2 to illustrate the cost to developers, with an understanding that Plan Review Fees play into the overall cost of developing in Franklin. However, Plan Review Fees do cover actual costs of staff time, while impact fees are related to the construction costs of the development.

Exhibit 3 illustrates the staff time that is involved in the submission of a single item for plan review within the city. It should be noted that the Franklin Plan Review Process is often more complex than many surrounding municipalities because of regulations designed to safeguard the quality of life in Franklin. These proposed fees still will not fully cover all costs of the review in many situations, leaving the City to subsidize those expenses.

Exhibit 4 takes the existing and proposed fees, as well as the tap and adequate facilities tax within the City for Site Plans and Final Plat reviews to provide a comparison of the current development costs and the development cost if the proposed fee schedule is adopted. The overall impact is negligible on the costs for a development. For a 100-unit Residential Subdivision, the plan review fee revision equates to an increase of \$100.00 for a final plat. For a 50,000 square foot office building, the plan review fee revision equates to an increase of \$125.00 for a nonresidential site plan. For a 10,000 square foot retail center, the plan review fee revision equates to an increase of \$125.00 for a nonresidential site plan.

Taking all this information into account, staff is recommending the revision, as shown on the chart in Exhibit 1, under the Franklin Proposed column, as well as within the Ordinance 2010-40. Approval of these recommended fees will assure that the cost of Planning services are adequately covered and that fees charged are closer to similar communities, without creating an adverse situation for development.

This ordinance was unanimously favorably recommended onto the Board of Mayor and Alderman by a vote of 8 to 0 at the May 27, 2010, of the Franklin Municipal Planning Commission meeting.

### **Financial Impact**

Some additional revenue could be generated by the increased fees.

### **Options**

1. Approve the fee schedule, as submitted.
2. Approve only selected items of the fee schedule, especially those in which the City is far behind other communities.
3. Approve only a change to the Board of Zoning Appeals fees and no other Plan Review Fees.
4. Make no changes to the existing fee schedule.

### **Recommendation**

Staff recommends Option 1, above, and approval of Ordinance 2010-40.

ORDINANCE 2010-40

AN ORDINANCE TO AMEND SECTION 14-202 OF THE FRANKLIN MUNICIPAL CODE RELATIVE TO THE APPLICATIONS, PERMITS, INSPECTIONS AND FEES FOR INSPECTION AND REINSPECTIONS FOR THE PLANNING REVIEW PROCESS.

WHEREAS, due to the cost of materials and labor, it is necessary to set fees for the City of Franklin, Tennessee, to be partially reimbursed for these costs; and

WHEREAS, the fee schedule for the plan review process has not been revised to keep pace with inflation; and

WHEREAS, the City of Franklin’s plan review fees are significantly lower than those of many surrounding municipalities.

NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, AS FOLLOWS:

SECTION I: That Section 14-202 of the Franklin Municipal Code is hereby amended to delete the following text noted with a ~~striketrough~~; to add the following text noted in **bold**; and is approved to read as follows:

“TITLE 14  
\* \* \*  
CHAPTER 2  
  
ZONING ORDINANCE  
\* \* \*

**“14-202. Applications, permits and inspection fees.**

(1) Applications, permits, inspections and fees for inspection and reinspections for the planning review process shall be as required below and as may be required by other local, state and federal laws.

<u>Item</u>	<u>Charge</u>
Rezoning.....	\$250 <del>\$400</del>
Concept Plan.....	\$250 <del>\$400</del>
Regulating Plan.....	\$100 <del>\$300</del> plus \$0.02 per square foot of nonresidential building and \$10 per dwelling unit
Site Plan.....	\$175 <del>\$300</del> plus \$0.02 per square foot of nonresidential building and \$10 per dwelling unit

Tower and Antennas.....	\$1000 for those requiring Planning Commission Review; \$100 for those requiring Administrative Review by the Codes Department of <b>Building and Neighborhood Services</b>
Preliminary Plat.....	<del>\$100</del> \$300 plus \$20 per lot
Final Plat.....	<del>\$100</del> \$200 plus \$25 per lot <del>and any recording fees-</del>
<del>Board of Zoning Appeals Variance</del>	<del>\$50</del> \$300
<b>Appeal of Administrative Decision</b>	<b>\$250</b>

**SECTION II: BE IT FINALLY ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE,** that this Ordinance shall take effect from and after its passage on second and final reading, the public health, safety and welfare requiring it.

