



IMPACT FEES PRESENTATION

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INEQUITY IN IMPACT FEES FROM BUILDING TYPES

Building	Type	Square Footage	Meter Size	Impact Fees Paid	Impact Fee Paid w/New Methodology
A	Business & Mercantile	X	4"	\$161,253	\$1,658,565
B	Business	2X	4"	\$161,253	\$3,582,643
C	Business & Mercantile	Y	3"	\$111,825	\$486,253
D	Business	5Y	3"	\$111,825	\$2,710,331

SFUE METHODOLOGY EXAMPLE CALCULATION I

- A 300-unit apartment complex is developing within the City consisting of 100 one-bedroom homes, 100 two-bedroom homes, & 100 three-bedroom homes

Occupancy	Number of Units	Demand Factor (gallon/unit)
R2B1	100	250
R2B2	100	300
R2B3	100	350

$$\text{R2B1: TD} = \left[100 \text{ units} \right] \left[\frac{250 \text{ gallons}}{\text{Unit-day}} \right] = \underline{\underline{25,000 \text{ gallons}}}$$

day

$$\text{R2B2: TD} = \left[100 \text{ units} \right] \left[\frac{300 \text{ gallons}}{\text{Unit-day}} \right] = \underline{\underline{30,000 \text{ gallons}}}$$

day

$$\text{R2B3: TD} = \left[100 \text{ units} \right] \left[\frac{350 \text{ gallons}}{\text{Unit-day}} \right] = \underline{\underline{35,000 \text{ gallons}}}$$

day

SFUE METHODOLOGY EXAMPLE CALC 2 (CONTD.)

- Once we determine the total demand for each occupancy, sum together for total demand for complex:

$$\text{Total Demand} = R2B1 + R2B2 + R2B3$$

$$\text{Total Demand} = 25,000 + 30,000 + 35,000$$

$$\text{Total Demand} = 90,000 \frac{\text{gallons}}{\text{day}}$$

- Then determine the SFUE multiple: $\text{SFUE} = \frac{90,000}{350} = 257.1 \text{ SFUEs}$

SFUE METHODOLOGY EXAMPLE CALC 2 (CONTD.)

- Then, determine the total fees.
 - WATER: $257.1 \text{ SFUEs} \times \$3,624 = \$931,730$ impact fee
 - \$1,553 / resident (assuming 600-resident complex)
 - SEWER: $257.1 \text{ SFUEs} \times \$16,719 = \$4,298,455$ sewer impact fee
 - \$7,164 / resident (assuming 600-resident complex)

PROPERTY VALUES

- Property values in Franklin have consistently continued to rise in past years:
 - Median home price averaging around \$900k
 - Water impact fee = 0.4% of home price
 - Sewer impact fee = 1.9% of home price

RATE IMPACT

- Preliminary calculations show a rate impact (in 2022 dollars) of approximately \$35 / average residential user per month
- Totaling an additional approximately \$420 / year to the average sewer customer

AFFORDABLE HOUSING

- Policy change incorporated into Title 18
- Guidance
 - Housing & Urban Development guidance
 - Other Tennessee municipalities examples
 - COF Building & Neighborhood Services Affordable Housing standards
- Is this offset by another fund?

RECOMMENDATIONS

- WMD recommends increasing water impact fees to include projects already completed totaling \$3,624.
- WMD recommends ultimately increasing sewer impact fees to recapture project costs totaling currently in progress totaling \$16,719.

NEXT STEPS

- October 25 Worksession to present Ordinance for review (red-lined)
- November 2, 2022 BOMA – first reading
- December 13, BOMA - second reading and public hearing
- January 10, 2023 - third & final reading
- Implementation in CY 2023 based on guidance from the BOMA on timing and/or phasing of proposed fees.

- Questions?