**ATTEST:**

**CITY OF FRANKLIN, TENNESSEE:**

By: \_\_\_\_\_  
**ERIC S. STUCKEY**  
City Administrator/Recorder

By: \_\_\_\_\_  
**JOHN C. SCHROER**  
Mayor

PLANNING COMMISSION RECOMMENDED APPROVAL: 5/27/10

PASSED FIRST READING: \_\_\_\_\_

PASSED SECOND READING: \_\_\_\_\_



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# MEMORANDUM

## EXHIBIT 1

### Development Review Fees Comparison

Franklin	Murfreesboro	Smyrna	McKinney TX	Cary NC	Alpharetta GA	Peachtree City GA	Castle Rock CO	Naperville IL
<b>Rezoning:</b> \$250	\$600	\$250	\$325+\$15/ac	\$700		\$600+\$50/acre	<b>Res:</b> \$3,020+\$47.50/ac over 60 ac <b>Nonres:</b> \$2,365	0-5 ac: \$5,000 <b>5-50 ac:</b> \$5,000+300/ac over 5ac 50+ ac: \$18,500
<b>Site Plan:</b> \$175 plus \$0.02 per square foot nonresidential & \$10 per dwelling unit	\$300	\$300+\$0.03/Sq Ft	\$250	\$700 or \$1500	\$750 or \$1000	\$250+\$10/acre	<b>Res:</b> \$4,200 <b>Nonres:</b> \$3,970 "Straight Zone": \$8,665	\$230
<b>Preliminary Plat:</b> \$100 plus \$20 per lot	\$300+\$75/lot	\$300+\$50/lot	\$325+\$5/lot		\$750	\$250+\$4/lot	<b>Res:</b> \$3,575 <b>Nonres:</b> \$3,345	0-5 ac: \$2500 <b>5-50 ac:</b> \$2500+ \$120/ac over 5 50+ ac: \$7900
<b>Final Plat:</b> \$150 plus \$25 per lot	\$150+\$50/lot	\$200+\$25/lot	\$325+\$5/lot	\$250 or \$300	\$750	\$250+\$10/lot	\$4,630+15/lot over 200 lots	0-5 ac: \$5,000 <b>5-50 ac:</b> \$5,000+\$300 50+ ac: \$18,500
<b>BZA:</b> \$50	\$300	\$200	n/a			\$250	Sign: \$525	
<b>Variance:</b> \$50	\$250	\$200	\$250	\$300	\$100 or \$500	\$250	\$1,050	\$350

\*Numbers in the grey font color were not used in determining the average.

	Average	Franklin- Existing	Franklin- Proposed
Rezoning/ Concept Plan	\$1405.71	\$250	\$400
Site Plan	\$843.75	\$175 plus \$0.02 per square foot nonresidential & \$10 per dwelling unit	\$300 plus \$0.02 per square foot nonresidential & \$10 per dwelling unit
Regulating Plan	N/A	\$100 plus \$0.02 per square foot nonresidential & \$10 per dwelling unit	\$300 plus \$0.02 per square foot nonresidential & \$10 per dwelling unit
Preliminary Plat	\$1,110	\$100 plus \$20 per lot	\$300 plus \$20 per lot
Final Plat	\$1,444.37	\$100 plus \$25 per lot	\$200 plus \$25 per lot
BZA (Appeal)	\$318.75	\$50	\$250
Variance	\$343.75	\$50	\$300



**Fee Comparison of Development Review Fees and BZA Review Fees  
Planning Department  
2009**

	Review Fees Actual	Review Fees Proposed	BZA Actual	BZA Proposed
January	\$1776.14	\$4,078.42	\$50.00	\$250.00
February	\$8,798.44	\$9,898.44	\$0.00	\$0.00
March	\$4,744.02	\$5,894.02	\$0.00	\$0.00
April	\$679.20	\$1,029.20	\$100.00	\$600.00
May	\$780.00	\$1,600.24	\$150.00	\$850.00
June	\$975.24	\$1,280.00	\$50.00	\$300.00
July	\$1,479.02	\$1,929.02	\$0.00	\$0.00
August	\$3,100.00	\$3,625.00	\$150.00	\$900.00
September	\$3,673.06	\$4,848.06	\$150.00	\$850.00
October	\$350.00	\$575.00	\$100.00	\$550.00
November	\$3,849.66	\$4,449.66	\$0.00	\$0.00
December	\$1,071.52	\$1,571.52	\$0.00	\$0.00
<b>YEAR END TOTAL</b>	<b>\$30,204.78</b>	<b>40,778.58</b>	<b>\$750.00</b>	<b>\$4,300.00</b>

Plan Review Difference: Increase of \$10,573.80 using the revised fee structure, based on the survey of other municipalities.

BZA Review Difference: Increase of \$3,550.00 using the revised fee structure, based on the survey of other municipalities.

# EXHIBIT 2

## Comparison of Road Impact Fees and Adequate Facilities Tax Collected throughout the Nashville Region

City/Town	Development Fee			100-Unit Subdivision			50,000 SF Office Building			10,000 SF Retail Strip Center			Grand Total Fees			
	Road Impact Fee	Adequate Facilities Tax	Other Fee	Road Impact Fee	Adequate Facilities Tax	Other Fee	Road Impact Fee	Adequate Facilities Tax	Other Fee	Road Impact Fee	Adequate Facilities Tax	Other Fee		Total		
Nolensville	Yes	Yes	No	\$291,200	\$336,600	\$0	\$627,800	\$37,600	\$102,000	\$0	\$139,600	\$8,490	\$20,400	\$0	\$28,890	\$796,290
Franklin	Yes	Yes	No	\$219,100	\$329,300	\$0	\$548,400	\$94,550	\$59,000	\$0	\$153,550	\$26,810	\$11,800	\$0	\$38,610	\$740,560
Brentwood	No	No	Yes	\$123,000	\$0	\$0	\$123,000	\$151,500	\$0	\$0	\$151,500	\$44,150	\$0	\$0	\$44,150	\$318,650
Spring Hill	No	Yes	No	\$0	\$165,500	\$0	\$165,500	\$0	\$25,500	\$0	\$25,500	\$0	\$5,500	\$0	\$5,500	\$196,500
Murfreesboro	No	No	Yes	\$0	\$0	\$45,000	\$45,000	\$0	\$0	\$22,500	\$22,500	\$0	\$0	\$33,750	\$33,750	\$101,250
Hendersonville	No	No	Yes	\$0	\$0	\$30,000	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,000
Dickson	No	No	No	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Notes**

Road Impact Fee and Adequate Facilities Tax rates and formulas were gathered from cities surrounding Nashville in order to compare fees that help offset development in each community. This chart shows the range in types and amounts of fees collected according to development type.

Nolensville Road Impact Fee can be used toward arterials and collectors

Franklin Road Impact Fee used for arterials only

Brentwood "Public Works Project Fee" used for arterials streets only

Murfreesboro "Fee in Lieu of Construction" collected if street is substandard (needs sidewalks, curb & gutter) and is \$45 per LF of frontage

Hendersonville "Road Fee" negotiated during PUD approval

Dickson has no fees collected by City

**Building/Site Characteristics and Assumptions:**

<u>Residential Subdivisions:</u>		<u>Office Building:</u>		<u>Retail Strip Center:</u>
Single Family Lots/Homes:	100	Square Footage	50,000 gross SF	Square Footage:
Avg heated SF:	3,300	Street Frontage:	500 LF	10,000 gross SF
Avg heated + unheated SF:	3,700			750 LF
Street Frontage:	1,000 LF			



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### **EXHIBIT 3**

#### **Staff Time for Plan Review Items**

There are 20 individuals involved in the Departmental Review Team (DRT) plan review process. This includes staff members from the following City Departments: Planning and Sustainability, Building and Neighborhood Services, Engineering, Fire, Police, Parks, Streets, and Water Management. The plan review fee submittal is meant to capture a portion, but certainly not all, of the staff time devoted to the review of the plans to ensure compliance with the City's various plans, policies, and standards (including the *Land Use Plan*, the *Greenway and Open Space Plan*, the *Zoning Ordinance*, the *Subdivision Regulations*, the *Transportation & Street Technical Standards*, *Municipal Code*, and other requirements). Some submittals require less review time than others. Conversely, some projects require much more review time than others, but the following provides an approximation of staff time devoted to review of an average item submitted for Planning Commission or Administrative Review:

- Pre-application conference: 1.5 hours (includes meeting and preparation time)
- Initial Submittal: 3.5 hours (1.5 hours of review and 2 hours spent in DRT)
- Resubmittal: 2.5 hours (1 hours review and writing up comments; 2 hours in DRT)
- Staff Reports: 1 hours (spent on write-up)
- Post-PC: 1 hours (review and comments write-up)

**Individual staff time, per item: 9.5 hours**

**Total staff time, per item: 190 hours**

Considering that the average hourly wage of a member of the DRT is \$22.00 per hour, this equates to a cost to the city of **\$4,180** per project for the plan review.





## **EXHIBIT 4**

### **Development Costs with Review Fees, Impact Fees, and Adequate Facilities Taxes**

The following would be the development costs with the existing Plan Review Fee Schedule:

	100-Unit Subdivision	50,000 SF Office Building	10,000 SF Retail Strip Center
<b>Existing Fee</b>	<b>\$2,600</b>	<b>\$1,175</b>	<b>\$375</b>
Road Impact	\$219,100	\$94,550	\$26,810
Adequate Facilities Tax	\$329,300	\$59,000	\$11,800
<b>Total</b>	<b>\$551,000</b>	<b>\$154,725</b>	<b>\$38,985</b>

The following would be the development costs with the proposed Plan Review Fee Schedule:

	100-Unit Subdivision	50,000 SF Office Building	10,000 SF Retail Strip Center
<b>Proposed Fee</b>	<b>\$2,700</b>	<b>\$1,300</b>	<b>\$500</b>
Road Impact	\$219,100	\$94,550	\$26,810
Adequate Facilities Tax	\$329,300	\$59,000	\$11,800
<b>Total</b>	<b>\$551,100</b>	<b>\$154,850</b>	<b>\$39,110</b>

The follow shows the difference in total project cost between the existing and the proposed Plan Review Fee Structure:

- 100-Unit Subdivision: difference of \$100
- 50,000 SF Office Building: difference of \$125
- 10,000 SF Retail Center: difference of \$125

Staff concludes that there is no material effect on the total development cost, in terms of fees, whether plan review, impact, or tap, based on the Plan Review Fee revision. The proposed fee revision will bring the City more in line with other jurisdictions and provide more coverage of staff time during plan review, while not overly imposing restrictive fees on the development community.